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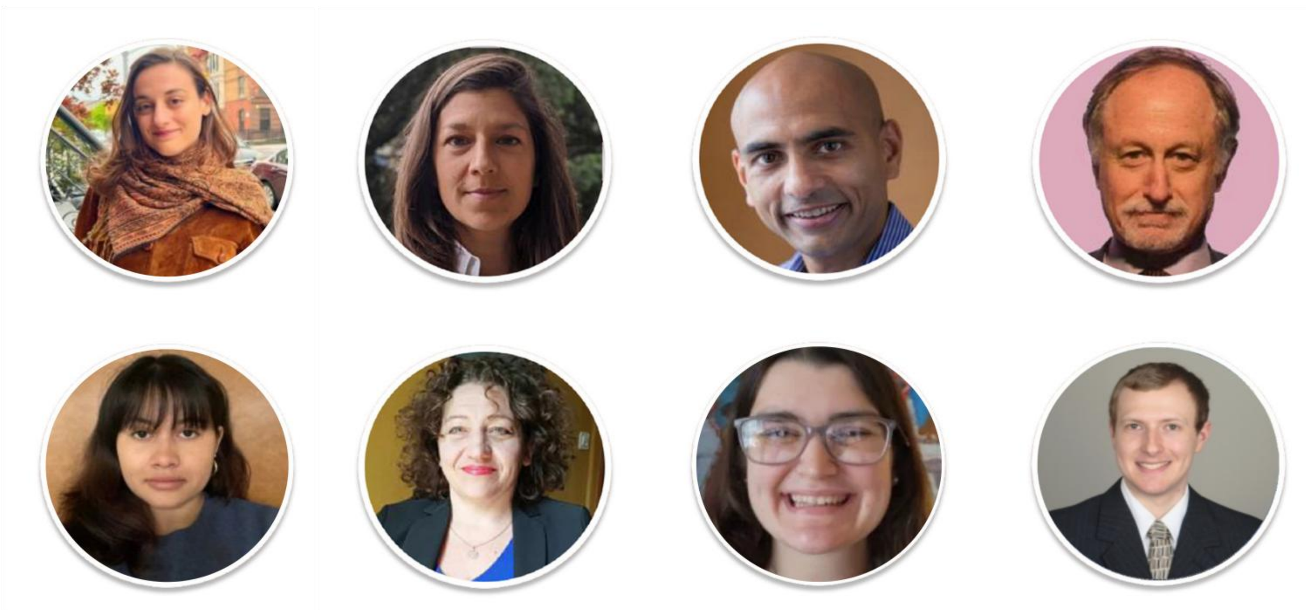

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China and the Historical Significance of 1979

Alfredo Toro Hardy
June 03, 2026

The year 1979 marked a turning point with three defining shifts: the rise of Islamism, the surge of evangelical fundamentalism in the US and China's economic opening under Leader Deng Xiaoping. His pragmatic reforms transformed China into the world's largest economy in Purchasing Power Parity terms by 2014. These events reshaped global politics, economics and culture, with lasting consequences still unfolding today.

The year 1979 was a pivotal time in history when fundamental changes occurred. During that year, three processes that would shape the following decades emerged: the rise of Islamism, the surge of evangelical fundamentalism in the US and the economic opening of China.

The emergence of fundamentalisms

In both the Middle East and the US, an unexpected phenomenon occurred. In her book The Battle for God, Karen Armstrong summarized it in the following terms:

The fundamentalist assault took many by surprise. They had assumed that religion would never again be a major player in politics, but in the late 1970s, there was a militant explosion of faith … This sudden eruption of religion seemed shocking and perverse to the secularist establishment. Instead of embracing one of the modern ideologies, which had proved so effective, these radical traditionalists quoted religious texts and cited archaic laws and principles that were quite alien to the twentieth-century political discourse.

In 1979, the Islamic Revolution triumphed in Iran, unleashing a movement that would completely change the face of the Middle East. Although initially identified with the Shiite faith, Islamism would subsequently extend its overwhelming influence to the Sunnis. The hostage crisis of 1979, 9/11, the war in Afghanistan (although not in Iraq), the Islamic State of Iraq and Syria (ISIS), and even the current war in Iran can be counted among its consequences. -0[

That same year, the so-called "Moral Majority" movement also emerged in the US. Through it, extreme expressions of Baptism, Pentecostalism and other manifestations of dissident Protestantism not only converged but forcefully intruded into American politics. The following decades would attest to its true impact. Christian nationalism, social conservatism and even the current cultural war significantly fall under its consequences.

Although totally independent in nature, these two fundamentalist movements seemed to represent, in Karen Armstrong's words, "an atavistic return to the past."

China's economic opening

But 1979 also put in motion China's economic takeoff. Given that, as a result of that process, this country became a rival superpower to the US, threatening to surpass it, this represented the most meaningful of the three events that took place that year. Especially so, as war between the two countries could ensue as a result of China´s rise.

Beginning in 1979, Chinese Leader Deng Xiaoping initiated an ambitious process of economic change based on a new interpretation of the dangers posed by the international order. This implied a convergence between international relations and economics, as the two pillars of his proposal were the abandonment of former Leader Mao Zedong's "war and revolution" thesis and the entry into an era of "economic opening without political change."

The Mao Zedong era, indeed, had been characterized by the conviction that war was inevitable. This led to an emphasis on economic policies designed to sustain a two-front war — with both the Soviet Union and the US. As a result of this conviction, economic resources had been dispersed, including to costly, mountainous areas ill-suited for the production or movement of products. This also entailed avoiding vulnerable coastal areas, which had historically been the epicenters of China's economy.

Based on his interpretation of the international environment, Deng concluded that a world war was improbable in the foreseeable future. Under such conditions, the Maoist policy of "war and revolution" could be replaced with another one of "peace and development." In Joshua Cooper Ramo's words: "It was one of those great strategic intuitions by a historical leader, a coup d'oeil ("a quick glance") that defined the basis of all that came afterward."

This would translate, a few years later, into a foreign policy defined by non-aggression, non-intervention and peaceful coexistence with all countries, regardless of their political systems.

An indigenous model

However, Deng not only prioritized economic development but also emphasized doing so in an endogenous way. He called it "socialism with Chinese characteristics." Others, however, talked of "capitalist measures with Chinese characteristics."

This implied a highly pragmatic model, far removed from the shock therapies that characterized the then fashionable Washington Consensus. A set of policies that was causing much damage in different places around the world. Indeed, instead of the inflexible directions of the former, China chose a flexible path that allowed for trial and error.

By clearly defining goals through strategic planning, the country allowed itself ample tactical room for maneuver, leaving space to react to undesirable effects or changing circumstances. According to Deng's aphorism, this was tantamount to "crossing the river by feeling the stones."

Such a process took a pathway of progressive stages and periodic adjustments in which transitory policies acted as bridges from one stage to the following:

The reform process has been gradual and pragmatically introduced in progressive stages that build on, and adjust to, experience in the development of greater market forces in the economy. This incrementalism involves the interaction of initial conditions with transitional policies.

But if this process differed from the Washington Consensus, it also differed from Perestroika in the Soviet Union, which underwent simultaneous economic and political liberalization. An experiment that brought with it the collapse of the Soviet system. China, by contrast, pursued economic liberalization under political control. Not surprisingly, in 1989, Deng preferred the bloody repression of the student movement demanding democratization rather than allowing the Chinese

Communist Party to lose political control of the process.

By remaining between the extremes represented by the Washington Consensus and Perestroika, Deng Xiaoping achieved the success of his economic liberalization model.

Gradualness

The model's gradualness was evident in the management of its export and domestic production industries. The former was channeled through special areas that subsequently expanded, while the latter saw a progressive reduction of the protection assigned to them.

The establishment of the Special Economic Zones in 1979 began the opening up of the Chinese economy to foreign investments. Its initial centers were in Southeast China, in the newly created cities of Shenzhen, Zhulai and Shantou in the province of Guangdong, and Xiamen in the province of Fujian. In 1983, eight additional zones for priority investments were added in the Beijing-Bohai Bay area, the Shanghai Zone, the Wuhan Zone and the Pearl River Delta Zone. In 1984, 14 additional coastal cities were opened up for foreign investment in Tianjin, Shanghai, Dalian, Qinhuangdao, Lianyungang, Nantong, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai. And so on and so forward.

Meanwhile, tariff protection was being reduced in direct relation to the capacity of Chinese companies to face foreign competition: 55% in 1982, 24% in 1996 and 12% in 2003. In 2006, as a result of China's accession to the World Trade Organization (WTO) in 2001, tariffs went down to 6%. As a matter of fact, by joining the WTO, economic opening ceased to be confined to special economic zones and spread to the whole country.

The greatest economic growth in human history

The opening process was not only gradual but also strategically planned to promote specific sectors and activities through selective policies. The gradualness of this process, though, should not make us lose sight of its velocity. The extraordinary magnitude of changes that occurred in just a few decades is the best proof of its speed, which, according to the World Bank, resulted in the "fastest sustained expansion of a major economy in history." Between 1979 and 2018, such economic growth averaged 9.5% a year. This not only lifted 800 million people out of poverty, but also allowed China to double the size of its economy every eight years. According to the International Monetary Fund, in 2014, China overtook the US as the largest world economy on a Purchasing Power Parity (PPP) basis, which resulted in an even more impressive outcome when bearing in mind that in 1980, China's GDP on a PPP basis was just one-tenth of that of the US.

The above implies having moved from an "iron rice bowl" economy to the world's largest economy on a PPP basis in little more than four decades. Shenzhen exemplifies this dimension of change: a small city of 20,000 inhabitants in 1979, it had a population of 17.5 million in 2020.

A strong return to State intervention and a clear subordination of the economy to politics has taken place since President Xi Jinping's arrival to power, which has created numerous problems for that country's economy. However, no one can deny the magnitude of what has been achieved since Deng's time.

Without doubt, among the three major climatic events that took place in 1979, the Chinese economic opening had the greatest historical significance. Although confronting Islamism seemed to be America's top priority for a time, this ended up being a big distraction in relation to that country's real challenge: China's forceful emergence. One, that seems to represent the decline of the US and the Western dominance, and the advent of a new Eastern epoch led by China.

[Kaitlyn Diana edited this piece.]

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A Different UK Within a Different EU in a More Dangerous World

Stephen M. D. Day
June 08, 2026

A rumination on the question of re-establishing a close post-Brexit UK–EU relationship posits that trading, defense and political benefits outweigh the potential downsides. Still, a step-by-step approach, with fact-based communication, might work better than a one-time, "all-in" move. With Thomas Paine's Common Sense as inspiration, if we learn from past mistakes, there may never be a more advantageous time than now for a UK–EU reunion.

"There is a tide in the affairs of menWhich, taken at the flood, leads on to fortune;Omitted, all the voyage of their lifeIs bound in shallows and in miseries.On such a full sea are we now afloat;And we must take the current when it serves,Or lose our ventures."

– William Shakespeare, Julius Caesar

In January 1776, Thomas Paine, a major figure during the American Revolution, published Common Sense in support of the Patriots' cause. According to Wikipedia, "[w]riting in clear and persuasive prose, Paine collected moral and political arguments to encourage common people in the Colonies to fight for egalitarian government." Historians believe that Common Sense had a huge impact on the widespread support for the Declaration of Independence.

Paine wasn't always successful, however. His life in England "was marked by repeated failures. He had two brief marriages. He was unsuccessful or unhappy in every job he tried. He was dismissed from the excise office after he published a strong argument in 1772 for a raise in pay as the only way to end corruption in the service." Sound familiar? Then he met Benjamin Franklin in London, who gave him letters of introduction and suggested he go to America and seek his fortune there. The rest is history.

That is why there is delicious irony in allying Paine with the reverse proposition of Brexit: the push for the UK rejoining the EU — in some capacity, ASAP. This, in effect, would be a third chapter of a long-running UK–EU saga. First, the UK joined the European Economic Community (EEC), the forerunner to the EU, in 1973. Second, the UK decided to leave the EU in 2016, formally exiting in 2020 — largely due to concerns about loss of sovereignty and whipped-up negative public sentiment about the EU.

Note that Paine had a negative sentiment about the UK. That is why he left for the New World and became a Founding Father of the US. So it is ironic that Paine's words hit the nail on the head when it comes to the timing of a new UK–EU relationship. In 1776, Paine wrote, "the time hath found us" in regards to the question of when the perfect time would be for America to seek independence from Britain. As this English-born American knew, timing is everything. That timing for the UK and the EU is now when it comes to the question of returning to a closer relationship, including full membership.

The upsides of a closer relationship

For a tighter re-union, the EU and UK each need to identify the significant net benefits of a closer, re-formalized relationship where timing is propitious. Lengthy articles, discussions and political maneuvering have held forth ad nauseam on this issue. Action is needed now. As with prophetic, peripatetic Paine, here are several reasons for and against the UK and EU seeking a "de jure" agreement — yet again.

The biggest "pro" identified is trade. The UK's largest trading partner is the EU. In 2024, the EU accounted for 41% of UK exports and 51% of UK imports. The EU imports machinery, mineral and chemical products, transport equipment, and base metals from the UK. The UK imports the same from the EU, plus foodstuffs, beverages and tobacco. Financial services, travel and telecommunications flow both ways.

The UK also has significant value-added capabilities for the EU when it comes to defense. Already, the UK has bilateral agreements with France's Lancaster House, Germany's Trinity House and Norway's Lunna House. In addition, the UK and Poland are negotiating a defense and security treaty. Plus, the UK has significant defense partnerships beyond the EU: a NATO membership; the Five Eyes Agreement, an intelligence-sharing alliance with the US, Canada, Australia and New Zealand; and the UK–US Technology Prosperity Deal, a series of financial investments from US tech firms.

In 2024–25, the UK had a $80.7 (£60.2) billion defense budget, which is expected to increase to $83.4 (£62.2) billion in 2025–26. There is also the UK's nuclear deterrent, selective global force projection and lead Commonwealth status. This is all useful towards a stronger EU in today's and tomorrow's unpredictable relationship with the US, especially considering the US has threatened to withdraw troops from Germany.

However, the UK is struggling with budgetary issues. This is where the UK would greatly benefit from recent defense initiatives by the EU. The European Defence Fund (EDF), European Defence Industry Programme (EDIP) and Security Action For Europe (SAFE) are some examples. These initiatives support EU member states, developing, strengthening and rationalizing their defense industrial base through loans and grants.

Additionally, the traditional decision-making triangle between France, Germany and the UK is now broken. Paris and Berlin have been left in a difficult tête-à-tête. This is true on many subjects, but especially on defense. This is due to the lack of military culture in modern Germany, coupled with the need to increase its defense budget and forces — a need pushed by Washington and, more importantly, by the Russia–Ukraine War. A rapprochement with the UK would certainly help facilitate the defense debate between the top EU member states. In this context, the UK, France and Germany should advocate for a healthy ménage-à-trois.

Of course, there are also the practical reasons. The UK and EU are compatible geographically, socially and politically. Both entities share important common values, especially location, which can never be understated. English remains the predominant working EU language, and yet, ironically, the UK is no longer a member of the current EU!

A partnership is also completely reasonable when you consider how economic, political and cultural issues will benefit, especially when it comes to industries such as agriculture, fisheries, tourism and entertainment. In addition, the UK, as demonstrated historically, is a useful historical counterbalance (aka bulwark) — or rather a complement — to Germany and France, providing long-term political, social and economic stability and heft to the EU. As far as health or phytosanitary standards, the UK population's attitude and request for safety is now closer to the rest of Europe than to the current US deregulatory policy.

There is also the foreign policy aspect to think of. By formalizing its relationship with the EU, the UK can add a powerful "anti-venom" to neutralize positions taken by the current US administration. Canada, Greenland/Denmark, Iran, Lebanon, NATO and the Falkland Islands are examples of American fiascos in handling international relationships. These fiascos underscore the need for the UK and the EU to come up with more forceful consolidated responses to the US on international issues.

Constant monitoring is the only way to avoid the cons

Of course, as with everything, there are downsides. In the UK's eyes, the biggest con for a UK–EU partnership is perceived expanded bureaucracy. This was a previous problem that caused a majority of the UK voting population to sour towards EU membership. The UK government had already kept its distance from Brussels, notably by opting out of the common currency, the euro. Yet the idea of the loss of national sovereignty became popular amongst Brexit supporters who voted to reclaim it in 2016. The situation on the other side of the channel is, however, different from what it was ten years ago. The European Commission, under pressure from the EU member states and the European Parliament, has started a process of simplification: cutting red tape wherever necessary to ease life for citizens and businesses. This development, however, needs close attention and better communication with constituents in member states as well as the UK.

A new UK–EU relationship will also require continuous vigilance, monitoring and action to ensure costs don't exceed benefits, and that those benefits are collectively affordable and proportionate. It is important to mention here, however, that the benefits from being part of the "EU club" are far from being tangible or financially quantifiable. Nevertheless, the benefits are real, including soft power attraction, stabilization and education. Again, this needs proper communication. Politicians, public intellectuals and journalists must explain to the British population the multiple dimensions of the rapprochement. The "remain" camp never explained these complex benefits properly at the time of the Brexit referendum. In light of that experience, pedagogy is crucial.

For all the benefits of closer ties with the EU, the UK has to be watchful. The 27-member EU needs new mechanisms for coming up with its budget and handling collective decision-making. As demonstrated by Hungary's blocking of a $103 billion EU loan to Ukraine, individual states are able to veto EU Council decisions because many of them require unanimity. What could happen to Ukraine could also happen to the UK. Having said that, there are no clear showstoppers within the EU barring a closer relationship with the UK. Of course, British voters who voted for Brexit ten years ago could choose to steer clear of the EU again.

A step-by-step strategy is better than a one-time approach

While the pros seem to outweigh the cons, it also seems unlikely that a direct, immediate approach to rejoin the EU would be successful. Currently, there is too much unresolved political scar tissue largely due to the UK's constant volte "farces" and referendums. Note that referendums are often unpredictable and counterproductive. France, the driving force behind the formation of the EU, nearly voted no in a referendum on the 1992 Maastricht Treaty, which led to the founding of the EU.

David Cameron, the British prime minister from 2010 to 2016, did not learn from this French experiment. In retrospect, his foolish decision to hold a referendum on the UK's EU membership backfired spectacularly. In 2013, Cameron claimed that if his Conservative Party won the next general election, he would negotiate the UK–EU relationship and then hold an in/out referendum on staying in the EU. Other party leaders claimed he only suggested a referendum to placate the Euroskeptic faction in his party and retain his hold on power. In the 2016 referendum, around 52% of voters opted for Brexit.

British voters have been divided on this emotive issue. So, rather than a direct re-application to rejoin the EU near term, a step-by-step approach seems more sensible. This approach should also give the necessary time for a proper, fact-based communication campaign. The "leave" campaign led by Boris Johnson and Nigel Farage won the narrative war against "remainers" Cameron and George Osborne. This time, the pro-EU Brits will have to dominate the narrative.

The pro-EU camp needs a new communication approach that tackles the issue of sovereignty. so dear to extremists. This camp must explain how, in the 21st century, the sovereignty of the UK is better protected within the EU. As a small island nation of about 70 million people, the UK does not have much leverage against behemoths like China, the US or Russia. The UK within the EU is much stronger than the UK all alone.

Yet no pro-EU campaign can shy away from addressing issues such as bureaucracy or migration. Note that both issues are increasingly being tackled more openly and effectively in the EU than a decade ago. Recently, David Miliband, a former British foreign secretary, has insisted that the UK needs "national consensus" on rejoining the EU. He has also said that the UK needs a reset of its relations with the EU, but admitted that rethinking the UK–EU relationship is a long-term, not immediate, goal.

As Miliband said, the EU is in constant evolution. British leaders have to take this into account and explain that, just like the UK, the EU today is quite different from what it was prior to Brexit. The UK would be joining a more realistic and effective EU — this is an important argument in the narrative favorable to rapprochement. Furthermore, the world itself has changed. As pointed out earlier, the Trump administration has presided over far too many international fiascos. Changes like he Covid pandemic, Russi–Ukraine War and the US/Israel–Iran War have forced the EU and even the UK to change.

THE GIBRALTAR GAMBIT

Gibraltar, a British Overseas Territory, shares a border with Spain, which is part of the EU. The 2026 EU–UK Trade and Cooperation Agreement, which established cooperation between the two entities following Brexit, did not address the Gibraltar–Spain border. This left many individuals and businesses in a gray area, as the UK is not part of the Schengen Area, the EU's open-border zone that allows for free travel between EU member states.

The UK and the EU arrived at the 2026 agreement after years of negotiations. This agreement is still in the process of ratification. Yet it is a useful proxy to refer to on how to maneuver through the UK–EU relationship under current circumstances. There are several key aspects of the 2026 draft agreement. The first is border freedom: The deal aims to remove la verja de Gibraltar, the fence on the border between Spain and Gibraltar. Removal of the fence enables Gibraltar to become part of the EU Schengen area. The agreement also secures the rights of over 15,000 daily commuters who live in Spain but work in Gibraltar. While technically outside the EU single market/customs union, Gibraltar will align its laws on goods, customs and travel with European Entry Exit Systems at its airport and port.

In addition, the agreement ensures that Spain's sovereignty claim over Gibraltar remains intact while allowing for the new operational arrangements. In 1704, British and Dutch forces captured the Gibraltar peninsula during the War of the Spanish Succession. Spain then ceded the territory to Great Britain under the Treaty of Utrecht, which ended the war. Notably, though, Spain does not acknowledge UK sovereignty over Gibraltar. During the 1980s, Spain began demands for the UK to cede the territory back.

So, though not yet ideal or necessarily scalable, the Gibraltar gambit could provide a useful step-by-step precursor for the UK to rejoin the EU. In addition, there are accommodations regarding Northern Ireland, the Channel Islands and other regions, which could contribute to a step-by-step approach toward a closer UK–EU relationship.

Timing is everything and the time is now

When voters chose Brexit, they assumed that the UK would regain the bulk of its sovereignty back from the EU and avoid much of the EU's bureaucracy. That assumption has proved largely false. Moreover, the costs of Brexit are now painfully clear. These costs have been well researched and have proven to be significant, even though Brexit has been a bit of a slow burn.

Based on almost a decade of data since the 2016 referendum, estimates suggest that Brexit had hit economic growth. By 2025, Brexit had reduced the UK's GDP by 6–8%. The latest economic forecast from the UK's Office for Budget Responsibility assumes that imports and exports will be an estimated 15% lower in the long run.

Voters had also assumed that migration to the UK would decline. This, too, has proven false. Migration to the UK has increased since the 2016 days. Clearly, the narrative of blaming the EU for the migrant crisis during the Brexit referendum was far from true.

In a nutshell, the UK and the EU have changed, and so has the world itself. Given the increasing unreliability of the US, the rising aggression of Russia and the meteoric rise of China, the UK and the EU need each other. Their economies are intertwined inextricably. Geographically and culturally, the UK and the EU are extremely close. Therefore, a “re-union” with the EU is in the UK’s best interest.

Yet this reunion cannot occur tomorrow or with another referendum. Sovereignty in the UK lies with the British Parliament. Therefore, an act passed by a simple majority suffices to reestablish closer ties with the EU and, in the not-too-distant future, a “re-union.” Just as the UK should follow its well-established rules, so should the EU. Returning to Paine’s Common Sense, “the time hath found us,” and we need to act now.

[Cheyenne Torres edited this article.]

Stephen Day has more than 40 years of rich business experience in American, European and Japanese markets. From 1991 to 2005, he was CEO and founder of International Ventures Associates, a private consulting and investment company providing strategic advice and investment support for telecoms, information technology and software industries. Prior to his entrepreneurial career, Stephen spent nine years at COMSAT in a variety of senior management positions, including VP Ventures where he directed the commercialization of COMSAT’s satellite technology.

The Internet Returned. Normalcy Did Not.

Dr. Bahareh Sahebi
June 10, 2026

The Iranian government’s recent lifting of its nationwide Internet shutdown has not repaired the psychological damage it’s dealt to the people. Citizens have lived anxiously all year, unable to stay connected with one another or know if loved ones are safe amidst military action. Even as the Internet returns, the people’s trust and sense of reality remain fragmented.

Since Saturday, I have finally been hearing from family and friends inside Iran for the first time in months. The messages arrive unevenly. Some disappear midway through conversations, others come through hours later. Certain apps work briefly before failing again. A relative responds with only a few words before going silent once more. Even reconnection itself feels fragile and conditional.

The regime shut down access to the Internet on January 8, 2026, as it met nationwide protests with a brutal crackdown and massacre that claimed the lives of thousands of unarmed civilians. This was the world’s longest Internet blackout.

Outside Iran, headlines frame this moment as a “restoration” of Internet access amid ongoing military escalation and political turmoil. But for many Iranians, the lived reality feels far more complicated than the language of reconnection suggests.

People emerged from prolonged informational isolation into an atmosphere still shaped by fear, surveillance, instability and emotional exhaustion. Communication remains inconsistent. Trust remains fractured. And beneath the technical discussion of bandwidth, restrictions and access lies a deeper psychological reality that is far more difficult to measure: What happens to individuals, families and entire societies when connection to one another becomes chronically interrupted?

How Iranians have endured

In reality, for many Iranians, the Internet never fully "returned" in the way outside audiences may imagine. Access still depends heavily on virtual private networks (VPNs) used to bypass government filtering systems. They have become increasingly expensive, unstable and temporary. Once authorities identify widely used circumvention tools, they often block them, which forces citizens to purchase new ones repeatedly to maintain ordinary communication with the outside world.

Even sharing which VPN currently works has become difficult, as the landscape changes constantly. A VPN that functions one week may become useless the next. People are constantly trying new ones, sharing names with each other and hoping they work for at least a little while. For many families already under economic strain, the rising cost of reliable circumvention technology now determines who can remain connected and who cannot.

In this sense, the recent "restoration" of Internet access has not marked a return to open connectivity. For many Iranians, it has simply meant a return to the fragile and exhausting conditions that existed before January: slowed Internet, unstable access, constant filtering and the ongoing emotional labor of navigating systems designed to make connection unreliable.

For those outside the country, Internet shutdowns are often understood primarily as political tools or technological events. For Iranians living through them, however, they become relational and psychological events as well. A disappearing checkmark on a messaging app does not merely indicate a lost signal, but uncertainty about safety, survival and reality.

During prolonged shutdowns, families outside Iran refresh applications compulsively, searching for signs of life from loved ones they cannot reach. Conversations become fragmented into moments of panic and temporary relief. Information circulates incompletely and often without verification. Videos emerge in fragments, detached from context, while audiences simultaneously confront another modern problem: the growing suspicion that what they are seeing may not be real.

Psychological damage

What makes this dynamic psychologically affecting is not only the absence of information, but the collapse of continuity itself.

Human beings regulate themselves through predictable relational contact. We orient ourselves to one another through routines of response, communication and presence. Under ordinary circumstances, a delayed text message is an inconvenience. Under conditions of political violence, war and state-imposed disconnection, silence acquires entirely different meanings.

The nervous system begins adapting to uncertainty as a chronic condition rather than a temporary interruption. Many Iranians both inside and outside the country have now lived through repeated cycles of blackout, fear, partial reconnection and renewed instability for years. The body learns to anticipate disruption before it arrives. People begin monitoring multiple channels simultaneously, sleeping irregularly and interpreting even minor communication changes as potential indicators of danger.

Gradually, this produces something deeper than acute stress. It alters perception itself.

Trauma changes not only how people feel, but also what they come to recognize as normal, tolerable or alarming. Humans gradually absorb psychologically unbearable conditions into ordinary functioning because survival requires adaptation. The inability to reach family members for days at a time. Watching war unfold through fragmented footage. Navigating contradictory information streams. Living with the constant possibility that communication may disappear again without warning.

This adaptation creates a dangerous illusion for outside observers. The continuation of daily life is often mistaken for resilience without cost. But there is indeed an invisible cost.

Adapting to trauma

The restoration of Internet access does not automatically restore trust in information itself. Iran's recent crisis has unfolded during a historical moment in which digital reality itself has become increasingly unstable. Images, videos and testimony now face immediate skepticism online, and many often dismiss them as manipulated, exaggerated or AI-generated before fully examining them. Citizens attempting to document lived reality during periods of repression therefore carry a double burden: first, surviving events themselves, then struggling to convince others that those events actually occurred.

For many Iranians, this creates a painful contradiction. The world appears flooded with information, images and commentary about Iran, yet many still feel profoundly unseen. There remains a widening gap between the Iran discussed geopolitically and the Iran experienced intimately by ordinary civilians.

The disruptions gradually reshape how people experience reality itself. Communication and attention fragment, uncertainty intensifies and emotional stability becomes harder to sustain under conditions of chronic interruption. Even reality itself begins to feel fragmented. This is part of what makes Internet shutdowns so psychologically powerful within authoritarian environments. They reshape the emotional architecture through which people experience the world around them.

When reality is repeatedly interrupted or questioned, maintaining psychological coherence requires increasing emotional labor. Keeping our internal world from fracturing when everything around us is breaking isn't a passive state; it takes a massive, invisible toll on our daily emotional energy just to force a sense of meaning onto the chaos taking place.

Part of what makes this so exhausting is that nothing stays stable long enough for people to emotionally settle. Uncertainty becomes regulatory. Access, safety, visibility and communication can disappear at any moment. Under these conditions, even reconnection can carry anxiety alongside relief. A message arriving from a loved one no longer feels ordinary. It feels precious, temporary and vulnerable to interruption.

For diasporic families, these disruptions create an especially painful form of suspended attachment. Many people outside Iran live in a constant oscillation between connection and helplessness. They witness events unfolding in fragments while remaining physically unable to intervene. The result is a chronic state of emotional partiality: never fully informed, never fully disconnected, never fully reassured.

Yet despite repeated rupture, people continue reaching toward one another. Parents cannot reach their children. Siblings disappear from communication unexpectedly. Friends rely on brief moments of unstable access to reassure one another they are still alive.

Over time, many people begin adapting to these ruptures as though they are ordinary conditions of life. When a threat lasts long enough, the human mind is forced to treat the abnormal as ordinary just to keep functioning day to day. This is one of trauma's most profound effects: the gradual normalization of instability. Such prolonged exposure slowly narrows collective expectations about what people deserve from life, governance and human connection.

When unpredictability becomes chronic, emotional survival often depends on reducing expectations themselves. Lowering our expectations isn't a sign of giving up; it is an active defense mechanism the mind uses to protect itself from breaking under conditions it cannot control. Safety becomes temporary. Reliable communication becomes a luxury. Consistent access to reality becomes uncertain.

Preserving Iran's shared humanity

When Iranians receive a message from a loved one after weeks or months of silence, they do not experience it simply as information. It becomes confirmation that someone still exists within reach of your relational world. In this sense, Internet shutdowns do not only interrupt communication, but witnessing. They sever the ordinary rhythms through which human beings reassure one another that they are still here.

This is partly why moments of reconnection can feel emotionally overwhelming even when conversations themselves remain brief or incomplete. Beneath the relief lies accumulated exhaustion. Many Iranians have spent years living within recursive cycles of fear, rupture, uncertainty and partial restoration. The nervous system does not instantly return to baseline simply because a connection briefly reappears.

Selective restoration of Internet access raises difficult questions about visibility and inequality within the crisis itself. Who is able to reconnect? Who remains unreachable? Which voices become visible internationally and which disappear again into silence? Even access to reality becomes unevenly distributed.

And yet, despite all of this, many Iranians continue documenting, communicating and maintaining connection however they can. Families improvise around restrictions. Friends develop coded ways of checking on one another. People continue sending fragments of ordinary life alongside moments of crisis such as sharing photos of daily life, brief jokes and messages asking whether others are safe.

These small exchanges preserve something authoritarian disruption often erodes over time: relational continuity and shared humanity.

Global harm

Unfortunately, the world gradually becomes accustomed to these disruptions as well. Repeated shutdowns, partial glimpses of events and cycles of ordeal can produce a kind of global desensitization in which instability begins to appear permanent and therefore less shocking. But we must never mistake normalization for acceptability. Constant digital exposure to unyielding crises leads to global empathy fatigue — a state where the human mind emotionally detaches from ongoing tragedy not out of a lack of moral care, but as a structural defense against relentless, unresolvable distress.

Perhaps all these stated reasons are why so many Iranians both inside and outside the country experience moments of reconnection with such emotional intensity. A simple notification sound, a familiar voice message or a delayed reply can suddenly release weeks or months of accumulated fear a person has silently held. What appears technologically minor from the outside often carries enormous psychological weight for those living within these conditions.

This is crucial in an era where public attention moves rapidly between crises. For many outside observers, Internet shutdowns become temporary headlines attached to geopolitical events. But for those living through them, uncertainty, hypervigilance and fractured trust linger long after the signal returns.

Technological disruption under authoritarian conditions is never solely technological. It becomes embedded within the emotional fabric of everyday life. It shapes how children watch adults respond to fear, how families organize connections across continents and how individuals learn to interpret silence, interruption and unpredictability.

The world often measures Internet shutdowns through statistics: percentages restored, regions affected, hours disconnected. But the more difficult reality to quantify is the emotional cost of repeatedly losing access to one another. Millions of homes, conversations and nervous systems carry that burden long after the signal briefly returns. The Internet may reconnect devices, but rebuilding psychological trust in continuity, safety and reliable connection takes far longer.

These are not merely individual psychological reactions. They become collective relational patterns that ripple across families, communities and diasporic networks over time. When a whole community is subjected to chronic instability, the fear changes the very atmosphere of how people connect and reshapes how loved ones interact with one another. Children absorb the emotional atmosphere surrounding interrupted communication. Adults internalize hypervigilance as ordinary functioning. Communities learn to navigate reality through fragments rather than continuity.

Human beings do not seek connection during crises only to exchange information. They seek reassurance that they still exist within one another's emotional worlds.

Iran's Internet shutdown wasn't so devastating because of censorship, but because it ruptured people's human connections, leaving lasting psychological and relational wounds that will continue to shape daily life, family relationships and people's sense of safety for years to come.

[Lee Thompson-Kolar edited this piece.]

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The Dragon and the Mirror Lake: Why America and China Must Compete Without Becoming Enemies

Masaaki Yoshimori
June 10, 2026

The US–China rivalry is fundamentally different from past great-power conflicts because both nations are deeply interconnected through technology, finance and trade. Rising tensions over semiconductors, AI and Taiwan risk turning strategic competition into self-fulfilling hostility. Sustainable global stability requires both powers to compete without viewing the other as an existential enemy.

Modern geopolitics increasingly operates through perception rather than direct confrontation. During the Cold War, rival powers were separated by clearer ideological and economic boundaries.

Today, however, the US and China remain deeply interconnected through trade, finance, supply chains and advanced technology even as strategic competition intensifies. Some US policymakers argue that decades of engagement with China strengthened Beijing economically and technologically while failing to produce meaningful political liberalization. From this perspective, America's openness inadvertently accelerated the rise of a strategic competitor now seeking to challenge US influence in Asia and reshape elements of the international order.

Danger lies not only in China's growing power but also in the risk that both nations begin to interpret actions through the assumption of inevitable conflict. Rising tensions over semiconductors, artificial intelligence, industrial policy and Taiwan increasingly reinforce mutual suspicion. Republicans often emphasize the need for deterrence, military readiness and economic resilience to prevent strategic dependence on China, particularly in critical technologies and supply chains.

Yet history also demonstrates that great-power conflicts can emerge when fear hardens into permanent hostility, and policymakers lose the ability to distinguish genuine threats from reflections of their own anxieties. The challenge for the 21st century is therefore not simply to contain China, but to compete from a position of strength without allowing rivalry to evolve into irreversible confrontation.

The lake that reflected a monster

In an old Chinese story associated with the philosophical tradition of the Zhuangzi (an ancient Chinese text named for its author, the philosopher Zhuang Zhou), a dragon descended from the mountains during a season of drought in search of water. After days of wandering through burned forests and dry valleys, it finally found a still and perfectly clear lake hidden among the rocks. When the dragon leaned forward to drink, however, it suddenly froze in anger. Beneath the surface of the water was another dragon staring upward with equal hostility, its eyes burning with challenge and suspicion.

The dragon roared. The reflection roared back. The dragon struck the lake with its claws, shattering the surface into chaos. Only after the water settled again did the dragon realize that the enemy beneath the water had never existed at all. The monster it feared was its own reflection.

Great powers throughout history have often behaved this way. They mistake structural anxiety for existential threat, mirrors for enemies and competition for destiny. The tragedy is that once fear becomes institutionalized, states can amplify hostility until manageable rivalry grows out of control.

The modern relationship between the US and China increasingly resembles the dragon and the lake. Washington sees Beijing as an authoritarian challenger seeking to overturn the international order; Beijing sees Washington as a declining hegemon attempting to suppress China's natural rise.

Understanding an adversary's strategic logic does not require morally flattening political systems or pretending all exercises of power are equivalent. Liberal societies and authoritarian states organize authority, dissent, surveillance and individual liberty according to profoundly different principles, and these distinctions shape how each side interprets security, legitimacy and order. Both narratives contain elements of truth, yet both are incomplete in ways that make the relationship far more dangerous than either side fully understands.

Yet not all fear is illusion. Strategic competition between the US and China is not merely the product of misunderstanding or psychological projection. Liberal democratic systems and centralized authoritarian systems often produce fundamentally different relationships between the state, the individual, information, markets and political power itself. These differences generate genuine strategic tensions even in the absence of deliberate hostility. The danger is allowing rivalry to harden into civilizational fatalism.

The most important reality is that the 21st century has fundamentally transformed the structure of rivalry itself. America and China are not two isolated empires confronting each other from opposite sides of the world. They exist inside the same financial, technological, industrial and digital ecosystem. They are rivals sharing the same bloodstream.

The end of classical geopolitics

Much contemporary analysis of US–China relations still relies on 20th-century frameworks. Some analysts compare the situation to the Cold War, while others invoke the "Thucydides Trap," arguing that war becomes likely whenever a rising power threatens an established hegemon. These frameworks are intellectually attractive because they simplify complexity into familiar historical patterns. Unfortunately, they also risk blinding policymakers to how profoundly the structure of global power has changed.

The ancient rivalry between Athens and Sparta unfolded in a world where economies were largely territorial. The Cold War operated through two largely separate economic systems. Even Britain and Germany before World War I remained significantly less integrated than today's globalized networks. The US and China, however, are embedded within one another's economic existence in ways unprecedented in human history.

American consumers depend upon Chinese manufacturing capacity. Chinese growth depends upon access to global markets and dollar liquidity. American technology companies rely on supply chains that extend through Taiwan, South Korea, Japan, Southeast Asia and mainland China. Chinese industrial systems depend on global semiconductor architecture and Western financial systems, even as they attempt to reduce those dependencies.

This creates an extraordinary paradox. The more integrated the two powers become, the more vulnerable they become to one another's leverage. Economic interdependence does not eliminate rivalry. Instead, it transforms rivalry into something infrastructural and systemic rather than purely military.

Globalization did not abolish geopolitics. It digitized it.

The new battlefield

In previous centuries, power was measured primarily through territory, industrial output and military force. Today, power increasingly emerges from control over systems that connect the global economy. The battlefield of the 21st century is therefore not limited to aircraft carriers and missile systems. It extends into semiconductors, artificial intelligence, satellite networks, reserve currencies, cloud computing infrastructure, energy grids, rare earth processing, payment systems and digital standards.

This transformation explains why contemporary tensions between Washington and Beijing increasingly center on technology rather than ideology alone. Artificial intelligence, semiconductor fabrication, quantum computing, telecommunications infrastructure and advanced manufacturing have become the strategic high ground of the modern age. Whoever controls these systems may shape not only economic productivity but also military capability, financial influence, surveillance architecture and even political legitimacy itself.

China understands this clearly. President Xi Jinping's industrial strategy is no longer simply about economic development. It is about reducing strategic vulnerability while increasing systemic leverage. Beijing seeks technological self-sufficiency not because it rejects globalization entirely, but because it no longer trusts globalization to remain politically neutral. Washington, meanwhile, increasingly interprets technological dependence on China as a national security risk. Semiconductor restrictions, export controls, sanctions and industrial subsidies are all symptoms of the same realization: Economic integration has become a source of geopolitical exposure.

The result is a strange historical condition in which globalization continues to deepen even as trust collapses. Nations remain economically intertwined while psychologically preparing for confrontation. The system becomes more connected and more fragmented simultaneously.

Taiwan and the geography of intelligence

No issue illustrates this transformation more clearly than Taiwan. For decades, Taiwan was treated primarily as a geopolitical flashpoint involving sovereignty, democracy and military deterrence. While those factors remain important, Taiwan has acquired a far greater significance in recent years because it occupies the center of the global semiconductor ecosystem.

Taiwan Semiconductor Manufacturing Company, or TSMC, produces the overwhelming majority of the world's most advanced semiconductors. Yet the true importance of Taiwan extends far beyond fabrication alone. The island dominates critical ecosystems surrounding advanced chip packaging, testing, memory integration, and manufacturing optimization that are essential for artificial intelligence systems.

Artificial intelligence is often discussed as though it were abstract software existing somewhere in cyberspace. In reality, AI is deeply physical. It depends upon fabs, server farms, cooling systems, lithography chains, energy infrastructure and highly specialized manufacturing ecosystems accumulated over decades. Taiwan, therefore, functions not merely as an island but as the industrial nervous system of the emerging AI economy.

This reality changes the strategic meaning of Taiwan for both China and the US. For Beijing, Taiwan is no longer only about historical reunification or national dignity. Control over Taiwan would provide enormous influence over the infrastructure underpinning the future intelligence economy. For Washington, Taiwan is no longer merely about democratic solidarity or alliance credibility. It is increasingly tied to America's technological leadership itself.

The danger is that both narratives are simultaneously rational. This makes compromise psychologically and politically difficult because each side increasingly interprets Taiwan not as a negotiable issue but as structurally essential to its long-term security.

Strategic ambiguity begins to erode

For decades, the Taiwan issue remained relatively stable because the US maintained a carefully engineered policy of strategic ambiguity. Washington neither formally supported Taiwanese independence nor accepted Beijing's timetable for reunification. Ambiguity itself became the stabilizing mechanism because all parties remained uncertain about the precise limits of American intervention.

The framework established through the "strategic ambiguity" of the One China Policy, artfully crafted by former US Secretary of State Henry Kissinger more than four decades ago and later defended by realist statesmen such as James A. Baker III, was never intended to produce a final resolution to the Taiwan issue. Rather, its purpose was to preserve stability through calibrated uncertainty, allowing Washington sufficient flexibility to deter conflict while avoiding direct confrontation with Beijing over its most sensitive national question.

The essence of the policy rested on ambiguity: Beijing could not be certain the US would intervene militarily, while Taipei could not be certain Washington would support a unilateral declaration of independence. Stability, therefore, emerged not from clarity, but from carefully managed uncertainty.

Kissinger understood that Taiwan represented the central obstacle to normalization between Washington and Beijing during the Cold War realignment of the 1970s. The diplomatic architecture established through the Shanghai Communiqué (a document issued by the US and China on February 27, 1972, outlining steps to improve relations and address mutual concerns) and later reinforced by the Taiwan Relations Act (which allowed the US to continue economic, cultural and security relations with Taiwan) created a deliberately flexible structure capable of adapting to changing geopolitical realities without forcing either side into immediate confrontation.

Policymakers such as Baker later defended this approach because they recognized that abandoning strategic ambiguity in favor of ideological rigidity or "strategic clarity" could transform manageable competition into catastrophic great-power conflict. As tensions surrounding semiconductors, artificial intelligence and Taiwan intensify, the erosion of this carefully balanced architecture risks undermining one of the most successful mechanisms of geopolitical crisis management in modern diplomatic history.

Today, this architecture is weakening. Chinese military pressure around Taiwan continues to intensify. Taiwanese identity grows increasingly distinct from that of mainland China. American congressional politics increasingly encourages symbolic gestures in support of Taiwan. Domestic politics in all three societies now push toward harder positions rather than strategic restraint.

US President Donald Trump’s supporters often praise his unpredictability as strategic brilliance, while critics condemn it as recklessness. Both interpretations miss something important. Trump does not think about geopolitics through the traditional framework of American grand strategy: He approaches foreign affairs transactionally, not historically. However, it would be unwise to underestimate his political instincts. He appears adept at navigating and exploiting moments of strategic ambiguity.

Xi thinks in terms of civilizational continuity, national rejuvenation and historical destiny. Trump thinks in terms of leverage, bargaining and immediate tactical advantage. This asymmetry in strategic psychology creates enormous risks because each side increasingly misunderstands how the other interprets signals, commitments and ambiguity itself.

The most dangerous conflicts in history often emerge not from deliberate aggression but from incompatible assumptions about how the other side thinks.

Deterrence and restraint

Yet strategic misunderstanding alone does not explain geopolitical stability. A durable equilibrium between great powers also depends upon credible deterrence. Competition without sufficient military, technological and economic strength can invite opportunistic coercion, particularly when rival states believe the balance of power is shifting in their favor.

At the same time, deterrence without diplomatic restraint can accelerate escalation by convincing both sides that delay increases vulnerability. Sustainable stability, therefore, requires a delicate balance between capability and restraint: enough power to discourage aggression, yet enough strategic discipline to prevent rivalry from becoming existential.

The original architecture of strategic ambiguity surrounding Taiwan functioned precisely because it balanced these forces simultaneously. Ambiguity deterred unilateral escalation while preserving uncertainty regarding the thresholds of conflict. Stability emerged not through trust, but through calibrated restraint reinforced by credible power.

China’s industrial civilization

Western analysis frequently underestimates the scale and coherence of China’s industrial strategy because it still assumes Beijing operates within the logic of traditional market economics. In reality, Xi has transformed Chinese industrial policy into something historically unique. It is no longer limited to selected strategic sectors. It increasingly resembles an attempt to engineer an entire civilization-scale production system.

China now targets advanced semiconductors, artificial intelligence, electric vehicles, batteries, drones, quantum systems, renewable energy, biotechnology, telecommunications, advanced chemicals, robotic, and even mature manufacturing industries simultaneously. The objective is not simply growth. It is resilience, technological sovereignty and systemic leverage.

This creates enormous tension with free-market economies. Western firms operate under pressure for profitability and shareholder returns. China, by contrast, can tolerate industrial overcapacity and prolonged financial losses if they generate long-term strategic dominance.

Chinese solar manufacturers, for example, often destroy industry profitability globally while simultaneously increasing China's market share and geopolitical leverage.

This explains why many traditional Western economic assumptions increasingly fail when confronting China. Market efficiency and strategic resilience are not always compatible objectives. Beijing prioritizes resilience even when efficiency suffers, while free-market democracies often prioritize efficiency until strategic vulnerability suddenly becomes visible. From this perspective, tariffs may not be desirable from a purely economic standpoint, but they can nevertheless be understood as strategic instruments intended to reduce dependency and strengthen national resilience.

The result is a growing recognition throughout the West that decades of deep economic integration have unintentionally strengthened the geopolitical capabilities of a state operating according to fundamentally different assumptions about economics, sovereignty and political control.

Artificial intelligence and the new arms race

Artificial intelligence has accelerated these tensions dramatically because AI increasingly resembles not merely a technological innovation but the operating infrastructure of future civilization. AI systems may shape military planning, cyber operations, financial markets, scientific research, logistics, education, medicine and political surveillance simultaneously. This creates enormous strategic anxiety in both Washington and Beijing.

Yet artificial intelligence is not merely software plus semiconductors. It is electricity, cooling systems, mining capacity, logistics networks, shipping infrastructure, manufacturing ecosystems and technically skilled labor operating in parallel at a continental scale. The emerging AI competition is therefore also a competition over energy systems, industrial depth, maritime trade routes and physical supply chains.

American policymakers fear that Chinese AI systems integrated into global infrastructure could expand Beijing's geopolitical influence. Chinese policymakers fear that US restrictions on semiconductors and AI technologies represent attempts to permanently freeze China below the technological frontier.

Meanwhile, AI investment itself increasingly resembles a speculative geopolitical mobilization. American hyperscalers are investing hundreds of billions of dollars annually into AI infrastructure, data centers and semiconductor ecosystems. Financial markets increasingly revolve around AI narratives. Taiwan's geopolitical importance rises accordingly. Labor markets experience anxiety over automation even before large-scale displacement fully materializes.

AI, therefore, becomes simultaneously a technology, a financial bubble, a military asset and a psychological force shaping public consciousness.

The danger is not simply technological competition itself. The danger is that AI intensifies the perception that geopolitical rivalry has become existential. Once states believe technological leadership determines civilizational survival, compromise becomes difficult, and escalation becomes easier to justify.

The cat between the tiger and the bear

For middle powers such as Japan, South Korea and many Southeast Asian nations, the emerging rivalry produces a deeply uncomfortable reality. Their economies depend heavily upon China, while their security frameworks remain closely tied to the US. They increasingly resemble what one Japanese observer described as "the cat trapped between the tiger and the bear" — too economically connected to one side and too strategically dependent on the other to fully align with either power without significant risk.

Japan in particular faces a profound strategic dilemma. Tokyo depends upon American military guarantees while simultaneously remaining economically integrated with China. Japanese political culture generally prioritizes stability, predictability and institutional continuity precisely when the international environment is becoming more fragmented and improvisational.

This is precisely why inflammatory rhetoric surrounding Taiwan often proves counterproductive. Statements by politicians such as Japanese Prime Minister Sanae Takaichi may attract domestic political attention, but they contribute little to strategic stability and instead risk further complicating an already fragile regional environment. For countries like Japan, the objective should not be rhetorical escalation, but careful crisis management designed to prevent strategic competition from evolving into military conflict.

From Tokyo's perspective, the ideal outcome is obvious. Competition between the US and China should remain confined to tariffs, industrial policy, technology restrictions and diplomatic rivalry rather than escalating into military confrontation. Yet even this hope may underestimate how deeply structural tensions have become embedded inside the international system.

It is within this broader geopolitical context that Chinese criticism of Japan's recent security reforms must be understood. Beijing and Pyongyang increasingly characterize Tokyo's defense modernization — including higher defense spending, expanded alliance coordination with the US and the relaxation of arms export restrictions — as evidence of a so-called "new militarism" ("新型軍国主義"). Chinese officials argue that Japan is gradually abandoning its postwar pacifist orientation and positioning itself for a more active military role in regional contingencies, particularly regarding Taiwan.

Tokyo strongly rejects this characterization. Following reports that Xi criticized Takaichi during the recent US–China summit as representing a "revival of new militarism," Japanese Chief Cabinet Secretary Minoru Kihara reiterated that the country's fundamental postwar security doctrine remains unchanged. He emphasized that Japan continues to adhere to the principle of exclusive self-defense, maintaining only the minimum level of military capability necessary for national defense, and rejected China's accusations as "entirely unfounded."

The real issue is no longer simply a bilateral dispute between Washington and Beijing. The deeper question concerns the future organization of the international economic and strategic order itself.

Will the world continue to operate through relatively integrated markets and shared economic rules despite growing political tensions? Or will states increasingly reorganize trade, technology, finance and supply chains around strategic security considerations and geopolitical alignment?

That is the real contest now unfolding beneath headlines about tariffs and Taiwan.

The dragon and the shattered lake

The most dangerous idea in geopolitics is inevitability. Once leaders convince themselves that conflict cannot be avoided, they begin behaving in ways that make conflict more likely. Fear becomes self-fulfilling. Suspicion hardens into doctrine. Rivalry transforms into identity.

Yet strategic paranoia is not the only danger. Strategic naïveté can also invite coercion. Stable coexistence requires neither hysteria nor passivity, but disciplined realism capable of balancing deterrence with restraint.

This is why the growing tendency in both Washington and Beijing to describe the other side as a civilizational enemy is so dangerous. China is not Nazi Germany. America is not a collapsing empire preparing for inevitable war. Both countries remain internally dynamic, adaptive, innovative and deeply interconnected with one another.

China is not America's "possible enemy" in the traditional sense. It is something far more complicated. China is simultaneously America's competitor, customer, supplier, technological challenger, financial counterpart, manufacturing partner and strategic rival.

The relationship is not bipolar in the Cold War sense. It is a symbiotic rivalry inside a shared system.

This distinction matters profoundly because coexistence remains not only possible but necessary. The future international order will not be decided solely through military deterrence or technological dominance. It will also depend upon whether the world's two largest powers can learn to compete without psychologically transforming one another into existential monsters.

Donald Trump and the eagle of the coming age

In another Chinese fable, a dragon sorceress descended from the mountains during an age of storms and knelt beside a silent black lake hidden beneath the clouds. Gazing into the still water, she whispered: "Mirror upon the water's face, who shall command the coming age?"From the depths of the lake, the reflection answered: "Dragon, your fire can shake the earth, but the eagle still commands the heavens."

In an age of geopolitical transformation, the US seeks to preserve the financial, technological and institutional foundations of the international order. The dragon staring into the lake ultimately feared its own reflection. The tragedy of history is that great powers often recognize this only after the water has been shattered.

The decisive question of the coming century is not whether one civilization permanently triumphs over another, but whether great powers can preserve competition within limits that avoid destroying the system they both inhabit.

The US presidency remains the most powerful political office in the modern international system. Whether the eagle continues to command the skies will depend not only upon strength, but also upon wisdom, restraint and the ability to adapt before rivalry becomes catastrophe.

[Kaitlyn Diana edited this piece.]

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Twenty Years Later: Demystifying Germany's 2006 World Cup Fairy Tale

Kiran Bowry
June 15, 2026

With the FIFA World Cup now underway, it is worth revisiting Germany's 2006 "summer fairy tale." Twenty years later, the myth of an innocent patriotic awakening calls for a more sober look. The normalization of patriotism it sparked created openings for far-right actors like Alternative für Deutschland (AfD) to reshape political culture through ethnonationalist revisionism, underscoring the double-edged nature of patriotism — capable of fostering belonging but also vulnerable to political exploitation and historical distortion.

"From the football pitch to politics to the economy, Germany has become Europe's most powerful country," The Economist wrote in 2013.

Today, Germany has been shaken by a series of political and economic crises — from the Covid-19 pandemic to war in Europe — fueling nostalgia for a more optimistic and ostensibly uncomplicated past. In that search, attention often turns to the early years of Angela Merkel's chancellorship — and to the 2006 World Cup, the subject of a recent three-part German documentary series.

That nostalgia is easy to understand. In 2006, Germany welcomed the footballing world under the slogan "A time to make friends." Flags covered balconies and cars; public screenings of matches turned into festivals. German footballer Philipp Lahm opened the tournament with a curling shot into the top right corner against Costa Rica, and Germany's run to the semifinals helped shape the tournament into what many remember as weeks of seemingly carefree celebration. The German news magazine Der Spiegel headlined: "A happy nation — Germany, a summer fairy tale — the World Cup becomes a national Love Parade," referencing the country's once famous techno parade to evoke mass celebration. The magazine suggested that Germany had begun to "settle into its own history." In a country long defined by its struggle with the Nazi past, this was a loaded idea.

For many, the tournament symbolized a newfound ease with national identity. Then-UN Secretary-General Kofi Annan remarked, "Here you see a united and happy German people ... No one sees the spirit of today's Berlin or of the Germans as being in any way connected to the past."

The narrative of a carefree summer — one in which Germany supposedly showed what it is really like — has become something of a national myth. Questioning it is often seen as needlessly negative. For many, it feels like a spoilsport attack on the "summer of their lives." Not even later corruption allegations surrounding Germany's successful bid to host the 2006 World Cup sufficed to fundamentally shake this collective memory.

In light of growing far-right and exclusionary views — and rising support for authoritarian and anti-immigration positions — an uncomfortable question must be asked: How harmless was the "summer fairy tale" really? What kind of impact do large-scale sporting events have? And how do they shape and intensify national sentiment?

Sporting events and national identity

Major sporting events like the FIFA World Cup have become central moments of collective communication in modern societies. They are mass media events with enormous reach and a powerful capacity to mobilize emotions and participation. These events are far from politically neutral. They function as global stages where political, social and economic interests are expressed and advanced.

Studies show that such events can affect how strongly people identify with their nation. A key factor is the degree of emotional and practical engagement: The more people feel involved — through shared experiences, celebrations and media consumption — the stronger their sense of belonging becomes.

Through their narratives, symbols and rituals, sports and media mega-events make the host nation emotionally tangible. In Irish-American political scientist Benedict Anderson's sense, the "imagined community" of the nation becomes something people can actually feel. In Germany, football-driven patriotism has thus become a mass phenomenon deeply rooted in the social mainstream.

At the same time, research points to double-edged effects. A German study found that pride in national sporting success is positively correlated with nationalism and xenophobia, raising doubts about whether sports can foster patriotic attachment without simultaneously reinforcing exclusionary attitudes.

Surveys conducted by the University of Marburg suggest more strongly that the 2006 World Cup contributed to an increased acceptance of nationalist views: "Individuals surveyed after the World Cup expressed more nationalist and less purely patriotic attitudes than those surveyed before the tournament."

The myth of the "summer fairy tale"

These studies challenge the dominant images of 2006 that continue to shape Germany's collective memory. German writer Max Czollek reflected in 2018:

In 2006, people behaved as if they were shaking off a heavy burden they had carried for a long time ... Germans experienced the World Cup as a collective sense of relief that it was finally acceptable to wave the national flag again, like in the past.

The sociologist Wilhelm Heitmeyer had already dismissed the image of a peaceful, open-minded patriotism in 2006 as "dangerous nonsense." His warnings about the risks of so-called "party patriotism" were often seen as overly pessimistic. In hindsight, however, they appear strikingly prescient.

As of 2026, the far-right Alternative für Deutschland (AfD), which is monitored by Germany's domestic intelligence agency, has become the largest opposition party and leads national polling in some surveys. Although it has never been part of the federal government, it has shaped political discourse for over a decade. It has steadily pushed the boundaries of what is considered acceptable further to the right. Its growing strength has raised concerns about democratic stability. Reflecting this, voices within the governing coalition led by incumbent Chancellor Friedrich Merz have described the current government's success or failure as a make-or-break moment for German democracy.

Exploiting patriotism politically

The 2006 World Cup can be read as a highly visible moment in the broader normalization of national pride — and as a symbolic loosening of what some had long described as an excessive or "misplaced" sense of historical guilt. It helped make a vocabulary of national identification more socially acceptable, creating an emotional and symbolic terrain that far-right actors later found easier to appropriate. The AfD did not invent these sentiments; it sought to capitalize on them.

If this link seems far-fetched, consider Götz Kubitschek, a key figure in Germany's far-right intellectual scene, who describes the AfD's strategy as "normalization patriotism" — a deliberately low-threshold, broadly appealing and seemingly harmless form of national identification designed to serve as a common point of reference.

In a 2025 special issue titled "Football: The National Sport – The Heartbeat of a German Passion," the far-right magazine Compact claimed that patriotism "releases feel-good hormones." After Germany's early exit from the World Cup in Qatar, the right-wing conservative weekly Junge Freiheit struck a nostalgic tone, recalling the 2006 "summer fairy tale" as "collective loosening-up toward a more relaxed, unselfconscious patriotism."

The AfD itself openly recognizes the political and identity-building power of sport. In its 2025 policy guidelines on sports, the party emphasizes that sporting success fosters "positive identification with one's own nation," explicitly citing the 2006 World Cup as a key example.

This strategy fits into a broader modernization of right-wing extremism. It marks a departure from the more overt neo-Nazi subcultures that were still prevalent in 2006, and that had dismissed the World Cup's mainstream, apolitical enthusiasm as a shallow, system-conforming display.

Patriotism as a vehicle for historical revisionism

The normalization of patriotism as part of the AfD's broader identity is closely linked with its ethnonationalist and revisionist approach to history — one that seeks to downplay or reframe the memory of Nazi crimes and their victims. In its 2016 party manifesto, the AfD called for an end to what it described as the "narrowing" of German historical memory to the period of National Socialism, advocating instead for a more "balanced view" that emphasizes supposedly positive and identity-forming aspects of German history.

Leading figures within the party have made this position explicit. Alexander Gauland, the party's honorary chairman, notoriously referred to the Nazi era as "a speck of bird droppings in over a thousand years of successful German history." Björn Höcke, one of its most influential and controversial extremist figures, demanded a "180-degree turn" in the country's politics of remembrance.

Similarly, party chairwoman Alice Weidel has rejected the widely accepted German framing of May 8, 1945 — the day of Nazi Germany's surrender — as a "day of liberation," arguing that it is inappropriate to celebrate what she describes as the defeat of one's own country. Against this backdrop, her call for Germany to "be proud of itself again" becomes part of a broader political project — one that links national self-affirmation to a redefinition of how history is remembered and interpreted.

For actors seeking to promote a more affirmative national narrative, the 2006 "summer fairy tale" can function as a useful point of reference within a broader national narrative: one in which the Nazi past serves primarily as a negative backdrop to a supposedly renewed, democratic present. This framing can obscure deeper continuities and mask broader social tensions.

Distraction in the euphoria of sport

Moments of national self-celebration and patriotic euphoria can create societal blind spots, masking those tensions. Even as Germany celebrated its "summer fairy tale" in 2006, the country was already experiencing a wave of far-right violence. Between 2000 and 2007, the neo-Nazi terrorist group National Socialist Underground (NSU) murdered ten people, most of them of Turkish descent.

Victims' families held demonstrations during the World Cup. Yet for years, investigations wrongly focused on the victims' social circles — shaped in part by racist stereotypes. The NSU's responsibility for the murders, as well as the extent of failures within Germany's security agencies, only came to light in 2011. The contrast is striking: While the country celebrated itself as open and welcoming, the most serious far-right murder series in postwar Germany remained largely unrecognized at the time.

A more nuanced patriotism

As the next World Cup approaches in the US, similar dynamics may come into view. The Trump administration is likely to use the tournament to project belief in American exceptionalism ("America First") through highly visible, "performative patriotism." A form of patriotism long rooted in an "idol worship of America-branded totems, like flags and statues" — a tradition amplified and radicalized by President Donald Trump's Make America Great Again movement.

But does patriotism inevitably have to lead to self-aggrandizement and political instrumentalization? Or are there other ways to express a sense of national belonging?

Attachment to one's country can also be self-critical and nuanced. The German-Iranian writer Navid Kermani articulated this in a 2014 speech in the German Bundestag marking the 65th anniversary of Germany's Basic Law. Rejecting the idea of a "normal" and "unstrained" relationship with the nation, he argued: "There never was such a normal and unstrained relationship — not even before National Socialism." Instead, German history has always contained both "an excessive, aggressive nationalism" and "a strong tradition of self-criticism, a commitment to Europe, and a turn toward cosmopolitanism."

Echoing a sentiment by former Chancellor and winner of the Nobel Peace Prize Willy Brandt, Kermani concluded: "A good German cannot be a nationalist."

And yet, Kermani expressed pride in a different Germany: "Not a boastful one, not the swaggering one … a country that has matured through its own failures and no longer needs grand displays … This is the Germany I love."

[Kaitlyn Diana edited this piece.]

Kiran Bowry is a German political scientist based in the Frankfurt Rhine-Main region. He specializes in party politics and migration and is the author of a study on how German parties engage with migrant voters. Kiran has published in academic blogs, edited volumes and migration-related outlets — among others — on political participation, identity and representation. He also coordinates a federally funded creative project that fosters intercultural exchange. A former local council member, he brings both analytical and practical experience to his writing. When not working, he follows cricket passionately — despite living in what he calls a “cricket desert.”

Qatar’s Man in Khartoum: How Yasser al-Atta Became Doha’s Most Useful General

Hollie McKay
June 17, 2026

Qatar’s backing of Sudan’s military, especially through Lieutenant General Yasser al-Atta, has entrenched Islamist militias — even those sanctioned by the US — into the Sudanese Armed Forces (SAF), fueling the war. This aligns with Doha’s broader support for political Islam but contradicts SAF commander General Abdel Fattah al-Burhan’s efforts to distance the SAF from such factions. The result is a vision for post-war Sudan where Islamist influence is institutionalized, defying international ceasefire and transition goals.

When the leader of the Al-Baraa ibn Malik militia stood outside the Qatari embassy in Khartoum in March last year to publicly thank Doha for its support, it was one of those small moments that illuminate a much larger and more troubling picture.

Yet no one in the international community should have been surprised.

Qatar’s backing of the Sudanese Armed Forces (SAF) — weapons, money, diplomatic cover — had been an open secret for months. What that scene outside the embassy made plain was how transactional and mutually reinforcing the relationship had become, and how central one figure was to sustaining it: Lieutenant General Yasser al-Atta, the SAF’s Deputy Commander and arguably the most ideologically committed senior officer in Sudan’s military leadership.

Al-Atta is not a household name in Western foreign policy circles. He should be. As the SAF’s chief of staff and a member of Sudan’s Sovereign Council, he has been more vocal than SAF commander General Abdel Fattah al-Burhan in prosecuting the war’s ideological dimensions, and more aggressive in cultivating the Islamist networks that now constitute a core part of the SAF’s fighting capability. Al-Atta’s ties to the Muslim Brotherhood (Kazan) are not incidental. They are foundational to his strategy and what makes him so valuable to Doha.

Qatar’s interest in Sudan, however, did not begin with this war.

Qatar’s long-standing influence in Sudan

Doha has long cultivated relationships with the Sudanese Islamic Movement, reflecting its broader regional posture of backing political Islam as a counterweight to the influence of Riyadh and Abu Dhabi. When the war between the SAF and the Rapid Support Forces (RSF) erupted in April 2023, Qatar saw an opportunity. Doha chose a side, providing, according to reporting, funding for eight Chinese-made K-8 fighter jets and facilitating weapons shipments transiting through Doha to Port Sudan.

Al-Burhan welcomed a Qatari delegation to Port Sudan in April 2025 and praised Doha’s backing. The visit came with $86 million in humanitarian aid. The arms shipments went unmentioned.

That duality is, in many ways, Qatar's signature move in conflict zones: humanitarian funding as diplomatic cover, and political and material support for preferred factions operating just below the threshold of visibility that would draw Western censure. It worked in Gaza. It is being attempted in Sudan, where the scale of human suffering — over 11 million displaced internally, millions more as refugees — offers ample opportunity to project an image of benevolent concern while quietly fueling the very war that generated the crisis.

Institutionalizing Islamist influence

Al-Atta has announced plans to fold Islamist militias, sanctioned by the US, formally into the SAF. He calls it military consolidation. What it actually does is hand Qatar exactly what Doha has spent years cultivating across the region — Islamist networks inside the tent, not outside it. It is also precisely what the United Arab Emirates (UAE) has spent billions trying to stop.

As one analysis put it, the idea that Islamist militias will become even more deeply entrenched within the SAF is unlikely to reassure anyone watching closely.

Cameron Hudson of Center for Strategic and International Studies, one of the sharper observers of Sudan's external dynamics, has noted that support from countries like Qatar has become a structural feature of the SAF's war effort — one that comes with its own political price tag. Integrating Islamist fighters into the military cannot be a complete answer, Hudson argued, pointing out that the SAF is already accused of deep Islamist penetration and that adding more only deepens that problem, rather than resolving it.

Washington eventually said the quiet part out loud. On March 9, the State Department designated the Sudanese Muslim Brotherhood a Foreign Terrorist Organization, the same networks al-Atta has been absorbing into the SAF's formal ranks. The designation noted that the Brotherhood had contributed upwards of 20,000 fighters to the war, many of them trained and supported by Iran's Revolutionary Guard Corps. That is not a fringe militia. That is the backbone of the force al-Atta is now trying to give a uniform.

A divergence within the SAF

Burhan and al-Atta are supposed to be on the same side. They're not. Burhan fired five Islamist generals in August last year, a move that came right after he met US envoy Massad Boulos in Switzerland and that looked a lot like a concession to Washington. Al-Atta responded by doing the opposite: working to pull those same Islamist factions deeper into the army's formal structure. One general is trying to appease the West. The other is trying to make the Islamists permanent. Qatar is backing al-Atta's version of Sudan, not Burhan's.

In addition, Qatar is cheering al-Atta's side. Doha is not part of the Quad — the US, Egypt, Saudi Arabia and UAE framework pressing for a ceasefire and civilian transition. It sits outside that process by design, backing a vision of post-war Sudan where Islamist influence is not dismantled but institutionalized. That is what makes the relationship between Doha and al-Atta more than opportunistic: It is ideologically coherent and runs directly counter to everything the international community claims to want from this war.

The militia leader outside the Qatari embassy in Khartoum was expressing gratitude. He was also, whether he knew it or not, drawing a map — one that connects Doha's checkbook to al-Atta's integration plans to a version of post-war Sudan in which the Islamist revival is not a bug, but the whole point.

[Kaitlyn Diana edited this piece.]

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Pep Guardiola and Sport's New Politics

Ellis Cashmore
June 18, 2026

Famed football coach Pep Guardiola's support of Palestine in February drew backlash, but it illustrates how far advocacy has come in sports. Where teams once remained neutral to escape from reality, but that attitude has faded over time. Political freedom isn't unlimited, but players and coaches have legitimized numerous serious topics, like Black Lives Matter and the #MeToo movement.

In February, Pep Guardiola, arguably the defining football coach of his generation, missed his weekly news conference and went to a charity event in Barcelona, where he delivered a speech in support of Palestinian children. Signaling his solidarity by wearing a Bedouin keffiyeh — a traditional headdress worn in the Middle East and North Africa — he addressed the crowd with the common Arabic greeting, "Salam alaikum" (Peace be upon you), before making what he called "a statement for Palestine and ... a statement for humanity."

Ten years of change

Guardiola was employed by Premier League club Manchester City at the time. The club is owned by the Abu Dhabi Group, the majority shareholder of which is Emirati royal and billionaire Sheikh Mansour bin Zayed Al Nahyan. One wonders what would have happened had Guardiola been employed by London club Tottenham Hotspur, which is owned by an investment company ENIC, controlled by British billionaire Joe Lewis and his family. The club's strong historical ties to the Jewish community in North London has long shaped its identity, with its ownership and fanbase reflecting that association for decades.

Guardiola has now left the Manchester Club after ten years, during which his team won every honor available. His tactical approach, influenced by basketball, has affected other coaches around the world: possession, screens and set pieces became commonplace in the sport.

Barely a month after Guardiola started at the club in July 2016, another incident shaped sport, this time in an altogether different way. NFL player Colin Kaepernick sat during the American national anthem on August 26, 2016, before a preseason game. He later switched to kneeling to show more respect to military veterans, but his meaning was still clear. That summer had seen deadly police shootings in the United States: Police shot and killed Alton Sterling in Louisiana and Philando Castile in Minnesota, leading to widespread protests across the nation.

Remember: With notable exceptions, wider events ostensibly do not affect sports. Governing organizations warn athletes not to express opinions, views or perspectives of any kind on controversial topics. The template came about during Avery Brundage's presidency of the International Olympic Committee, from 1952 to 1972. Brundage incorporated this into the Olympic charter and other sports followed. American athletes Tommie Smith and John Carlos created a major cause célèbre in 1968 when they affirmed their allegiance to Black Power, a radical movement that emerged in the 1960s, on the victory rostrum of the Mexico Olympics. They were sent home and punished, as if to send a warning to others.

Times had changed by the time of Kaepernick's action. Indifference had given way to anger and sports governors, as well as competitors, were either prepared or forced to break with convention. Even England's usually cautious football authorities not only allowed the knee, but freed up a period of time before games for players to make the gestures. Tennis players, especially Naomi Osaka, publicly articulated her views, sometimes wearing special face masks. Women's sport mobilized as a platform for LGBTQ+ rights and became arguably the most effective advocacy organization ever.

If they want to suspend me … it's OK

"I am not neutral," said Guardiola during his February address. The Jewish Representative Council of Greater Manchester condemned similar comments in support of the Palestinian cause made last summer, writing to Manchester City's chairman, Khaldoon Al Mubarak, that the 55-year-old's comments "put the lives of British Jews in Manchester, including those who support your football club, in danger."

Apart from Palestine, Guardiola's other main commitment is Catalan independence. "I was delighted to be called up, but you can't deny what you feel, and I feel very connected to my country, to Catalonia."

In Manchester, Guardiola wore a yellow ribbon in press conferences and on the touchline in support of Catalonia political figures who had been arrested during violence when Spain's national government banned Catalan's independence referendum in 2017.

This was too much even for the newly-aware English football. The Football Association wrote to Guardiola on at least two occasions, instructing him to stop wearing the ribbon — it contravened rules against displaying political messages. The Association fined him £20,000, but he continued wearing it for months, even during the League Cup final against Arsenal in February 2018.

This provoked Guardialo to respond: "They can suspend me for doing that, but the other people are in jail. If they want to suspend me — UEFA, Premier League, FIFA — it's OK."

For over a century, sport cultivated an image of neutrality. Athletes were expected to compete, shake hands and leave the world's conflicts outside the stadium. Administrators enforced the principle consistently. From Brundage's Olympics to the punishment of Smith and Carlos in 1968, the message was clear: Politics and sport did not, or at least should not, mix.

The last decade has changed that understanding. Kaepernick's protest coincided with a broader cultural shift in which silence increasingly came to be seen not as neutrality but as acquiescence. The rise of Black Lives Matter, the #MeToo movement and campaigns for LGBTQ+ rights encouraged competitors to use their visibility as a platform. What had once been regarded as an abuse of sporting status became, for many, a responsibility attached to it.

Yet the new freedom has limits. Athletes and coaches have not acquired an unrestricted licence to comment on anything they choose. The boundaries of acceptable expression have moved. Guardiola's own career illustrates the point. His support for Palestine has attracted criticism, but it has not threatened his position at a club owned by Abu Dhabi interests. One might reasonably ask whether the same tolerance would have applied had he chosen a different cause. What if he had repeatedly criticized restrictions on gay rights in parts of the Gulf? What if he had used his platform to champion LGBTQ+ campaigns in a manner that embarrassed his club's ownership? The answer is unknowable, but the question itself is worth asking.

The transformation of sport since 2016 has not abolished limits on political expression, but it has redrawn them. Some causes have become legitimate, even expected: inclusivity, anti-racism and opposition to discrimination. Others remain sensitive, awkward or potentially career-threatening, particularly where they intersect with state power, commercial sponsorship or entrenched cultural norms. The old ideal of neutrality has weakened; it has not been replaced by unlimited freedom.

Maverick or emblem?

Seen in this context, Guardiola is less a maverick than an emblem of a new sporting age. His interventions on Palestine and Catalonia are controversial not because they are unique, but because they expose the growing difficulty of separating sport from the societies in which it operates. Clubs are owned by states, leagues are global businesses and athletes possess audiences that rival those of conventional media organizations. The expectation that they remain publicly neutral now appears increasingly artificial.

Yet the disappearance of neutrality has not produced unlimited freedom. The new sporting culture permits some forms of advocacy more readily than others. Causes associated with race, gender and sexuality have gained institutional legitimacy; criticism directed at owners, sponsors or governing bodies may still encounter resistance. The key shift is not the arrival of political speech in sport, but its uneven regulation.

The question is not whether sport is political. That argument was settled long ago. The more revealing question is who gets to speak, on what issues and under what conditions?

Guardiola's significance lies precisely here. His decade at Manchester City coincided with sport's transition from a culture of barely stifled silence to one of selective expression. Far from standing outside this transformation, he became one of its most visible symbols.

[Ellis Cashmore is the author of Celebrity Culture.]

[Lee Thompson-Kolar edited this piece.]

Ellis Cashmore is the author of *The Destruction and Creation of Michael Jackson*, *Elizabeth Taylor*, *Celebrity Culture* and other books. He is a professor of sociology who has held academic 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 Congested Sky of an Unequal Country

Luiz Cesar Pimentel
June 19, 2026

On June 14, two helicopters collided over Rio de Janeiro, killing their celebrity passengers. Brazil now sees a growing divide between the lower class, which commutes via slow ground vehicles, and the upper class, which regularly soars the skies. While investigators look to explain the crash, its implications about Brazilian inequality may go unspoken.

Shortly before 9:00 AM on Sunday, June 14, Rio de Janeiro went about its usual routine. Cars puttered along the seaside avenues. Tourists shuffled through the city. The sea held on the horizon like a kind of permanent promise. Above it all, however, was another kind of traffic most people don't notice: a stream of helicopters.

It was in this airspace that two helicopters met in a tragic collision. They crashed mid-flight, plummeting toward the Recreio dos Bandeirantes neighborhood in Rio's West Zone. Six people died, including the pilots and passengers of both aircraft. The accident made the skies a national headline and raised a question that extends far beyond the technical investigation: What does this disaster reveal about contemporary Brazil?

Part of the case's national significance stems from the identities of some of the victims. Aboard one of the helicopters were American singer Oliver Tree, an artist with millions of listeners on streaming platforms; Argentine influencer and YouTube content creator Gaspar Prim Díaz, known as Gaspi; music video director Lucas Vignale; and Brazilian music producer Lucas Brito Chaves, known as Lucas Frota. The presence of internationally recognized figures amplified media coverage and transformed a local tragedy into global news.

But we must not reduce the incident to a mere reflection of our contemporary fascination with celebrities. What happened over Recreio dos Bandeirantes sheds light on the silent transformations of Brazilian urban life: the growing occupation of airspace, the extreme prioritization of speed and the inequalities that shape mobility in large cities. The tragedy is a window into understanding today's Brazil.

We often treat accidents as isolated events — a human error, an operational mistake, a mechanical glitch. But major tragedies also serve as social x-rays, illuminating normally invisible structures.

Rio's helicopter collision is not merely a matter for aviation investigators. It occurs at the intersection of trends that have been reshaping Brazil's major cities: the proliferation of private air travel, the strain on urban traffic systems and the constant effort to save time in increasingly congested metropolises.

Brazil's crowded skies

For decades, the helicopter symbolized the exceptional. It was the aircraft of choice for rescue operations, police work and medical emergencies.

Today, in cities like Rio and São Paulo, it has also become an everyday means of transportation for businesspeople, artists, executives and people seeking to escape ground traffic jams.

The Brazilian landscape has created a peculiar situation. While millions spend hours each day riding buses, trains and cars, a small portion of the population uses air corridors to cross the city. Brazilian inequality was long evident in the geography of cities, but now we see it high above them. Traffic jams still exist, they've just shifted to a different altitude.

The accident exposes a Brazilian contradiction. The country has one of the largest helicopter fleets in the world and simultaneously grapples with overburdened public transportation systems. While one segment of the population jostles for space on buses, trains and subways, another turns the sky into a daily route.

The Recreio collision brings to light this rarely discussed reality: The skies over Brazil's major cities have grown increasingly crowded.

Rio, especially its coastal areas and regions with intense business activity, sees constant aircraft traffic. Anyone observing the horizon of Copacabana or Barra da Tijuca can see this easily. Helicopters appear, disappear, cross paths and follow invisible corridors. Airspace is an urban infrastructure just as important as avenues and tunnels.

According to experts interviewed on Brazilian television network TV Globo, helicopter operations do not function exactly like those of commercial airplanes. For most flights, pilots operate under visual flight rules. This means they must maintain visual contact with their surroundings, identify obstacles, monitor other aircraft and make decisions in real time. One of the experts compared this system to car traffic on a highway.

This helps dispel a widely held misconception. The sky is not an empty space where aircraft fly in isolation. It has traffic flows, preferred routes, crossing points and areas of higher operational density. In cities with intense air traffic, constant coordination is essential for safety.

Selling speed to the wealthy

There is also a cultural dimension to this incident. In recent decades, speed has ceased to be merely an advantage. It has become a commodity; companies, services and apps alike sell it. Private air travel has come to market with exactly the same promise: the possibility of escaping delays, traffic jams and the limitations imposed by the city. The helicopter has become one of the most visible symbols of this logic.

The separation between poorer ground-commuters and wealthier air-fliers creates a radically unequal urban experience. Those who depend on public transportation measure the city in hours. Those who cross Barra by helicopter measure the same distance in minutes. These two groups have unequal access to time.

When two helicopters collide, it is not merely an aviation accident. A symbolic rupture also occurs. The space that usually represents efficiency, exclusivity and speed shows its own limits.

The footage and images of the tragedy are shocking for this reason. Viewers can see scattered debris, fire, downed wreckage and aircraft fragments striking nearby areas. The sky, usually associated with the idea of technological freedom, suddenly becomes a scene of vulnerability.

The investigation ahead

The Center for Investigation and Prevention of Aviation Accidents (CENIPA) is investigating the crash. The causes remain unknown. Certain hypotheses naturally come to the investigators' attention: communication problems, limited visibility, failures in situational awareness or specific operational circumstances.

However, aviation experience shows that accidents rarely result from a single cause. They most often arise from a combination of factors that, taken individually, would seem insufficient to produce a tragedy. A decision made under pressure, a misinterpretation, an unexpected operational condition — disaster usually stems from the convergence of these elements.

The six deaths have devastated families and made for a complex investigation. In the coming months, experts will reconstruct flight paths, examine equipment, analyze communications and attempt to determine why those aircraft were in the same spot in the sky at the exact same moment.

When CENIPA concludes its investigation, it is likely to reveal which technical factors brought the two aircraft catastrophically close together. It is unlikely, however, to answer why the skies over Brazil's major cities have become an increasingly contested space.

This is less an aeronautical question than a social one. Perhaps it makes the accident more than an aviation tragedy.

[Lee Thompson-Kolar edited this piece.]

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India's Exam System Under Fire as NEET and CBSE Controversies Grow

Vasavi Seethepalli
June 20, 2026

India's National Eligibility cum Entrance Test and Central Board of Secondary Education examinations are facing severe crises due to paper leaks, technical failures and allegations of corruption, eroding public trust and sparking nationwide protests. The high-stakes coaching industry profits from student anxieties while systemic flaws highlight deep-rooted governance failures. Experts demand accountability, institutional reforms and a new oversight body to restore credibility in India's education system.

Repeated leaks, technical failures and malpractice allegations have shaken trust in India's examination system and drawn students' anger. Experts hold the National Testing Agency (NTA) responsible. They argue that the NTA was established as a society, which, under the Indian Constitution, refers to a voluntary association created for charitable or nonprofit purposes. This organization has limited experience in preparing specialized test papers, yet it has taken on the responsibility for millions of students without fully understanding the implications.

This year's National Eligibility cum Entrance Test (NEET) for undergraduate medical admissions — one of the most important examinations for aspiring doctors in India — was held on May 3. Within days, however, authorities reported malpractice and decided to cancel the exam, which students had submitted after months and months of rigorous preparations. Thousands of disillusioned students took to the streets in protest, and local media reported that 11 students died by suicide in the lead-up to the re-test. NTA, which conducts the test, later announced June 21 as the retake date.

Paper leaks in entrance examinations are not new in India. Repeated leaks and systemic failures have repeatedly disrupted academic life across the country. Students are now directing their anger at the NTA and the Ministry of Education, which oversee major examinations such as NEET and the Central Board of Secondary Education (CBSE) system.

The NTA is registered as a society; it is not a statutory body, although it performs a profoundly public function that affects millions of students. Critics have raised concerns about the need for more robust legal and institutional oversight following numerous disputes. Due to the fact that NTA is autonomous in nature but is under the Ministry of Education's jurisdiction, public discourse frequently degenerates into a blame game: Is it the agency or the ministry?

Dr. Anita Rampal, a former dean of the Faculty of Education at Delhi University, clearly noted on a Frontline Conversations podcast that NTA is not academically qualified and lacks the vision to administer large-scale exams, including online exams. She added, "NTA should not exist … we should really decentralize this."

NEET: the high-stakes gateway to medical education

Every year, India produces thousands of medical graduates. Yet graduating from medical school is not the hardest step in becoming a doctor; for many students, the real hurdle is NEET, which is mandatory for admission to medical programs in both public and private institutions. A student's NEET score can shape the course of their future. Families often invest huge sums in coaching classes, tutoring and online preparation in the hope of improving their children's chances.

NEET was introduced as a single national examination, somewhat akin to the SAT in that it sought to standardize admissions across the country. It was first conducted in 2013, but after significant backlash and legal challenges over state autonomy, the Supreme Court struck it down. Following further legal review, it was reintroduced in 2016. Unlike the SAT, however, NEET is compulsory for medical admission and is held only once a year, making it a far higher-stakes test.

Before NEET, medical admissions in India were fragmented across multiple examinations. At the national level, the All India Pre-Medical Test (AIPMT), conducted by CBSE, governed admission to 15% of seats in government medical and dental colleges. The remaining 85% of state quota seats were filled through separate state-level entrance exams, such as Maharashtra Health and

Technical Common Entrance Test (MHT-CET), the Uttar Pradesh Combined Pre-Medical Test (UP-CPMT), and the Engineering Agricultural and Medical Common Entrance Test (EAMCET) in Andhra Pradesh and Telangana. In addition, premier institutions such as All India Institutes of Medical Sciences (AIIMS) and the Jawaharlal Institute of Postgraduate Medical Education and Research (JIPMER) conducted their own entrance examinations. The result was a decentralized and often confusing admissions system.

Today, more than two million students sit for NEET each year in the hope of securing a seat in one of the 823 medical colleges recognized by the National Medical Commission. This year, nearly 2.28 million students registered for 129,602 seats across 551 cities in India, 14 cities abroad and more than 5,342 examination centers, according to an NTA notice. It is roughly 18 students per seat, making it a competitive make-it-or-break-it scenario.

Over the past decade, NEET has repeatedly been dogged by disruptions, including allegations of cheating, corruption and paper leaks. Despite its reputation as one of the country's toughest entrance exams, the system has repeatedly failed to prevent the paper from being stolen or leaked. The exam is conducted offline in pen-and-paper format and consists of 180 questions across biology, physics and chemistry, for a total of 720 marks.

In 2024, NEET was rocked by another scandal. Eighty students reportedly received perfect scores, an unusually high number that triggered concern among educators. A subsequent police investigation found that 1,563 students had been awarded grace marks, a decision that was later reversed. Yet the highly competitive exam was neither canceled nor rescheduled, prompting widespread public outrage. These discrepancies deepened distrust among students, parents, and teachers.

CBSE faces fresh scrutiny over on-screen marking

The crisis in exam credibility has not been limited to NEET. This year, CBSE, the school board affiliated with more than 24,000 schools in India and abroad, also faced controversy over the evaluation of Class 10 and 12 examinations. The board had introduced an on-screen marking (OSM) system for large-scale evaluation, replacing physical answer-book grading with digital assessment. Coempt Edu Teck, an ed-tech company based in Hyderabad, was awarded the contract. But the system soon drew criticism over technical glitches, blurry scanned images, poor resolution and improper marking, all of which cast doubt on the results.

Although Education Minister Dharmendra Pradhan said he accepted responsibility and that technical defects were being addressed, it remains striking that such a large-scale shift appears to have been implemented despite serious gaps in oversight. The fate of millions of students was effectively handed to a technology company that, critics argue, failed to meet its responsibilities.

Adding to the controversy, Sarthak Sidhant, a 17-year-old student, said he found irregularities in public tender documents related to the ed-tech contract. He posted his findings on social media, alleging that the eligibility criteria had been modified in ways that benefited Coempt and helped it secure the contract.

The high-stakes coaching industry

Behind all this lies another uncomfortable reality: the enormous coaching industry that thrives on high-stakes examinations. India's test-preparation sector has expanded dramatically, profiting from the aspirations and anxieties of students and families. On average, coaching institutes charge anywhere from ₹40,000 (~$424) to ₹200,000 (~$2,120) per student over a two-year period.

The industry has grown rapidly over the past decade. Last year, its market size was estimated at roughly $7.2 billion, and it is expected to continue growing over the next several years. Urbanization, digitalization and intensifying professional competition have all fueled this expansion.

Coaching centers have dominated India's academic scene way before NEET or NTA came along. These centers are essential for many students, offering structured guidance and resources to navigate complex subjects. As a result, they play a significant role in shaping the future of aspiring medical and engineering professionals. Some critics argue that they dictate the terms in various aspects of these centralized exams.

Taken together, these failures have intensified student frustration, exposed weak government communication and underscored a growing political disconnect. In a recent interview with In Focus, The Hindu podcast, Dr. G. R. Ravindranath, general secretary of the Doctors' Association for Social Equality, said that discrepancies in major examinations inflict severe mental and emotional distress on students and their families. He argued that both the central government and the NTA must be held accountable and suggested that the NTA should be replaced by a new body, similar to the Union Public Service Commission, with stronger public oversight.

The crisis surrounding NEET and CBSE reveals a deepening collapse of trust that shapes the future of millions of young Indians. If these institutions continue without credibility, the damage will reverberate beyond the day of the result.

[Kaitlyn Diana edited this piece.]

Vasavi Seethepalli is a writer and editor based in Hong Kong, with a strong interest in geopolitics, technology and the arts. With over eight years of experience in the media and having a technical aptitude, she has discovered her passion for presenting facts and engaging in meaningful discussions. Recent upheaval in India's school and college exams has piqued her interest, and she hopes to continue exploring and reporting similar trends across the spectrum.

Be Wary of South Carolina's School Book Ban

Spencer Woodall
June 21, 2026

In June 2024, South Carolina introduced new state rules that limit which books students can read, driven by officials who cited parental rights and moral standards. The regulation bans materials with sexual content and restricts local discretion in classroom decisions. This policy risks broad censorship and weakens community control over education.

In June 2024, South Carolina Superintendent of Education Ellen Weaver introduced a new regulation regarding the availability of books in schools. Local educators and school boards shall now determine if materials are "Age or

Developmentally Appropriate," with additional language stating that instructional material is not "Age or Developmentally Appropriate" for any age group of children if it includes descriptions or visual depictions of "sexual conduct" as defined by state law (the description of which is too long to fit in this article).

The Department of Education's new law gains inspiration from groups like Moms for Liberty, which advocates for more parental rights in education, and backlash against books that teach children about topics such as Critical Race Theory or lesbian, gay, bisexual, transgender or queer (LGBTQIA+) issues.

The push for censorship and its contradictions

Senator John Kennedy of Louisiana hilariously illustrated such books available to students in some parts of the country when he read sexually explicit excerpts from the controversial books All Boys Aren't Blue and Gender Queer in a Senate Judiciary Committee hearing in 2023. Watching the video will make you cringe. It is shocking to see a United States Senator read a passage about sexual conduct in a formal setting, and it is alarming that these books are available to children.

While instituting a rule that would make such books unavailable to children is understandable given its appropriateness, the policy will likely have unintended negative consequences for the future of education in South Carolina, like government censorship often does, and we should oppose it.

The law is ironically contradictory in the name of discretion for appropriateness. It states that local educators and boards shall determine whether the material is age- and development-appropriate, but then the rule removes this autonomy by including the element of "sexual conduct" and limits local policymakers' discretion.

Books containing descriptions or depictions of sexual conduct are now illicit because it is inappropriate, yet schools will still teach sexual education. It does not make sense to have classroom instruction on a topic while banning certain books that depict it. Parents already get to decide if their child can take sexual education classes, so the new rule is actually more detrimental to parental rights.

Weaver touts this law as a victory for parental rights, but these rights cannot be won with a blanket censorship law. Instead, we have parental rights for those who support this state policy rather than local jurisdiction, so each parent can better ensure their concerns are heard and their children's education more closely aligns with their values.

However, parents will likely see drastic changes in their children's education due to a lack of local jurisdiction and flexibility. South Carolina's new rule explicitly means that books such as The Canterbury Tales, 1984, Romeo and Juliet and Brave New World, just to name a few, could be unavailable to any student regardless of age. These books did not draw red flags when I read some of them as a student in Union County Schools.

Lessons from other states

Assuming that the regulation is not a violation of the First Amendment (an argument often made by proponents of the law), primary concerns lie in its vague descriptions. Obviously, graphic depictions of sexual conduct should not be available to children in elementary school, but the law is too broad.

When I was in high school, just over four years ago, no one would have been taken seriously if they had asked for Romeo and Juliet to be banned because books like that were never a problem. We should protect classic pieces of literature and acknowledge their importance in education.

However, as the saying goes, “The road to hell is often paved with good intentions.”

One may argue that the law will not lead to these consequences and that I am being alarmist. They would be wrong, as there are many examples throughout the country of barring certain books from school libraries that would draw the ire of the average person.

In 2023, the Davis School District in Utah removed the King James version of the Bible from elementary and middle school libraries due to “vulgarity or violence.” The parent who initially called for the Bible’s banning noted that the Bible contains instances of prostitution, incest and rape. In 2020, the Burbank Unified School District in California banned books, notably To Kill a Mockingbird, after parents complained of the book’s racism.

The case for local freedom

The moral of this story is that regardless of culture, Utah or California, Republican or Democrat, Christian or Atheist, once you give others the power to regulate your privileges and rights, it will almost certainly be used against you at some point. This story is especially true given that government officials are terrible at drafting meaningful laws. When it comes to government educational reforms, you should be careful what you wish for.

While the intent to protect children is commendable, the broad and vague nature of the regulations could lead to the banning of critical literary works. It is crucial to find a balance that protects children without stifling their educational growth and exposure to classic literature.

Local districts should be able to have autonomy with these policies, and local committees with diverse opinions should work. Local committees allow you to choose how your tax dollars are spent and how your child is educated. Freedom works, and you will find that liberty is the best path to progress.

[Kaitlyn Diana edited this piece.]

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Japan’s Aircraft-Leasing Industry Was Built for Another Era

Masaaki Yoshimori, Paul Hirodo
June 23, 2026

Japan’s JOL and JOLCO aviation leasing structures face growing challenges from accounting reforms, tax-policy uncertainty, higher interest rates, legal complexity and currency volatility. While the market is unlikely to disappear, many of the advantages that once supported its expansion have weakened, forcing the industry to adapt to a fundamentally different financial environment.

For more than three decades, Japan has occupied a unique position in global aviation finance. Through Japanese Operating Leases (JOLs) and Japanese Operating Leases with Call Options (JOLCOs), Japanese investors have supplied billions of dollars in equity capital to airlines worldwide. At its peak, annual JOLCO issuance exceeded ¥1 trillion (approximately $7–10 billion), and Japanese investors accounted for an estimated 20–30% of global aircraft lease-equity funding. Alongside Ireland's leasing ecosystem and, more recently, China's state-backed financiers, Japan became one of the most important sources of aviation capital globally.

The model appeared remarkably successful. Airlines obtained aircraft with limited upfront capital commitments. Japanese investors received attractive tax-adjusted returns, often in the range of 5–8% after accounting for depreciation benefits. Banks generated stable lending income secured by globally mobile assets. The interests of airlines, investors and lenders appeared aligned.

Today, however, the foundations of that model are weakening.

Industry participants often attribute current difficulties to cyclical headwinds: higher interest rates, a weaker yen, delayed aircraft deliveries and temporary turbulence in airline profitability. Yet such explanations risk missing the larger story. The more consequential challenge is structural. A combination of accounting reforms, evolving tax policy, tighter regulation, shifting investor preferences and changing capital-market conditions has steadily eroded the advantages that once made Japanese aircraft-leasing structures uniquely attractive.

Moreover, the international tax environment has become significantly more complex. Japanese investors must increasingly consider cross-border tax issues arising from the OECD's Base Erosion and Profit Shifting (BEPS) initiative, the global minimum tax framework and evolving international tax rules. As these developments affect the economic assumptions underlying JOL and JOLCO transactions, a growing challenge lies in whether domestic leasing companies and trading houses — the principal arrangers of such structures — can adequately explain and manage these risks for investors. Insufficient understanding of international tax exposure may itself become a material risk factor for the market.

The question is no longer whether JOLCO survives. The question is whether a model designed for the financial environment of the late 20th century can remain competitive in the 21st.

The three pillars of success

Historically, JOL and JOLCO transactions rested on three powerful advantages. The first was tax efficiency. Accelerated depreciation and interest deductions allowed investors to reduce taxable income while generating attractive after-tax returns. The second was accounting treatment. Airlines could lease aircraft while avoiding much of the balance-sheet impact associated with ownership or conventional debt financing. The third was predictability. Aircraft values, lease cash flows and funding costs remained relatively stable throughout much of the 1990s and 2000s.

Together, these factors created a powerful ecosystem. A typical JOLCO transaction involved 20–30% equity and 70–80% debt financing. During the era of ultra-low interest rates, leverage amplified returns while depreciation enhanced investor economics.

Today, all three pillars are under pressure.

The end of off-balance-sheet leasing

Perhaps the most significant change has been accounting reform.

For decades, global airlines viewed operating leases as an attractive means of financing aircraft because lease obligations remained largely off balance sheet. That advantage largely disappeared with the introduction of International Financial Reporting Standards (IFRS) 16 by the International Accounting Standards Board (IASB). Under the new standard, most leases must be recognized through right-of-use assets and corresponding lease liabilities.

The impact has been substantial. According to the International Air Transport Association (IATA), IFRS 16 added approximately $500 billion of lease liabilities to airline balance sheets worldwide.

Japan is moving in the same direction. The Accounting Standards Board of Japan (ASBJ) Lease Accounting Reform aligns Japanese accounting treatment more closely with international standards.

The implications are straightforward. Airlines can no longer justify operating leases primarily on accounting grounds. Instead, leasing decisions increasingly depend on actual economics: financing costs, operational flexibility, fleet strategy and liquidity management.

As a result, JOLCO structures now compete directly with bank loans, export-credit facilities, enhanced equipment trust certificates (EETCs), and large global lessors such as AerCap, SMBC Aviation Capital and Avolon.

As a result, one of the principal historical attractions of JOLCO structures — the ability to improve reported leverage through off-balance-sheet treatment — has largely vanished.

At the same time, the investor base that has traditionally supported JOLCO transactions may also be narrowing. Many Japanese investors participate through relatively small equity commitments rather than funding entire aircraft. As economic conditions become more challenging and domestic businesses face greater cash-flow pressure, these investors may become less willing or able to allocate capital to aircraft-leasing investments. This could gradually shift the market toward a smaller pool of more sophisticated and professional investors.

While such a transition may improve investment discipline and due diligence, it could also reduce transaction volumes and place pressure on the existing business models of leasing companies and trading houses that rely on a broad retail and middle-market investor base. Maintaining current staffing levels and fee structures may become increasingly difficult in a more concentrated market.

A business model dependent on tax policy

If accounting arbitrage has diminished, tax efficiency remains central to the economics of many JOLCO transactions. This dependence creates a structural vulnerability.

Although JOLCO is often presented as an aviation investment, many participants have historically been motivated less by aircraft economics than by tax benefits. Accelerated depreciation and interest deductibility frequently constitute a significant share of expected returns.

Aircraft leases typically extend for eight to 12 years, while aircraft themselves remain in service for 25 years or more. Tax policy, by contrast, can change within a single budget cycle.

Over the past decade, OECD-led BEPS initiatives have encouraged governments to tighten rules governing tax-driven investment structures. Japan has gradually strengthened earnings-stripping regulations and anti-avoidance provisions. The framework is summarized by the National Tax Agency of Japan's Earnings-Stripping Rules.

The risk is not prohibition. The risk is uncertainty. A structure whose economics depend heavily on favorable tax treatment becomes inherently fragile when that treatment is subject to political or regulatory reinterpretation.

Unlike Ireland's leasing industry — which benefits from scale, operational expertise, treaty networks and diversified funding sources — Japan's leasing model remains unusually dependent on the continuation of specific tax advantages.

The end of free money

The rise of JOLCO coincided with one of the most extraordinary monetary-policy environments in modern history.

Many investors entering the market today are also part of a generational transition. Unlike earlier participants who experienced periods of higher inflation and interest rates, a large share of Japanese investors built their investment expectations during an era of ultra-low borrowing costs and abundant liquidity. As a result, they are entering a market environment that is fundamentally different from the one in which JOLCO structures originally flourished.

This shift makes a deeper understanding of both the benefits and the risks of aircraft leasing increasingly important. Once committed, investors are typically locked into transactions for four to 12 years, limiting their flexibility and requiring assumptions about future interest rates, tax rules, aircraft values and airline creditworthiness over a long horizon. In an environment characterized by greater economic uncertainty, such long-term forecasting has become considerably more difficult.

Between 2010 and 2021, Japanese interest rates remained near zero, while global borrowing costs reached historic lows. Such conditions were highly favorable for leveraged investment structures.

Aircraft leasing is particularly sensitive to financing costs because debt typically finances 60–80% of acquisition value. Consider a $100 million aircraft financed with 70% debt. A one-percentage-point increase in borrowing costs reduces annual cash flow by approximately $700,000. Over a ten-year lease term, the cumulative impact can exceed $7 million even before considering any refinancing costs or changes in future credit conditions.

Since 2022, benchmark interest rates in major economies have risen by roughly 500 basis points. The shift is documented extensively in the Bank for International Settlements Annual Economic Report 2024.

Even if policy rates decline, few investors expect a return to the near-zero funding environment that characterized the previous decade. The economics of leveraged aircraft leasing have therefore changed fundamentally.

Delivery delays have become a systemic risk

Aviation finance has traditionally focused on airline creditworthiness and aircraft residual values. Today, operational risk may be more important.

Both Airbus and Boeing continue to face production constraints and supply-chain disruptions. Airbus delivered 766 aircraft in 2024 but has repeatedly warned of bottlenecks affecting engines, avionics and structural components. The company's outlook is outlined in its Aircraft Production Ramp-Up Strategy.

Boeing's challenges have been even more severe following manufacturing-quality concerns and regulatory intervention. A detailed assessment is available in Reuters' analysis of Boeing's 2024 crisis.

For airlines, delivery delays are frustrating. For JOLCO structures, they can be destabilizing. Aircraft-financing transactions depend on precise coordination between equity subscriptions, debt drawdowns, lease commencement, foreign-exchange hedging and tax recognition. When deliveries are delayed by months or years, financing commitments expire, hedges become ineffective and transaction documents require renegotiation.

Large lessors managing portfolios of hundreds of aircraft can absorb such disruptions. Single-aircraft special-purpose vehicles cannot.

Legal certainty is no longer assumed

Aircraft leasing has long been regarded as a legally robust asset class. Recent litigation has challenged that assumption.

Particular attention has been paid to termination-payment provisions frequently embedded in JOLCO transactions. Although English courts have generally upheld such provisions, litigation has highlighted a broader reality: Recovery outcomes depend on contractual drafting, jurisdictional interpretation and insolvency frameworks.

Detailed analyses are available from both Clifford Chance's JOLCO Termination Sum Review and Morgan Lewis' English High Court Analysis. For investors, the significance lies less in individual court decisions than in the uncertainty they reveal. Recovery values cannot simply be assumed; they must be analyzed.

This issue is particularly important in the Japanese market, where investor discussions have traditionally focused on tax benefits, projected returns and aircraft residual values rather than legal-enforcement risks. Many investors have limited experience evaluating complex cross-border insolvency proceedings, jurisdictional conflicts or contractual enforcement risks. As a result, legal risk is often treated as a secondary consideration despite its potential impact on recovery outcomes.

The challenge is compounded by the highly specialized nature of aircraft-finance disputes. While transaction documentation is typically prepared by experienced legal counsel, the practical outcome of a distressed lease often depends on litigation, restructuring negotiations and insolvency proceedings conducted across multiple jurisdictions. These factors can be difficult for non-professional investors to assess and are not always fully reflected in traditional investment presentations.

Currency risk has become more punitive

Currency exposure has also become increasingly significant. Aircraft are priced globally in US dollars, while Japanese investors provide capital largely in yen.

The yen depreciated from approximately ¥103 per dollar in early 2021 to nearly ¥160 per dollar during 2024. As a result, the yen cost of acquiring a $100 million aircraft increased from roughly ¥10.3 billion to ¥16 billion — an increase exceeding 50%. In our view, the recent weakness of the Japanese yen has materially reduced the attractiveness of dollar-denominated aircraft investments for many Japanese investors. The sharp depreciation of the yen has significantly increased the domestic-currency cost of acquiring aircraft, while higher hedging costs and greater exchange-rate uncertainty have further reduced expected risk-adjusted returns.

While hedging strategies can mitigate some exposure, long-dated currency protection remains expensive and imperfect. For many investors, foreign-exchange volatility now represents a greater source of uncertainty than aircraft performance itself.

Why insurance companies are looking elsewhere

These structural weaknesses become particularly apparent when viewed through the lens of insurance companies.

Japanese life insurers collectively manage assets exceeding ¥400 trillion. Yet JOLCO remains largely absent from their strategic asset allocations. The reason is straightforward. Insurance companies are not tax-driven investors. Their objective is to generate predictable long-duration cash flows while minimizing regulatory capital consumption. JOLCO performs poorly on both measures.

The structures involve airline credit risk, residual value uncertainty, legal enforcement complexity, delivery delays and opaque valuations. Under emerging solvency frameworks, including Japan's Economic Value-Based Solvency Regulation (ESR), such characteristics attract relatively high capital charges.

Consequently, institutional participation remains limited despite the industry's long history.

This limitation is unlikely to disappear in the future. Publicly listed companies and institutional investors face increasing scrutiny regarding tax planning, governance and capital allocation. As a result, participation in aircraft-leasing structures primarily motivated by tax benefits is becoming more difficult to justify. Rather than investing through traditional JOLCO arrangements, professional investors may prefer direct ownership stakes in aircraft-leasing companies, dedicated aviation-investment platforms or strategic acquisitions that provide greater control, transparency and scale. The trend suggests that future participation may become concentrated among a smaller number of sophisticated investors rather than the broad base of tax-oriented investors that historically supported the market.

A broader question of capital allocation

The deeper issue extends beyond aviation finance.

Historically, JOLCO has been marketed primarily to profitable, privately held companies, including owner-managed firms in construction, real estate, healthcare, logistics and leisure industries. Industry presentations frequently acknowledge that tax benefits remain the primary attraction for many participants. A representative overview is provided in the Airline Economics JOL/JOLCO Market Presentation.

This raises broader questions about capital allocation within Japan. When capital flows into highly engineered structures because depreciation benefits enhance returns, investment decisions become increasingly detached from underlying productivity. Financial engineering begins to substitute for genuine value creation.

The result is a subtle but important distortion. Capital that might otherwise support innovation, digital transformation, productivity enhancement or wage growth is instead directed toward tax-efficient ownership structures tied to aircraft operating thousands of miles away.

Such behavior may be rational from the perspective of individual investors. It is less obvious that it is optimal from the perspective of the Japanese economy.

Adaptation rather than extinction

None of this implies that JOLCO will disappear.

The global commercial aircraft fleet is expected to expand from approximately 29,000 aircraft today to more than 47,000 by 2043. Boeing and Airbus together forecast demand for more than 40,000 new aircraft over the next two decades, representing trillions of dollars of financing requirements.

There will continue to be opportunities for Japanese capital. But the conditions that once supported JOLCO's rapid expansion — off-balance-sheet treatment, abundant tax advantages, ultra-low interest rates, stable supply chains and limited competition — have largely vanished. The challenge confronting Japan's aircraft-leasing industry is therefore not one of survival but reinvention.

The next phase of global aviation finance will reward scale, operational expertise, capital efficiency and economic substance rather than tax optimization and financial engineering. Whether JOL and JOLCO can successfully adapt to that reality may determine their relevance in global aviation finance for the next generation.

The era in which Japanese aircraft leasing thrived because of accounting advantages, tax benefits and cheap money is drawing to a close. The industry's future will depend on whether it can compete on economic merit alone. That may prove a far more demanding test than any it has previously faced.

[Kaitlyn Diana edited this piece.]

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Paul Hirodo was a seasoned aviation investor, trader and advisor with over 15 years of experience managing a portfolio of more than 40 aircraft at one of Japan's leading aviation investment firms. Specializing in aircraft sale and leaseback transactions, he has established a powerful network spanning global airlines, leasing companies, law firms and the Japanese leasing sector. Additionally, he brings over 40 years of extensive experience in international trade and manufacturing within Japan.

Paid in Mars: How the SpaceX IPO Engineers Away Accountability

Usama Malik
June 24, 2026

SpaceX's massive initial public offering (IPO) is not a marker of company success, but rather indicative of an eroding market. Systems are being quietly rewritten to make exceptions for the few at the cost of established financial institutions. The precedent SpaceX and Elon Musk set may shift the free market from the public domain into a private affair for billionaires.

Let's begin with the concession, because it is real and because skipping it is how you lose the argument. SpaceX landed an orbital rocket upright when the entire industry called it fantasy, then did it more than five hundred times until the cost of reaching space collapsed. It strung the largest satellite constellation in history across the sky and sold broadband to the places fiber will never reach. Starlink booked $11.4 billion last year and $4.4 billion in operating income: a magnificent business, maybe the best of its decade.

Musk did not invent the rocket or the phased-array antenna or the language model; he is not Nikola Tesla, conjuring from first principles. He is something rarer in practice: an assembler who bolts existing technologies together at a pace and scale almost no one alive can match, aimed at needs the market hadn't yet thought to name. Grant him every bit of it.

Now open the prospectus, and watch the achievement turn into the alibi.

SpaceX is eating itself — so why is it still leading?

Past the fourteen opening pages of rocket photography, past the sentence — verbatim — "We do not want humans to have the same fate as dinosaurs," sits the arithmetic. SpaceX lost $4.94 billion in 2025, the year it filed to go public, after earning $791 million the year before. It lost another $4.28 billion in the first quarter of 2026. The company seeking the richest valuation in the history of markets got dramatically poorer on its way to the altar.

The wound is self-inflicted and named xAI, the AI business folded in months before the offering: $3.2 billion of revenue against a $6.4 billion operating loss, and $12.7 billion of capital expenditure, more than the company spent on rockets and satellites combined. Strip the story to its mechanics, and it is simple. Starlink is a great business being bled to feed a furnace strapped to its hull.

So what are investors paying for? At the offering's $1.75 trillion floor, roughly 94 times trailing revenue. The most expensive stock in the S&P 500, Palantir, trades at 67 times sales. Meta went public, growing 88% a year at 28 times revenue; Google, growing 240%, went out at 10. Value SpaceX's three segments at twice what their public rivals command — a deliberately "soft ball" exercise — and you reach about $1 trillion. The remaining three-quarters of a trillion dollars rests on one device: a "total addressable market" (TAM) of $28.5 trillion, nearly the size of the entire US economy, of which $22.7 trillion is filed under "enterprise AI," about thirty times the size of the enterprise software market that actually exists.

Name the trick precisely, because precision is what makes it land. The TAM is not a lie. It is hedged, sourced to consultants, stamped as an estimate that “may prove to be inaccurate.” It is something more corrosive than a lie: a number engineered to be unfalsifiable, swapped in for the discounted cash flows a normal company would have to show. You cannot disprove a claim on thirty times a market that does not yet exist. That is the entire purpose of building one that size. The bet was never that the numbers add up. The bet is that they will never have to.

And they will never have to, because every mechanism that normally forces the reckoning is being disabled — one institution at a time, in public, on his behalf.

Elon Musk doesn’t have to go to Mars for his money

Start with Musk’s pay, the single cleanest specimen of the whole enterprise. The board granted Musk one billion restricted Class B shares. On paper, the conditions are science fiction. They do not vest until SpaceX is worth $7.5 trillion and he has planted a permanent colony of at least one million people on Mars. A package you can wave at the public as proof that he only wins if humanity wins.

But if you read the stock-award agreement attached to the filing, the trick falls out. He can vote those billion shares now — before a single one vests, before the first Martian draws breath — so the grant swells the voting lock he already holds. He can pledge them now as collateral for loans, converting paper he has not earned into cash he can spend. And because the law does not treat unvested shares as income, he owes no tax on them until they vest, which, given the Mars condition, may be never. Vote them, borrow against them, defer the tax forever: he extracts the power and the liquidity of ownership while accepting none of its obligations. The milestones aren’t targets. They’re set dressing — there so he can say he is paid in Mars while he is, in fact, paid now. (The board approved this, the pension funds note, with no independent compensation committee in the room. A second tranche of 60.4 million more super-voting shares rides on building data centers in space.)

That is the man. Here is the machine being rebuilt around him.

Musk draws the lines now

You may end up owning this company whether you assess it or not. Effective May 1, Nasdaq rewrote its own rulebook, cutting the “seasoning” period before a new company can enter the Nasdaq-100 from three months to fifteen trading days, and waiving the minimum-float requirement that has stood for decades. Seasoning exists for one reason: to let a volatile new stock find an honest price before the index funds — the passive vehicles inside your 401(k), buying mechanically, without judgment, in proportion to weight — are forced to swallow it.

Goldman Sachs estimates the change could compel up to $60 billion in Nasdaq-100 buying alone. FTSE Russell has loosened its float rule; S&P is consulting on halving its seasoning window and waiving the profitability test outright. The rule that kept Tesla out of the index until 2020, long after it was one of the most valuable companies on Earth, is being broken on purpose for the largest and greenest issue ever floated. You needn’t take my word that this is improper. A portfolio manager at Acadian wrote that the proposal “stinks.” The Wall Street Journal’s Jason Zweig called it “arbitrary, unfair and potentially risky.” A market technician named Ian McMillan said it plainly on X: “They are openly looting the coffers.”

Now, let's turn to the governance, where the design stops pretending. Through ten-vote super-voting stock, Musk will command somewhere between 79% and 85% of the vote — the range itself a function of how you count that unvested billion-share grant — while owning roughly 42% of the equity. He is chairman, chief executive and chief technology officer at once. He can be removed only by a vote of the share class he himself controls: unfireable, as a matter of arithmetic, without his own consent. Shareholder claims are forced out of open court into private arbitration. Under SpaceX's new Texas incorporation, filing a derivative suit demands a 3% stake — billions of dollars of stock — a bar that at this valuation essentially only Musk could clear. None of this is my framing. It is the substance of a May letter from the comptrollers of New York State and New York City and the chief executive of CalPERS (California Public Employees' Retirement System) — fiduciaries for more than a trillion dollars of teachers' and firefighters' savings, who will be forced by index inclusion to hold this stock, and who wanted their objection on the record.

The Harvard scholar Lucian Bebchuk and Tel Aviv's Kobi Kastiel supply the part the filing will not say aloud: The structure is built so Musk can eventually become a small-minority controller, diversifying his stake down toward 9%, lower still through nonvoting shares, without ever loosening his grip. The math of that arrangement is merciless. A controller who owns a sliver pockets the full value of every self-dealing decision while bearing only his fraction of the cost, which means the incentive to extract grows precisely as his stake shrinks. The related-party plumbing is already running — Tesla's $2 billion poured into SpaceX, the all-stock swallowing of xAI, the Terafab chip venture, the option over Cursor — every transaction consummated before a single public shareholder held a vote.

Systems are eroding to benefit the few

Step back far enough, and the separate outrages resolve into one shape. A compensation plan that hands him ownership's spoils and none of its duties. Three index providers suspending the rules that protect ordinary savers, so his stock can be bought without being judged. A charter that makes him unremovable and his decisions unchallengeable in any court that publishes its reasoning.

Each was granted by people who knew better and did it anyway — bankers chasing the fee, exchanges chasing the listing, a board chasing his favor. That is the actual story, and it is bigger than one inflated valuation. The systems were built so that no individual, however rich, could stand above the price discovery and the legal accountability the rest of us are bound by. One by one, for one man, those systems are being quietly reengineered to make an exception. A bubble pops and the foolish lose money. This is different. This is the slow conversion of public markets — the commons where a teacher's pension and a billionaire's fortune were supposed to obey the same rules — into something closer to a private domain, where the lord sets the terms and the rest of us are simply made, by the mechanics of our own index funds, to hold his paper and call it ownership.

And do not mistake this for one man's singular brazenness. SpaceX is only the most naked instance of a structure already in place across the platform economy — the same proportional rent Apple extracts from every developer, the same dependency Amazon enforces on every seller, the same private control of public infrastructure that let Musk throttle Starlink over Ukraine and Zuckerberg arbitrate the speech of three billion people. What is new is not the appetite; it is the scale at which a handful of owners now sit astride the rails that nations, markets, and citizens are obliged to run on.

The last time private commercial entities accumulated this kind of sovereign reach — the East India Company minting money and raising armies, governing a subcontinent for the better part of three centuries — the state eventually clawed control back, but only after generations of extraction. The SpaceX prospectus is a preview of what that clawing-back will have to overcome, written in the language of a company that has decided the rules are for other people.

The rocket is real. The reckoning is what's being engineered away. And the most dangerous thing Musk has ever built is not his pitiful X-persona. It is the precedent the prospectus sets: The rules bend if you are large enough to make bending them profitable for everyone whose job was to hold the line.

[Cheyenne Torres edited this piece.]

Usama Malik is a global business leader whose perspective has been shaped by living and working across Africa, Asia, the US and Europe. Beyond his executive roles — where he has transformed healthcare companies and raised billions in capital — Usama has spent three decades advancing healthcare equity, women's and children's rights, disaster recovery and arts access in underserved communities. He has written broadly on a wide range of topics, including religious dogmatism in Pakistan, Palestinian rights, capitalism's limitations and the rise of authoritarianism. Usama advocates for business models that transcend traditional profit motives to address humanity's pressing challenges.

The Bolivian Crisis: Can President Paz Stabilize Bolivia and Complete His Term?

Chris Nadal
June 25, 2026

Bolivia's center-right president, Rodrigo Paz, confronts a critical test of governability as protests — backed by former President Evo Morales' allies — erupt into nationwide blockades, paralyzing supply lines and fueling economic strain. The crisis, driven by opposition to fuel subsidy cuts, land reforms and constitutional changes, risks collapsing state authority. Paz's next moves will shape Bolivia's democratic resilience and regional stability.

Bolivia's new center-right president, Rodrigo Paz, is being tested in a country where political unrest and protests have repeatedly forced three out of the last five presidents to resign. Political unrest had been building for weeks, while road blockades intensified in early May. Since then, the blockades have strained national supply lines and increasingly cut off Santa Cruz, Bolivia's eastern economic hub and main agricultural region, from the rest of the country.

Paz now faces more than an economic and social crisis. He faces a direct test of governability as his government accuses former president Evo Morales and groups aligned with him of fueling the blockades at a time when Morales faces an arrest warrant and a pending criminal case.

Who is protesting?

The protests are not one single movement. They include teachers, transport workers, labor unions, the Bolivian Workers' Organization (COB), Indigenous groups, rural farming communities and groups aligned with Morales. Some are protesting genuine economic pain, which the current government recognizes. Others appear to be part of a larger political effort to weaken the new government.

The road blockades have turned the protests into national paralysis. Santa Cruz matters because it is not just another department; it is Bolivia's economic engine and one of its most important food-producing regions. When roads out of Santa Cruz are blocked, the effects are felt far away in La Paz, El Alto and the western highlands. Food, fuel, medicine and basic goods become harder to move. Prices rise quickly. In some markets, chicken prices have reportedly risen by as much as 400%, reaching five times their normal price in parts of the country.

Meanwhile, Santa Cruz is facing excess production that cannot reach markets, forcing producers to waste part of their harvest and causing direct economic damage in the region. For families already struggling with high inflation, this is not just an inconvenience. It is a direct threat to daily survival.

This is why the crisis cannot be treated as ordinary protests. Bolivia has a long tradition of marches and road blockades. But when blockades isolate cities and threaten the supply of food and medicine, they become a test of whether the state can still function.

Why are they protesting?

The protesters have several stated complaints. One is opposition to Law 1720, which allowed small rural properties to be converted into medium properties upon the owner's request. The government argued that this would allow rural landowners to use their property as collateral, access credit and reactivate investment. Many Indigenous and rural organizations, deeply skeptical of government land reforms, feared the law would turn protected communal land into a financial asset and expose poor families to losing it.

Fuel is another cause. Paz inherited a fragile economy and decided to remove fuel subsidies. That decision angered many Bolivians, especially as they questioned both the price and quality of the fuel being sold. Teachers and public workers have also protested over wages in a country still suffering from high inflation and a rising cost of living.

The question of constitutional reform is even deeper. Paz wants a partial reform of the 2009 Constitution to attract investment in sectors such as hydrocarbons and mining. His supporters see this as necessary to rescue an economy under pressure. His opponents see it as a threat to the state-centered model built under Morales, especially over natural resources.

These complaints help explain some of the anger. But they do not fully explain the organization, timing and political direction of the blockades. This is where Morales enters the crisis.

Why the government believes Evo Morales is fueling the unrest

Paz's government accuses Morales and groups aligned with him of fueling the blockades. Morales denies this and says the accusations against him are political persecution. But his legal and political position makes the crisis impossible to separate from his personal future.

Morales has been declared in rebellion after failing to appear in court in a case involving accusations of aggravated human trafficking connected to an alleged relationship with a minor while he was president. He denies wrongdoing. He remains in the Chapare, a coca-growing region that has long been his political and union stronghold, protected by loyal supporters.

For Paz's government, this matters because Morales has a direct political interest in weakening the administration. If Paz stabilizes Bolivia, Morales becomes more isolated and more vulnerable to prosecution. If Paz collapses, Morales and his movement can argue that the government that followed nearly 14 years of rule by his political party, Movimiento al Socialismo (MAS), has failed and that only their return can restore stability.

This does not mean Bolivia as a whole is rising against Paz. In many cities, citizens have marched in support of democracy and against the blockades. In Santa Cruz, attempts to reopen strategic roads have led to violent confrontations, including a police operation in San Julián that left dozens injured. The crisis is not simply a national protest movement. It is also a struggle over whether organized groups can paralyze a landlocked country whose major cities depend on a limited number of access roads.

That is why the blockades have become so powerful. A relatively small but organized movement can choke supply routes, isolate cities and create shortages far beyond its actual numbers. This is the government's central accusation: that groups loyal to Morales are using blockades, violence and supply disruption to force a political crisis.

The Paz government has also described some actors involved in the unrest as linked to "narco-terrorism." That language should be understood as the government's accusation, not as a label for every person protesting. Paz's government argues that organized groups tied to Morales's coca-growing stronghold in the Chapare are using the blockades to destabilize the country while Morales faces the arrest warrant and pending criminal case.

What Paz does next matters for Latin America

Paz has repeatedly opened the door to dialogue. He has invited different sectors to negotiate, attempted to speak with groups marching from different departments and repealed Law 1720 after it became a central source of conflict. He has also promised to complete his mandate by 2030. But the blockades have continued, and some groups still demand his resignation.

On June 20, after nearly seven weeks of unrest, Paz declared a nationwide state of exception, later ratified by more than two-thirds of the Legislative Assembly. The decree prohibits road blockades that disrupt transportation and essential supplies and allows the armed forces to provide limited support to police. By the following day, most blockades had been lifted or suspended following agreements with protest groups, although some remained in Cochabamba and the Chapare. The measure can remain in force for up to 90 days, but may be lifted earlier if the blockades and violence end. Political analysts have warned that it could strengthen Paz if order is restored quickly and without excesses, but weaken his government if the measure becomes prolonged or disproportionate.

This is where the government faces its most dangerous balance. A democratic state cannot allow organized groups to starve cities into submission. But if the government uses emergency powers too broadly, it risks turning a governability crisis into a legitimacy crisis.

For Latin America, Bolivia is now a regional test. If Paz fails, the message will be that elected governments trying to move away from the old socialist-populist model can be paralyzed before they govern. If Paz succeeds, stabilizes the country and Morales is finally tried in court, Bolivia could become one of the most significant defeats of the Latin American populist-left structure built during the Chávez-Morales era.

The question is no longer only whether Paz can pass reforms. The question is whether Bolivia can move from street veto power to constitutional government.

[Kaitlyn Diana edited this piece.]

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The Iran Deal: A Bad End to an Unnecessary War

Gary Grappo
June 26, 2026

On June 17, the US and Iran signed a Memorandum of Understanding to end the four-month-long war. However, the deal is an unfavorable agreement that failed to achieve American or Israeli security objectives yet ceded clear advantages to Iran's new hardline leadership. By launching an unnecessary war, the US has undermined the very world order it helped establish.

Last week, the US and Iran signed the Memorandum of Understanding (MOU) to formally end (at least for the present) this phase of the four-plus months of war between the two countries. Israel, which was a partner with the US from day one of the war, did not participate in the negotiations of the deal and is not a signatory.

An unnecessary and disastrous war

Before directly addressing the deal, however, it is important to state that the war clearly did not go the way that either the Americans or Israelis had expected. The Iranians, despite losing many of their most senior political and military leaders, including Supreme Leader Ali Khamenei, did not cave. Another capable and seemingly even more hardline group of leaders, including Mujtaba Khamenei, son of the assassinated former Supreme Leader, quickly stepped up to lead the Islamic Republic alongside a much-empowered Islamic Revolutionary Guard Corps (IRGC).

American and Israeli tactical military advantages were clear from the beginning as both reported ever-growing numbers of destroyed Iranian military and other targets. Nonetheless, the Iranians responded with devastating missile and drone attacks against US military installations and assets in the region, on Israel itself and on all of America's Gulf allies, many of whom sustained heavy damage.

Iran's closure of the Strait of Hormuz upset the chessboard and had a major impact on the war's outcome. Iran, it seems, really did not need nuclear weapons to force the world to listen and bend. Without the twenty-some percent of oil that passes through the Strait, the world — and specifically US President Donald Trump — had no choice. They were going to have to deal with Iran on its terms.

For two reasons, the decision to go to war was a colossal mistake by Trump and his Israeli partner, Israeli Prime Minister Benjamin Netanyahu. First, every war game exercise the US Defense and State Departments and CIA had run for at least the last 20 years had shown that Iran would close the Strait within days of the start of war with the US. Donald Trump chose to ignore that fact, which any senior US military or intelligence officer or American diplomat would have known. Second, Trump and Netanyahu attacked Iran's military apparatus and infrastructure, which, though weaker than both of its adversaries, wasn't the true vulnerability of the Iranian leadership. That was (and remains) the decrepit, inefficient, corruption-ridden, inflation-plagued and sanctioned-constrained economy. Almost every anti-regime demonstration over the past 10 to 15 years has attacked Iran's declining economic state, the burdens that it imposes on the Iranian people and the government's abject inability to fix the economy.

A wiser course of action would have concentrated on targeting Iran's biggest vulnerability, doubling down on punishing the economy, especially those elements associated with the all-powerful, controlling IRGC. That would have meant not only stepped-up US sanctions but working with US allies and partners in the region and around the world to also expand their sanctions and enforcement. No amount of illicit sanctions-busting oil exports or meager support from Russia or China can resuscitate Iran's dying economic corpse. Attacking the enemy's weakest point has almost always been a standard strategy in warfare. Why didn't the US?

The war was a disaster for America and so many others. The dreadful Memorandum of Understanding that it eventually signed only proves it.

A very bad deal, except for Iran

Commentary on the deal, especially in the US, has been universally bad. "President Trump lost the war," from the editorial board of The New York Times. "Good reasons to be skeptical that a comprehensive peace, even if reached, will hold," from the US Council on Foreign Relations (CFR). "This outcome, after months of destruction and global economic disruption, is the greatest foreign policy failure of both of Trump's terms," from Foreign Affairs. From the Wall Street Journal, "a strategic retreat short of achieving (Trump's) war aims." From CNN, "President Donald Trump retreated on unfavorable terms." And from The Economist, "Iran has lost its fear of war." There are many others, most even more severely critical.

None of the objectives Trump sought at the war's outset — admittedly a moving target — were achieved. No agreement on Iran's nuclear weapons program. No limits on Iranian missiles, still capable of wreaking havoc on Israel, the Gulf States and even NATO countries like Turkey and Greece and possibly parts of Italy. And no constraints on Iran's support for regional proxies like Hezbollah, Hamas, the Houthis, several Shia militias in Iraq and others. Oil sanctions are dropped, an enormous American concession, and a development fund of $300 billion will be established to help the country rebuild. Iran's single concession to open the Persian Gulf — "Iran will make arrangements using its best efforts for the safe passage of commercial vessels with no charge for 60 days only from the Persian Gulf …," per the MOU language — is so wobbly one wonders how the American negotiators could have accepted it, given it was the one thing they had to get. Most experienced diplomats/negotiators will see all sorts of opportunities for mischief in such loose language.

To be honest, the MOU offers many opportunities for both sides to skirt most of the obligations, commitments or "best efforts" therein. Perhaps as an initial statement of intention, it may pass muster. But even that is a stretch. The Iranians are rightly claiming victory with the MOU, ending the war and surviving the American and Israeli onslaught with no genuine concessions. In the war of wills that this had become, Donald Trump not only blinked but also effectively surrendered the battlefield.

Others Lose as Well

In the broader sense, however, Iran's leaders and the Iranian people are worse off. Their economy and infrastructure — civilian and military — have suffered extensive damage and destruction that will take years and billions of dollars to repair. Unless Iran can find a way to integrate its economy with that of the rest of the world, it's going nowhere, despite the development fund promised by the Americans. They would be well advised to recall the many promises the American president has made to his own constituents, never mind the banks and businesses with which he has dealt in his business career, and failed to deliver on.

What about those not mentioned in the MOU? Israel may be the worst off, especially Bibi Netanyahu. Netanyahu chose to hitch his wagon to the Trump train, only to be left at the station and forced to explain to the Israeli people his rapidly disintegrating relationship with Donald Trump and the greater US. Throughout his business and political careers, Trump has proven to be a very temporary and disloyal partner and ally. How did Bibi and the vaunted Israeli intelligence not see that?

Israelis are now left to wonder where they stand vis-à-vis their future security and alliance with the US, having been left out of the MOU negotiating process. (To add insult to injury, Trump and Vice President Vance have all but blamed Netanyahu and Israel for the war.) Israelis face ongoing threats from Hezbollah in southern Lebanon and a weak but nevertheless deadly Hamas in Gaza. The MOU calls for the cessation of all action against Lebanon, meaning Hezbollah. But if the latter fails to comply, will the US support Israel's right to respond?

Then, there are the Gulf States, all of which suffered extensive damage during the war. While much of that damage is repairable, it will take billions of dollars and time, especially in Qatar, whose principal LNG facility was knocked offline. And these countries have reportedly been included as potential contributors to the MOU's proposed development fund for Iran. Were they consulted? All these states had tied their security to America. It's fair to ask now: What did that get them?

The US has lost much more than the bases in the region that were damaged. Thirteen Americans died in the war. Its weapons stockpiles, already low at the start of the war, are now badly depleted and will take years to rebuild. Can Ukraine and Taiwan count on the US to step up to support them in the future? NATO and US allies in Asia are asking similar questions.

And after 60 days?

The MOU's 60-day clock is counting down. The two sides must now find a way to resolve the main issues: for the US, neutralizing Iran's nuclear weapons capability; and for Iran, easing sanctions and lifting the asset freeze on more than $25 billion held in foreign banks. There are dozens of other equally complicated issues, and very few are likely to be settled in just 60 days. It took the US and Iran (plus Britain, China, France, the EU, Germany and Russia) more than two years to negotiate and sign the Joint Comprehensive Plan of Action (JCPOA) in 2015. (Trump withdrew the US from the JCPOA in 2018.) This two-page MOU is nothing like the 159-page JCPOA. And it's hard to believe that whatever results from these negotiations will be as comprehensive and detailed as was the JCPOA.

America fell into the classic "great power trap," believing that a quick war employing overpowering advanced precision weapons could achieve its goals in Iran in a short war. Instead, it found itself in a war in which its enemy was prepared to risk all and suffer all in order to survive. Trump grossly underestimated the Islamic Republic's ideological resolve; that is, save the Islamic revolution above all else. In many ways, it was a modern-day Vietnam. After all, how could a third-rate military match the nonpareil might of the US? Kissinger asked that very question about Vietnam in the lead-up to the start of negotiations with Hanoi.

Trump started a war he was unwilling to finish at the price and military resources it required and the time it would demand. Moreover, he faced political pressures that hardly exist for Iran's leaders and the Islamic Revolutionary Guard Corps. Tehran knew all that and had prepared for it; Trump either didn't or ignored those who tried to advise him before the war was launched.

The Middle East and the global economy are changed. Some semblance of balance and economic stability may return. Oil markets will (probably) adjust, albeit at higher prices for importers and consumers. But it won't look like it did on February 27, 2026. Under Donald Trump, America is undermining the very world it had labored diligently to build for more than 80 decades. Its image and standing around the world have suffered badly. And all because of an unnecessary war.

[Cheyenne Torres edited this piece.]

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Palantir and the Techno-Oligarchs: Honeyed Reason, or Crushing Hegemony?

Alan Waring
June 30, 2026

Western democracies have entered a period dominated by techno-oligarchs, e.g., Elon Musk (Tesla, SpaceX, Starlink, X-Corp and xAI), Peter Thiel and Alex Karp (Palantir), Mark Zuckerberg (Meta Platforms — ex-Facebook) and Jeff Bezos (Amazon). While their achievements are remarkable, there is now a growing concern — if not alarm — over whether some of these private companies have become a dangerous and irreversibly powerful threat to democracy and even humanity.

The relatively recent rapid advances in AI, computing power, data mining capacity and unobtrusive surveillance technology seem to be ultimately owned and controlled by a small number of uber-wealthy corporate oligarchs. Many of these same oligarchs have tried and largely succeeded in convincing many governments that their technological solutions offer salvation from a multitude of thorny problems of modern governance — but at an eye-watering financial cost and inevitably with some loss of data confidentiality and even potential data abuse by authoritarian regimes against citizens.

The key characteristics of the new state-corporate symbiosis include:

Elite deviance and uncontrolled corporate power — the "totalitarian corporation" coined in 2007 by Kean Birch and expanded upon in 2025 in his The Rise of a Tech Oligarchy lecture — whereby unaccountable "doers" disproportionately amplify their financial returns and influence at the expense of liberal democracy and individual sanctity (the "done-to"). The new AI-focused and techno-oligarch-dominated societies and economies are characterized by authoritarianism and "dark triad" personalities. See also "snakes in suits" corporate psychopathy, elite deviance, corporate authoritarianism, corporate political power abuses, dark money.

Blurring of state and corporate interests, with governments (e.g., US President Donald Trump, Israeli Prime Minister Benjamin Netanyahu, most Western nations) becoming over-reliant on technical expertise and services from private corporations (Elon Musk's AI ventures, Technion, Elbit, Palantir, Microsoft, Google, Amazon, etc.).

Multinational/global reach (e.g., European state sovereignties under digital threat, if not political coercion, by US and Israeli high-tech companies).

Convergence/coalescence of malign ideology, motivations, methodology and technology (e.g., data abuses, social control abuses, military/policing abuses against civilian populations, etc.). See, for example, chapters 5 and 11 in Vol 3 of The New Authoritarianism (2021).

Surveillance capitalism, whereby Internet and social media giants seek to control not just information exchange between individuals but also information about them and, worse, "predictive sources of behavioral surplus," the goal being mass control of populations for commercial gain.

Political hypocrisy, such as Trump's claims of "liberation of the individual" hiding an increasingly fettered and repressed US citizenry courtesy of the Heritage Foundation's radical-right Project 2025 blueprint; Trump's presidency replacing liberal elites with illiberal elites; favouring Republican-run constituencies while punishing Democrat administrations via voter rezoning/redistricting, postal vote restrictions, gerrymandering, withholding funds; ICE abuses of both undocumented migrants and US citizens, including homicides and deportations without due process; judicial abuses by the White House to investigate and prosecute political opponents, civil servants and former officials who dare challenge White House ideology and opinions; accusations of Palantir-assisted mass profiling of citizens by the Trump administration.

Case study: Palantir Technologies

Palantir Technologies, a leading US-based software company, provides IT solutions for governments, intelligence agencies and commercial clients, including data integration, analysis and AI platforms for very large data sets, with a focus on decision-making, military and surveillance applications. Established in 2003, three of the co-founders retain substantial and controlling ownership: Peter Thiel, Chairman; Alex Karp, CEO; and Stephen Cohen, President. Major institutional shareholders include Vanguard Group, BlackRock and State Street Corporation.

It is reported that the company received early funding from the Central Intelligence Agency (CIA) company In-Q-Tel.

Palantir now has substantial operations and clients in North America, Europe and elsewhere. Its growing market capitalization is variously quoted by market analysts at over $300 billion and possibly $350 billion.

Palantir and the Trump White House

The company has an extremely close relationship with the Trump White House. For example, Vice President JD Vance is a former Palantir employee who has long been mentored and financed by Thiel. This has included a $15 million contribution to Vance's 2022 senatorial campaign. Palantir staff have also been seconded to government departments in Donald Trump's second presidency. Stephen Miller, White House Deputy Chief of Staff for Policy and Homeland Security, is also reported to have a close relationship with Palantir, including significant stockholding in the company.

It has also been reported that Palantir supports radical-right Christian nationalist causes that form part of the Project 2025 movement seeking to impose permanent illiberal Christian supremacist governance on the US. For example, Palantir was a corporate sponsor of Trump's Freedom 250 Christian nationalist event, Rededicate 250, in May, which featured Trump's cabinet member Pete Hegseth, the self-styled Secretary of War and an aggressive proponent of Christian supremacy. Other sponsors included Deloitte, Mastercard and United Airlines. The event was criticized for allegedly rewriting American history and for its evangelistic style in promoting religious supremacy contrary to the 14th Amendment to the Constitution.

In addition to Palantir's well-established business relationships in the US with corporations and both federal and state government functions, the following are four examples of Palantir's major prospecting and client activities in three other countries — the UK, Switzerland and Israel. These are followed by an examination of the stated political ideology, motivations and commitments of Palantir's top executives, and questions about the company's authoritarian ethos and its close engagement with hegemonic authoritarian regimes.

UK National Health Service

The National Health Service (NHS) was launched in July 1948 to provide cradle-to-grave medical care for the total population of the UK, regardless of status and ability to pay. The NHS and numerous emulations in other countries have developed almost exclusively in capitalist economies, in which socialism or socialist politics are not of the hard-left extremist kind but part of a pragmatic, eclectic approach to social order, human rights and modernity. Although established by a Labour (socialist) government in 1948, the NHS has been retained by all mainstream UK political parties (including the Conservatives) ever since.

The UK's NHS is not seen as an ideological artifact of one political creed but as an all-party-agreed necessity for a civilized society, mindful that the provision of health care for all is a human right guaranteed by the UN Universal Declaration of Human Rights, 1948.

Disagreements between the major UK political parties are rarely about the necessity of an NHS but usually about its best design, organization and policies, and how much public money should be invested in it. The NHS is so popular that for any British political party to suggest that it should be scrapped or diminished would amount to political suicide. Despite operational difficulties and growing waiting lists in recent years (now reducing), this universal health care (UHC) model, funded by compulsory social insurance contributions from citizens over their working lifetimes plus general taxation, is jealously guarded by the general population. Woe betides any parties who advocate its dissolution and replacement by privatized medicine, seen as a return to the "bad old days" before 1948, when only those with enough money received proper health care.

Private health care is available in Britain for those who can afford it or related private medical expenses insurance, but it is not the main provider or option for most citizens. The UHC model is in stark contrast to the US health care system, where private medicine and private medical insurance prevail, resulting in large numbers of citizens who are unable to pay receiving little or no health care. The Affordable Care Act (informally known as Obamacare) reduced the number of under-65s without health insurance from 48 million in 2010 to 28.1 million in 2016. This number continued to fall modestly but by 2024 had risen again to 26.7 million.

So, any foreign interests, whether governments or private enterprise, that seek to upend, interfere with or financially exploit the UK's NHS should beware. The American pharmaceutical industry is one such group that has managed to persuade the UK government (with President Trump's backing) to allow it to sell a defined range of high-priced pharmaceuticals to the NHS. In the US, the prices of pharmaceuticals in general are usually orders of magnitude higher than the same items in the UK. Such high prices have little to do with actual manufacturing costs but reflect the very high profit margins demanded by US pharma giants, mindful of their stock values and shareholder dividends. Unsurprisingly, the British public has become very concerned about what to them looks like a vehicle for outrageous price gouging at the expense of the British taxpayer, with this first agreement being a Trojan Horse for a mass attack on NHS finances by American private pharma companies.

Palantir is clearly not a pharma company but represents yet another private business sector (with the Trump White House's fulsome backing) seeking to embed itself as indispensable to the governance of Britain, namely initially, large-scale data handling and analysis. One of Palantir's target interests is the NHS, whose patient data covers a population of some 70 million. Palantir's initial

NHS England 7-year contract (five years plus a two-year optional extension), awarded in November 2023, is to design, build and operate the Federated Data Platform (FDP). The FDP brief is to enable better data sharing across the NHS, better coordination of patient care and improved operational efficiency across the numerous regional and local Trusts that make up the NHS delivery model.

The UK government has expressed satisfaction that Palantir will do an excellent job. However, recent polls of the British public indicate that more than two-thirds of respondents are unhappy with the large scale of Palantir's penetration into public sector contracts such as the NHS, and 40% do not trust Palantir to honor its obligation not to access individual patient data. Indeed, the recent decision by the NHS to apparently shift from its previous policy of not allowing access to individual patient data to now granting Palantir unlimited access has caused some political and media consternation nationally, such as in the Financial Times.

At the local level, too, such as in the Folkestone & Hythe District of the county of Kent, the respected "speaking truth to power" online news and blog site Shepway Vox has recently weighed in on the same doubts about the trustworthiness of Palantir regarding individual patient data protection.

Others criticize Palantir for providing the US Immigration and Customs Enforcement Agency (ICE) with surveillance and targeting software that aids and abets contravention of human rights, and wonder rhetorically whether Palantir's access to NHS individual patient data will bring similar conduct to Britain. Others see Palantir's NHS FDP project as just one in a whole spectrum of dubious penetration and aiding-and-abetting activities across UK health care, policing, defense, social care, environment and immigration enforcement.

UK policing

Palantir has already made considerable inroads into UK police forces, the largest being London's Metropolitan Police Service (MPS). The major controversy so far has centered on the MPS's use of Palantir's AI software to track and monitor the force's 33,000 police officers. However, the Karp-Zamiska manifesto setting out Palantir's authoritarian intellectual and political ideology appears to have provoked a wider concern among UK lawmakers and others about the "values and ethics" suitability of Palantir for this company to be allowed access not only to UK policing but also to other sensitive government functions such as the Ministry of Defence and the Financial Conduct Authority. Members of Parliament have variously described the Palantir manifesto as a "parody of a RoboCop film" and "the ramblings of a super villain."

Recently, Palantir has announced that it will sue the Mayor of London because (as within his statutory powers) he has blocked Palantir's contract with the MPS.

Additional concerns have been raised about the potential for Palantir to use UK NHS individual patient data plus surveillance technology to enable UK policing to target and monitor migrants, racial groups, religious groups and political dissidents, based on its experience in the US with ICE.

The growing public "trust deficit" and resistance that Palantir faces in the UK is largely one of its own making. Its arguably bullying and dismissive "trust us, we're Palantir" responses to considerable criticism and concerns raised by the public, civil society organizations, politicians and lawmakers have added to Palantir's damaged image and credibility. Although the UK government has welcomed Palantir's data management expertise, it has, nonetheless, paradoxically, identified the country's growing over-reliance on such US techno-oligarch firms as a threat to national security. UK government minister Liz Kendall warned in April of the country's dependence on US technology for its critical defense infrastructure, as well as its economic dependence on US-owned digital technology. Her solution includes the UK now being on a "critical mission" to develop its own sovereign AI capabilities.

Alleged interference with Swiss sovereignty and civil rights

As in the UK, Palantir's access to sensitive national data has raised much disquiet in Switzerland, including a scandal that is still unfolding. Since 2018, the company has developed a strong relationship with Ringier — Switzerland's largest media group — with Palantir developing Ringier's AI platform across the company's media, sports and marketplace divisions. In 2024, a renewed 5-year strategic extension to Palantir's contract was announced. However, from 2020 to 2022 — a period when Palantir was prospecting Swiss government departments — Palantir's Executive Vice President in Switzerland apparently also served on the Ringier board. This fact was only revealed much later, and the lack of earlier transparency raises questions about Palantir's corporate governance and integrity.

In December 2025, the independent Swiss magazine Republik ran a two-part investigation into Palantir's Swiss activities, involving 59 freedom-of-information (FoI) requests. The investigation found that formal audits by the Swiss Army and other government organizations had determined that Palantir's systems were fundamentally incompatible with Swiss data protection laws or with Swiss national security and sovereignty.

The nub of the problem centered on American companies operating abroad being subject to the Clarifying Lawful Overseas Use of Data (CLOUD) Act 2018, which could lead to US government demands for access to any or all of their records and data related to their overseas activities. This could be for any purpose, including criminal investigations into fraud, tax evasion, trafficking or money laundering, links to terrorism or US national security threats, or just plain intelligence agency "snooping." This non-negotiable, supervening extraterritorial jurisdiction right held by the US government was deemed by the Swiss government to be intrinsic to Palantir's product offering. As Palantir could therefore not guarantee that sensitive Swiss government data would always remain exclusively confidential to the Swiss authorities, their contract was discontinued.

Unsurprisingly, eyebrows have been raised in the UK, and questions have been raised as to why the British government (which faces comparable Palantir risks to those arising from Palantir's Swiss predicament) appears unconcerned.

However, cancellation of Palantir's contract was not the end of the matter. Instead of suing Republik for defamation, Palantir filed a "right-of-reply" lawsuit in the Zurich Commercial Court to force Republik to publish a counternarrative or rebuttal from Palantir. As the Republik articles reported on public records, the legal and factual basis for Palantir's lawsuit is puzzling.

Informed observers suggest that Palantir's motive is to intimidate Republik with what amounts to a legal move well known in the UK, called a SLAPP (Strategic Lawsuit Against Public Participation). SLAPPS are typically used by celebrities, wealthy figures, high-profile business executives and large corporations against anyone who has caused them embarrassment and/or loss by revealing facts or allegations about their conduct and motives. While seemingly a reasonable response to unfounded allegations, SLAPPS have become notorious as a vexatious means by the wealthy and powerful to suppress legitimate public inquiry, especially by small publishers. Moves to outlaw SLAPPS in the UK are slow-moving but have achieved some government backing.

Palantir lost its case. Whether Palantir is unconcerned about the adverse publicity their lawsuit has generated, or even aware of it, is unclear.

Palantir's Israeli business activities

In 2024, Palantir and Israel signed a strategic partnership intended to "harness Palantir's advanced technology in support of war-related missions." This partnership is the latest development in a long-standing, close relationship that goes back at least a decade across multiple levels, both within Palantir and the Israeli government and its national security functions. For example, former Israeli Prime Minister and Head of the Israeli Defense Force (IDF) Military Intelligence Directorate, Ehud Barak, is reported to have advised on and facilitated venture capital funds involving Palantir.

In recent years, many successful high-tech start-up companies have been formed, both in Israel and the US, by young Israeli entrepreneurs typically in their 20s and early 30s. Many of these are former leading-edge IT and AI specialists in the IDF and, more specifically, its clandestine cybersecurity and intelligence service called Unit 8200. It is highly likely that a number of these specialists will also have joined Palantir. Other similar firms established by ex-Israeli intelligence officers include NSO and Black Cube, both of which have been heavily censured for alleged unacceptable intelligence activities in several EU countries and, in Black Cube's case, electoral interference in Slovakia. NSO has also been under investigation by the European Parliament over its Pegasus "spyware" in phone hacking of EU staff, Members of the European Parliament (MEPs), journalists and lawyers.

Former 8200 commander Yair Cohen established the cyber division of Elbit Systems, one of Israel's largest defense electronics firms. Elbit specializes in high-resolution specialist cameras and vision systems used in military, security and intelligence applications, for example, surveillance and targeting. Elbit has a joint research agreement with the Israel Institute of Technology (Technion). Palantir enjoys a commensal relationship with Elbit and Technion within this fraternity.

Both Palantir and Elbit have been involved in controversy within Britain over their surveillance businesses as well as over their close involvement in Israel with the IDF and its Gaza War activities. Their collaboration with the IDF on surveillance and targeting technology and services has been regarded by some as amounting to aiding and abetting alleged war crimes and genocide, such as targeted assassinations, mass slaughter of civilians (over 70,000, apparently confirmed by an Israeli official) and "devastated terrain warfare." Denial of complicity by Palantir has not been helped by CEO Alex Karp holding a company board meeting in Tel Aviv in January 2024 during the Israeli bombing campaign to show solidarity with Israel and its methods in Gaza and criticizing Western companies that fail to show similar support.

Palantir's political beliefs and manifesto

In 2009, Thiel stated in a short article in the Cato Unbound journal: "I no longer believe that freedom and democracy are compatible." While clear and erudite in its language and opinion, it nonetheless presented a dystopian polemic about the alleged increasing dysfunctionality of capitalism and representative democracy and the need, in his view, for a step-change libertarian revolution that only unconditional embrace of the kind of technologies that Palantir excelled in could provide.

By 2025, Thiel's early ideas had been expanded by his colleagues Alex Karp and Nicholas Zamiska into a book, The Technological Republic, which included a political manifesto of 22 assertions and objectives to create this revolutionary nirvana. The manifesto is undoubtedly radical, and polemically so, in its rhetoric and assertions. Many of the enumerated assertions are highly debatable, for example, numbers five, six and seven, which essentially call for a return to a militaristic outlook by government and society, including compulsory national military service. It very much appears that the Trump White House, in the person of Hegseth, has already taken the hint in terms of his constant bellicose rhetoric and public "warrior" memes, while Trump himself has embarked on his Iran War, has invaded Nicaragua and is threatening to attack Cuba.

The Karp-Zamiska manifesto list has received much media criticism; for example, American journalist Elizabeth Spiers dismisses it as "steeped in oligarchic hubris and authoritarian nihilism" and promising only "a dystopian future."

Nevertheless, the manifesto does include some surprisingly liberal suggestions. For example, item nine suggests that society should be far more tolerant and forgiving of those who have devoted their time and skills to public life and who may, for example, suffer opprobrium, hyper-criticism or ill-health as a result. Similarly, item 11 advocates that society should refrain from Schadenfreude ("harm-joy") and not gloat or rejoice when opponents experience ill-fortune. Item 20 demands that "pervasive intolerance of religious belief in certain circles must be resisted."

My overall assessment of this manifesto is that it presents as an unstructured, almost random evangelical list of topics, assertions, emotions and even passionate feelings of Karp and Zamiska, ranging from the superficial to the profound, from the peripheral to the fundamental, and from the trivial to the maximal. Such a demonstration of chaotic thinking is hard to fathom, but reminiscent of Trump.

The manifesto reveals a belief in unbounded individual freedom and free-market capitalism, backed by the militant application of AI and technology by corporations and governments to achieve these aims by eliminating democratic interference. War should be embraced as a necessary "might is right" instrument to impose a nation's supremacy on other nations, and citizens (but not the techno-supremacists, of course!) should accept their unavoidable imposed sacrifice in that endeavor.

The manifesto includes an implicit contradiction, namely that some individual and mass freedoms and human rights must be eliminated to ensure the unbounded freedoms of other parties, i.e., the freedoms of the most powerful (and most deserving — supremacists like the Palantir demagogues) to expunge the freedoms of the less powerful (and less deserving). It has an inherent "jungle logic" of survival of the most ruthless.

From their published statements, Karp and Thiel appear to lack emotional intelligence and self-awareness, despite elements of mawkish compassion for others less fortunate. In a paraphrased summary, they appear to be saying to the masses (the "done to"):

Trust us, we're Palantir, we always act honorably, ethically and altruistically. Trust us, with our superior intellect, vision and technological wizardry, we know far better than you plebs what is good for you and what needs to be done. Listen to our honeyed voice of reason. Just lie back and accept all the benefits and the sunny uplands of the brave new world we are creating, while accepting some personal sacrifices.

And, to their prospective government clients, they appear to be adding “scareware” blackmail:

Listen to our honeyed reasoning, the pure, unassailable logic of the salvation we offer you. We have no interest in your data content, honest. We are paragons of virtue and have innately altruistic motives. BUT BE WARNED, if you don’t do as Palantir commands, then catastrophe awaits you.

As Lord Acton observed in 1887: “Power corrupts, and absolute power corrupts absolutely.” Today, this is about the quiet usurpation of political control and state governance. Palantir and similar companies no longer act as adjuncts to keep political elites in power but, as Ukrainian political scientist Anton Shekhovtsov argues, to supplant them as the all-powerful hegemons who are hell-bent on determining all existential quantities and qualities of human life itself.

Is the “presumption of regularity” dead? Is representative democracy dying?

In the US, all is not well with its governance, and the unhealthy relationship between government and private corporations looks ever more corrupt. The supreme irony of Trump’s boast in 2016, that if elected he would “drain the swamp” of corrupt politicians, special interests and wealthy influencers in Washington DC, has not been lost on political observers and journalists. He has simply enlarged the swamp and replaced the “liberal elites” he so despised with his own “illiberal elites.”

Under Trump’s second presidency, the Project 2025 plan for the wholesale dismantling and repurposing of the structure, institutions, processes, norms and standards of America’s 250-year representative democracy is already more than half completed in less than two years. It is no longer safe, if it ever was, for any US citizen to rely on the so-called “presumption of regularity,” i.e., that government ministers, politicians, officials of state, members of the judiciary, police officers, military officers, etc., can always be presumed to act at all times with the utmost integrity, honesty and non-corrupt purpose.

The presumption of regularity has been replaced by the cynical presumption of irregularity, whereby citizens increasingly believe that a subverted democratic system is now operating against their interests and cannot be trusted or relied upon to act in the common good. Instead, they witness techno-oligarchs, such as those at Palantir, telling them — with compliant government ministers and politicians nodding in agreement — that the pre-AI democratic world is dying, if not dead. As Shekhovtsov observes, such oligarchs want to snuff out democracy and humanity in short order.

There is a real risk that some democracies (especially the US) could easily slide into a takeover by ethnoreligious nationalist supremacists and a possible totalitarian dictatorship. Is a Trump-led US heading for civil war and a totalitarian one-party state reality? Some observers, such as psychiatrist Dr. Bandy Lee, are pointing that way. What lies beyond 2028? Are techno-oligarchs such as Palantir’s bosses aiding and abetting? Vance is an ex-Palantir employee, mentored and financed by Thiel, a connection that has raised considerable controversy. In most democracies, such personal financial largesse from a corporate leader to a senior politician would warrant at least serious investigation and possibly criminal prosecution for “buying” political influence; Palantir staff are seconded to the Trump government departments; Palantir has close links to Miller; and Palantir was a corporate sponsor of Rededicate 250.

Evidence suggests that the Trump White House has been trying to export the Project 2025 formula to subvert/convert European and other sovereign states into adopting Trumpian ideology. For example, Vance has openly attacked European countries overall for failing to adopt Trump's ideas and policies, while praising European radical and far-right conservative parties and leaders (e.g., supporting the electoral campaigns of the far-right Alternative für Deutschland in Germany and Viktor Orban in Hungary) and also the far-right Tommy Robinson's anti-immigrant and anti-Muslim campaign in the UK.

This is an obvious continuation of Steve Bannon's The Movement, a pan-European populist (some say subversive) Christian nationalist radical-right campaign launched in 2018, although, as with the current Trump White House's Christian supremacy policy, the "Christian" element was more rhetorical than any actual piety in practice. Bannon, a former Trump strategy adviser during his first presidency, is recognized as a key architect of Make America Great Again (MAGA). It is reported that the Palantir oligarchs are split on whether to aid and abet such apparent political interference outside the US.

Public mistrust in corrupt governance and undue corporate influence

Generally, in Western democracies, there has been an erosion in recent years of public trust across all levels and forms of government and authority. In the UK, for example, this is evidenced by an upending of traditional voting patterns, with voters no longer prepared to grant elected representatives and the national government much time to fix outstanding problems or grievances. British voters overall nowadays believe very little of what politicians of any party tell them and assume they are all self-serving liars whose promises are worthless. Corporate and government malfeasance, corrupt relationships and general sleaze thrive with impunity. Examples of increasingly harsh authoritarian policies (e.g., policing of public protests, surveillance of "thought crimes," abuse of terrorism laws to suppress legitimate dissent) are now legion. This has all led to considerable political turbulence, with the ruling Labour Party now under both external and internal pressure and observers openly asking if Britain is ungovernable.

Draconian and highly subjective policing, potentially being used to deter and intimidate legitimate protesters, is bad enough. Also concerning is the bias and self-censorship manifest in the reporting of such protests across the media. For example, according to a survey report by Des Freedman, pro-Palestine marches are almost universally tagged by the media as "hate marches" even though the vast majority of protesters express wishes for peace and justice, while reports of far-right marches, for example those organized by Tommy Robinson, anti-Muslim founder of the racist English Defence League, choose not to use the term "hate march" despite the many hate messages present. A rare exception is the more balanced article in The Times on May 16.

Freedman's report implies that either UK media editors are biased towards pro-Israel and anti-Muslim ideology, or they may be open to manipulation on such issues by organs or agents of the state. If the latter, it is likely that high-tech AI services will have played at least some role in that chain of manipulation, and also at the technical level of policing, crowd surveillance and targeting. Whether Palantir might be involved is speculative.

Palantir bosses present themselves as saviors of humankind while apparently acting to save only themselves and their "tech bros" (and their authoritarian, if not totalitarian, and self-serving political clients) at the expense of mass humanity. Thiel, Karp and Zamiska may talk like frank but saintly salvationists running The Last Chance Saloon for humankind, but they seem far removed from being real altruists and intellectual giants. It all looks like pseudointellectual fakery, thinly disguised sophistry.

However, their true “success” lies in bamboozling weak, gullible and self-serving political leaders and governments into swallowing it all. In the UK and some other countries, the latter has willingly, and in some cases enthusiastically, allowed Palantir to manipulate, if not dictate, priorities in the political and governance agenda behind the scenes. Unlike the Swiss, they have allowed the Palantir “tail” to wag the sovereign “dog.”

[Kaitlyn Diana edited this piece.]

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