

Fair Observer

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Fair Observer^o
Independence, Diversity, Debate

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ABOUT FAIR OBSERVER

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Our digital media platform has more than 2,500 contributors from 90 countries, cutting across borders, backgrounds and beliefs. With fact-checking and a rigorous editorial process, we provide diversity and quality in an era of echo chambers and fake news.

Our education arm runs training programs on subjects such as digital media, writing and more. In particular, we inspire young people around the world to be more engaged citizens and to participate in a global discourse.

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Will Popular Protests Destroy Iran's Islamic Regime?

James Denton
February 02, 2023

Violent public protests across Iran against the incumbent regime continue unabated. After 44 years of governance by hardline Islamic clerics, what has provoked this sustained revolt and the regime's potential downfall?

Before assessing Iran's contemporary unrest, we must challenge some popular illusions about Iran. Three in particular are:

The 1979 Revolution – Islamic or Popular?

One common misconception is that the 1979 revolution was simply an Islamic one. In reality, the revolution was as much a popular one as it was Islamic. It involved a broad spectrum of groups and interests, some of whom were previously in conflict, now sharing a keen desire for radical change – Islamists, intellectuals, socialists, Marxists, nationalists, democrats, bazaaris, workers, technocrats, students.

In addition to ending the corruption of the Shah's era, many of the protesters were expecting the formation of a secular parliamentary democracy with pluralistic representation, and an end to US domination. Certainly, it was the Islamic Revolutionary Party, led by Ayatollah Khomeini after his return from exile in February 1979, which eventually took control as the Islamic Republic of Iran (IRI). However, they achieved this only after ruthlessly removing during 1979 and 1980 all other political parties deemed as threats. Popular

hopes and expectations for democracy and an end to corruption were soon to be dashed. Professor Ali Ansari (2006, 2019) provides details.

Female Emancipation – Non-Existent?

Females have taken a prominent role in the anti-regime movement that took off in September 2022. On the streets, they chant: “Zahn, Zendeghi, Azadi” (or in Kurdish, “Jin, Zen, Azadi”) – Woman, Life, Freedom.

Glaring and hard-to-defend gender inequalities do exist. Nevertheless, women surprisingly possess a level of human rights and equality far greater than in many countries of the region.

An industrialized oil economy for over a century, Iran's population has a strong work ethic. Women go out to work and occupy many posts at all levels in government, the majlis (parliament), financial institutions, public services, and companies. Across Iran's 236 universities, female student numbers are roughly equal to males. Women have had the vote since before the IRI was formed. They drive cars without restriction.

So, what has provoked the recent explosion of anger among Iranian women and girls? At one level, it is the daily exposure to petty and banal indignities arising from the authoritarian edicts of the IRI leadership. These edicts are enforced down to every level of society by a hierarchy of loyal apparatchiks, typically the ‘Morality Police’, the Iranian Revolutionary Guard Corps (IRGC) (also known as Sepah Pasdaran), and the lower level baseeji enforcers.

For example, the highly restrictive IRI dress code forbids women and girls to wear clothing in public that does not fully cover their body, arms, and legs; they must wear a hejab or scarf to cover their head; and they must not wear ‘excessive’ make-up, sunglasses or ‘ostentatious’ jewelry.

Other restrictions, affecting both women and men, limit freedom of expression in the arts, journalism, and social media, among others. There is no press freedom. Any active support for any political parties that have not been approved by the IRI regime is also forbidden. Many individuals have been jailed or have gone into exile for transgressions. Many others have simply emigrated.

Female resentment, frustration, and anger against all such overbearing, intrusive, and patronizing micro-management have been bubbling for years. Women have become emboldened to demonstrate against what they perceive as state repression led by a bunch of finger-wagging, po-faced, grisly old men (boz-ha-ye pir or 'old goats'). These leaders are seen as authoritarian misogynist hypocrites masquerading as benign paragons of pious rectitude.

Such a context was a slow-burning fuse looking for an accelerant, an accident waiting to happen. One was supplied in September 2022 by the death in custody of a young female protester, Mahsa Amini, under suspicious circumstances, as detailed in a later section.

Iranians Hate the West – Or Do They?

Over the past 40 years, TV news clips exist of street crowds in Tehran chanting in unison 'marg bar Amrika' (death to America) and 'marg bar Shetan-e Bozorg' (death to the Great Satan i.e. the USA), and the burning of American and British flags, which has created an impression that the people hate the West. However, this venting by small groups of faithful supporters of the IRI bears no relation to the views of the mass population of over 86 million.

The author has personally observed in Iran that there continues to be no evidence of any popular hatred in Iran towards either the British or the

American people. Iranians like and admire many aspects of the West. Many Iranians value a Western higher education and even pursue professional and business careers in the West. Even the children of the IRI leadership and its elite supporters do this on a grand scale. Anti-regime protesters have accused them of flagrant self-righteous hypocrisy by allowing their children to flout dress codes and live excessively self-indulgent lifestyles in countries that the IRI publicly vilifies.

Protests have rocked Iran continuously since last year and have spread through many cities. Thousands have taken to the streets. For once, the regime has appeared to backtrack slightly. In December, Iran's attorney general said that the country had disbanded the morality police and was even considering changing its repressive hejab law for women. However, the protesters dismissed this move as cosmetic cynicism, since the IRGC and other forces are still enforcing the hejab law. The question arises: what has triggered such an extraordinary popular upheaval?

Corruption and Plunder

Most Iranians old enough to remember the 1979 revolution have shown an 'adapt and survive' stoicism, a reluctance to see Iran embroiled once again in internal violence. They learned how to play the system so as to avoid being ensnared by the IRI's repressive micro-management diktats. Indeed, a significant number simply pretended to support the IRI regime, as a cynical means to obtain favored status, privileges, access to political elites, insider commercial intelligence, and award of government contracts.

The past 40-odd years have seen a new elite of mega-wealthy opportunists, who enjoy a luxurious existence in their palatial houses in the exclusive Niavaran, Elahiyeh, and Tajrish districts of north

Tehran, alongside many IRI leaders and elite functionaries and supporters.

The personal finances of the IRI leaders, and the senior commanders of their IRGC ‘security organization’, are not made public, although research suggests that Khamenei may have amassed a US\$ 200 billion personal fortune. Nonetheless, in the imaginations of ordinary Iranians, the country is run by kleptocrats, who have plundered the country's oil revenues and other public assets for their own benefit. Their lifestyle, visible assets, and suspected millions in offshore accounts have shaped an image of duplicity and greed among the elite.

Allegedly the IRGC, originally established as an elite internal national security body, has also evolved into a de facto organized crime group authorized by Ayatollah Khamenei. The IRGC has been allowed to operate with minimal controls. With little impunity, the IRGC can exercise brutality against protesters, dissidents and anyone deemed to challenge the IRI status quo as well as opportunistic abuse of state-funded activities (e.g. the bonyad charities; numerous infrastructure contractors) for personal gain. They also allegedly mastermind drug trafficking. Whatever the reality, the mass population believes the allegations.

Poverty, Neglect and Incompetence

Short periods of noisy but usually non-violent public unrest in Iran have occurred sporadically over the past 20 years. Typically, they have had specific economic causes, such as the removal of cost-of-living subsidies or fuel price subsidies, or massive overnight price-rises for staple foodstuffs. By 2017, some street protests became violent. While disorganized and uncoordinated, these protests for the first time involved overwhelmingly working-class people who, until then, were core supporters of the regime. Open calls for regime change were made. Further street protests and

strikes by bazaari shopkeepers (traditionally IRI regime supporters) occurred in June and July 2018, against austerity, water shortages, and the near collapse of the currency.

On top of a national trend of increasing anger with day-to-day hardships, regional unrest has also risen. This has resulted from decades of neglect by the central authorities in Tehran. Two provinces remote from Tehran are especially affected: oil-rich Khuzestan, on the southwest border with Iraq, and Sistan-Baluchistan, on the southeast border with Pakistan.

In addition to producing more than 80% of Iran's oil, Khuzestan sustained much damage, privation, and loss of life during the Iran-Iraq War. The port city of Khorramshahr in particular bore the brunt of 8 years of vicious close-quarters fighting and came to symbolize for Iranians the nation's heroic struggle against foreign aggression and impossible odds. Yet, despite national recognition of such huge sacrifices, Khuzestan has been sorely neglected. While Tehran has thrived, expanded, and modernized, little has been done to regenerate cities such as Khorramshahr. Water shortages and power cuts add to the misery of unemployment, poverty, and decay, contrasted with the affluent elitist environment of Tehran. Little wonder that noisy, and increasingly violent, sporadic public protests against the authorities in Khuzestan cities since 2018 became more sustained in 2022, and have been typically suppressed by armed IRGC forces.

Sistan-Baluchistan has also suffered from the ‘out of sight, out of mind’ neglect by the IRI authorities in Tehran. In addition, the neglect has aggravated a grumbling grievance over alleged discrimination by the Shia Muslim IRI regime against the local Baluchi population. The Baluchi's are predominantly Sunni Muslims, among whom a separatist movement has emerged.

The western Iranian province of Kurdistan is also a focus of regional unrest, although centered more on Kurdish separatism and ethno-suppression by the IRI than economic and infrastructure neglect or religious discrimination.

Brutality of State Enforcers

The major provocation that ignited the current uprising occurred on September 16, 2022, when a young hejab protester Mahsa Amini, visiting Tehran from her hometown of Saqqez in Kurdistan Province, was arrested by police for not wearing her hejab ‘correctly’ during a street protest. A short time after, police alleged that she collapsed. She was taken to hospital where she was pronounced dead. A coroner’s report concluded she died of natural causes related to a childhood illness, but her family and mass protesters insist that she was beaten by police.

Whatever the truth, public anger against the regime boiled over, with mass protests in Kurdistan province. When these were put down brutally by the IRGC, street protests rapidly spread across Iran. By late November, over 150 cities and towns were involved in demonstrations. Unprecedented mass chants of ‘death to Khamenei’ and ‘death to the dictator’ continue to echo across the nation.

The regime further inflamed matters by instructing the IRGC, baseeji, and local police to apply increasing brutality. Four days after Mahsa’s death in custody, a 16-year-old protester Nika Shakarimi was found dead on a building site after detention by police. The police claimed that she had been released unharmed and they had no knowledge of her death. Other young protesters killed by regime forces included Sarina Esmailzadeh, aged 16, and Hadis Najafi, aged 22. An increasing number of detained female protesters, and even males, have reported rape and sexual assault at the hands of law enforcement and

prison officials. According to the UN, by late November at least 400 protesters including a number of children had been killed by state forces. Over 15,000 had been arrested, and an increasing number were being tried, and convicted, sentenced to death, and executed.

Public protest in Iran has now escalated to incandescent levels of rage. A quantum leap has occurred, involving unrestrained violence against any and all symbols of the regime. Smartphone video clips spread like wildfire on social media of armed police, baseeji, and IRGC personnel being attacked by unarmed mobs on a daily basis across the country. Unconfirmed reports suggest that at least four IRGC colonels have been killed so far in separate incidents. When a seminary for trainee mullahs was attacked by an enraged mob, terrified students were filmed being beaten and stripped of their robes and turbans.

The savagery and amoral conduct of the regime’s forces, cheered on by an unrepentant Ayatollah Khamenei, President Raisi, and other IRI leaders (e.g. Chief Justice Gholam-Mohseni Eje’i, his adviser Hossein Ali Nayyeri, Prosecutor General Mohammad Jafar Montazeri, and IRGC Commander-in-Chief Major General Hossein Salami), has provoked a new resolve among protesters to match their level of violence.

The failure of IRI leaders to stop the sexual abuse of detained protesters, including children, or even to publicly condemn it, is now taken as a clear sign that the regime is using rape as a terror weapon against its citizens. Since the regime has remained silent on such accusations and has failed to arrest and prosecute the state’s agents involved, it is likely that all the IRI leaders and their subordinates down to the local perpetrators would be prosecuted for these offenses by an incoming regime.

Police officers, baseeji, IRGC, and prison officers are likely to be targeted by enraged citizens, and this may well be extended to judges, the judiciary, and court officials if harsh sentences are meted out to accused protesters. High on the vengeance list will be Mohammad Mehdi Haj Mohammadi, head of the national prisons service, Gholamreza Ziaei, Director of the notorious Evin prison, and Hedayat Farzadi, Chief Warden of Evin prison. In the escalating cycle of violence, representatives of the state, their families, and property, are unlikely to receive mercy from vengeful mobs.

New Proto-Revolutionary Signs

The decades of overbearing, misogynistic IRI rule, plus the general corruption orchestrated and nurtured by the regime against the mass population, as well as hyperinflation, perpetually falling standard of living, high unemployment, US and UN sanctions, have together built up into a nationwide coalescence of different protesting sectors of society. For every protestor, there is one common enemy: the IRI regime. This coalescence mirrors that of the 1979 revolutionary build-up.

The public mood has changed strikingly in recent years. A poll by Pew Research in 2013 indicated that more than 80% of the population wanted to retain an Islamic state in some form. By 2022, polls showed that a similar proportion now want the opposite, a secular or non-religious state. This clearly indicates that the IRI had lost its moral authority and public trust. The current unrest reflects that mood change, but how does it differ from previous unrest?

The new characteristics include:

Unprecedented perseverance, severity, scale, and geographical spread of public protests: As of January 24, 2023, protests have lasted 130 days without a break and spread to over 150 cities and

towns across all provinces, with crowd numbers ranging from tens to thousands.

Populist character, involving males and females of all sectors and age groups, including schoolchildren and bazaar support. High-profile Iranians (e.g. former President Khatami, Ayatollah Khamenei's sister, TV personalities, film stars, sports champions) publicly backing the protesters. Sympathy strikes across many sectors (e.g. higher education and schools, oil & gas, petrochemicals, bazaaris and shopkeepers, and manufacturing). An effective 3-day national retail strike occurred in early December.

Demand for regime change. The spectrum of grievances has coalesced into a single overall demand that the IRI regime must go. Nothing less will do. Negotiation and compromise are no longer possible, especially given the regime's increasingly murderous crackdown.

Lack of fear among protesters, especially the young and females, despite a high risk of injury, imprisonment, or death. Despite the lack of firearms or other weapons among protesters, they exhibit few qualms or reluctance to resist the regime's armed enforcers.

Protesters use the internet and social media as communication and propaganda weapons against the regime, despite its attempts to block access or interfere with such use. Internet-savvy protesters are switching to VPN (virtual private networks) to thwart regime interference. Protesters have totally won a global and social media war against the regime, as well as public and political opinion globally including official UN position statements.

Violence against the regime's suppression forces, and a preparedness of protesters to match or exceed their level of violence. Pitched battles by unarmed protesters against armed state agents. Protestors with a preparedness to kill are targeting

more senior regime individuals. Attacking and taking over government offices and institutions. Tearing down of IRI signs, notices, and displays.

Police siding with protesters. In Orumiye, videos show police fraternizing with protesters. Although such instances are limited in number so far, many officers are unhappy with the crackdown and moral pressure from their own families to disavow the regime. They are also exhausted by months of trying to quell street confrontations.

Armed resistance, but on a small scale. Public access to firearms in Iran is limited by strict gun control. However, after the Mahsa Amini killing, some Iranian Kurds are now reportedly receiving arms and military training across the border in north-east Iraq. Elsewhere, the potential for protesters to steal or capture weaponry from local regime sources may become more salient.

Hindrances to a New Revolution

Despite the sustained eruption of Iranian public anger and bravery against the incumbent regime and a highly sympathetic global reaction, serious hindrances exist for those citizens aiming for a quick victory. These include:

No identifiable national leadership among protesters. Few credible national leaders inside Iran have emerged. One potential leader, Molavi Abdolhamid Ismaeeli, a leading Sunni cleric from Sistan-Baluchistan, is a popular reformist moderate in the IRI regime. Since September 2022 and the brutal IRGC crackdown, he has openly backed radical change, including an internationally-monitored national referendum on whether the regime should be retained or not, and called for regime agents who have sexually abused protesters to be prosecuted.

Crown Prince Reza Pahlavi, exiled eldest son of the last Shah, may desire a return of the monarchy,

but there is little enthusiasm inside Iran, especially among all those born since the mid-1970s. Another putative leader in exile is Hamed Ismaeili in Canada, whose wife and child were killed in 2020 when the IRGC shot down (apparently in error) a civilian airliner leaving Tehran. Although a charismatic orator, he has neither political nor state administrative experience.

Ansari (2022) suggests that potential leaders are many but remain hidden, awaiting pivotal cues before emerging publicly.

No identifiable organization to organize protests. Thus far, street protests have been largely local spontaneous outbursts of anger and rage. They have lacked any ostensible plan, organization, and objectives. These emotionally-driven ad hoc reactions and lack of discipline and focus render the protesters vulnerable to the dispersal and suppression tactics of the IRGC and baseeji.

No identifiable regime replacement or “government in waiting,” an extension of a lack so far of national leaders among protesters. To avoid economic and social chaos, an industrialized nation of 86 million people requires a credible and competent government continuously, with no lengthy hiatus during transfer of power.

Unequal firepower. Protesters lack (a) firearms, heavy weapons, ammunition, vehicles and other logistical supplies and (b) military training. Both are needed for effectively combating well-resourced and armed IRI forces.

Unequal finances. Whereas the regime has almost limitless finances, the disorganized protesters have very little and so are unable to create and sustain a credible national organization or to acquire weaponry or training.

Nevertheless, the momentum of the demand for regime change now appears unstoppable. Whether the regime's survival capacity degrades fast or slowly, may depend on many volatile factors on the ground. Strikes, including a successful 3-day national retail strike in early December, have received wide sympathy among workers but frequently they are too poor to sustain even a temporary loss of income or too scared of losing their job. Unconfirmed reports suggest that state-owned companies are bribing workers with wage increases and other incentives to deter them from supporting regime-change strikes.

Another pivotal factor is the position and attitude of Iran's regular armed forces (Artesh). Thus far, they have not been deployed to crush the protesters. However, they harbor a long-standing mistrust and resentment towards the IRGC and its baseeji enforcers on three main counts: (1) although the IRGC reports directly to Khamenei, it has become a de facto independent force only weakly controlled by him while also being independent of the professional regular armed forces, (2) the IRGC enjoys disproportionately high state largesse to fund weaponry and resources far beyond that of the regular armed forces, a source of deep Artesh resentment, (3) Artesh officers are reportedly contemptuous of the lax morality, organized criminal activity, and thuggish conduct of the IRGC and baseeji – observers have noted a parallel with the Wehrmacht's contempt for Hitler's SS.

For Khamenei and Raisi to deploy Artesh units to quell or crush the protests runs a heightened risk. Disgruntled units might refuse or even join the protesters against the IRGC, thereby potentially accelerating the IRI's downfall. This fear may explain why, thus far, the regime has declined to deploy regular forces.

Potential Prognosis

Having recklessly brought their regime to the brink of disaster, what happens next? Iran has long proven to be very unpredictable. However, it is reasonable to posit a number of rough potential scenarios, for example:

Scenario 1: Protests subside over the next few weeks.

The increasingly brutal crackdown by the regime finally subdues the nationwide protests, as the protesters grow exhausted and terrified of dire consequences for them if they continue. Thus far, after some four months, there is scant evidence that the protesters are weakening. Estimated probability: (1=certainty; 0=impossibility): 0.2.

Scenario 2: Protests perpetuate but no early outright victory.

The protests continue unabated and even escalate in frequency, scale, spread, and ferocity. This projection becomes more likely the more that the protesters are supported by public figures and by multiple sector workers inside Iran, as well as globally by the media, governments, public protests, and UN bodies. Deployed IRI forces may be increasingly exhausted and unnerved and only barely managing to 'hold the line'. Estimated probability: (1=certainty; 0=impossibility): 0.7.

Scenario 3: Protesters win outright victory within months, either by IRI capitulation or by elimination.

The protests escalate in frequency, scale, and ferocity, supported by a mass popular uprising and the emergence of a national leadership. Protesters with firearms appear on the streets, and some exhibit organization and military training. Protesters take over provincial government offices and utilities and take IRI officials prisoner. The

regime's repression agents are outnumbered, exhausted, and increasingly terrified of savage retribution by enraged citizens. Some refuse orders or even join the protesters, and the regular armed forces refuse to impose martial law. Without protection, the IRI regime is forced to quit. While a negotiated transfer of power to an interim government is plausible, it is unlikely the IRI Supreme Leader and fellow zealots (the *akhundhaye bozorg* or 'big hats') could stomach such humiliation. They would also be at high risk of vengeful attacks and assassination, not to mention criminal charges. Therefore, fleeing the country would be their likely choice. Estimated probability (1=certainty; 0=impossibility): 0.5.

In a hybrid scenario, Scenario 3 evolves into Scenario 4, but at this stage whether, or how fast, that might occur is impossible to judge. If this scenario unfolds, by then the estimated probability of regime collapse rises to 0.8.

The regime's fear of losing both legitimacy and control of law and order should not be underestimated, given that savage retribution by aggrieved citizens is highly likely. Moreover, an incoming regime is likely to prosecute many of the IRI regime (who escape mob justice) for waging war on its own citizens, crimes against humanity, destruction of property, and not to mention wholesale plundering of state finances and assets for their own personal gain.

With such a horrifying prospect, an early sign that the IRI regime may be on the skids are reports of oligarchs, IRGC senior officers, and IRI 'big hats' organizing their exile early rather than risk getting caught. Venezuela appears to be their popular choice. A further sign will be the sudden unexplained absence of prominent individuals from public life. Apart from Venezuela, there are few countries that would be willing to offer sanctuary to such pariahs. Even in Venezuela,

where assassins may be hired cheaply, their safety may be illusory.

The IRI regime's leaders and nomenklatura have finally lost any claim to legitimacy and moral authority. Thus far, they have managed to cling to power through ruthless repression. However, the legendary stoicism of the Iranian people has evaporated. Nothing less than regime change and secular governance will now be acceptable. It is no longer whether but when this transition occurs. The regime could have heeded public dissatisfaction with its governance, and chosen to moderate its authoritarian excesses. Instead, they have brought about their own likely demise.

A final caveat. Although desperate for secular democracy, and having an admiration for many things Western, the mass population will not welcome a return to foreign, particularly US, domination of their government, economy, and oil, as in the Shah's era. A new *realpolitik* between the West and Iran would be essential.[Naveed Ahsan edited this piece.]

* **James Denton** has extensive international consulting experience with government departments, corporations, and institutions, including risk and crisis issues in the Middle East and the Balkans. He has 50 years of personal experience of Iran.

The Truth About Crypto: It Is Scarily Untrustworthy

William Softky
February 04, 2023

According to the mathematical principles of trust, cryptocurrencies don't have it.

Cryptocurrencies, also known as “crypto,” are the most new and abstract forms of money ever. They are burdened with many question marks, from superficial observations to deep mathematical problems.

First of all, how could anyone trust something named “crypto”? Those syllables connote mysterious, secret, hidden and locked up. The very opposite of trustworthy.

Second, look at the people selling it. Not how they looked years ago, fresh-faced, energetic, and eager to disrupt stodgy governments and banks. Believable. Their story, originally inspired by anarchism, made the growth of crypto seem inevitable, and good. But that's a self-reinforcing story, as the book *Narrative Economics* by Nobel Prize-winning economist Robert Shiller explains. Stories of inevitably growing wealth, like the famous Dutch tulip mania, disrupt economic common sense. The book calls these stories “narrative contagions”, because their inherent promise makes them spread all by themselves. The rise of Bitcoin is the first and best example of a narrative contagion.

But stories lauding crypto aren't believable any more. It turns out, for example, that prominent crypto-booster Sam Bankman-Fried gave tens of millions of customer dollars to crypto-friendly politicians, and now the customers want that money back. His crypto fund FTX is now bankrupt, and now he is under house arrest.

To judge crypto you can also look at the other crypto boosters and their agendas. For example, consider the so-called “effective altruist” (EA) movement, a small crowd effective mostly in

persuading rich people to take big risks today in hopes of making money tomorrow, which might solve world problems later. Their reasoning is specious, and their track-record smarmy and self-promoting. The EA crowd has been promised billions by various crypto founders, so of course they want crypto to succeed. They'll have nothing otherwise.

Economic Perpetual Motion

As two more question marks, look at the two businesses which first made crypto seem worthwhile (if not actually legitimate), money-mining and money-laundering.

The computational process called “mining” started with Bitcoin. Mining is successful when it solves a tough computational problem, in which case it generates one new Bitcoin. Money-mining uses loads of electricity—already half a percent of world production—making this “production” an environmental cataclysm all by itself. That energy use is paid for by the increasing rarity of new Bitcoin, algorithmically capped at a hard upper bound of about 20 billion coins. Most of those have already been mined. According to supply and demand, the 10% or so remaining coins will continue to rise in price, giving the appearance of increasing value of the underlying currency.

The other business model, money-laundering, doesn't work any more. Crypto's deeply disruptive role in tax evasion, illegal drugs and human trafficking was thanks to encrypting the identity of crypto owners. But as reported in *WIRED*, five years ago a multi-county sting operation took down the world's two largest illegal drug-markets (AlphaBay and Hansa) simultaneously by breaking that secrecy code. While shutting those markets down, governments scooped up data on thousands of illegal buyers and sellers. The key to finding the culprits was a bag of statistical tricks for tracing supposedly untraceable, supposedly

encrypted crypto identities, tricks so subtle and important even WIRED's reporter was left to guess how they worked. That was five years ago, so the decrypting tools have probably been perfected. So much for anonymity.

In summary, crypto has an untrustworthy name, untrustworthy technology, untrustworthy business models, and untrustworthy people. Those all cast doubt on crypto, and doubt is the enemy of trust.

However persuasive that line of argument may be, it has a tiny flaw. "Crypto is untrustworthy because people don't trust it" sounds a lot like "I'm believable because people believe me," yet another self-reinforcing narrative contagion. On its own, the phrase "crypto is untrustworthy" is only an evidence-based truism, but not as true as true could be.

On the other hand, the phrase "Crypto is untrustworthy, on principle" aspires to the highest echelon of truth, the truth of a Law of Nature. That's where I come in.

The Bandwidth of Trust

To understand crypto you need to understand money, and to understand money you need to understand trust. We can explain how trust works by sorting out things we already understand or trust—concepts, biology, communication and material value—along two simple metrics, to see where crypto fits in among them.

So please permit me a boast: I am one of only two people in the world scientifically authorized to explain trust in the language of technology; the other is my wife Criscillia Benford. Together on a two-year sabbatical, six years ago, we co-authored the first and so far only mathematical paper (60 pages, 100 references) explaining trust. We explain trust as not a fixed certificate but as an ongoing interactive process. Specifically, the real-

time process of model validation and updating, a process well-understood by technologists.

The key to trust is interactive bandwidth. The better and faster the connection between you and the thing you want to trust, the more trust you can have. Interaction is the feedback loop of examining, poking, and prodding by which people instinctively trust their eyes and other senses, but the idea works for people and machines alike. In some sense it's been known forever, but only over the last few decades have technologists understood this interaction numerically.

Mathematician Claude Shannon invented the concepts of bits and bandwidth. Now, thanks to mathematical and technological innovations, we can quantify the "better and faster connection" on which trust depends as specific, quantified metrics like data format, continuity, latency, duration, noise, bandwidth, and so on. In fact, those six metrics are among the eight named by our paper's title, "Sensory Metrics of Neuromechanical Trust." Those metrics are used by a self-driving car looking at the road, and likewise by a human looking at the world. Those metrics explain trust in all its forms, anywhere in the universe. That's the power of math.

Still, eight metrics is a lot of numbers to describe just one connection. Fortunately, we can simplify them down to just two for rough estimates. (Rough estimates are all you need, since differences tend to be huge. For example, two humans face-to-face in good light exchange a megabyte per second of visible microexpressions, while a "Like" on social media is but a single biased bit, a billion-fold less trustworthy).

The two numbers which best represent connection (and hence trust) are timing and complexity. Timing tells you about bandwidth and responsiveness. Complexity tells you how hard the thing is to decode. In general, the most

trustworthy connections are fast and simple. The worst are slow and intricate.

Now we can use these two metrics to rank some familiar examples. First by graphing some directly related informational concepts like symbols and categories, then by graphing a few examples from biology and technology. I'll end by graphing sources of material value (including gold, shares, and crypto) so their trustworthiness is obvious in context.

Hierarchies of Information

Of the two metrics time and complexity, time is the simpler. For any information flow, the more precisely time can be determined, the more distinctions can be made in a given period, and thus the more information can be transmitted. This is the idea behind the concept of information flow per second, known as "bandwidth." Bandwidth appears on the graph below as a bar showing roughly one megabyte per second (MB/sec) at a microsecond level of precision, slowing down to one bit per second at a one second level of precision. In fact that relation carries across the trillion-fold (million million) range from microseconds to years. Because trust is based on bandwidth, the farther to the left on the graph, the more trust, potentially billions-fold.

Complexity is more complex (of course!). Complexity is how information is shaped in space. The simplest things are like blank canvases or points, building into line segments (built of dots), polygons (built of lines), graphs, diagrams and so on. Likewise, a featureless medium is simplest, made slightly more complex by waves, even more so by grids (which have sharp edges), categories (which assign meaning to grid cells), rules (which assign meaning to categories), and so on. Because complex objects have more layers, unpacking or decoding them takes more time, and thus lowers the net bandwidth relative to something simpler

using the same timing precision. So on the graph each "stack" of concepts rises diagonally to the right, as complexity gets bigger, timing gets coarser, and bandwidth gets smaller. Trust increases in the opposite direction, down and to the left.

Maslow's Hierarchy of Human Needs

A first example of the relations between timing and complexity comes from life itself: what do people need to be alive, healthy, and fulfilled? Seventy years ago—about the time Shannon invented information theory—psychologist Abraham Maslow posited a "Hierarchy of Human Needs." Starting with basics like food and safety, his pyramid of what makes life work ascended from food up through friendship, esteem, and self-actualization.

Those and other needs are easily sorted by timescale and complexity. At the fast end, humans die in minutes without oxygen, a very simple molecule. On the other hand, self-actualization may take decades, and is so complex it's hard to even describe. Everything else people need—safety, warmth, gravity, digestive bacteria, exercise—lies somewhere in between those extremes of timescale and complexity. Here's what that looks like on the graph:

Even though these needs are graphed the same way we graph trust, the lesson here isn't about trust, but about how humans have both simple and complex needs, and about how much longer it takes to know if the complex ones are being met, or to suffer if they aren't. Which, in a sense, may be about trust after all. A person can trust whether they're breathing much faster than whether they think their life is successful.

Hierarchy of Human Function

Insofar as trust is a human function, it ought to be related to other human functions. So let's graph (almost) all those functions at once, ordered as before by timescale and complexity.

The fastest, simplest functions in a human body are the ultrasonic nano vibrations coursing through our bones and myofascial tissue (these are like a "carrier wave" for sensation and control, and have far too high an information density to sense consciously). These vibrations are the basis of "trusting your senses," and indeed on the graph they reside in the high-trust zone of the lower left. Other human functions with high time precision also have high trust. For example, auditory localization, vision, hearing, and touch need microsecond resolution to work their best, but microsecond mechanisms are inaccessible to human awareness. That means (paradoxically) that our most important and trusted internal operations are effectively invisible.

On the other hand, the operations we humans are most proud of—reading, writing, math, strategy, enduring artifacts—can be sensed and kept track of, but by the same token they have low bandwidth and trust. It's easier to doubt a document than to doubt your eyes.

Hierarchy of Communications Technology

For a million years, paleo people communicated only with their bodies, for example using grunts, songs, caresses, smiles, and so on. Those bodily communications channels make up the natural human data protocol, and thus are in the high-trust zone.

Historically, bandwidth and trust started going down when language and tools appeared. Those innovations inexorably moved attention away from the deep but unconscious diversity of messy

natural signals, and toward standardized, repeatable chunks which are easy to recognize, and also easy to fake. As algorithmic operations chunking, repeatability, and recognition all move up the abstraction hierarchy and down the bandwidth spectrum. That is, they reduce trust.

To compress information, for example, one typically removes small redundant details. But the redundancy of those details helps validate that the message is real, just like micro-expressions on someone's face indicate whether they are telling the truth. Removing such details reduces trust.

Over centuries our communications have become more and more compressed. For example, spoken words became writing on parchment, then typing on paper, then email, then SMS, then tweeting, each shorter, faster, and more compressed. The vanishing physical detail makes it hard to know if a message was even sent by a real person (half of Twitter posts are by bots). So such messages are that much harder to trust. Likewise over history, voices in air transitioned to copper-wire telephone calls, then voice-over-internet, then mobile, again each version more compressed and more shorn of the expressive nuance by which we trust speech.

Hierarchies of Material Value

Now we can finally understand money (and crypto).

For a million years our ancestors were foragers, eating what they found and carrying nothing. When food and tools appeared so did exchange and barter, in which the source of value could be seen and poked close up—Nuts? Berries? Grain—to take advantage of trust in our senses. You could trust it because it was right in front of you.

The invention of "money" as an exchange commodity suddenly made impromptu validation

even faster. Gold, for example, has a sheen, weight, and hardness that is easy to validate and very hard to fake. And solid gold is as simple as can be. You can feel the weight, see the sheen with your eyes, and maybe even bite into a coin to check whether it is soft (made of lead, hence a fake) or hard, which proves it's real.

Compared to gold, diamonds are slower to check (one needs an expert), and paper currency is more fakeable, even if decorated with holographs and color-changing ink. More abstract forms of value like shares, derivatives, and portfolios are yet more artificial, and thus dependent for their value on rules and technologies of validation. We can't inspect shares with our fingers and teeth, and we can't understand the complex rules by which banks decide who owns what, or even be sure those rules are applied fairly. All those intervening steps make trust go down.

So when one graphs material value by these metrics of trust, crypto ranks not only worse than gold, but worse than stock portfolios and business contracts. The same principles by which paper money is less trustworthy than gold also say that crypto is less trustworthy than paper, or even than owning shares.

The admired American investor Warren Buffett made these points when talking about Bitcoin: "It's not a currency. It does not meet the test of a currency..... It is not a durable means of exchange, it's not a store of value."

In summary, the mathematical principles of trust-formation were hard-wired into the human nervous system millions of years ago exactly to deal with live humans and Mother Nature. Those principles work best on real things in real time, and work worst on artificial things after the fact. Crypto is the least-real, most artificial invention ever considered to be money, so according to those

principles it can't be trusted. In short: Crypto is untrustworthy, on principle.

***William Softky** is a biophysicist who was among the first neuroscientists to understand microtiming, and among the first technologists to build that understanding into algorithms.

Should We Now Have the Right to Die?

Roberta Artemisia Campani
February 05, 2023

The first of this two-part article examines the privilege to die on our own terms. This is a personal reflection based on a real-life example of a close family member. I examine the legal, social and historical aspects of assisted suicide in Switzerland.

Switzerland, an Alpine island in the middle of the European continent, is a peculiar place. Not only do people find it normal to have four national languages, but it is also one of the few countries whose open-mindedness extends to allowing the practice of assisted suicide. Swiss citizens appear to be unique in that they can say what they want directly to their government, create organizations and associations, and even choose when and how to die.

Not that the law does not explicitly allow assisted suicide, but Article 115 of the Swiss Penal Code states that assisted suicide without self-interested motivation is not a crime. This means

that if the person assisting the suicide is not doing it for her or his benefit, then she or he is not committing a crime.

I will explore the case of A-L to elucidate the Swiss position on assisted suicide. She was a real-life example of someone who wants to end her life surrounded by her loved ones.

A-L was 83 years old. She was the mother of two and the grandmother of three—my own two children and their older step-sister. A-L had been a physician since the late 1950s, specializing in children's psychiatry and psychoanalysis. Until well into her 70s, she was an active member of the local psychoanalytical society, where she tutored numerous new psychoanalysts. Many of them remember her as a great teacher.

By 83, A-L was suffering from bone cancer. She had suffered breast cancer in her 40s. Perhaps the cancer returned after a few decades. A-L feared the onset of dementia, which afflicted her father and one of her brothers. She regularly spent weeks or months in hospitals. Her bones had turned brittle and broke easily. She should have been walking with a cane but complained "it got in the way."

A-L wrote to an organization in her home canton of Geneva in Switzerland named Exit, asking for help. She hoped to end her life with dignity.

Death with dignity is a privilege, not a flawed liberal law.

In Switzerland, both the law and the relationship citizens have with institutions are very close and open. Many decisions and even paradigmatic changes are bottom-up rather than top-down, following well-established social and cultural practices. In theory at least, nothing is sacred. Everything can be openly criticized through referenda or popular initiatives. The downside is

that any change takes a very long time to take place. Remember that Swiss women earned the right to vote only in 1971. Some characterize our political landscape as boring. We do not dramatize politicians' deeds and tribulations as much as other countries. Some of our federal counselors go to work on a bicycle or using public transport.

Still, aging and illness are present in every society. Every year, more than 1,000 people request the help of a few organizations to end their lives. The Federal Council and the parliament avoided clearly defining a law on assisted suicide in 2011 and 2012. They support mental health care, palliative end-of-life care and suicide prevention but consider that Swiss law and customs already provide enough elements to avoid abuses. The Federal Tribunal's judges stand their ground despite the European Court of Human Rights in Strasbourg suggesting that the Swiss make the laws more explicit.

In many ways, assisted suicide is an astonishing practice, counterintuitive for some and appalling for others. Swiss citizens mostly see it as humanistic, even humane, meaning it respects the human person. In this country, being "liberal" doesn't necessarily mean seeing every individual as an island. Community ties are strong and cross many different domains, including one's church or a section of the Alpine Club. Grassroot organizations are an integral part of the political and social landscape.

Recently, Swiss-French Film director Jean-Luc Godard chose death with dignity, and it made the headlines in France and elsewhere. This led French President Emmanuel Macron to relaunch the debate on a new law for France in September 2022. This law would make assisted suicide a possibility. Many other cases of citizens asking for an amendment to the interdiction against assisted suicide have made the headlines in the past two decades. Some, from as far away as Australia —

such as David Godall, a 104 year-old scientist — have traveled to Switzerland to access the privilege of a death in dignity.

How does it happen

A-L's daughter initially did not like the idea of her mother choosing assisted suicide. Still, after about a year and some conversations with her mother and her partner who was a retired physician, the daughter accepted the idea. A-L's son, my partner, agreed with his mother's decision from the beginning. She had gotten into the habit of spending time alone and sometimes with her companion whom she met after her husband passed away. On several occasions, we had to call the police to break in and see how she was doing in her apartment, as she could not reach the door or answer her phone.

We were not surprised when A-L announced her will to die in dignity. In the months following her demand, her health kept degrading. In the end, we took her into our home and made arrangements for nurses to see her in the mornings and evenings. We didn't know for how long and what kind of engagement her stay would become. During the spring of 2020, her health deteriorated again after a fall and a long stay in the hospital. When she returned home, A-L rested for a couple of weeks and decided to go forward with her plan to end her life.

She called the association's volunteer and said she was ready.

An indefensible practice or the privilege of the ultimate choice?

Some detractors or adversaries find assisted suicide indefensible. They accuse Switzerland and other "liberal" countries of negligence. The long history and the genesis of the Swiss Penal Code gives us clues as to the country's cultural mindset.

Alex Mauron, a professor of ethics at the University of Geneva, did a brilliant summary of the genesis of article 115 of the penal code, which was drafted during the second half of the 19th century but only enforced in 1937. The drafting was a painstaking deliberative exercise that was interrupted by World War I. Eventually, the consensual Swiss society came to accept the penal code and even embraced death with dignity.

In Christian Europe, suicide of any form was abhorred. Life is considered sacred. It is for this reason the Catholic Church still opposes abortion and even contraception. For centuries, anyone who committed suicide was denied burial in a church graveyard. Both l'ancien regime and the legendary French revolutionaries of 1789, prohibited suicide. It was considered a crime.

The Enlightenment questioned established values. The injunction against suicide gradually weakened. In the 19th century, suicide was decriminalized. Swiss legislators asked: if suicide was not a criminal act then could assisted suicide be acceptable as well?

Eventually, legislators came to the view that if the person assisting suicide had nothing to gain from the dying person's death, then she or he was not committing a crime. Over time, assisted suicide has become an accepted practice in Switzerland. This is not to say everyone agrees with this practice. Healthcare professionals continue to question it.

The Académie Suisse des Sciences Médicales applies stricter criteria than those of civil society organizations that practice assisted suicide. Note that euthanasia is forbidden in the Swiss Penal Code. Article 114 clearly states: "Any person who for commendable motives, and in particular out of compassion for the victim, causes the death of a person at that person's own genuine and insistent

request shall be liable to a custodial sentence not exceeding three years or to a monetary penalty.”

As stated earlier, A-L had stage IV terminal bone cancer and various other ailments due to her age. When she decided upon assisted suicide, she wrote to Exit and became a member of the association. The organization asked A-L for her entire medical history. They examined all relevant documents and conducted a medical examination. A-L also had to write a letter by hand explicitly explaining her motivations.

A couple of weeks later, Exit sent a trained volunteer to speak with A-L and interview close family members to assess the situation. Once her demand had been approved, A-L could wait until she felt ready. This eased her anxiety to some degree. Her late husband MR had already chosen death with dignity five years earlier. He handled things independently, didn't ask anyone, and only informed everyone in his usual matter-of-fact manner when everything was already decided. He was also a physician and a psychoanalyst.

Jean-Jacques Bise, the co-president of the Association for Death with Dignity known as Exit, states that people who apply for assisted suicide and are accepted often “calm down” and don't get back to Exit for quite some time. He reckons that the possibility of choosing one's death to be a peaceful one surrounded by those one feels safe with can make the end of life more serene.

The picture that Bise paints is best captured in the documentary *Le Choix de Jean* (2005). We see a middle-aged Swiss man from the canton of Fribourg who has chosen assisted suicide after a long and sadly fruitless battle with brain cancer. This long-suffering man says that he fears collapsing on the street among strangers. Instead, he would much rather die in his bed in the presence of his wife before life becomes too hard for both of them. His wife says that she would

support whatever he chooses. Choice in Switzerland in life and to end life is accepted both socially and legally.

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How Real African Solutions Now Overcome African Problems

Martin Plaut
February 08, 2023

From building a dam and educating the poor to adoption and advancement in many technologies, Africa is growing in strength and self-reliance. This is a tale of Africa's successes that needs to be heard. Some successes are large and many are small, but all are immensely significant.

It is easy to bemoan Africa's post-independence fate. Multiple dictators, corrupt elites, and endless conflicts and failure to achieve economic growth like East Asia makes a sorry tale. Yet here is another story that is told far more infrequently. Here are some of Africa's

independent successes that need to be acknowledged.

The Story of a Dam

A large recent African success is Ethiopia's Grand Renaissance Dam. Built on the Blue Nile about 40 kilometers east of Sudan, Ethiopia completed the third phase of filling the reservoir for this huge dam in August last year. Two out of its 13 turbines are now operational, generating 750 megawatts of electricity. Ultimately, the dam is expected to produce more than 5,000 megawatts, which will more than double Ethiopia's current output.

The construction of the dam is a triumph for Ethiopia. Neighbors Egypt and Sudan opposed the construction, fearful that the dam would reduce their share of the Nile waters. Their fears may be misplaced. The purpose of the dam is to generate hydroelectric power. It might change the timing of the flow of waters downstream but is unlikely to divert much water from the Blue Nile.

The Grand Renaissance Dam is a great Ethiopian triumph. The project was estimated to cost \$5 billion. Given Egyptian hostility, international donors turned shy. Ethiopians dug into their own pockets to build this dam. In 2011, when dam construction began, Ethiopia's GDP was a mere \$31.95 billion. To put matters in perspective, the country decided to spend 15.65% of its GDP to build one single dam.

The entire country pitched in for the dam effort. The common women and men of Ethiopia bought bonds to fund the dam. The government persuaded employees to contribute a portion of their incomes to the project. Critics suggest that there was a fair degree of arm-twisting and this is probably true, but it is fair to say that Ethiopians saw this dam as a national project.

Impressively, the majestic wall of the dam was constructed without external funding. It is certainly true that China has pitched in to help construct the dam. In the US, China's role has stirred controversy. Chinese companies have undertaken some of the construction work. In 2013, China provided Ethiopia a "loan of \$1.2 billion USD in 2013 to build power transmission lines connecting the dam with nearby towns and cities."

Yet it is important to remember that this impressive dam is fundamentally an Ethiopian achievement. It is a great example of a very African success.

Educating the Poorest

At the other end of the continent, many poor pupils are let down by South Africa's education system. Amnesty International, commenting on this "broken and unequal" system, reported that it was "characterized by crumbling infrastructure, overcrowded classrooms, and relatively poor educational outcomes, is perpetuating inequality and, as a result, failing too many of its children, with the poor hardest hit."

Even in such a system, a rare success has blossomed in an impoverished community. Bulungula College, an independent school in rural Eastern Cape, has become the first school in the district to achieve a 100% matric pass rate. This college was set up by Bulungula Incubator, which was founded in 2006. Then, "only one parent in the local Xhora Mouth community had passed matric." In this community, "an average of six people from the community matriculate each year, and 95% of school learners from the area do not pass grade 12."

In 2022, all 36 learners in the class of 2022 passed the matric examinations. Mthandwa Sincuba is the principal of the college. He hit upon the strategy of extra classes. In his words, "From

the beginning of the year, we started with extra classes from 6am until 9pm. We also had weekend classes.”

Under Sincuba’s leadership, Bulungula College also takes a progressive approach. It provides students with better services, has a strict policy against corporal punishment, provides support to children from families that struggle to provide adequate nutrition, offers birth control to all girl students and encourages those who become pregnant to stay on in school until and after they give birth.

This extraordinary project was the brainchild of David Martin. He was walking along the coast in 2002 when he came across a beautiful site by a stunning river. Martin fell in love with the area and the people. They were desperately poor but he worked with the community of Nqileni village, establishing Bulungula Lodge at the river mouth.

Once the lodge was open for business, tourists came to stay in one of the most beautiful parts of South Africa. Today, Martin has transferred Bulungula Lodge to the local community, who now run it themselves and improve their living standards. Bulungula College is part of the same project and is a classic example of a small but significant African success story.

Examples in Every Town and Village

Many think that only outside advisers and external funding can transform poor communities. This is untrue. Almost every country in Africa has local successes that emerged from individual and community initiatives.

Three simple examples where Africans have spent their own money to make a material difference to their lives are:

the bicycle (now, the scooter), the sewing machine, and the mobile phone.

Each of these goods has increased income, information and security, transforming millions of lives in the process. The success of the bicycle and now the scooter has been well documented. They provide a cheap way of transport in this vast continent. Similarly, the sewing machine is a raging success. It has provided millions of women livelihood.

Mobile phones are now found across the continent. East Africa has been a leader in mobile banking, thanks to the ubiquity of these phones and African ingenuity. The M-PESA system is a world leader in mobile banking. It enables customers to transfer cash as well as shop for products and services. They can also withdraw cash by visiting an agent, typically their local corner shop, or transfer it to others from their phones.

Even the much-maligned gun—the curse of mankind—has helped the continent. African leaders adopted this weapon to resist colonization and Ethiopians beat off Italian invaders in the Battle of Adwa. On March 1, 1896, African soldiers used guns better than their European counterparts, achieving a historic victory that still fills the continent with pride.

For all the ingenuity in Africa, the question as to who coughs up the cash for the investment the continent needs is tricky. Undoubtedly, funding from the World Bank and the African Development Bank is helpful. Private non-African companies, whether Western, Chinese or Indian, have a role too.

Yet the most important role is perhaps that of the African Diaspora. In 2016, the World Bank estimated remittances crossed \$600 billion that year. Of these, over \$440 billion went to

developing countries and Africa comprised a small but significant percentage. In November 2022, the World Bank published a report on remittances and estimated that remittances to Africa in 2021 surged by 16.4% to reach \$50 billion. In the same year, aid to Africa was \$60.5 billion.

Remittances reach beneficiaries directly. They are often sent to family members, Hence, they are better directed, suffer far less leakage and have a much bigger multiplier effect than aid. In other parts of the world internal savings and remittances have had a much bigger impact than aid. Africa's people are no different from anyone else in the world. Like many other places in the world, including the US and the UK, they are building their own futures despite their politicians. Over time, African solutions to African problems can resolve Africa's problems. The many successes are a living testament to that possibility.[Charlize Cheesman edited this article.]

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The World Now Needs the India-Led G20 to Succeed

Kanwal Sibal, Vikram Sood
February 08, 2023

The Russia-Ukraine War has deeply disrupted the global economy. Recession may strike

advanced economies, 349 million people face acute food insecurity, and fuel and fertilizer shortages are causing havoc. India, which is emerging as a driver of global economic growth, could well play a bridging role in an emerging multipolar world and give leadership to the Global South during its presidency of the G20 in 2023.

[**K**anwal Sibal is the former foreign secretary of India. Vikram Sood is the former chief of India's foreign intelligence agency, the Research and Analysis Wing. Both are noted policy wonks, formidable intellectuals and prolific writers.]

Last year, the World Food Programme (WFP) revealed that “828 million people are unsure of where their next meal is coming from.” This number was for 2021. Since then, this figure has increased. The Russia-Ukraine War has disrupted food and fertilizer production and exports, It has also disrupted supplies of natural gas and oil. So, prices of food, fertilizers and fuel have shot up.

Many poor people simply cannot afford their daily bread, triggering a “seismic hunger crisis.” According to the WFP, a “record 349 million people across 79 countries are facing acute food insecurity – up from 287 million in 2021.” In fact, “more than 900,000 people worldwide are fighting to survive in famine-like conditions.”

India promised to utilize its G20 presidency “to give resonance to the voice of the global south” most affected by current disruptions. Accordingly, it organized the New Delhi “Voice of the Global South” summit in January to “generate ideas from the developing world” on addressing the serious challenges that have arisen over the last year.

What is G20 and what is the Global South?

The G20 website tells us that the Group of Twenty (G20) comprises 19 countries — Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Türkiye, the UK and the US — and the EU. The G20 as a whole comprises “around 85% of the global GDP, over 75% of the global trade, and about two-thirds of the world population.”

The Global South is a term used for the poorer parts of Latin America, Asia, Africa, and Oceania. It was previously referred to as the Third World, which has come to be seen as pejorative. Northern regions such as Europe and North America along with their East Asian counterparts such as Japan, South Korea and Taiwan are more prosperous than southern ones. Having said that, Australia and New Zealand may lie in the southern hemisphere but are considered a part of the Global North.

There is a bit more to G20 and the Global South. The former has risen to prominence in the aftermath of two financial crises. In 1997, the Asian financial crisis caused carnage in the world’s biggest continent. From Thailand to South Korea, economies collapsed and, in some countries, according to the great Singaporean statesman Lee Kuan Yew, “the social fabric was torn apart.” This made finance ministers and central bank governors convene in 1999 to form the G20. The 2007-08 financial crisis gave an unexpected boost to the G20. Heads of state got together in the 2008 G20 summit, making it the “premier forum for international economic cooperation.”

Before the 2007-08 crisis, the world’s most advanced economies got together as the G7. This financial meltdown in the US and Europe increased Asia’s importance. Now, Washington, New York, London, Brussels and Berlin needed

Asian economies to implement counter-recessionary policies. Most of all, they needed China. Today, the G20 demonstrates this gradual shift in the center of economic gravity to the East. Of the top five economies in the world, three — China, Japan and India — are in Asia. The other two are the US and Germany.

Unlike the clearly defined G20, the Global South is an amorphous entity. When this group of economies were first lumped together, they were a lot poorer. Today, some economies in the Global South rival many in the West for size and complexity. India is one of those economies. India forms both part of the G20 and in the Global South. On the one hand, it is the fifth largest economy in the world with fast-improving infrastructure, a thriving IT sector, a sophisticated pharmaceutical industry and a rapidly growing economy. On the other hand, India’s per capita income was \$2,256.6 in 2021 according to the World Bank. Clearly, India is the bridge between the G20 and the Global South.

Bloomberg posits that India could emerge as the global economy’s next powerhouse. India’s strong economic growth and the relative slowdown of many aging G7 economies would make the G20 more relevant. It would play a bigger role in world economic affairs and India could emerge as one of G20’s natural leaders. The Global South would also look to India for leadership just as it did in 1947 when India threw off British colonial yoke and inaugurated the great age of Asian and African independence.

Inclusive Growth for Global South

The Voice of Global South Summit has taken place at a time when headlines about a global recession abound. The World Bank’s Global Economic Prospects published in January talks of growth slowing “to its third-weakest pace in nearly three decades, overshadowed only by the 2009 and

2020 global recessions.” In this scenario, the International Monetary Fund (IMF) has found India to be “a relative bright spot in the world economy.” Even as the Chinese economy is slowing down, top analysts like Martin Wolf of The Financial Times estimate India “should be the fastest growing large economy in the world over the next couple of decades.”

There is more to India than the growth story. Prashant Singhal of Ernst & Young argues that digital infrastructure rollout will transform India. Already, India has put into place Aadhaar, the world’s largest biometric identification system. The government has opened bank accounts for millions and transferred benefits directly to them. The RuPay financial services and payment service system is far more efficient than Mastercard, Visa or any other Western system. It could emerge as a model for many countries in the Global South seeking alternatives to expensive western intermediaries.

India’s response to COVID-19 has emerged as a model for many countries in the Global South. The country was able to develop and manufacture vaccines at scale. As is now recorded in many journals, “India rolled out the world’s largest COVID-19 vaccination drive across 3,006 vaccine centers in all its states and union territories.” This 2021 mass vaccination turned out to be a resounding success. Every citizen’s vaccination was uploaded in a national database that could be accessed easily through an app instead of the primitive reliance on paper in the far more prosperous US. Notably, India’s national vaccination cost a fraction of its American counterpart and had far greater adoption rates.

Through its “Vaccine Maitri” initiative, India supplied “more than 282 million vaccine doses of vaccines to 101 countries and two UN entities.” India also supplied Afghanistan with vaccines despite the Taliban’s hostile attitude to the country.

It also sent tens of thousands of tonnes of wheat to Afghanistan, averting famine and a humanitarian disaster in the region. Such generosity has given India a leadership position in the Global South.

The New Delhi summit sought to build upon India’s soft power by stressing South-South Cooperation. The idea underlying this initiative is simple. Poorer countries have a lot to learn from each other whether it is traditional medicine and healthcare systems or vocational training and financial inclusion. A Pavlovian aping of the Global North is unwise, expensive and, at times, even counterproductive. More interaction and greater cohesion among the countries of the Global South is the need of the hour.

India: Connecting Glue in Multipolar World

As retired CIA officer Glenn Carle has said repeatedly, India is a fast-rising global power. What many forget is how India is deeply interconnected with all major powers and key global institutions. India’s biggest economic partner is the US. China, its northern neighbor and strategic rival, is India’s second biggest economic partner. India has a good relationship with EU powers, especially France. Post-Brexit UK and India have concluded six rounds of negotiations for a Free Trade Agreement (FTA).

India has also been deepening its relationships in the Indo-Pacific. The India-Australia FTA came into force on December 22, 2022. The Japan-India relationship has deepened in recent years. Under the leadership of the late Shinzo Abe, Japan developed a special relationship with India. During Abe’s second stint as prime minister from 2012 to 2020, Japan accounted for over 10% of India’s foreign direct investment (FDI). In the coming years, the India-Japan relationship is set to become much stronger.

In a deeply divided world, India has worked hard to engage with different sides. As is now clear, the Russia-Ukraine War has caused tremendous tension to the global system. The US, the EU and NATO support Ukraine against Russia. They have pressured India to fall in line with their position. India has repeatedly called for peace but refused to take sides. New Delhi has sent aid to Ukraine even as it maintains its historic ties with Moscow and buys discounted Russian oil to avert runaway inflation at home.

India participates in multiple international organizations. Few know about India's loyal service to the UN. Since 1948, more than 200,000 Indians have served in 49 of the 71 UN peacekeeping missions. India is also a part of the Quadrilateral Security Dialogue (Quad), a grouping of four countries — Japan, India, Australia and the US — with an interest in a “free and open Indo-Pacific.” Even as it is a member of the Quad, India is also a member of the Shanghai Cooperation Organization (SCO). In fact, India has recently invited Pakistan's foreign minister to a SCO summit.

India has navigated its relationships in the tricky Middle East quite skilfully as well. Over the past few years, it has improved relations with Gulf powers such as Saudi Arabia and the United Arab Emirates (UAE). India has also managed to keep its relations with Iran on an even keel. At the same time, India has improved its relationship with Israel. India is now a part of I2U2, a new partnership between India, Israel, the UAE and the US.

The upshot of all the above relationships is simple: India is integral to making our inextricably interconnected, intertwined multipolar world work.

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Scary CIA-MI6 Coup Destroyed Iran and Damaged the World

Mehdi Alavi, Atul Singh
February 12, 2023

Mohammad Mosaddegh changed Iran and the world. He challenged the mighty British Empire, which then conspired with Uncle Sam to get rid of him. This 1953 original sin led to the 1979 Iranian Revolution and is the fundamental reason for US-Iran tensions.

The recent protests in Iran are a product of many compounding factors. It is indubitably true that women want greater freedoms. What is often left unsaid that economic pain is driving these protests. Much of this pain is caused by US sanctions against Iran.

During these protests, some have chanted slogans in favor of the Pahlavi dynasty. Sadly, these protesters do not realize that both father Reza Shah and son Mohammad Reza Shah would have shot them dead or arrested and tortured if they were in power.

In our previous article, we analyzed Mohammad Mosaddegh and the golden age of Iranian democracy. For a 12-year spell from 1941 to 1953, Iran experienced freedom, reforms and the exercise of popular sovereignty. Mosaddegh cleaned up corruption and improved the economy. He invested in health, unemployment insurance and infrastructure. Mosaddegh also initiated programs to address women's rights. However, this Iranian statesman is most noted for leading the nationalization of the oil industry.

The British Strike Back

The British had a monopoly over Iran's oil since its discovery in 1908. Nationalization of the oil industry made Mosaddegh their worst enemy and British agents began working to oust him. They used every possible means to undermine his policies and question his competence. They resorted to disinformation, bribery, blackmail, murder and riots.

In June 1953, the British succeeded in winning over American support by painting Mosaddegh to be a socialist. By now, the US was paranoid about the spread of communism. The British also promised Americans a share of the oil. Nationalization was also a bad precedent for other countries and went against the interests of

American oil companies. The US was also disappointed that Mosaddegh did not show any interest in the formation of the Baghdad Pact, yet another anti-Soviet military alliance of the Cold War.

Hence, the US agreed with the British to launch "Operation Ajax." Its goal: remove Mosaddegh from power. Now, the CIA dispatched one of its stars to Tehran. This swashbuckler was Kermit Roosevelt and he worked with close coordination with MI6 for regime change in Iran.

Together, the Americans and the British bribed politicians, military officers, government officials, warlords, and reporters. They also hired mobsters and hoodlums to pretend to be communists. These fake communists attacked people, broke into stores, torched buildings and used profanity as part of their shock and awe tactics to discredit Mosaddegh.

These tactics did not quite work. Mosaddegh remained wildly popular. When this Iranian statesman called for a referendum to dissolve the Majles (the Iranian parliament), he got 99% of the vote. However, the British and the Americans were infiltrating many powerful interest groups in Iran. The plot against Mosaddegh was thickening. In August 1953, even as Mosaddegh remained immensely popular, he was unaware that many of his enemies, including some in his own party, were conspiring with the British and the Americans to oust him.

One Coup Fails but the Second Succeeds

On August 16, 1953, the Shah dismissed Mosaddegh. He appointed General Fazlollah Zahedi, a CIA agent, as prime minister. Some close associates of the Shah have taken the view that this was unnecessary. Mosaddegh would have resigned had the Shah asked him to do so.

Zahedi and his cronies began arresting Mosaddegh's top aides. Mosaddegh saw Zahedi's appointment as a military coup and refused to step down. The prime minister summoned loyal military officers to his defense. They arrested the party Zahedi had sent to capture Mosaddegh.

The Shah fled the country and Zahedi took refuge with the CIA. The CIA-led, MI6 first coup attempt miserably failed. Mosaddegh felt so confident that he did not take the opportunity to speak to the nation about the coup. This turned out to be a historic blunder.

The CIA and MI6 did not give up. They carried on their anti-government activities and instigated violence in the streets. Fearing communist attacks, Iranians withdrew to their homes. After three days of rioting, Ayatollah Abul-Qasem Kashani reportedly warned Mosaddegh about a coup attempt to oust him. Mosaddegh dismissed the warning with his aloof reply, "I am supported by the Iranian nation."

The very next day, large crowds suddenly appeared in the streets in support of the Shah. On this historic day of August 19, 1953, Mosaddegh was caught unawares. The second coup attempt succeeded. Zahedi came out of hiding and arrested Mosaddegh. On hearing about Mosaddegh's fall, the then British prime minister Anthony Eden said that after a long time he finally slept well.

After the coup, Mosaddegh was put on trial as a traitor in a military court. Fearing popular reaction, Mosaddegh's statements in his defense were all censored. Mosaddegh was sentenced to solitary confinement to begin with and then house arrest for the remainder of his life. At the age of 84, he died in 1967 while still in house arrest.

In the court, he said, "Yes, my sin – my greater sin – and even my greatest sin is that I nationalized Iran's oil industry and discarded the system of

political and economic exploitation by the world's greatest empire.... This at the cost to myself, my family; and the risk of losing my life, my honor, and my property." Then, he continued, "I am well aware that my fate must serve as an example in the future throughout the Middle East in breaking the chain of slavery and servitude to colonial interests."

After the coup, the weak, narcissist and debauched Shah returned to Iran. From now on, he wielded absolute power. Tutored by US advisers, he became a cruel despot just like his father. He crushed all political movements. The opposition went underground, discontent simmered and eventually led to the 1979 Islamic Revolution.

Personal Memories and Consequences of the Coup

One of the co-authors still remembers the day of the coup. He was with his father doing errands in central Tehran. At midday, everything seemed peaceful. Suddenly, all hell broke loose. People appeared in trucks chanting, "Death to Mosaddegh, long live the Shah." The co-author's father instinctively cursed the British for engineering this ruckus. The very next day, Iranians such as the co-author's father, friends and family knew that the CIA and MI6 had engineered the coup because Zahedi thanked the US for its support.

In the US and in Britain, the people did not realize the role the CIA and MI6 had played for years. They assumed that organic street protests led to Mosaddegh's fall. One co-author has been in the US since 1965. He is married to an American. He has had numerous discussions with fellow Americans who resolutely believed that the US could never do as dastardly a deed as overthrow a democratically elected government through a coup.

The US mass media took the same line as uninformed American citizens. In 2003, The New

York Times supported the Iraq War. In 1953, this venerable publication supported the coup against Mosaddegh. Time Magazine went further and claimed that “this was no military coup, but a spontaneous popular uprising.”

In 2013, such claims were proved patently false. The CIA admitted that it carried out the 1953 coup with the approval of the highest levels of the US government. The British have yet to issue a mea culpa but numerous retired MI6 and CIA officers have remarked to the other co-author that this coup turned out to be a historic blunder. These officers maintain that this 1953 coup had unintended consequences and led directly to the 1979 revolution.

It turns out that the coup was planned, coordinated and directed by Cyprus-based MI6 agent Norman Darbyshire. The CIA’s Roosevelt merely executed Darbyshire’s plans. The 1953 coup was the CIA’s first exposure to covert operations that caused regime change. Since then, the CIA has replicated it in numerous other countries.

The dissolute Shah rewarded the US generously for installing him on the throne. In October 1954, Iran signed the Consortium Agreement, giving the “US, British, and French oil companies” 40% ownership of its nationalized oil industry. The management of the consortium was led by American oil companies for 25 years and many consider it to be “the largest commercial deal ever put together.”

Surprisingly, the Islamic Revolution took over the country in February 1979 about 7 months before the agreement was due to expire. In January 1979, one of the major concerns of the world leaders at the Guadeloupe summit was the flow of oil from Iran as revolution erupted in the country. The US and Britain had profited handsomely from

the 1953 coup and the 1979 revolution was an unnecessary headache.

Why MI6 and the CIA Succeeded

Given Mosaddegh’s popularity, a question recurs repeatedly: Why did the coup succeed?

Mosaddegh was unlucky. The communist Tudeh Party was at least as powerful as Mosaddegh’s National Front. Tudeh could have come out on the streets to prevent the unrest and the coup. However, Joseph Stalin’s death in March 1953 left Tudeh in disarray. Just as the Shah was the lackey of the West, the Tudeh Party was controlled directly by Stalin. With the Soviet strongman dead, Tudeh was rudderless and useless.

In addition to bad fortune, Mosaddegh himself was to blame. He was an idealist who could be exceedingly naïve when it came to realpolitik. Mosaddegh believed deeply in democracy but failed to realize that many of his enemies did not. When he was informed about legislators, officials and military officers plotting a coup, Mosaddegh’s reaction was to ask for proof. Naturally, such proof was hard to come, which lulled this venerable Iranian statesman into a false sense of complacency.

Mosaddegh’s championing of freedom of religion annoyed many conservatives. In particular, it strained relations with his most powerful religious and patriotic supporter Kashani. This support was crucial for Mosaddegh because Kashani commanded a powerful base that could have countered those plotting a coup. To make matters worse, Mosaddegh ignored Kashani’s warning a day before the coup.

Mosaddegh lost some of his secular supporters because they feared communism. Furthermore, some parliamentarians were upset with the prime

minister for dissolving the Majles. A few switched sides and supported the coup.

Mosaddegh fatally did not seize the moment after the first coup. This attempt was reported on the radio but the prime minister did not give a public address disclosing all the facts. He did not summon the masses to his defense. Mosaddegh was a sick man during much of his premiership and, particularly, at the time of the coup. He had lost touch with the masses, key interest groups and many members of his own party. Mosaddegh also failed to realize that success today gives no guarantee of success tomorrow.

Mosaddegh was a touch too credulous in trusting the US. He expected Uncle Sam to be an honest broker between Iran and Britain. During his visit to the US, the then president Harry Truman arranged for Mosaddegh's medical care. Relations between the US and Iran continued to be cordial even when Dwight D. Eisenhower became president.

As fear of communism rose in the US, Eisenhower turned against Iran. The sweet prospects of access to Iranian oil also facilitated this change of heart. Given the US stress on capitalism and securing oil for its energy-hungry economy, it was inevitable that Washington would look extremely unfavorably upon nationalization of the oil industry. Mosaddegh did not realize the stakes on the geopolitical chessboard and was unprepared to counter the foreign powers.

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What You Need to Know About Taiwan and Semiconductors

Atul Singh
February 15, 2023

Taiwan has emerged as the world's semiconductor superpower. Global supply chains rely on Taiwanese industry. However, massive investments by rival producing nations and rising tensions with China threaten its dominance.

In 2020, COVID hit the global economy like a ton of bricks. Lockdowns induced a global slowdown and disrupted supply chains. Not only toilet paper but also semiconductors were in short supply.

A 2021 commentary by the Boston Consulting Group (BCG) tells us that the US is the leader in research and development. Thanks to its top-class universities, fantastic talent pool, vast capital, innovative culture and extraordinary ecosystem, the US dominates "electronic design automation

(EDA), core intellectual property (IP), chip design, and advanced manufacturing equipment.”

When it comes to manufacturing, which is referred to as fabrication in the industry, East Asia is top dog. Gone are the days of Fairchild when a group of eight brilliant engineers could walk off to launch the modern semiconductor industry in Silicon Valley. Now, manufacturing semiconductors needs massive capital investments. New foundries can “cost between \$10-\$20 billion and can take three to five years to build.”

To run such a capital-intensive industry, government backing helps. So does robust infrastructure and a skilled workforce. BCG rightly tells us that East Asia has all these ingredients to make its semiconductor industry thrive. China, South Korea, Japan and Taiwan have followed strong industrial policies, backing the semiconductor industry as a national priority. The US, where this industry began, now makes a mere 12% of the world’s semiconductors.

Taiwan’s Extraordinary Success in Semiconductors

In assembly, packaging and testing, China leads because of its cost advantage. Its neighbors make more advanced stuff. As per BCG, “all of the world’s most advanced semiconductor manufacturing capacity—in nodes below 10 nanometers—is currently located in South Korea (8%) and Taiwan (92%).” According to some, Taiwan is the Mecca of the semiconductor industry.

The biggest success story in the country is Taiwan Semiconductor Manufacturing Company (TSMC). It is the largest contract chipmaker in the world. In 2021, Kathrin Hille of The Financial Times reported about a TSMC plant that would make 3 nanometer semiconductor chips, which would be 70% faster and more power efficient than

the most advanced in production at the time. TSMC has a history of making big investments that take a while to generate returns. In 2021, it budgeted \$25-28 billion for capital investment. Competitors in the US have struggled to keep up because Wall Street forces them to focus on quarterly earnings and, until the 2022 CHIPS Act, the government offered few goodies.

TSMC has also invested wisely. It has plowed money into developing cutting-edge technology. The company has constructed giant fabrication plants, known as “fabs.” Hille’s 2021 reportage described a fab that measured 160,000 square meters, the equivalent of 22 football (soccer) fields. TSMC has not only focused on economy of scale but also efficiency of operations. The company achieves 95% yield in its factories. This means that 19 out of the 20 chips it makes are perfect.

The success of TSMC and other Taiwanese semiconductor companies owes a great deal to the national culture. Taiwan’s rigorous education system churns out high-quality electrical engineers and excellent technicians. The proverbial East Asian work ethic also helps. Employees work extraordinarily hard to maintain high production standards.

So far, location has helped too. Since Deng Xiaoping’s 1978 economic reforms, China has grown spectacularly. After joining the World Trade Organization in 2001, the Middle Kingdom has become the factory of the world. It is the largest manufacturer of electronics. As China’s next door neighbor, Taiwan’s location made the country an ideal location for semiconductor manufacturing and a strategic hub for the industry.

Geopolitical Typhoons Threaten Taiwan

Taiwan’s location and success are both a blessing and a curse. As mentioned above, location played a

part in Taiwanese success. It has played a part in making the country integral to the semiconductor global supply chain. This global reliance on Taiwan might compel the US to support this breakaway island more robustly against China. Yet this threat comes precisely because Taiwan is next door to China and the legacy of a civil war that began in the 1930s divides the two.

In 1949, the Chinese Communist Party (CCP) emerged triumphant. Its rival, the Kuomintang (KMT), fled Mainland China and took refuge in Taiwan, which they named as the Republic of China (ROC). The CCP-led People's Republic of China (PRC) believes in the One-China principle and seeks eventual "unification" with ROC. In Beijing's eyes, Taiwan is a renegade province that must return to the fold just as Hong Kong.

Increasingly, the Taiwanese do not find reunification a palatable idea. The 1992 Consensus that kept tempers under control is now fraying. This agreement allowed the CCP and KMT to kick into the long grass the tricky question of which of their two governments was the legitimate, exclusive representative of "China." Instead, both of them focused on more immediate practical matters.

Unlike China, Taiwan is a rambunctious democracy of 23 million people. In 2016, President Tsai Ing-wen, led her Democratic Progressive Party (DPP) to victory. She has refused to endorse the 1992 Consensus. This has caused great offense to President Xi Jinping who has brought back a Mao-style personality cult to China. Under him, China has become ultranationalist and hyper-aggressive. In recent years, Beijing's "wolf warrior" diplomacy has unleashed a torrent of online abuse, misinformation and disinformation. The temperature in the Taiwan Strait has been rising.

Top analysts in the US have been worrying about the superpower's reliance on Taiwan. They argue this semiconductor superpower is a single point of failure. Therefore, the US must develop its semiconductor industry again. President Joe Biden and the Congress have taken note. As referred to earlier, the CHIPS Act was enacted last year. In the words of the White House, this legislation will "lower costs, create jobs, strengthen supply chains, and counter China."

It is not only the US that is spending tens of billions of dollars on semiconductor production. The EU is also getting into the act. Japan and South Korea are investing as well. The 800-pound gorilla in the room is China. Beijing is putting in hundreds of billions of dollars to move up the semiconductor industry value chain—make complex high-value chips, not just simpler low-value ones. Such massive investments by competitor nations could threaten Taiwan's current top dog status in the semiconductor industry.

There is another wrinkle for Taiwanese industry. The US has instituted a series of measures to choke off China's access to cutting-edge semiconductor chips, technology and manufacturing equipment. Historians have drawn parallels between this measure to the US 1939-41 sanctions on Japan. As per Niall Ferguson, these "sanctions so boxed in the imperial government that in the end there seemed no better option than to gamble on surprise attack." Cutting off China from semiconductor capability "is a lot like cutting Japan off from oil in 1941." Beijing's incentives to attack its island neighbor for its semiconductor fab plants have just increased and so have Taiwan's headaches.

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Why Don't Football Fans and Arab Sheikhs Love Each Other?

Ellis Cashmore
February 16, 2023

Manchester United fans are getting ready to make the Emir of Qatar feel like an unwelcome guest.

Manchester United fans are already warming-up for the big confrontation. This contest won't be played on grass: the fans are already preparing to fight the takeover of their beloved football club by Qataris. It won't be the first time the club's supporters have opposed attempts—successful and unsuccessful—to buy the club. In 1999, they resisted an attempted and ultimately abortive takeover by Sky broadcasting, then under the control of Rupert Murdoch and known as BSkyB: the Premier League discerned a conflict of interests and quashed the deal, anyway.

Fans were even more enraged in 2005 when the American Glazer family bought the club. Some even started a rival club and transferred their support. They've never been satisfied the Glazers are suitable custodians of a club fans believe is rightfully theirs. Now, they're concerned the Glazers will sup with the devil and sell to the emir of Qatar, Sheikh Tamim bin Hamad al-Thani, who already owns the club Paris Saint-Germain via a company called Qatar Sports Investments.

Mighty Presence

The objections are now familiar to anyone vaguely familiar with sports. Gulf States, enriched by their reserves of oil and gas, have, over the past decade established a Middle Eastern control over many sports. The sovereign wealth fund of Saudi Arabia underwrites the LIV golf tour. Bahrain hosts a Formula1 grand prix. The International Cricket Council has moved its headquarters to Dubai, the most populous city in the United Arab Emirates (UAE). And, as if anyone hadn't noticed, Qatar has recently staged football's most prestigious event, the FIFA World Cup—and done so successfully. Saudi Arabia will host football's Club World Cup later this year.

In England's Premier League, both of Manchester United's local rivals—Manchester City and Newcastle United—have been bought. The former is owned by City Football Group whose majority shares are owned by Mansour bin Zayed bin Sultan Al Nahyan, the deputy prime minister of the United Arab Emirates and a member of the ruling family of Abu Dhabi. Newcastle United was recently purchased by the Public Investment Fund of Saudi Arabia. The Newcastle buy-out was challenged by many fans, though the opposition appears to have softened now that the club's on-field fortunes are improving.

The objection to the encroachment of Middle East interests on sports that have traditionally been dominated by the West is not based on xenophobia. Well, not totally. Territories in that part of the world are not so vigilant in observing what many other parts of the world regard as fundamental human rights, particularly when it comes to LGBTQ+ groups. Homosexuality is outlawed and, in some parts, an imprisonable offense. There are places where it is punishable by death. Women's status differs from country-to-

country, but nowhere is there equality of access or opportunity comparable with the West's.

Where's The Harm?

Now, a cynic might ask: since when did football fans become so self-righteous? Or did they always secretly harbor a strong sense of right-and-wrong, and were just not enraged enough to express their sense of morality? Until those Gulf States, with their "medieval" cultures started muscling in on that pure, unsullied and wholesome pursuit once the preserve of English gentlemen and, more recently, the proud property of the masses. Sports is too virtuous, too honorable, too undefiled by the sins of the world to be corrupted by those primitive Arab states where being able to quote the Quran counts as enlightenment.

But wait: let me offer a counterweight. Think about the meaning of sports: a pernicious biosphere where human effort is squandered in the futile pursuit of artificial objectives that have no benefit, material or otherwise, in the real world. Sports competitions are as trivial as they are purposeless. Sports' only point is to satisfy individuals' self-serving desire to surpass others. The more successful sportsmen and sportswomen are egotistical plutocrats whose money derives from the financial reserves of media behemoths. OK, sports events might once have been innocent tests of physical proficiency in a number of set challenges, but now they have morphed into an industry analogous to, if not contiguous with, showbusiness.

Fine, you might reply: So, where's the harm? Again, I have an answer. Obviously, the physical injuries are commonplace and an expected byproduct of intense training and competition. And the long-term damage to the health of athletes and fans alike is an unfortunate, if inevitable, consequence of rivalries that might once have been friendly but are now warlike. Concussion and other

forms of brain injury, sometimes permanent, are now seen as collateral damage in many sports.

Activities that were designed to test the limits of human capability have become the means by which to extend those limits. Cyclists, swimmers, and track and field athletes habitually ingest substances in their efforts to enhance their competitive performance and break boundaries. Athletes from practically every other known sport, to some degree, use licit or illicit pharmaceuticals in their efforts to maximize their physical potential. Sport's injunction to give one's best appears quaint and unworldly: win-at-any-costs is more congruent with today's ethos.

Hypocrisy

Sport's harmful effects extend beyond the physical: at a cultural level, its fierce and destructive onslaught on traditional citadels has been unsparing. Here the less visible, yet arguably more profound consequences of sport have turned every one of us into sports fans of some hue. Racism surfaced in sports in the late 1970s and, while it has diminished in the West, it flourishes in the sports of countries like Hungary, Ukraine and other Eastern European democracies. Women have been pushed out of sports for most of its history and have only in recent years managed to compete in most major sports.

Unbelievable as it sounds, child abuse is an ungovernable wrongdoing in a variety of sports. Making the practice more pernicious is the fact that perpetrators are always the people charged with the responsibility for the welfare of young athletes.

What of the beautiful game itself? For decades, mired in corruption, bribery and miscellaneous other forms of venality, the world's governing organization FIFA has operated like a private feudal fiefdom dispensing preferential treatment to

anyone with sufficient funds and insufficient scruples to grease the right palms.

And remind yourself: this is the same sport, indeed the same institution, that voices objections on grounds of morality whenever Middle Eastern interest in a club or a tournament surfaces. There's a word that describes the practice of upholding high moral standards but having standards of one's own that fall some way below: hypocrisy. It is endemic in western sports.

Sports were once thought to serve as a source of moral inspiration and maybe they were. But only a fool would ignore the deeply malevolent effects of their presence today. Over the next week or so, we'll witness dutiful devotees of football protesting the growing influence of the Gulf States in their sport. They will almost certainly be genuine in their disapproval. But even a moment's self-reflection will remind them that the sport they hold in such reverence is not only futile, arbitrary and wasteful, but a vile, unprincipled, rapacious, fraudulent and hopelessly corrupted environment in which decency is in short supply. How can Middle-Eastern owners possibly make it worse? Ellis Cashmore's latest book is "The Destruction and Creation of Michael Jackson."

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The Great Gold Rush: Central Banks in Frenzy

Alex Gloy
February 17, 2023

Central banks have been buying gold in quantities not seen since 1967. After decades of efforts to demonetize gold, why would the guardians of the monetary system suddenly invest large sums into a metal that demands crippling mining costs and offers little return? The answer is not so simple.

In 2022, according to the World Gold Council, central banks bought 1,136 tonnes of gold, the largest purchase by weight on record. At an average price of \$1,875 per ounce of gold, last year, central banks spent a grand total of \$66 billion. Considering the steady decline in the purchase of gold throughout the decades, the sudden interest in this precious metal is puzzling and warrants a deeper analysis.

A previous article by Fair Observer, "Is The Gold Standard Alive or Dead," came to the conclusion that a gold standard would be unworkable due to its deflationary bias. Deflationary bias in terms of gold represents large disadvantages. For example, if a nation backs its currency with the stock of gold, it is faced with the following problem: the above-ground stock of gold is around 200,000 tonnes, while mining produces only about 3,500 tonnes per year. This means that the stock of gold increases by only 1.75% a year. That low growth rate directly dictates the rate at which the money supply in that economy can grow. This would simply not be enough to accommodate population growth and productivity, resulting in a decline in the overall prices of goods

and services. So why are central banks, who are surely aware of these limitations to the gold standard, frantically accumulating gold?

A survey by the 2022 Gold Reserves studied 56 central banks, and provided very interesting insights. When asked which topics they considered relevant for “reserve management decisions”, respondents named “low / negative interest rates” as the number one item (chosen by 91% of respondents), followed by inflation (88%) and geopolitical instability (84%). The fact that “low / negative interest rates” was ranked so highly as an influencer of monetary policy is somewhat ironic, since interest rates are typically controlled by central banks themselves.

The same could be said about inflation, although many experts attribute the 2022 inflationary surge to the unprecedented fiscal stimuli allotted in response to COVID-19, as well as the persisting supply chain bottlenecks that occurred when countries went into lockdown. When analyzing the survey results concerning factors relevant to the decision of whether or not to hold gold, two common answers by central banks raise eyebrows: (1) “anticipation of changes in the international monetary system” (which 20% of respondents deemed “somewhat relevant”), and (2) as “part of de-dollarization policy” (which 9% of respondents deemed “somewhat relevant”). While these statistics may seem negligible, their responses are actually quite revolutionary.

These insights most likely came from central banks in developing countries, and are an expression of concern regarding the stability of our current international monetary system, which is currently dominated by the US dollar. The severe economic sanctions placed on Russia in response to its invasion of Ukraine have rendered its dollar reserves useless, a fact which has not gone unnoticed by other countries. As a result, many

developing countries are now questioning the continued use of US dollars as reserves.

When asked about the reasons for increasing their gold reserves, 39% stated that they did so “as a buffer against balance of payment crises”, while 34% (up from 13% in 2021) claimed their increases in gold serve as a “backstop for the domestic financial system”.

A balance of payment crisis is a common occurrence in developing nations, when import costs, to be paid in dollars, exceed the value of export profits over an extended period of time, leading to an overall shortage of dollars.

But can gold really be used as a “backstop for the domestic financial system”?

Can gold really jumpstart the economy?

In case of a breakdown of the international monetary system, the primary concern of most governments will be to prevent the collapse of the domestic banking system, as it would lead to widespread economic depression and civil unrest. Commercial banks will be largely insolvent if this occurs, due to devastating credit losses. Central banks would have to extend fresh loans to relieve commercial banks, which they could potentially accomplish with gold reserves.

But is there enough gold to back all currency? The answer is surprisingly simple; yes, there is technically always enough gold - it just depends on the price. However, it also depends on what is defined as “money”.

For example, the current outstanding value of US currency (dollar bills and coins) is about \$2.3 trillion. The US government also owns 261.4 million ounces of gold. At the current price of \$1,875 per ounce, US gold reserves are worth approximately \$490 billion. In order to back all

outstanding currency with gold reserves, the price of gold would have to reach \$8,800 per ounce, roughly five times higher than it is today.

If gold were to cover all money created by the Federal Reserve (which is equal to its current liability of \$8.4 trillion) the price of gold would have to be upwards of \$32,000 per ounce (nearly eighteen times the current price of gold).

If you add to that sum the \$17.7 trillion in US bank deposits, the correlating price of gold required would come close to \$100,000 per ounce, a practically inconceivable amount compared to today. Furthermore, the widest measure of money in the US, total credit market debt outstanding, has accrued a hefty \$92 trillion, which would require a gold price of more than \$350,000 per ounce to be fully insured.

The Reality of Bank Deposits

A bank deposit is a digital token. You cannot take it home. Traditional bank deposits are not issued by a central bank – they are conducted by commercial banks. The moment you walk into a bank and deposit cash, you exchange a central bank's liability against the liability of a commercial bank. Your counterparty has changed, unbeknown to most.

Bank deposits cannot, in aggregate, be converted into central bank-issued currency, since, as we saw above, the amount of bank deposits (\$17.7 trillion) exceeds the amount of available currency (\$2.3 trillion) by a factor of eight.

Bank deposits are supposed to match central bank-issued money one-to-one, but with certain limits. In the US, bank deposits are “insured” by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per account. According to the FDIC's 2021 annual report, the Deposit Insurance Fund (DIF) had assets of \$124 billion, or 0.7% of

all US bank deposits, a mere drop in the ocean of the \$17.7 trillion that Americans have deposited into commercial banks - deposits they will eventually want back. Most people think of bank deposits as “money”, when in fact, they are nothing but stablecoin (with a very questionable stabilization mechanism).

Central Banks and the Potential of Digital Currency

A functioning monetary system is crucial for any society, so central banks have contingency plans for all kinds of calamities. Bundesbank, the German central bank, had hidden an entire set of alternate bank notes worth 15 billion deutsche mark (approximately \$7.5 billion) in the basement of a house camouflaged as a residential villa in the suburbs of Frankfurt. Bank notes with a new design were ready to be exchanged overnight in case the existing ones had been rendered unusable. The list of potential threats included poisoning, nuclear contamination or attempts to derail the economy by mass introduction of counterfeit bank notes.

According to the CBDC tracker, a website which monitors the status of Central Bank Digital Currency (CBDC) projects across the globe, all major central banks are either in the beginning stages of research or piloting for the introduction of a retail CBDC. The advantages of a retail CBDC for the average user are not immediately clear, but become more evident with further research.

Most of what we call “money” is digital already. Instant settlement options are being offered by private sector companies (such as Venmo, Zelle, and Cash App), which offer currency for users to trade and distribute that is not backed by a central bank. The massive popularity of these apps have effectively cut time and costs of cross-border transactions across the globe.

However, a retail CBDC would have one major advantage: being able to offer central bank-issued money directly to users. Currently, the only way for citizens to get access to central bank-issued money is by obtaining cash via a commercial bank. Having a CBDC would allow central banks in crisis to credit users with new currency, enabling them to bypass commercial banks completely.

However, for this method to be effective, users would need to establish digital wallets and be comfortable using them. The introduction of CBDC has the potential to resolve many monetary inconveniences. Central banks with gold reserves would be able to offer both partial or full gold-backing for their digital currency. However, countries lacking in gold would not be able to participate in a gold-backed monetary system, and may have to back their currencies with other items, such as government-owned land or the rights to raw materials to be mined in the future.

While unprecedented, combining a 5,000-year store of value (gold) with modern technology (digital currency) could turn out to be just the tool the world needs to reset its monetary system. Once confidence in the novel CBDC system has been established, gold backing could be gradually removed, and the cycle of credit-based monetary expansion could begin anew.

Gold is the anathema to a fiat-based monetary system. Record gold purchases by central banks are a red flag regarding the stability of our current monetary system. When central banks embrace gold, it is an indicator that they are losing trust in the current system.

This phenomenon was seen previously during the financial crisis of 2008, when commercial banks refused to lend each other money on an unsecured basis. Central banks lacking in gold reserves have good reason to increase their holdings, as it could help them establish their own

digital currencies and avoid future financial ruin. Historically, central banks tend to prepare for the worst. Will the combination of gold reserves and digital currency be enough to bail us out? We can only wait and see. [Hannah Gage edited this piece]

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Make Sense of the Old and New Armenia-Azerbaijan Conflict

Atul Singh
February 21, 2023

Old empires once jostled for control of this part of the world. Today, Turkey, Iran, Russia and the US are doing the same and even Pakistan and India have jumped in. Politics, geopolitics, ethnicity and religion combine to make a toxic brew.

History never ends, at least in the Old World. On February 18, Reuters tells us that “leaders of Armenia and Azerbaijan bickered over the disputed Nagorno-Karabakh.” Azerbaijan has blocked the Lachin Corridor, a mountain road that links Armenia and the enclave of Nagorno-Karabakh, which lies in Azerbaijan.

Nagorno-Karabakh is internationally recognized as part of Azerbaijan, but its 120,000 inhabitants

are predominantly ethnic Armenians. They broke away from Baku in the early 1990s and Yerevan supported their fellow Armenians. This led to a war in which Armenia emerged on top. By 1993, Armenia not only gained control of Nagorno-Karabakh but also occupied 20% of Azerbaijan.

In 2020, war broke out again. Thanks to Turkish drones and large-scale military operations, Azerbaijan regained much of the territory it lost in the early 1990s. Now, its blockade of the Lachin Corridor is inflaming passions yet again.

US Secretary of State Antony Blinken got Armenian Prime Minister Nikol Pashinyan and Azeri President Ilham Aliyev to meet in Munich. The post-Davos Munich Security Conference was a convenient excuse for the leaders to get together. Both sides claimed that they had made progress towards a peace deal. Yet a war of words broke out. Aliyev “accused Armenia of occupying Azerbaijan's lands for almost 30 years.” Pashinyan claimed that “Azerbaijan has adopted a revenge policy” and was using the meeting for “enflaming intolerance, hate, aggressive rhetoric.”

A Tortured Past: Christianity, Islam and Communism

Both Encyclopedia Britannica and Wikipedia tell us that Armenia became the first country to establish Christianity as its state religion. Apparently, in 300 CE as per the former and 301 AD as per the latter, Saint Gregory the Illuminator convinced King Tiridates III to convert to Christianity. The Armenian Apostolic Church is an independent Oriental Orthodox Christian church and has many similarities to the Russian Orthodox Church.

If Armenia is Christian, Azerbaijan is Muslim. In the early 16th century, Ismail I, the founder of the Safavid Dynasty conquered Azerbaijan. Ismail I proclaimed the Twelver denomination of Shia

Islam as the official religion of the Persian Empire. While Iran is almost entirely Shia and Sunnis are persecuted, Azerbaijan follows a more syncretic version of Islam. The US State Department's 2021 Report on International Religious Freedom tells us that Azerbaijan's “constitution stipulates the separation of religion and state and the equality of all religions before the law.” It also tells us that of the 96% Muslim, 65% is Shia and 35% Sunni. There is little internecine Muslim conflict, though non-Muslims still have a hard time in the country.

In the 19th century, Russia started gobbling up Azerbaijan as the Persian Empire weakened under the Qajar dynasty. Sunnis fled from Russian-controlled territory to Azerbaijan. As Russia took over, a modern Azeri nationalism arose. It emphasized a common Turkic heritage. Ties with Ottoman Turkey deepened while those with Qajar Persia weakened. To this day, Azerbaijan remains closer to Turkey than to Iran.

Azerbaijan also retains close ties with Moscow. It has spent much of the last two centuries under Moscow's thumb. After the 1917 Russian Revolution, Azerbaijan declared independence in 1918. This did not last long. Under Moscow's rather heavy hand, the Azerbaijan Soviet Socialist Republic was formed.

Armenia too is closely intertwined with Moscow. Until World War I, Armenia was part of the Ottoman Empire. Yet war inflamed suspicions about the loyalty of Armenians to Istanbul. Some Armenian volunteers were serving in the Imperial Russian Army. The infamous 1915 Tehcir Law ordered the forced relocation of the Ottoman Empire's Armenian population to the Ottoman provinces of Syria and Iraq. Death marches into the desert and massacres led to the deaths of 800,000 to 1.5 million people. Forced Islamization of women and children sought to erase Armenian cultural identity and make them loyal subjects of the Ottoman sultan who was then the caliph of the

entire Islamic world. This mass murder and cultural destruction has come to be known as the Armenian genocide.

World War I went badly for both Ottoman Turkey and Tsarist Russia. The 1920 Treaty of Sèvres “provided for an independent Armenia, for an autonomous Kurdistan, and for a Greek presence in eastern Thrace and on the Anatolian west coast, as well as Greek control over the Aegean islands commanding the Dardanelles.” The Turks rejected this unfair treaty and fought back. Peace only came with the 1923 Treaty of Lausanne that established the boundaries of modern Turkey. A year earlier, the Soviet Red Army had annexed Armenia along with Azerbaijan and Georgia. Universalist communism snuffed out nationalism in this part of the world.

Communism Collapses, Nationalism Rises

In 1923, the Soviet Union established the Nagorno-Karabakh Autonomous Oblast within Azerbaijan. About 95% of its population was Armenian. For the next 60 years, the region was peaceful thanks to the heavy-handed Soviet rule. During the disastrous 1979-1989 Soviet-Afghanistan War, Moscow’s authority weakened significantly. In 1988, Nagorno-Karabakh’s regional legislature passed a resolution to join Armenia. Tensions rose but the Soviets kept things under control.

When the Soviet Union collapsed, all hell broke loose. Armenia and Azerbaijan achieved independent statehood, and went to war over Nagorno-Karabakh. Armenians in this region declared a breakaway state of Artsakh. This was unacceptable to Azerbaijan. Like the collapse of Yugoslavia, the results were tragic. The war caused over 30,000 casualties and created hundreds of thousands of refugees. As stated earlier, Armenia held the upper hand.

By 1993, Armenia had gained control of Nagorno-Karabakh and occupied 20% of Azerbaijan’s geographic area. Peace only came in 1994 when Russia brokered a ceasefire that has come to be known as the Bishkek Protocol. This left Nagorno-Karabakh with de facto independence with a self-proclaimed government in Stepanakert. However, this enclave was still heavily reliant on close economic, political and military ties with Armenia.

Both Armenia and Azerbaijan were economic backwaters under Soviet rule. In 2011, Azerbaijan struck gold in the form of gas. Baku launched what has come to be known as the Southern Gas Corridor. Azerbaijan wrangled a deal with the European Commission to supply gas as far away as Italy. The country used gas proceeds to buy arms from both Turkey and Russia as well as modernize its military.

In early 2016, a four-day war broke out in Nagorno-Karabakh. Most analysts say that Azerbaijan triggered this conflict with the tacit, if not overt, acquiescence of Moscow. For many years, Baku had “been promising to liberate the territories occupied by the Armenians.” Neither were the Azerbaijani troops able to break through Armenian defenses in Nagorno-Karabakh, nor were the Armenians able to launch a counteroffensive. The truce reestablished the status quo.

In 2018, #MerzhirSerzhin—anti-government protests that have come to be known as the Velvet Revolution—broke out in Armenia and swept the old elites out of power. Serzh Sargsyan reluctantly stepped down as prime minister and Pashinyan took over. The new government sought to loosen ties with Russia without antagonizing Moscow, strengthen relations with Europe, and improve relations with neighboring countries, including Iran and Georgia.

Democracy in Armenia did not lead to peace in the region. As stated earlier, conflict broke out again in 2020. Azerbaijani forces crossed not only into the unrecognized Republic of Artsakh of Nagorno-Karabakh, but also into Armenia. Azerbaijani artillery strikes hit cities and villages deep within Armenian territory. More than 7,000 people died and hundreds, if not thousands, were wounded. Azerbaijan recaptured most of the territory it had lost in the 1990s. Three ceasefires brokered by Russia, France and the US failed.

Eventually, Russia pushed through a ceasefire and sent 2,000 of its troops as peacekeepers. Armenia had to guarantee “the security of transport links” between the western regions of Azerbaijan and its exclave of Nakhichevan that lies within Armenia.

A Strange String Quartet: Russia, Armenia, Turkey and Azerbaijan

Since 1991, Russia had been Armenia’s main security and energy provider. The shared Orthodox Christian tradition has long made Yerevan Moscow’s most reliable partner in the region. Armenia is “the sole Russian ally in the region, the only host of a Russian military base, and “the only South Caucasus country to belong to the Russian-led Collective Security Treaty Organisation.”

Yet it seems that street protests for democracy sent alarm bells ringing in the Kremlin. Russian giant Gazprom hiked gas prices in 2019, forcing Armenia to make overtures to its southern neighbor Iran. Worse, Russia turned into a primary weapons supplier to Azerbaijan. This led to “a rather surprising crisis in Armenian-Russian relations.” Intelligence sources speak about a deal between Russian President Vladimir Putin and Turkish President Recep Tayyip Erdoğan to back Azerbaijan because the former wanted to teach Armenia a lesson. Putin did not want Armenia to follow the Ukraine example and form the so-called

wave of democracy that would sweep him out of office.

Turkey declared the 2020 ceasefire deal to be a “sacred success” for its ally Azerbaijan. In his characteristically colorful language, Erdoğan described Ankara’s support for Azerbaijan as part of Turkey’s quest for its “deserved place in the world order.” In a nutshell, Armenia-Azerbaijan has become a theater where big powers are yet again playing another version of the great game. Once the Ottoman Empire, the Persian Empire and the Russian Empire met here in the Caucasus, and jostled for dominance. Another jostling has now begun with Turkey, Iran and Russia—successors to the three empires—playing key roles.

Others have got involved. Unsurprisingly, one of them is the US. On September 11, 2022, Mikael Zolyan of the Carnegie Endowment for International Peace explained how the West had sidelined Russia in mediating the Nagorno-Karabakh conflict. In reality, the EU is playing a distant second fiddle. As the post-Davos Blinken-led negotiations in Munich have just demonstrated, the US is calling the shots, at least as of now. Naturally, Russia is not too pleased.

Other actors are involved too. Azerbaijan is allowing Ukraine’s military to obtain fuel from its gas stations at no cost. Furthermore, Ukraine has always supported “the integrity of Azerbaijan’s internationally recognized territory throughout the Nagorno-Karabakh conflict” despite having the fifth largest Armenian diaspora in the world. Georgia is in Ukraine’s camp and is pursuing both EU and NATO membership. Armenia is home to a major Russian military base that has ground forces, tanks, air defense, missiles, helicopters and Mig-29 multi-role fighters. These are Armenia’s insurance against total Turkish-Azerbaijani domination. Despite heartburn over Russia’s betrayal in 2020, Armenian public opinion still favors Russia over

Ukraine in the current ongoing conflict. The waters in the Caucasus are becoming very muddy.

A Truly International Fight Club

Involvement of distant powers is making the waters muddier. Over the last few years, Pakistan has been self-consciously looking up to Turkey to craft its Islamic identity. The northern part of the Indian subcontinent was conquered by mamluk (i.e. manumitted slave) Turks in 1192. In recent years, Pakistan has been turning to these distant Turkish roots and Erdoğan is even more popular than the Turkish soap operas that are enthralling Pakistan. The Turkish leader is seen as a true representative of the Muslim world just as historical television drama *Dirilis Ertugrul* is viewed as glorifying “the Muslim value system and the Ottoman Empire.”

It is important to remember that Muslims in British India, modern day India, Pakistan and Bangladesh, launched the 1919 Khilafat movement to restore the caliph to his throne in Turkey. They considered the Ottoman sultan to be their spiritual leader. Erdoğan has emerged as a new caliph for Pakistanis, many of whom are willing to fight and die for him.

The Fair Observer Intelligence (FOI) Threat Monitor concluded that Turkey and Pakistan were institutionalizing strategic relations and developing the characteristics of a military alliance. With the continuing deterioration of Pakistan’s economic and political situation, the supply and willingness of young men to volunteer for jihadi causes is increasing too.

Sadly for Armenia, Pakistan has the capability to support Turkey and Azerbaijan with large numbers of well-trained regular or irregular troops in any future conflict. Pakistani regular military personnel already supplement local forces in Saudi Arabia and other Arab countries. The Pakistani

state has rich experience of training jihadi volunteers in unconventional warfare and then sending them to fight in support of Islamic causes around the world. These irregular forces have appeared in Afghanistan, India, and Yemen, sometimes working with Pakistani special forces. With appropriate incentives, these fighters could be deployed against Armenia to support Azerbaijani and Turkish objectives, possibly in combination with elements of the Pakistani Army.

Luckily for Armenia, India has decided to support this beleaguered Christian nation. In September 2022, the two countries signed a \$245 million worth of Indian artillery systems, anti-tank rockets and ammunition to the Armenian military. Two months later, Armenia signed a \$155 million order for 155-millimeter artillery gun systems. Aliyev, who succeeded his father to become the strongman president of Azerbaijan in 2003, declared India’s supply of weapons to Armenia as an “unfriendly move.” India made this move only after years of provocation by Erdoğan who has sided with Pakistan on Kashmir. According to Glenn Carle, FOI senior partner and retired CIA officer, India’s sale to Armenia makes strategic sense and is a play for great power status.

In a nutshell, the Armenia-Azerbaijan conflict over Nagorno-Karabakh has ramifications far beyond the region. The US wants Armenia to emulate Georgia and Ukraine, and join the ranks of free democracies. The EU wants peace in the Caucasus and cheap Azerbaijani gas to replace disrupted Russian supplies. Russia wants the Pashinyan government, which is increasingly unpopular after defeat in 2020, to fall. Yet it cannot and will not allow Armenia, an Orthodox Christian nation, to be completely subjugated by its Muslim neighbors.

Thanks to religion and ethnicity, Turkey and Azerbaijan see Armenia as a historic enemy. Both want to teach Yerevan a lesson. So does Ukraine

and perhaps even Georgia. Curiously, mullah-run Iran wants to counter the growing influence of fellow Muslims—largely Sunni Turkey and majority Shia Azerbaijan—in the region. It fears that a powerful Azerbaijan could strive for the integration of Nakhchivan, the Azeri enclave in Armenia, and Azeri-majority areas in Iran. Therefore, Tehran is selling gas to energy-hungry Armenia. Thanks to Pavlovian cultural deference to Turkey, Pakistan sees the Armenia-Azerbaijan conflict as jihad and its madrassa-trained young men might provide cannon fodder for this conflict. Meanwhile, India is responding to the pan-Islamism threat of Turkey and Pakistan by supporting a potentially valuable ally.

The die is cast for a riveting saga, which promises to have more twists and turns than *Dirilis Ertugrul*.

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What You Need to Know About Poland's Tortured Past

John Bruton
February 26, 2023

Poland: A History by Adam Zamoyski highlights the unique aspects of the Polish/Lithuanian Commonwealth, including a limited monarchy and veto system that worked well until consensus broke down. The book also

discusses how Poland's historical grievances with Germany are being exploited for nationalistic sentiment, which is divisive for Europe.

Over the Christmas holiday, I read Poland: A History by Adam Zamoyski. The book was published in 2009 and predated the Russian invasion of Ukraine.

It provides current insights into the vulnerabilities of various groups in Poland's history. It is an area witnessing Europe's most severe and prolonged war conditions since 1945.

Former Polish territory now part of Ukraine

Some centuries ago, Kyiv, Lviv, and Kherson (now Ukraine) were all part of the then Polish/Lithuanian Commonwealth. Many western European countries, such as France, were absolute monarchies at the time. But the Polish/Lithuanian Commonwealth was different. A limited monarchy existed, in which notable Poles or Lithuanians, or members of the royal family of another European country, elected the king.

For example, James, the Duke of York, who became King James the Second of Britain and Ireland, was considered a candidate to be king of Poland earlier in his career. The Commonwealth had no permanent state apparatus, and big decisions required unanimous agreement in the elected Sejm.

Breakdown in Consensus, Enlightenment Ideas and Suing Germany

This veto system worked well as long as there was a broad consensus among the Polish and Lithuanian peoples. Consensus breakdown often resulted in the exploitation of veto power by

outside powers and ambitious Poles seeking to paralyze the state. This occurrence led to the carving up of Poland by Russia, Austria and Prussia.

The Commonwealth was designed to limit state power, in line with ideas that were popular during the Enlightenment of the 18th century. These ideas of a limited state still find favor among some conservative Republicans in the US. The current Polish government, which has tried to limit the independence of the Polish judiciary recently, is pursuing policies contrary to Polish democratic and constitutional traditions.

It is shocking that Poland, who joined Germany as a fellow member of the EU in 2004, wants to sue Germany for damages caused by the invasion and occupation of Poland in World War II. This war was over well before the EU was formed. If Poland was serious about this claim, it should have made it a requirement of Polish membership in the EU.

Now, too late, it is exploiting historical grievances to whip up nationalistic sentiment in Poland, which is destructive. If we go down this road, the EU will only survive briefly. [Conner Tighe edited this article.]

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Democracy is Now Dangerously Fracturing in Lebanon

Steven Howard
February 28, 2023

The investigation into the August 4, 2020 Port of Beirut Blast is once again delayed and Lebanon still has no president or government.

Lebanon has never been a perfect success story as a democracy, but it has traditionally distinguished itself as an inclusive state and modern society in a region plagued by sectarianism and conflict. This may no longer be the case.

As journalist Adnan Nasser notes, The Economist now classifies Lebanon as an authoritarian country, whereas it was once considered a “hybrid system.” In response to the widespread corruption among Lebanon’s political and financial elite, the Lebanese people responded. First they protested, then they voted.

Politics in the way of progress

While Lebanon has not yet experienced the type of political transformation its people long for, the May 2022 parliamentary elections resulted in a larger-than-expected number of reformists elected to office. One of these is Member of Parliament Mark Daou, who unseated a powerful incumbent in his surprise election victory. When I saw him shortly after the signing of the historic maritime agreement between Israel and Lebanon in October 2022, there was a certain sense of optimism in the air.

A great deal had changed when I saw Daou at our office in Washington, DC a few weeks ago. Since October 30, Lebanon's presidency has remained vacant. Furthermore, the country remains sharply conflicted over Judge Tarek Bitar's investigation into the Port of Beirut blast as he summoned several high-ranking officials for questioning. The prolonged presidential vacuum and lack of investigation into the port explosion both point to the struggling state of democracy in Lebanon today.

The price can be heavy for those brave enough to fight against corruption in Lebanon. While leaving his home one day, Daou himself found a Kalashnikov bullet in his windshield.

Lebanon needs a functional executive and independent judiciary

Daou's fellow "Forces of Change" parliamentarians Melhem Khalaf and Najat Saliba have been camped out in Lebanon's parliament building on a nightly basis until the parliament elects the country's next president.

The challenge of electing a president in parliament is that the body remains divided and no faction has the necessary votes to elect its preferred candidate. In the months since the presidency fell vacant, eleven sessions have been held to elect a replacement and no consensus candidate has emerged. More recently, parliament has yet to even have a quorum of MPs present to elect a president.

At the same time, the Lebanese parliament is attempting to carry out some of its legislative functions. This prompted 46 MPs, including Daou, Melhem and Saliba, announcing they will boycott future legislative sessions until a president is selected. They cite the Lebanese Constitution as justification for their stance, which makes clear that, until a president is elected, Lebanon's

parliament is an electoral body and not a legislature.

While the eventual nominee will need to be a consensus candidate, the Lebanese people deserve a president who is clean, reform-oriented and committed to addressing their needs. Similarly, amid political gridlock, Lebanon's absence of an independent judiciary is crippling its ability to investigate the largest non-nuclear explosion in history, which killed 220 people.

Judge Tarek Bitar resumed his investigation into the blast in January, following 13 months of delay due to political pressure. In doing so, he issued charges against a number of high-ranking political figures, including Ghassan Oueidat, the country's top prosecutor. The latter responded by filing charges against Bitar and releasing all detainees in the case. This episode points to the need for a truly independent judiciary in Lebanon, one that even the current draft law in parliament falls short of establishing.

Lebanon's Elected Leaders Need to Reinforce Lebanon's Democratic Institutions

The sad thing is that while Lebanon continues to veer away from democracy, its people continue to suffer. 80% of the Lebanese are impoverished and there is a looming food security crisis. The currency continues to plummet while public school teachers and many public servants remain on strike. Many are warning this country could become the world's next failed state.

The prolonged presidential vacuum and failed port investigation both point to poor political leadership. The sad thing is that a functioning executive and independent judiciary are basic pillars of democratic states. The failure of Lebanon's elected leaders to satisfy these basic democratic criteria give the Lebanese people and

their friends across the globe little to no hope
Lebanon's politicians can address the hard things.

Electing a president, forming a government, and truly protecting the country's judicial branch from political interference are all necessary steps Lebanon's leaders should take now to reinforce democratic institutions in their country. Failure to do so would have catastrophic consequences not only for Lebanon but also the region.

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