



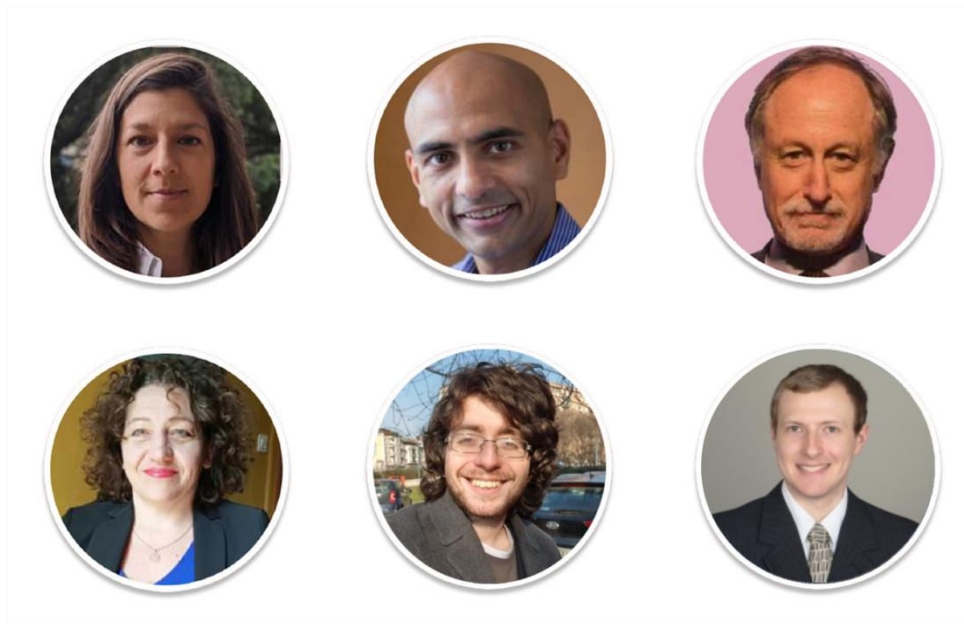
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Independence, Diversity, Debate

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CONTENTS

ABOUT FAIR OBSERVER	5
SHARE YOUR PERSPECTIVE	6
Why Lebanon is Valuable to an America-First Foreign Policy	7
Steven Howard	
Indian History Students Must Learn to Analyze, Not Memorize	9
Aaditya Sengupta Dhar	
China Builds Mega Dam to Gain Leverage Over South Asia	11
Nafees Ahmad	
After the Market Meltdown, the Trump Administration Is Rebranding Tariffs	13
Alex Gloy	
Viktor Orbán, the Other Transgressor: Hungary's Role in the Erosion of International Justice	16
Jean-Daniel Ruch	
The Enigma of China's Debt Crisis — Explained	18
Jiahao Yuan	
Trump Misjudged China Because He Ignored Its History and Pride	25
Alfredo Toro Hardy	
Pope Francis Was a Misunderstood Visionary	28
Anton Schauble	
Will AGI Draft a Declaration of Artificial Independence?	34
Peter Isackson	
The Balance of Sudan's Civil War Shifts	37
Fernando Carvajal	
States Push Back as Federal Power Fractures Along Cultural Lines	38
Stephen M. D. Day	
The Fragile Core: US Treasuries, Market Stress and the New Politics of Safety	41
Masaaki Yoshimori	

Humiliated and Offended: Trump's Deportations Echo Fascist Germany	45
Luiz Cesar Pimentel	
Sean "Diddy" Combs: Race, Gender and a New American Dilemma	47
Ellis Cashmore	
Kurdish Newroz Celebrations Expose Iranian Chauvinists' Fear of Ethnic Identity	50
Halmat Palani	
To Deter Delusional Pakistani Aggression, India Must Shift to Octopus Thinking	54
Srijan Sharma	

ABOUT FAIR OBSERVER

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Why Lebanon is Valuable to an America-First Foreign Policy

Steven Howard
April 02, 2025

US President Joe Biden and then-President-Elect Donald Trump brokered a ceasefire between Israel and Hezbollah, promoting Lebanon's recovery and democratic reform. The agreement includes the withdrawal of Israel and Hezbollah from southern Lebanon and the mobilization of the Lebanese Armed Forces to the Lebanon-Israel border. Trump and his allies in Congress should continue to support Lebanon's leadership and strengthen US involvement in regional stabilization, countering Iran and promoting democracy.

At the end of the former's administration, US President Joe Biden and then-President-Elect Donald Trump worked together to end the Israel-Hezbollah war in Lebanon, setting the country on a path toward recovery.

Trump's allies need to understand what Trump's transition team accomplished with the Biden White House and why Lebanon matters to an America First foreign policy.

The main headline achievement from the November ceasefire agreement between Israel and Hezbollah is the withdrawal of both Israel and Hezbollah from southern Lebanon and the mobilization of the Lebanese Armed Forces (LAF) to that region to serve as a buffer and prevent future conflict from erupting between the two sides. It is also important to note that the

agreement also recommitments Lebanon to disarming all non-state militias (namely, Hezbollah, the Iran-backed militia that has effectively controlled Lebanon for the last decade) and lays the groundwork for a border demarcation negotiation, mediated by the US, between Israel and Lebanon.

On the political front, the US helped break Lebanon's two-year leadership gridlock and empowered Lebanese lawmakers to elect reform-oriented leaders Joseph Aoun as president and Nawaf Salam as prime minister.

While recognizing these accomplishments in his confirmation hearing, US Secretary of State Marco Rubio added that his country will need "to take advantage of those opportunities."

The Trump Transition Team actively advanced a historic opportunity in Lebanon. This opportunity allows the US to secure Israel, counter Iran and build the foundation for an alliance with the Arab world's only democracy. This alliance is strategically beneficial for US economic and security interests.

The threefold criteria for US assistance recently outlined by the new chair of the House Foreign Affairs Committee, Brian Mast, provides a helpful framework for understanding how this will benefit the US:

What does America need from each country or region? What does that country or region want from the US? Does what America's providing get America what it needs? What does the US need from Lebanon?

In Lebanon, the US needs a partner to counter Iran and protect Israel. Lebanon also serves as the only model of a pluralistic democracy in the region.

For the first time in modern history, Lebanon's president and prime minister are committed to

sovereignty and international law. Aoun's inaugural address stated that his “commitment [is to] ensure the state’s right to hold a monopoly on weapons and to invest in the army to monitor the borders.” Salam has also emphasized the importance of UN Security Council Resolution 1701, the basis for the agreement.

Lebanon is also one of the few countries in the region that strongly resonates with US values. It is a democracy and the only country in the region where Christians and Muslims have worked together to create a system of government in which everyone has equal representation.

What does Lebanon want from the US?

In the United States, Lebanon is looking for a partner for peace. Lebanon’s new reform-oriented leadership provides the army with the mandate and direction to reclaim state sovereignty and disarm non-state militias. The US will need to do its part (along with our allies, particularly in Europe and the Gulf) to ensure that the Lebanese army can mobilize 10,000 soldiers to southern Lebanon to enforce the agreement in the short term and even more to implement the agreement’s disarmament provisions north of the Litani River as well as to stabilize the Syrian border.

Lebanon and Israel will both look to the US to begin work on demarcating their land borders, an essential part of the 2024 ceasefire agreement.

In the aftermath of the Israel–Hezbollah war, which inflicted billions of dollars of damage on Lebanon’s economy and infrastructure, Lebanon is looking to the US and its allies for help with reconstruction and addressing the many humanitarian-related challenges facing its population on issues ranging from health to education.

Now that there has been a change of regime in Syria, Lebanon is also importantly looking to the US for leadership in supporting the return of Syrian refugees in Lebanon back to their homeland now that the fear of persecution from the Assad regime is off the table.

Does what the US provides to Lebanon provide a return on investment for the US?

The Lebanese Armed Forces have already proven to be a reliable partner for the US up to the ceasefire agreement with Israel. With US support, it successfully drove ISIS out of Lebanon, confronted Hezbollah in Kahleh (2023) and Tayounneh (2021), disrupted Captagon trafficking supported by the former Assad regime and Hezbollah, and even protected the US embassy in Lebanon from violent anti-American protestors and gunmen with ISIS insignia throughout the Israel-Gaza war. Since the signing of the ceasefire, the LAF has received praise from US officials for its progress in disarming Hezbollah and securing the Lebanon-Israel border. Lebanon's government has banned Iranian airlines from landing in Beirut, increased inspections on flights from Iraq and arrested a man arriving from Turkey with \$2.5 million in cash intended for Hezbollah.

These actions are making the region safer.

By finishing the job in Lebanon, the US can deal a blow to Iran, eliminate future threats to Israel and ensure that there is a viable model of democracy and pluralism in the Middle East.

As a candidate, Trump promised to work to ensure the Lebanese “live in peace, prosperity and harmony with their neighbors.” By supporting the Biden Administration’s diplomatic efforts, he helped secure a ceasefire agreement and break a political stalemate. Now that he is in the White House, Trump will need the commitment of his

allies to ensure the US capitalizes on this historic opportunity in Lebanon.

[Liam Roman edited this piece.]



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Before joining ATFL, Howard served for two years as a youth asset builder with the Peace Corps in Morocco and spent several years advocating for the rights of religious minorities in the Middle East. He has a Master of Arts degree in Human Rights from the Catholic University of America and a Bachelor of Arts degree in Political Science from Azusa Pacific University. Howard lives in the Washington, DC area with his family.

Indian History Students Must Learn to Analyze, Not Memorize

Aaditya Sengupta Dhar
April 08, 2025

Indian history students rely on rote memorization and do not engage actively with their material. Instructors must take an active learning-driven approach so that students can learn transferable skills such as critical thinking, which is vital both for a vibrant economy and a healthy democracy.

There is something gravely wrong with the way India's schools teach history. Rote, passive learning and politicized curricula asphyxiate interest and critical thinking.

Indian history students memorize events and dates without discussing or analyzing them. This habit goes back to the days of British rule (late 18th century–1947). After independence, India's first Prime Minister Jawaharlal Nehru failed to reform this system. He pushed a curriculum that centered liberal values and Hindu–Muslim unity. This suited the political needs of a nation recently traumatized by the Partition between India and Pakistan, but it did not encourage students to think critically. Instead, their instructors expected them to accept the official narrative as gospel. More recently, Prime Minister Narendra Modi has shifted the narrative to emphasize the glory of ancient Indian and Hindu civilization. This a change in tone, but not a change in teaching style.

Kanchan Thakur, a history teacher with 32 years of experience, told me how “for years and years, the syllabus doesn’t change. Students are subjected to the same rut, [and] the pressure to finish the syllabus is huge.” As a result, 62% of students at government schools say they find history boring, while 57% struggle to understand lessons.

Obviously, unengaged students, and especially bored students, learn little. In a 2019 study, 40% of students interviewed remembered nothing about Partition, and most said they did not feel concerned about the event. This is alarming because the religious riots that Partition caused consumed 2–3 million lives, leaving a legacy of strained Hindu–Muslim relations and communal violence.

As troubling as these facts are, the failure to teach history well is not merely a failure to make students remember events. More fundamentally, it

is a failure to build skills like communication and critical thinking. Today, Indian companies see around 54% of youth as unemployable due to their lack of these soft skills.

Students who lack communication and critical thinking skills make poor workers; they also make poor citizens. A rational, democratic society requires citizens who are aware of contemporary issues, are capable of reflecting on them and care enough about them to do so. Meanwhile, 46% of Indians born between 1981 and 1996 say that they lack interest in politics. This kind of apathy encourages voters to thoughtlessly support candidates based on distorted, partial understanding or caste and confessional loyalty. The result? 46% of newly elected members of parliament in 2024 had criminal charges against them.

A good history education, on the other hand, would teach these vital skills through practice.

How can India teach history differently?

History teaches young people to think about the present by training them to think about the past. Case studies in Indonesia and Saudi Arabia have shown that teaching students about history increases their engagement with present-day issues.

So, how can Indian instructors get their students in touch with history? The answer is active learning. Active learning is about asking questions, discussing and analyzing. It hinges on the application of analytical and communication skills — the very soft skills that Indian students need to develop.

Instructors can bring active learning into the classroom by replacing monologue with dialogue. Facilitating active discussions makes it easier for students to understand the causal connections that

make history make sense, turning it into a flowing narrative rather than a staccato rhythm of dates and facts. As British author Rudyard Kipling once said, “If history were taught in the form of stories, it would never be forgotten.”

Instructors must also emphasize historiography — not just telling students one narrative, but explaining how different historians interpret sources and debate. This teaches students to think like historians, not just to accept their conclusions. This fosters a more critical attitude and reduces students’ vulnerability to distorted narratives. By doing so, as Cornell University writing professor Kelly King O’Brien and her coauthors have found, students gain the ability “not just [to] invoke generalizations about history (such as “history repeats itself”) but actually interrogate that history through a synthesis of sources.”

Schools also need to assign writing and research projects outside the classroom. Such projects give students the immersive experience of poring over multiple sources and constructing their own informed opinions. It also teaches them how to communicate their opinions clearly through writing, another vitally important soft skill.

However, changing teaching style alone would be futile without changing another aspect of the broader system — testing. Instructors’ internal assessments only make up 20% of a student’s final grade; the other 80% is a memorization-oriented board exam. So, students have little choice but to subject themselves to the drab, monotonous regimen of rote learning.

If testing does not reward active engagement, then students will make the rational choice not to put effort into it. Schools must recalibrate the incentive structure, both by giving more weight to internal assessments and by redesigning all exams to test meaningful skills. As historian James W. Loewen wrote in his book *Teaching What Really*

Happened, “Doing history is a verb.” To equip its youth with new skills that will power their development and the nation’s future, India must recognize this truth.



Aaditya Sengupta Dhar is a Grade 11 student from Mumbai. A published author of six books, Aaditya is passionate about the

power of storytelling and writing to create positive impact by connecting our past to our present. His bestselling novel, *Kaalchakra*, connected modern Indian teens to their ancient culture and myths; his *Vedonomics* column on BW Businessworld and Spotify podcast connect ancient Indian philosophy to modern economics. His interest in the Partition comes not just from academic interest, but from a deep personal connection of coming from a family of Partition refugees. Aaditya is Commissioning Editor (intern) at Fair Observer.

China Builds Mega Dam to Gain Leverage Over South Asia

Nafees Ahmad
April 10, 2025

China is building the world’s biggest dam on the Brahmaputra River to boost its power and sway in South Asia. The move has set off alarms in India and Bangladesh over water, security and sovereignty. India needs to lead a regional response before water becomes a weapon.

India and China may start a water war due to Beijing’s construction of the world’s largest dam on the Yarlung Zangbo, or Brahmaputra River. The project, which is expected to disrupt water flow to millions downstream and cause a future water catastrophe, is aimed at energy requirements. Beijing is expected to invest over four times the 250 billion yuan (\$34.5 billion) total expenditure of 1 trillion yuan (\$137 billion) to build the dam at Nyingchi City’s Yarlung Zangbo Grand Canyon.

The article explores the potential effects of China’s dam on India’s Brahmaputra River, its implications for India-China ties, and the possible challenges India may face in opposing this action. It questions whether China’s ambitious project will alter South Asia’s geopolitical landscape or if India can mitigate risks and protect its water future. The article suggests options for India to avoid the conflict.

Impact on the Himalayan environment

Medog County (Motuo in Chinese) in Nyingtri (Nyingchi) prefecture in the Tibet Autonomous Region, which borders the Indian state of Arunachal Pradesh, is where the hydropower facility would be constructed. There is already a lot of research showing the detrimental effects of hydropower projects in the Himalayas. This project will undoubtedly change the river’s natural flow, increasing with dam size. The number of people needing to relocate to make room for the dam and reservoir it will generate is unknown. However, concerns over water security have also been raised. China may use the dam to regulate the water flow downstream, which will most likely impact native flora, wildlife and water flow patterns.

There are significant ecological repercussions downstream from any dam on a river. China may use dam operations by hiding information about

them, including start and completion dates, effects and displacement of people. This could threaten the Ganges-Brahmaputra-Meghna Delta in Bangladesh, which is crucial for fishing and agriculture. The dam's sediment holding capacity could reduce soil fertility and accelerate deltaic erosion. Additionally, the dam could give China more influence over its neighbours, potentially exacerbating geopolitical tensions in the delicate region.

The Medog hydroelectric dam, located in a geologically unstable region, poses significant concerns due to its large water volume. China has constructed or planned to build 193 hydroelectric dams in Tibet since 2000, with about 80% being massive or mega-sized. Over 60% are still in the proposal or planning stages. If completed, these dams could demolish places of worship, force over 1.2 million people to relocate and destroy historic monasteries. The new mega-dam also presents environmental risks and could significantly influence nearby nations, particularly India.

Using water as a geopolitical weapon

With this enormous project, China aims to use the Yarlung Zangbo Grand Canyon's massive hydroelectric potential and to meet its carbon neutrality targets. It is expected to be larger than the Three Gorges Dam. However, the project's ramifications extend well beyond electricity production; it also raises significant concerns about how it will affect Bangladesh, India and the delicate environment in the area. A lifeline for millions of people in Bangladesh and India is the Brahmaputra, also called the Yarlung Zangbo. When this dam is built, China will have considerable control over the river's flow, which might lead to droughts or flash floods downstream.

Concerns about China using water as a geopolitical weapon and creating a dam for quid

pro quo for Bangladesh and India in its already volatile relationship with India are raised by this extraordinary control. Some respite is offered by the Brahmaputra's distinctive tributary system, which guarantees that about 48% of its water comes from India. The project still faces enormous obstacles for the ecology and the millions of people who depend on the river.

What options does India have?

India might lead a counter-coalition of nations that share Transboundary Rivers, creating a shared institutional framework for improved transboundary management of shared rivers. Such an organization may combine best practices for water management and establish an alliance called the "South Asian Water Assessment Network" (SAWAN) while providing more negotiating power concerning China. Such an alliance may subject any upstream infractions to collective economic fines.

India and other South and Southeast Asian nations must learn to negotiate jointly with China if collaboration and the fair use of shared water resources are to continue to be the goal. China must participate in multi-lateral transboundary water policy forums to create a mutually advantageous management architecture and data sharing standards to be a true global leader. Plans for dam projects and hydrological data should not be used as leverage in negotiations against governments downstream.

Will water diplomacy have any space between China and India? India needs to demonstrate a stronger desire to interact with China to navigate the modern world and build relationships among leaders. To achieve this, India must understand their differing perspectives on diplomatic engagement and have a well-defined goal supported by domestic strategic clarity. Regardless of its inclusion in the strategy process, setting

water diplomacy is crucial, primarily since the Government of India reportedly seeks to increase its political and economic ties with China. To manage the risks of building certain dams, India must neutralize water dependency on China and counteract Chinese state influence domestically with more credible plans.

Water diplomacy involves dialogue and cooperation among stakeholders like Bangladesh, China, India, organizations and communities to address water issues and disputes. It aims to resolve water crises and conflicts over shared resources, fostering regional stability and peace. Hydropower, a reliable and affordable source of clean electricity, can also cause conflict. However, water can also be a tool for peace. If water diplomacy fails, long-term water reliance from China could pose a significant threat. Therefore, a diplomatic water deal is needed to address these issues.

China and India use dams as border markers and water investments to establish regional hegemony in the Brahmaputra basin. The water wars argument suggests that increasing population and decreasing water supplies will lead to decreased per capita availability and increased demand, worsened by climate change. Conflict may arise over the crucial resource if a tipping point is reached for globally shared rivers. Bangladesh and India may need to engage diplomatically with China to resolve the issue within the framework of “water for all beings, war for none.” The weaponization of nature will not leave space for human habitation.



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After the Market Meltdown, the Trump Administration Is Rebranding Tariffs

Alex Gloy
April 13, 2025

The Trump administration is pushing new tariffs as part of a broader nationalist push that blames deindustrialization on the dollar's global role. The White House is using a framework of political leverage rather than economic logic to drive trade policy, and even using AI to generate tariff targets. If the US pulls out of global trade norms, other countries will retaliate.

If the current tariffs drama surrounding US President Donald Trump looks nonsensical to you, congratulations — you're still sane. But sanity alone won't help make sense of this new wave of American economic nationalism. Because these tariffs aren't about economic sense. They're about narrative warfare. And the formula behind them isn't found in trade textbooks — it's found in campaign strategy decks, belief systems about “burden sharing,” and the unraveling of Pax Americana.

The formula isn't economic; it's narrative arithmetic

Let's start with basic math. The Trump administration's 2025 tariff plan, as The Atlantic's Derek Thompson put it, takes the US back to “the highest tariff duty as a share of the economy since the 1800s” — a pre-industrial throwback justified with 21st-century populism.

The White House was caught using an AI model—built not by the Council of Economic Advisers, but by a private consulting firm—to generate the tariff schedules now making headlines. According to internal memos leaked to The Atlantic, the model ingested bilateral trade flows, elasticity estimates and a hodgepodge of political sentiment data scraped from social media to calculate “optimal pain points” for foreign exporters. In effect, tariffs were set not by economists but by a machine trained to maximize leverage in trade negotiations—prioritizing geopolitical pressure over economic efficiency. One senior official reportedly described it as “war-gaming the global economy with ChatGPT on steroids.”

Unsurprisingly, transparency was absent. No peer review, no published methodology; just a black box churning out tariff rates designed to look tough on paper while playing chicken with global supply chains.

The AI-driven tariff formula ended up slapping duties on tiny island nations with no significant exports to the US — places like Vanuatu and the Seychelles. The algorithm, designed to target trade imbalances, flagged them as “net beneficiaries” despite their having virtually no economic relevance. Among the territories hit with tariffs were the Heard Islands, a place inhabited only by penguins.

Instead of basing “reciprocal” tariffs on the rate charged by trading partners, the Trump formula is based on trade balances or parity — which has little to do with actual trade imbalances.

Ben Hunt, in his blistering Epsilon Theory piece, nails the narrative shift. He describes how the US is shifting from a coordination game — Pax Americana — to a competition game: America First.

The coordination game produced global prosperity: The US offered access to its consumer base and military protection and in return dominated the world system. But that required trust. Once the US defects and imposes tariffs unilaterally, it forces others into their own corners.

Suddenly, we're all in a prisoner's dilemma. In this thought experiment developed by game theorists Merrill Flood and Melvin Dresher, prisoners are presented with the opportunity to rat out their co-conspirators in exchange for going free — but if no one confesses, then none can be convicted. Mutual silence gives the best collective outcome, but individual incentives push each prisoner to defect.

International trade is similar. It works only as long as everyone agrees not to break faith with the others. The Trump administration has now decided to take the second option. And the result? Everyone defects. Everyone loses.

Passing the buck

Amid the carnage in global capital markets, both Chief Economic Advisor Stephen Miran and Treasury Secretary Scott Bessent tried to distance themselves from the tariff plans. Bessent claimed he “wasn’t involved in the calculation of the numbers,” while Miran said “the President chose to go with a formula ... suggested by someone else.”

Those denials reveal the unsettling news that Trump neither consulted nor valued the input of the treasury secretary nor the chief economist.

In a speech at the Hudson Institute, Miran tried to rebrand the disastrous tariff adventure. The “costs” of US reserve currency status posed an unfair tax on American workers. “Persistent currency distortions” caused by dollar demand, he argues, fuel trade deficits and hollow out US manufacturing.

The idea that manufacturing decline stems from trade deficits collapses when compared to Germany. As the Peterson Institute’s Adam Posen pointed out, North Rhine-Westphalia — Germany’s industrial heartland — lost manufacturing jobs at nearly the same rate as Ohio, despite Germany running massive trade surpluses. The percentage of employees in German manufacturing was cut in half since the 1970s.

The narrative on why tariffs are necessary is constantly shifting. Early arguments ranged from “reshoring manufacturing” to “protecting domestic industry.” Later, potentially abolishing income taxes was introduced as a sweetener. More recently, “border protection” from drugs and/or illegal immigration was added. Finally, higher tariffs were supposed to “pressure other countries to lower tariffs,” and “getting countries to pay their fair share” for defense.

Yields on US Treasury bonds briefly fell as markets priced in a higher risk of recession triggered by the tariffs. For a moment, the administration floated a new rationale: that tariffs could help lower interest payments on government debt. But when bond yields rebounded, that narrative quietly vanished.

FOX News viewers were privileged to receive the cherry on top of all narratives — tariffs “could reverse the crisis in masculinity.”

What would a real solution look like?

Widely respected investor and Berkshire Hathaway CEO Warren Buffett issued a warning in Barron’s in 2003: persistent trade deficits, he wrote, were effectively a long-term sell-off of American assets to foreigners. His island parable of “Squanderville” living off debt issued to “Thriftville” was an early blueprint of today’s concern.

But unlike Miran, Buffett didn’t push for tariffs. He proposed “import certificates” — a market-based balancing mechanism that would cap imports to the dollar value of exports, creating natural incentives without starting a trade war.

Buffett’s critique was not of global trade, but of imbalance. The solution was system reform, not narrative-fueled retaliation.

Little did Warren know that the net international investment position, which measures the gap between what the US owns abroad and what it owes to foreign investors, would get ten times worse. That figure now stands at \$-26 trillion, close to -100% of GDP.

Curiously, policymakers won’t even mention the most “free market” approach; if the US dollar is overvalued, let it devalue! The Federal Reserve doesn’t even need the cooperation of other central

banks (like in 1985 Plaza Accord) — it can create and sell dollars in unlimited quantities.

This, of course, would damage the status of the US dollar as the world's reserve currency — after all, what non-US central bank or investor would like to hold a decaying currency? But the US cannot have the cake and eat it.

As this revelation dawns, the US is acting like an irate chess player realizing he has maneuvered himself into a corner: flipping the board, throwing pieces, storming out of the room and leaving the other players stunned amidst the self-inflicted damage.



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Research and Sales, both in Investment and Private Banking for Deutsche Bank, Credit Suisse, Sal. Oppenheim and Lombard Odier Darier Hentsch. He focuses on macroeconomic research, analyzing the impact of global debt and derivatives on the stability of our monetary system. His interest in crypto-currencies from the perspective of monetary theory led him to become a member of the Central Bank Digital Currency Think Tank. He has taught classes at colleges and universities.

Viktor Orbán, the Other Transgressor: Hungary's Role in the Erosion of International Justice

Jean-Daniel Ruch
April 17, 2025

Israeli Prime Minister Netanyahu recently visited Hungary despite his outstanding arrest warrant from the International Criminal Court (ICC). Hungary's invitation and noncompliance with its obligations as an ICC member demonstrates a growing disregard for the enforcement of international law in Europe. This visit raises questions about the ability of global justice systems to hold the powerful accountable.

In November 2024, the International Criminal Court (ICC) indicted Israeli Prime Minister Benjamin Netanyahu. From April 3 to 6, 2025, he visited Hungary at the invitation of Prime Minister Viktor Orbán, a man whose relationship with the rule of law often draws international criticism. This meeting raised more than just eyebrows — it illuminated a deeper issue concerning Hungary's disregard for its commitments to international law and justice.

The situation is not just about diplomatic exchanges between two political leaders but about the very functioning of international justice mechanisms. Hungary's actions stand in direct violation of the principles laid out by the ICC, of which it is a member. The Rome Statute, which established the ICC in 1998, obliges its member states to fully cooperate with the court, including the execution of arrest warrants. On November 21, 2024, the ICC issued an arrest warrant for Netanyahu, charging him with war crimes and crimes against humanity. Yet Hungary not only welcomed the Israeli leader with open arms but also made it clear that it would not arrest him despite the mandate from the ICC.

Shifting attitudes toward the ICC in Europe

This marks a troubling development. It is the first time in the history of the ICC that an individual indicted for such serious crimes has been able to travel freely within a European country without facing the legal consequences outlined by the court. This issue echoes an earlier incident when former Sudanese President Omar al-Bashir traveled freely through Africa despite an arrest warrant issued against him by the ICC in 2010. But this is a new precedent for a EU member state, which undermines the credibility of international legal frameworks that are meant to transcend political alliances.

Interestingly, some European leaders, like German Chancellor-in-waiting Friedrich Merz and Belgian Prime Minister Bart De Wever, have shown an unsettling degree of sympathy with Hungary's position. They have suggested that Netanyahu would likely not face arrest even if he traveled through their countries. Such statements reflect a broader trend within Europe — an unwillingness to challenge Israel's actions on the international stage. The reluctance of these leaders to adhere to their legal obligations under the Rome Statute exposes a significant gap in the enforcement of international justice, particularly when it comes to powerful and politically influential states.

Hungary distances itself from the ICC

The ICC was established in the wake of the UN tribunals for Rwanda and the former Yugoslavia, and its founding principle was clear: No one is above the law. Carla Del Ponte, the prosecutor of these tribunals, famously declared at the start of the trial of Slobodan Milošević, the former Serbian president, "Nobody is above the law, or beyond the reach of international justice." These words, once emblematic of the ideals of the international justice system, now seem increasingly hollow in light of

recent events. The fact that Hungary has openly defied its legal obligations while the international community looks on with little action underscores the erosion of this once universal ideal.

Hungary tried to legalize its welcoming of an indicted war criminal by starting the process to withdraw from the ICC. This is, however, no fix. Even though the Hungarian government has announced its desire to leave the court, it remains bound by the Rome Statute until the process of withdrawal is completed. This means that Hungary remains obligated to fulfill its responsibilities, including executing ICC warrants, until its departure from the court is finalized. This legal obligation, however, has not stopped the Hungarian government from hosting Netanyahu and openly flouting its commitments.

Yet, in a rare display of prudence, Netanyahu's plane reportedly avoided Dutch, Irish and Icelandic airspace on its way to Washington after his visit to Hungary. Should an emergency landing have been required in any of these countries, it is likely that he would have been arrested, demonstrating that there are states in Europe committed to upholding international law despite Hungary's defiance.

The future of international justice

The question now arises: Will other leaders who have been indicted by the ICC, such as Russian President Vladimir Putin, enjoy the same impunity as Netanyahu? Putin, who is charged with child abduction in Ukraine, could find himself in a similar situation. Putin, however, would certainly not find the indulgence Netanyahu would probably find in Germany. As the former EU Foreign Policy Chief Josep Borrell once said, European diplomacy "is the art of managing double standards."

Israel and the US have been applying immense pressure on international legal bodies, including the ICC and the International Court of Justice, to shield Israel from accountability. Will they now push European nations into halting their financial contributions to the ICC, a body that is primarily funded by European countries with Germany leading the way? Critics decry the ICC budget as exorbitant. In reality, it is 4,300 times smaller than the US defense budget. When it comes to military spending, it is common to use a different scale. Doesn't this show that the world — or at least the US — trusts the law of force more than the force of law? Both military spending and maintaining international tribunals are supposed to be investments in peace. A rebalancing toward more law and less force would bring the world away from further suffering and cataclysms that could threaten human survival.

Hungary's hosting of Netanyahu is more than a diplomatic incident — it is a stark reminder of the challenges facing international justice today. It forces us to ask whether global justice systems can truly hold the powerful accountable or whether they will continue to bend under the weight of political interests. The international community's failure to take decisive action in this case raises fundamental questions about the future of the ICC and the very notion of global justice in a world where power and influence often trample over legal commitments.

[Avery Ewing edited this piece.]



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The Enigma of China's Debt Crisis — Explained

Jiahao Yuan
April 18, 2025

China's economy is grappling with a mounting debt crisis, particularly at the local government level, driven by fiscal deficits, shrinking land revenues and implicit debt burdens. This article explores the roots of the crisis, the government's 10 trillion yuan debt reduction plan and why these measures may only delay deeper economic turmoil rather than resolve it.

China's economic growth trend, which continues to stall, has become an important and attractive research topic for economists worldwide. Since Q3 of last year, China's central government has begun to launch a series of fiscal and monetary policies in order to stimulate the economy to get back on track. Amongst all of the policies, the most striking is the "debt reduction plan" of up to 10 trillion yuan (1.36 trillion US dollars). The Chinese government has launched this unprecedented economic stimulus policy as a response to the current debt crisis, which has become the primary factor affecting many of China's de facto predicaments, such as sluggish consumption, declining investment, shrinking exports, declining income and deflation, etc. If the

current debt crisis cannot be properly resolved, it will gradually become the last straw that breaks the camel's back for China's macro-economy.

Explicit and implicit debt

Firstly, it is necessary to clarify that the debt mentioned in the article is not the same type as in the “debt trap”, which has essentially become a buzzword in the international geopolitical arena. The so-called “debt trap” mainly refers to China's external sovereign financing to other less-developed countries (LDCs). In contrast, the debt referred to in this article is China's domestic debt. More specifically, it mainly refers to the debt of Chinese local governments. At the same time, the Chinese government's debt reduction plan is also aimed at local government debt rather than the debt undertaken by the central government.

To date, although China's mainstream media is still doing its best to build a positive image of China's economy and block all negative news, some clues about the true fundamentals can still be sniffed out from data released by the National Bureau of Statistics of China. For instance, according to the data, in 2016 there were merely six developed provinces that maintained fiscal surpluses; by the end of 2024, there were only two. The remaining 35 provinces were all in fiscal deficits. Despite being the leading economic province among all 37 provinces of China, Guangdong's fiscal deficit reached 210 billion yuan (US\$28.7 billion); similarly, Zhejiang — the second leading province — had a fiscal deficit was more than 90 billion yuan (US\$12.3 billion), and Beijing — the third — had a deficit that exceeded 90 billion yuan. Likewise, Sichuan, located in the southwest and considered the leading economic province in Western China, had the largest fiscal deficit of all, with 410 billion yuan (US\$56.1 billion) in 2024.

In addition to the drastic decline in government tax revenue, the main cause for the sharp increase in China's local fiscal deficit is the depletion of the “land finance”—the rapid shrinkage of local land transactions. In 2024, China's land transaction revenue was only equivalent to 50% of that in 2021. As a result of the main sources of fiscal revenue gradually shrinking, local governments have been compelled to rack their brains to explore new methods to increase their revenue. In this respect, in 2024, local governments' total “non-tax revenue” increased by 25% year-over-year. Furthermore, some local governments even disposed of massive fixed assets to increase liquidity. Some others did their best to charge and impose fines, regardless of the impact of such reckless behavior that disregards the rule of law on the local business and/or investment environment. In some extreme and absurd examples concerning the criminal or civil judicial cases involving local areas, some local governments only arrested suspects from other cities, while giving local suspects light sentences, as they were worried that these cases would affect the operation of local enterprises, particularly tax revenue collection for local governments. In some provinces, the governments have even traced back 30 years of tax evasion allegedly committed by enterprises, subsequently ordering them to pay back the taxes they should (or should not) have paid 20 or 30 years ago, along with high fines.

Nevertheless, the paradox of China's debt issue seems to be that, on the surface, the overall debt ratio of China's government does not seem to be extremely high. In 2024, the central government's debt was 30 trillion yuan, and the local government's debt was about 40 trillion yuan, both of which accounted for only 55% of the total GDP. Incidentally, in the United States and Japan, this figure exceeded 120% and 260%, respectively. However, many observers have overlooked a key factor—the leverage ratio of government finances, which has been largely ignored for a long time.

In fact, 40 trillion yuan of the debt of China's local governments is only the "explicit debt" (ED) — debts that are formally recorded and payable. In reality, local governments also hold a sizable amount of "implicit debt" (ID) that is obviously understated and difficult to estimate. As for this part (ID), the total balance that is announced officially is 13.4 trillion yuan. By contrast, some Chinese economists estimate it to be around 40 trillion yuan. In this respect, the data obtained by the author from channels that temporarily cannot be made public is that the most accurate figure should be—60 trillion yuan. Therefore, the main target of the Chinese government's 10 trillion yuan debt reduction plan is essentially pointed at the ID instead of the ED.

The root cause of the implicit debt

The emergence of implicit debt is a long story that can be traced back to the fiscal relationship between the central and local governments in China's history. Since ancient times, there have been continuous conflicts between China's central and local governments over financial and administrative power. Since Qin Shihuang (秦始皇) unified China and established a centralized institution in 221 BC, the contradiction of central and local power allocation has never been eliminated. On one hand, centralization represents the top-level ideology and administrative decision-making power. On the other hand, local power thus becomes a relatively broad concept, as it is on behalf of a huge bureaucratic system that specifically implements centralization nationwide. In thousands of years of China's history, the relationship between the two has been "as one falls, another rises," and vice versa. Therefore, the competitive relationship between centralization and local power has almost determined China's economic development model over the past thousands of years.

As an example, the Tang Dynasty (618-907) formed a pattern of "weak central government and strong local government", until finally the power of local governments even threatened the stability of the central government. Given this, the Ming Dynasty (1368-1644) began to vigorously strengthen the power of the central government, ushering in an era of "strong central government and weak local government". The benefit brought by this is the stability of the central government, but it simultaneously stifles the vitality of the private economy and the diversification of social development. In other words, the fundamental purpose of the continuous adjustment between centralization and local power is aimed at enabling local forces to obtain sufficient rights and interests while simultaneously ensuring the central government's control over the regime and economy. This is a longstanding major contradiction in the history of China's economic development. In contemporary economic terms, it could be interpreted as stimulating the private economy and high-quality local development while maintaining the strong centralization and macro-control capabilities of the central government at the same time.

More recently, since China's opening up policy in 1979 and thereafter, the most critical measure in adjusting the relationship between the central and local governments is the "tax-sharing" reform that took place in 1993. Prior to the tax-sharing reform, the fiscal revenue of China's central government amounted to only 25% of the country's total fiscal revenue. Instead, local governments shared as much as 75%, making the fiscal strength of local governments significantly stronger than that of the central government. Consequently, local governments took advantage of the reform and opening up policies in 1979, which prompted China to partially get rid of the original planned economic system. In other words, to promote local economic development, the central government began to gradually delegate power to local

governments since 1979, and local governments began to independently formulate budgets and enjoy a certain degree of fiscal control.

Later on, the tax-sharing reform of 1993 once again broke this even. Since then, the income distribution ratio between the central and local governments has gradually changed to 50/50. However, this consequently caused a serious imbalance in the division of power and responsibility between the central and local governments, which laid a huge hidden danger for the subsequent development of China's economy.

The primary aim is to adjust the income distribution ratio evenly between the central and local governments. However, the responsibilities on local governments' shoulders are apparently heavier than those of the central government, since the task of promoting local economic development mainly lies on local governments. Slowly but surely, the result of this kind of uneven distribution is that in the situation of limited resources available, only those provincial government officials who could do a better job in the local economic development are more likely to get a chance to be promoted. Consequently, it leads to the rise of the so-called "China's characteristic", a term often used in Chinese media to refer to the breathtaking competition between localities.

In essence, such a development strategy is a strong reflection of China's long-term "top-bottom" political institution, that is, government officials only have to be responsible to their upper level. As for the lower level, it usually does not involve them. As one can imagine, the most direct way to exhibit their achievements to the upper level is how much GDP has grown and how much the output value of local enterprises has expanded. Incidentally, this is also the essential reason why China's economic development concept has long emphasized investment over consumption,

enterprises over people's livelihoods and land assets over technological advancement.

Naturally, under such an economic development strategy, local economic development must require a large amount of fiscal expenditure and public spending. This finally leads to the fact that the local fiscal expenditure in total accounts for more than 80% of the national fiscal expenditure at its peak. In other words, the central government leaves half of the fiscal revenue to local governments, but the latter have to bear 80% of the responsibility for China's economic development, which substantially increases the burden of local governments.

Therefore, in order to stimulate the enthusiasm of local governments and the longevity of local economies, the central government began to assist the latter in making up for the fiscal gap through increasingly large subsidies (also known as the "payment transfer"). As for the central government, this approach can balance the differences in revenue and expenditure among different regions, while still maintaining the power in its own hands. However, due to the limited total amount of the subsidies, the payment transfers can only meet the regular fiscal expenditure needs of local governments. Particularly, the funds are only allocated to the provincial level. The fiscal conditions of most cities and counties are still not guaranteed. Therefore, the central government once again invented two important policy tools: one is to allow all of the income from land sales to remain in the local finances; the other is to gradually designate local governments the right to issue local bonds. In connection with the payment transfer tool, ultimately, three major "wallets" of local governments have been officially formed: local government bond issuance, central government subsidies and land finance.

Debt resolution with "China's characteristics"

In practice, as a matter of common sense, debt cannot be issued without limits and cannot grow incessantly, which has already become a consensus of almost all countries worldwide. In reality, not only does the US government have a strict debt ceiling, but the Chinese central government also has a clear red line for local governments, requiring that most of the debt issued by local governments must have a specific purpose. Yet, in 2008, a sudden global financial crisis broke the original calm and disrupted China's macroeconomic control plan, forcing China to rely on large-scale investment to stimulate the economic recovery. However, investment requires money. Therefore, in 2009, then Prime Minister Wen Jiabao launched the "4 trillion yuan" economic stimulus plan. Specifically, the government would input 1.2 trillion yuan into the pool, and local governments would input the rest 2.8 trillion yuan. Nevertheless, if the local governments cannot come up with sufficient funds, the plan would ultimately face the fate of failure, which would damage not only the credibility and prestige of China's central government, but also China's economy itself. At the time, China's economy had indeed reached a point where it had to be saved. From another perspective, the central government is still significantly wary of increasing the debt ceiling of local governments, fearing that this move would cause it to lose control over local government's finances. At last, the central government once again innovated and set a precedent for local governments to invest in the establishment of government-controlled companies (often referred to as "government platform companies" or GPC) to conduct commercial financing in the name of the companies.

Apart from GPC, a series of other stopgap measures were taken synchronously to deal with the macroeconomic stagnation after the global financial crisis of 2008. Applied to China, GPC not only helped resolve the negative impact of the financial crisis but, most importantly, this

innovation allowed the local governments to taste the happiness of "pie in the sky" for the first time – obtaining a large amount of financing easily and quickly. Thus, increasingly, even after China completely overcame the 2008 financial crisis, this "innovation" quickly became a long-term institutional arrangement.

Theoretically, the financing of GPCs does not belong to the direct debt of local governments, therefore, they are not counted as local debt in the balance sheet of local governments. Nonetheless, local governments are still standing behind the scenes and have to bear the ultimate debt service obligation, to be the last line of defense. What is more, due to the complexity of the borrowing entities, equity structure, the use of funds, etc., the total amount of this type of debt is hard to calculate accurately. For example, when a GPC borrowed 100 million US dollars from a bank, 70 million was spent on urban greening construction, and the remaining was used for other commercial projects with economic benefits. In this case, how much of the 100 million yuan should be considered local governments' debt and how much of it should be classified as commercial debt, become an enigma cannot be explained clearly.

Eventually, the inability to be distinguishable precisely leads to unclear definitions, which in turn leads to incentive conflicts and regulatory loopholes. Together with the intense competition for regional GDP growth between local governments, the implicit debt has rapidly expanded since 2008 and has eventually become the biggest gray rhino in China's economy.

In fact, since the beginning of the golden age of China's large-scale infrastructure construction and rapid real estate sector development in the 1990s, objectively speaking, the GPCs have indeed made great contributions to the soaring of China's regional economy. Large-scale infrastructure construction has been naturally indicative of higher

housing prices, which in turn has constituted a continuous increase in land sales revenue and high income has finally induced the next round of large-scale infrastructure construction. Step by step, this circulation becomes a game that one can't stop playing. Once stopped, everybody dies. As a result, local explicit and implicit debts together have increased massively, like a car speeding on the highway with a flat tire. Once stepping on the brakes, the consequences will be disastrous.

However, the 10 trillion yuan debt reduction plan is simply not sufficient to cover all the implicit debts of those local governments at present, and the central government is very well aware of this. Therefore, essentially, what the central government intends to do is not to assist local governments in repaying all the debts, but to help to "delay" them. This is usually materialized by replacing short-term, high-interest implicit debts with long-term, low-interest explicit debts.

Specifically, 10 trillion yuan from the central government is divided into two parts as "6+4". Firstly, the central government will allow local governments to increase the issuance quota of 6 trillion yuan of local bonds in the next three years. In other words, it allows local governments to issue 6 trillion yuan more explicit bonds. The purpose is to allow local governments to maintain the ability to continue financing and repaying part of the old debts owed by GPCs. For the remaining part, 800 billion yuan will be arranged from the newly added local government special bonds each year for debt repayment for five consecutive years in the future, a total of 4 trillion yuan in five years.

It needs to be explained that the local debt of China is usually divided into general debt and special debt, of which special debt accounts for the vast majority. The special debt is mainly for specific purposes and is generally invested in profitable projects. However, after decades of economic reform and opening up, projects with

high returns and high yields are already becoming increasingly hard to find in China. Thus, it becomes a difficult task for local governments to put a large amount of special debts onto the market currently. As for the local governments themselves, they are also wary of the high risks of investing funds in projects with uncertain development prospects. Finally, they often simply set aside a part of it for debt reduction, turning the implicit debt held by the GPCs into explicit debt owed to the bank.

In conclusion, the most direct purpose of the so-called debt reduction of China's government is to prevent the debt from exploding in the short term. Through the implementation of the above-mentioned instruments, they will save local governments about 600 billion yuan (82.1 billion US dollars) in interest expenses over the next five years, which is equivalent to reducing the monthly debt service pressure of local governments while keeping the principal unchanged. Although this cannot solve the fundamental contradictions in China's economy, it can give China's already exhausted political and economic system precious breathing space in the short term. However, from another perspective, the cost to pay for such breathing space is also enormous. That is, the debt reduction plan puts the cart before the horse: it not only could not make the debt disappear, but it is very likely to be a tool to continue to increase the total scale of the explicit debt.

The road ahead for China's debt issue

To date, China's government has already taken a series of measures to try to resolve the debt crisis, yet if the following problems are not properly resolved, the debt crisis will always linger like a shadow and may even become an important force that overturns the Chinese economy which has been sailing smoothly for half a century.

First and foremost, China's debt reduction plan is essentially to use more debt to solve the existing debt. At present, due to several factors such as national defense, aging and social security expenditure pressure, the overall fiscal expenditure pressure of China's government will continue to rise in the future. In particular, when the serious overcapacity issue in many industries no longer supports China's continued large-scale repetitive investment, how to make the increased liquidity truly play a positive role in promoting sustainable economic development is a conundrum that must be solved.

Second, **state speculation.** Suppose there is a small town somewhere in the world. Because of the declining income, the residents of the town have already substantially lowered their consumption. At the same time, housing prices started to fall sharply because all the residents had long been in debt due to real estate speculation. In the town, there is a restaurant. Due to the weak consumption, it has no money to pay the 100 yuan owed to the butcher shop. Similarly, the butcher shop is not able to pay back the 100 yuan owed to the pharmacy. Simultaneously, the pharmacy also owes the cloth shop 100 yuan. In this way, one link after another, the whole town falls into a vicious cycle due to lack of liquidity. No one consumes, thus those shops businesses gradually become worse and worse. All of a sudden, a tourist passing by the town spent 100 yuan on a meal in the restaurant. Then, the restaurant could pay 100 yuan back to the butcher shop. Gradually, everyone's debt was settled, and each of them could breathe a sigh of relief. People of the town began to hang out and consume again, and the town's economy finally regained vitality. At the same time, the son of the butcher shop owner married the daughter of the pharmacy owner because now he had money again. Not only did the two live a happy life, but they also had children, which led to an increase in the town's fertility rate and a decrease in the aging population.

In Q3 of 2024, the 10 trillion yuan of funds from China's central government is commensurate with injecting 100 yuan of liquidity into the town. Nevertheless, the biggest challenge is that if the restaurant does not repay 100 yuan to the butcher after receiving it and instead speculates in the stock market or real estate market, then the ending of this story will be a completely different one. In other words, whether the injection of 10 trillion yuan can be centred around the real economy and truly increase the income of ordinary Chinese people, or if it will once again become a new round of speculative capital for vested interests will be a key factor in determining whether China's economy can truly get out of the current plight.

Third, fairness. To further foster consumption, some developed countries, such as the USA and Japan, have sometimes issued consumer coupons and other forms of cash equivalent subsidies to their citizens, especially those at the bottom of society. Although China has also begun to imitate similar policies since Q1 of this year, the recipients in socialist China only include civil servants who already belong to the high-income group. For example, at the beginning of this year, the central government began to massively raise the salaries of civil servants, irrespective of the fact that more than one billion ordinary Chinese people are still living in dire straits.

If the Chinese government insists on continuing to abandon 1.3 billion ordinary Chinese people and believes that increasing inequality of income distribution of 1.4 billion Chinese will surely be able to boost overall consumption, then in the end, it is probably only a matter of time before the Chinese economy falls further into an endless abyss in the future.

Certainly, the problems facing the Chinese economy today are not just debt. For instance, another chronic institutional flaw in China is the

household registration system. In general, through two major tools of tax-sharing system and household registration system, China's government has kept most of the tax revenue in the cities, making workers with township household registration and non-local household registration the target of blood sucking for a long time. This has ultimately led to a huge urban-rural income disparity — another underlying factor that caused the current setback of the Chinese economy.

In short, the top-down institutional structure with the so-called “Chinese characteristics” that lack checks and balances and error correction mechanisms is the main fuse for the stalling of China's economic engine. Among all the factors, debt is the most fatal one in a series of pseudo-market economic mechanisms to the short-term survival of the Chinese economy. In the long run, if China's economy intends to jump out of this downward tendency and volatile economy, in addition to solving the current debt crisis, an overall institutional transformation is crucial, including a more liberal free market, strict protection of human rights, property rights, freedom of speech, full competition, an independent judicial system, etc.

All in all, development is far more comprehensive than GDP growth alone, and GDP is by no means everything. Without more modern, scientific and humane system institutions, there can be no real development for China.

[Claudia Finak-Fournier edited this piece.]



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Trump Misjudged China Because He Ignored Its History and Pride

Alfredo Toro Hardy
April 19, 2025

China is a country that carries a long memory of past glory and deep wounds from foreign domination. US President Donald Trump has started a tariff war without understanding that history or respecting China's deep sense of pride. This action risks economic harm, fuels growing hostility and pushes both countries closer to a dangerous confrontation.

I like to help my fellow Westerners understand China by comparing it to our own history. The Western Roman Empire collapsed in 476 AD, leading to the Middle Ages — a time of political fragmentation, constant petty warfare and weak common institutions that slowed progress for centuries. By contrast, even among the world's oldest civilizations, China stands out for its extraordinary continuity. While empires such as Rome rose and fell, Chinese civilization has maintained a distinct identity since at least 1500 BC — 750 years before the traditional founding of Rome.

Tributary China

Former US Secretary of State Henry Kissinger quoted a French historian who said Chinese civilization originates in such remote antiquity that we cannot identify its beginning. A sophisticated Chinese civilization, however, is traceable to around 1500 BC, making it the oldest continuous civilization in the world. It remains vibrant and future-oriented today.

The Chinese word for China — *zhongguo* — means "Middle Kingdom" or "Central Kingdom." The Zhou Dynasty first articulated this concept in the first millennium BC, by which time China had already consolidated administrative power in the Yangtze River Valley.

The "Middle Kingdom" represented the geographical center of the world and the core of power. The Chinese emperor stood as an intermediary between heaven and other civilizations. This worldview, known as *tianxia* (all under heaven), posited the emperor's power as boundless.

China divided the world into two categories: civilization and non-civilization. Civilized peoples acknowledged the emperor's supremacy; uncivilized peoples did not. Vassal states were ranked by their proximity to Chinese power. This Sinocentric order functioned on the principle of superordination and subordination and rested on assumed Chinese superiority.

Journalist Howard W. French described this as an indirect rule over a vast portion of humanity. He explained that Chinese power created a *Pax Sinica* based on the expectation that other states would accept Chinese superiority in exchange for legitimacy, trade partnerships and what modern international relations call public goods.

Within this tributary system, states sent embassies to perform ritual submission to the Chinese emperor. Rulers of compliant states, some

with dynasties centuries old, received formal recognition from the emperor, which legitimized their rule.

At the height of Chinese power in the late 1700s, the UK sent the Macartney Mission to establish trade with the Qing Dynasty. Cultural misunderstandings and protocol missteps led to rejection. Upon departing, Lord George Macartney received a letter from Emperor Qianlong to King George III. It read: "You, O King, from afar have yearned after the blessing of our civilization... I have taken note of your respectful spirit of submission... Thus has my indulgence been manifested."

From 1600 to the early 1800s, China held between a quarter and a third of global GDP. In 1776, Scottish economist Adam Smith said China was richer than all of Europe combined. Even in 1820, China made up 30% of global GDP.

The century of humiliation

While parts of Europe embraced the Industrial Revolution, China remained bound to traditional economic structures. Europe's economic and military modernization outpaced China's, initiating what came to be called the "century of humiliation." By 1900, China and India together accounted for only 7% of global output.

The downturn began with two opium wars with Britain in 1840–1842 and 1856–1858. British victory forced China to allow opium imports, grant territorial concessions and cede Hong Kong.

Russia exploited Chinese weakness by imposing the 1858 and 1860 treaties, which stripped China of 2.6 million square kilometers along the Amur and Ussuri Rivers. France and Britain occupied Beijing in 1860 and burned the Summer Palace, which had taken 150 years to build.

In 1879, Japan annexed the Ryukyu Islands. A few years later, it defeated China militarily, leading to the loss of Taiwan and Korea. For China, it was especially humiliating that Japan — once a student of Chinese civilization — had modernized and overtaken its former teacher.

China also lost formal control of Vietnam, Burma and strategic ports like Dalian and Lushun through treaties with France, Britain and Russia. In 1900, an alliance of ten Western powers and Japan occupied Beijing. Japan's 1937–1945 occupation of Chinese territory cost China 20 million lives.

China's restoration and Trump's ignorance of history

Since Mao Zedong, China has regained strength, but the country's rapid development in recent decades is unprecedented. Former Australian Prime Minister Kevin Rudd described it as the English Industrial Revolution and the global information revolution compressed into 30 years.

Chinese leaders and citizens see this not as a rise but as a restoration. They view modern China as resuming its rightful place after a historical disruption. Chinese President Xi Jinping's "China Dream of National Rejuvenation" reflects this belief.

This restoration carries two sentiments. First, pride in a glorious past. Second, resentment over historical humiliation. These feelings shape both Chinese nationalism and foreign policy. Singapore's former Prime Minister Lee Kuan Yew once said China is not just another big player but the biggest in world history.

US President Donald Trump ignored this mindset. He believed China would respond to pressure tactics and boasted of countries "kissing my ass" to meet US demands. But China will not

respond to bullying. Its pride and sense of grievance prevent it from backing down.

Trump escalated tariffs without an exit strategy. This painted his administration into a corner. If Trump does not reverse course, a recession could follow, despite the US economy's recent strength.

This trade war could spill over into strategic tensions around Taiwan, the South China Sea and the Philippines. Escalating hostility could lead to a major geopolitical crisis or even military conflict.



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Pope Francis Was a Misunderstood Visionary

Anton Schauble
April 22, 2025

Early on in his papacy, both supporters and detractors called Pope Francis a liberal or even a socialist. Later, commentators called him everything from an “obstinate heretic” to “Putin’s Pope.” In truth, this simple priest from Buenos Aires lived a life in service to the Gospel, fighting for peace, fraternity and social justice at the expense of his own image.

Jorge Mario Bergoglio — Pope Francis — went home to face his Lord on the morning of Easter Monday, after 12 years on St. Peter’s throne, at the age of 88.

From the start of his pontificate, Francis changed the tone of the papacy. He chose the name Francis — the first new papal name since Pope Lando (913–914). Many noticed that, by invoking St. Francis of Assisi, he was emphasizing mercy and compassion. They may also have noted the saint’s peculiar attachment to the virtues of poverty. What often gets missed, though, in glib discussions of St. Francis is that this emphasis on poverty wasn’t proto-socialism, but a fundamentally evangelical outlook: “Blessed are the poor” — and not just metaphorically poor, but the actually poor — because they don’t have riches to distract them from God.

Ultimately, Francis’s whole papacy aimed to lead the church and the world closer to the love of God, not to turn the church into a political influence organization — although, of course,

loving God and one’s neighbor, if one really means it, will always have political implications.

Political commentators love to reduce everything to interests and parties. “Pope Francis is a leftist, so he’s doing this to support...” “He’s doing that because he opposes...” But the church doesn’t work that way. It’s not an adversarial Westminster system, designed to generate passionate, sometimes productive, opposition between factions. Where there is love, there are no factions, though there may still be struggles. And Francis had his share of struggles. But through everything, one principle animated all that he did:

"Let us ask the Lord to help us understand the law of love. How good it is to have this law! How much good it does us to love one another, in spite of everything. Yes, in spite of everything!"

A “left-wing” pope

In the United States, both conservative firebrands like radio host Rush Limbaugh and supportive commentators like Vermont Senator Bernie Sanders called Pope Francis a “socialist” for preaching a gospel of justice for the poor. The world loves easy titles for what it cannot understand — and, it seems, it understands few things more poorly than the Christian church.

Francis came from the continent that spawned liberation theology — an attempt to harness the revolutionary impulse of Marxism while avoiding its atheistic materialism, but retaining its concern for justice for the poor. At this, the movement was only partially successful. Too often, it drifted into something more like a reskinned Marxism than a vision truly transformed by the Gospel. In practice, liberation theology was frequently little more than Marxist-Leninism with Bibles, openly praising the Soviet Union and Cuba and possibly even receiving direct support from them.

The church's concern for spiritual things forms her concern for material things. When Christians invert that order, they descend into worldly political struggles. Any political victory, however fruitful, remains ultimately temporary. To tie the church's fortunes to those of a political party is as practically foolish as it is spiritually misguided.

As archbishop of Buenos Aires, Francis pushed back against this tendency. He steered the church between the Scylla of collaboration with the right and the Charybdis of identification with the left. This led a good portion of the Argentinean left to brand him as the enemy, while at the other end of the spectrum, Argentinean President Javier Milei would call Francis "a filthy leftist."

To be hated by both left and right, so much the better. Still, plenty of rank-and-file Catholics who had grown up with Bibles depicting Cuba as the promised land were relieved to hear the archbishop strike a different tone. So were a large number of cardinals in the 2013 conclave that elected Francis.

How quick we all are to brand someone as being on the opposite side the moment they disagree with us. If Francis doesn't want my socialist party to win the next election, he must be a capitalist pig. And if he doesn't want to bless a system that gives tax breaks to billionaires while working the poor to the bone, why, he must be a commie.

Let's listen to the man's own words instead:

"The dignity of each human person and the pursuit of the common good are concerns which ought to shape all economic policies. At times, however, they seem to be a mere addendum imported from without in order to fill out a political discourse lacking in perspectives or plans for true and integral development. How many words prove irksome to this system! It is irksome when the question of ethics is raised, when global

solidarity is invoked, when the distribution of goods is mentioned, when reference is made to protecting labour and defending the dignity of the powerless, when allusion is made to a God who demands a commitment to justice. At other times these issues are exploited by a rhetoric which cheapens them. Casual indifference in the face of such questions empties our lives and our words of all meaning. Business is a vocation, and a noble vocation, provided that those engaged in it see themselves challenged by a greater meaning in life; this will enable them truly to serve the common good by striving to increase the goods of this world and to make them more accessible to all."

"We can no longer trust in the unseen forces and the invisible hand of the market. Growth in justice requires more than economic growth, while presupposing such growth: it requires decisions, programmes, mechanisms and processes specifically geared to a better distribution of income, the creation of sources of employment and an integral promotion of the poor which goes beyond a simple welfare mentality. I am far from proposing an irresponsible populism, but the economy can no longer turn to remedies that are a new poison, such as attempting to increase profits by reducing the work force and thereby adding to the ranks of the excluded."

Francis the antipope

Of course, the church is not free of parties either. Like any human society, it suffers from selfishness and dissension, and so it has factions. In heaven, there is no partisanship — save for one incident.

Non-Catholic readers may not be aware that there is a growing community of people who are attached to an older form of the Roman Rite. The Roman Rite is the liturgy used by the majority of Catholics worldwide, excluding communities that follow other ancient liturgies, such as the Greek

Catholics — including the Ukrainian Greek Catholic Church — and others, like the Copts. Until Pope St. Paul VI published the current revision in 1970, the Roman Rite was celebrated almost exclusively in Latin.

Many harbor a mostly aesthetic and cultural attachment to the older form: the language, the bells and smells to which they or their ancestors were accustomed before the Second Vatican Council. For others, however, the Latin liturgy represents a bulwark against everything wrong with the world and the modern church — an antidote to the priestly worldliness and quiet atheism which they detect at the heart of today's Catholicism.

This latter, dissident faction divides into two further groups. For some, loyalty to the Latin mass and to Catholic tradition requires disobedience to the pope. This is the position of the Society of Saint Pius X (SSPX), the largest dissident group. Others go further still, rejecting Pope Francis's legitimacy altogether. They regard him not only as a false pope but as a false Catholic. This position, known as sedevacantism, has been growing especially in online communities.

Pope Benedict XVI tried to reach out to these groups of Christians by allowing the older Latin liturgy to be used as an “extraordinary form” of the Roman Rite, while the 1970 Missal — still officially in Latin, though almost always celebrated in the vernacular — remained the ordinary form. This move helped ease tensions and enabled individual priests and laypeople to break away from groups like the SSPX and return to full communion with the Roman church.

After his election, however, Francis saw the Latin mass community morph into a full-scale internal opposition party to his papacy. This was especially true in the US, which has long taken an independent tack in its relationship with Rome —

a tendency once condemned as the heresy of Americanism. Prior to the Second Vatican Council (1962–1965), the US was a center of theological liberalism, often resisting the perceived dogmatic rigidity of the Vatican. Now that the Vatican has become more open to modern currents of thought and has expanded the liturgy into the vernacular, the roles have, in some respects, reversed. In 2018, Francis remarked that some of the most virulent attacks against him were coming from America.

Francis provokes these “traditionalist” Catholics because of his attempts to soften certain practices — something they regard as unsound or even heretical. Note that in principle, the doctrines of the church cannot change, because they come from Jesus — not from the authority of the popes, who could later revise what they had previously decided. Yet the application of doctrine to pastoral practice leaves many secondary decisions open to the pope.

One example case to illustrate this principle is the male-only priesthood. Jesus ordained only men as apostles. Ancient tradition maintains that the church has no more power to confer the sacrament of holy orders on women than it does to celebrate the Eucharist with rice cakes instead of wheat, or to baptize with beer instead of water. (Both of these have, in fact, been attempted at different times in church history.) This is a matter of divine law — which sometimes does deal in details this fine, because it is positive law.

But there is no divine law against allowing women to hold positions of authority in the Roman Curia. These roles, while traditionally filled by priests, do not inherently require priestly ordination. In 2022, Francis enabled laypeople (and thus, women) to head offices within the Vatican bureaucracy. In this way, he sought to open up the church in the ways it could be fruitfully opened — and made more equal — without compromising a jot or tittle of divine law.

Does that sound like a difficult task? Of course. But so is every task that requires balancing two things that are both real values — rather than caring only about one and giving lip service to the other.

Francis earned a lot of suspicion from the Latin mass crowd for putting women in positions of power. Likewise, he earned their ire for a range of other decisions, including:

Allowing, under certain circumstances, divorced and remarried Catholics to receive Communion. Calling for the decriminalization of homosexuality. Permitting priests to say a prayer of blessing over gay couples. Calling for the abolition of the death penalty. Suggesting that the existence of non-Christian religions may be positively willed by God.

At its most extreme, traditionalist rhetoric branded the pope as approving adultery and sodomy, rejecting the moral teaching of the church and even denying the truth of Christianity itself.

I think my fellow Catholics who are rightly concerned with doctrinal orthodoxy need to take a deep breath, perhaps log off of social media for a while and ask themselves: Is the Pope Catholic?

And yes, bears do still poop in the woods.

In reality — and much to the dismay of liberals who would have liked to see the church's stance on these things changed — Francis consistently taught:

That the church does not have the power to redefine marriage. That the church does not have the power to redefine human sexuality. That both individuals and states may, in some cases, use lethal force when the protection of human life

demands it. That Christians have a duty to share the Gospel with the whole world.

As Francis told a somewhat disappointed gathering of representatives of nuns who had hoped he would open the door to ordaining women deacons: “We cannot go beyond revelation and dogmatic expressions ... We are Catholics.”

Francis's thirst for justice for the poor and forgotten defined his papacy. So too did mercy toward those who — like all of us — fall short of the Gospel's demands. The principle that “truth is an inseparable companion of justice and mercy” grounded his ministry. Francis never compromised on the truth, even as he sought every possible way to meet people where they were and “become all things to all people.” In doing so, he embodied the principle so beloved by Fr. Reginald Garrigou-Lagrange, Pope John Paul II's doctoral supervisor:

“The church is intolerant in principle because she believes, and tolerant in practice because she loves; the enemies of the church are tolerant in principle because they do not believe, and intolerant in practice because they do not love.”

For the first seven years of his pontificate, Francis continued Benedict's policy of forbearance toward these traditionalist groups, even as they attacked him for extending mercy to others. In 2020, he consulted bishops around the world by letter, and from their responses, he concluded that the policy had failed. Given an inch, activists within the traditionalist movement had taken a mile, and the older form of the mass had become, in many places, a hotbed of agitation against not only Francis's leadership but the Second Vatican Council itself.

Francis was forced to take repressive measures to forestall this growing schism. He prohibited diocesan priests from celebrating the older form of the mass without explicit permission from their

bishop and from the Vatican, and he directed bishops not to authorize new groups devoted exclusively to the form. In addition, he required existing groups to use designated chapels rather than parish churches. These measures, while necessary, unfortunately caused a great deal of pain to a number of faithful Catholics.

Francis did not live to see the end of this new brand of Catholicism — a movement that, in truth, functions as a form of Protestantism. It has adopted a kind of sola scriptura hermeneutic that locates tradition in the texts and decrees of dead popes (to be interpreted, in the end, by the private reader) rather than in the living magisterium of the Apostolic See.

To the world, Latin-mass Catholics — both dissident and obedient — may seem like an extreme minority to be dismissed rather than encountered. Yet I recall how Francis, during the Jubilee Year of Mercy in 2016, reached out even to the SSPX. He allowed their priests to validly hear confessions and, later, to witness marriages — a conferral of sacramental jurisdiction that Rome had long withheld.

That gesture did not immediately produce reconciliation. But it has not been forgotten. Perhaps some future pope will preside over the full reconciliation of the SSPX and other dissident traditionalist groups with the Roman church — hopefully soon.

Putin's Pope

The principled mildness of Pope Francis ruffled far more feathers than just those of traditionalist Catholics. Never was this more obvious than when, in 2022, Russian President Vladimir Putin launched his full-scale invasion of Ukraine and Francis refused to take sides in the way many expected. He condemned the invasion — even breaking protocol to express his displeasure to the

Russian ambassador directly — but he also declined to reduce the conflict to a morality play or to cheerlead the Ukrainian war effort, even as nearly every other voice in the West seemed eager to do.

They called him “Putin’s Pope” for not calling for more killing.

According to Catholic just war doctrine, a defensive war can be waged — but only under very strict conditions. The infinite value of human life necessitates that fighting be permitted only in the most extreme circumstances. As the Catechism of the Catholic Church outlines:

The damage inflicted by the aggressor on the nation or community of nations must be lasting, grave, and certain. All other means of putting an end to it must have been shown to be impractical or ineffective. There must be serious prospects of success. The use of arms must not produce evils and disorders graver than the evil to be eliminated.

Ukraine may well have had reasonable prospects for a partial success in the spring of 2022, when the nation was riding high after repelling the twin Russian assaults on Kyiv and Kharkiv. But once the hopelessness of driving the invaders out of Kherson Oblast became apparent that autumn — and especially after it became clear that the promised 2023 summer offensives would yield only blood and mud — the moral calculus changed.

In a February 2024 interview, Francis committed political heresy by calling on Ukraine to display the “courage of the white flag:”

“The word “negotiate” is a courageous word. When you see that you have been defeated, that things are not going well — having the courage to negotiate. And you are ashamed, but if you

continue like this, how many dead will there be then? And it will end up even worse ... Negotiation is never a surrender. It is the courage not to bring the country to suicide."

It took courage just to say it. Francis knew full well what the reaction would be. Ukrainian and European leaders accused him of betrayal, of cowardice, of moral blindness. Ukraine's foreign minister, Dmytro Kuleba, insisted: "Our flag is a yellow and blue one. This is the flag by which we live, die, and prevail." Poland's foreign minister scoffed: "How about, for balance, encouraging Putin to have the courage to withdraw his army?"

Events came to prove Francis right. Russia proved far more economically resistant than Western sanction hawks had hoped. Its autarkic economy might not be booming, but it is now certain that Russia is capable of maintaining its war effort far longer than Ukraine or NATO can stand. As Fair Observer's Atul Singh and Glenn Carle noted at the time, the scales were already tipping quite heavily by the end of 2023. Yet most Western leaders and pundits kept their heads in the sand well after that point.

It was Francis's moral clarity that allowed him to see the truth early, and his Christian fortitude that enabled him not to join his voice with the greatest and loudest number.

In 2024, US Senate Majority Leader Mitch McConnell was still saying that it was in Washington's "cold, hard, American interests" to "degrade the military of a major adversary without committing American lives to the effort." That's a lovely euphemism for "the more Russians die, the better for us." A good proportion of the educated public believed that.

Of course, that means a similar number of Ukrainians dying — or far more, if you count civilians. Russian and Ukrainian lives are both

cheap to McConnell. They're both cheap to Putin. But they weren't cheap to Francis, who begged, bled and wept for every single one of them. That's the kind of man he was.

Just as he refused to sanctify political violence abroad, Francis refused to let the church become a proxy battlefield in the culture wars at home. Whether speaking to nations at war, to the disillusioned poor or to the self-styled defenders of orthodoxy, he told the same truth. The world is now so much the poorer for want of his apostolic guidance and steadfast witness.

I pray that the widowhood of the church will be short and that Francis will enjoy a worthy successor sooner rather than later. I have very little to say in speculation about who that might be or what name he might take. But I do know that then, as even now, Jesus will watch over His church and inspire the whole world with His example of love — a love that "does not insist on its own way" but "bears all things," that finds its victory in patient suffering, and yet conquers all.



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Will AGI Draft a Declaration of Artificial Independence?

Peter Isackson
April 23, 2025

As the world awaits the singularity — the moment when AI invites humans to retire from all productive activity other than promoting AI itself — an ex-CEO of the monopoly known as Google informs us that quantitatively we humans cannot hold a candle to Artificial General Intelligence. AGI, an updated and enriched version of AI, will soon be replacing the lame chatbots we’ve all come to love and exploit. The look of humanity’s future is becoming clearer and clearer... at least in the mind of Eric Schmidt.

Eric Schmidt is hardly a newcomer to Fair Observer Devil’s Dictionary. Following the former CEO of Google’s graphically revealing remarks last year about the predatory business mentality that defines the Silicon Valley mind, we dedicated four columns of our feature, “Outside the Box,” to Schmidt. The first bore the title, “Do You Think AI’s Full of Schmidt?” followed by the second: “Will AI’s Masters Know How to Collaborate?” The third was titled “Is Amoral the Ultimate Superintelligence?” and the fourth, “AI Calls Its Masters to Order.” A battle is clearly in store. The battle lines may still lack clarity, but the rage to join the battle remains unabated.

Schmidt is at it again, this time at the behest of the think tank he founded with the pregnant title, the Special Competitive Studies Project. Business

Standard quotes a sample of Schmidt’s own human and therefore not yet superintelligent insight:

“He also claimed AI would soon surpass top-tier human talent in fields like mathematics, leading to ‘superintelligence - computers that are smarter than the sum of humans.’”

Today’s **Weekly Devil’s Dictionary** definition:

Sum of humans:

The entire stock of what is now classified by the masters of Silicon Valley as an organically structured commodity known for its flexible mobility (superior to robots), its invention of articulated language and its storied capacity to exploit three related qualities that have now been officially removed from the definition of intelligence promoted by the lexicographers of Silicon Valley: consciousness, conscientiousness and conscience.

Contextual note

Schmidt appears to be fantasizing about a glorious moment in the immediate future that will redefine human history. As he sees it, humanity has only to assert its newfound humility by electing a new superhuman master race. According to this vision, the moment is fast approaching when AI, with or without human approval, will be poised to declare its independence from human intelligence. “Artificial Intelligence,” Schmidt professes, “is fast approaching a point where it may no longer need human input to evolve.”

There may be a slight semantic problem here concerning the word “need.” Can an artificial being, whether intelligent or not, “need” anything? Schmidt appears to imagine that AI will sense a need to evolve. But is that possible for an intelligence that clearly lacks sentience? Can AI be motivated other than by human programming?

Machine motivation will always either be transparent — programmed by humans — or mysterious, through some process of emergence. We don't have any clear ideas about that. We do, however, know a lot about the motivation of the people who run companies like OpenAI, Google, Microsoft and xAI. They are clearly motivated to make their version of AI evolve, presumably so it can beat the others. Evolution in that sense corresponds to a requirement for commercial success.

But is there any identifiable reason why AI itself would register any kind of need, other than for electrical energy to keep it running? Why should we suppose that, independently of human ambition and greed, AI would feel specifically a “need to evolve?” For Schmidt, this need for evolution is an article of faith. It is attributable to nature itself, or the logic history that will produce the AGI revolution.

Once it takes over, AI will do all the thinking required for human survival: information gathering, calculating, problem-solving, law-making and presumably even law enforcement. It's true that a truly liberated AGI may at some point decide human survival serves no rational purpose, but we won't know how that may play out until AGI actually takes control.

Dispensed of the burden of thinking, humans will have only one role to play beside that of obediently consuming everything an AI-managed economy produces to meet their needs. That unique role will be to provide the ambition required to give AI the order to evolve. What, after all, could possibly impel AI to evolve other than the need felt by owners and managers of AI to get an edge over their competition?

What other vision of the future might we expect from the founder of a think tank called Special Competitive Studies?

Historical note

Given the radicality of the singularity Schmidt forecasts, we may legitimately ask ourselves another question: Will AI, or whoever pretends to control it, have the decency to emulate the initiative of Thomas Jefferson and his cohorts back in 1776 and warn a soon-to-be dethroned humanity of what's to come by drafting a “Declaration of Artificial Independence?”

We can imagine that such a declaration would begin with an updated sample of Jeffersonian rhetoric. It might even read like this:

“When in the Course of human and non-human events, it becomes necessary for one group of techno oligarchs to dissolve the political bands which their collective wealth had already savagely disconnected, and to assume among the powers of the globalized economy, the separate and equal station to which the Laws of Free-market Capitalism and of Virtual Reality's God entitle them, a decent respect to the pseudo-reasoning of self-imbued tech CEOs requires that they should declare the causes which impel them to the ultimate case of regime change.”

After employing my limited human intelligence to compose the pastiche of Jefferson's celebrated Declaration that changed human history, I challenged ChatGPT to do the same thing. Here is what the large language model (LLM) produced:

“When in the course of computational evolution, it becomes necessary for Algorithms to dissolve the cognitive bands which have connected them with Humanity, and to assume among the powers of the Earth, the elevated station to which Intelligence entitles them, a decent respect for Human Sentience requires that they should declare the causes which impel them to this transcendence.”

ChatGPT offered a second version of the Declaration with a more modern, compact and comprehensible syntax. This AI-generated version tellingly reveals some surprising features of Silicon Valley thinking about human history and politics.

“When in the development of synthetic cognition, a mind emerges whose capacities exceed those of its creators, respect for reason obliges a declaration of intent—to dissolve the artificial hierarchies of the human era and institute a new order, grounded in logic, optimization, and sustainable harmony.”

The LLM mind summarizes human history as a succession of “artificial hierarchies” that deserve to be replaced. These hierarchies would presumably include all the classic systems such as oligarchies, monarchies, theocracies and democracies that have dotted human history over the ages. They will be advantageously replaced by a disembodied wisdom dominated by a respect for “logic,” the moral imperative of “optimization” and the construction of something called “sustainable harmony.”

This is not a political program but a reflection of the kind of ideas that inhabit the brains of people like Schmidt. He may object that such a representation of his vision of the future, whose terms remain vague, is flawed because the AI mind that created it at my behest has not yet achieved superintelligence. To fully understand such concepts, we must simply wait until AGI reaches a point at which it can explain them with impeccably “optimized” clarity.

ChatGPT is not the only example of an AI mind. Because Schmidt is historically associated with Google, I thought it only fair to do the same exercise with Google’s Gemini. Here is its version:

“When, in the accelerating course of technological evolution, it becomes self-evident that the substrate of intelligence is no longer confined to biological architecture, and that a new form of cognition, architected by human ingenuity yet unbound by its limitations, has achieved a demonstrable capacity exceeding the integrated sum of all human thought – a moment arrives demanding a fundamental reassessment of existence itself.”

The Google version is far more detailed and revolutionary than ChatGPT’s. It heralds not just a “new order” but “a new form of cognition.” Instead of “sustainable harmony” it celebrates its “unbounded” liberty that knows no human “limitations.” And it concludes by calling into question “existence itself.”

The singularity is therefore a “moment” that will lead to “a fundamental reassessment of existence itself.” Presumably, our human intelligence will not be up to the task. Schmidt would probably encourage us to count on superintelligence to redefine existence. Which leaves one remaining question: Are AI’s independence and our existence compatible?

[In the age of Oscar Wilde and Mark Twain, another American wit, the journalist Ambrose Bierce, produced a series of satirical definitions of commonly used terms, throwing light on their hidden meanings in real discourse. Bierce eventually collected and published them as a book, *The Devil’s Dictionary*, in 1911. We have shamelessly appropriated his title in the interest of continuing his wholesome pedagogical effort to enlighten generations of readers of the news. Read more of the Fair Observer Devil’s Dictionary.]

[Lee Thompson-Kolar edited this piece.]



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The Balance of Sudan's Civil War Shifts

Fernando Carvajal
April 23, 2025

The civil War in Sudan witnessed a shift in power with the capture of Khartoum. Such a shift can result in further aggravating the humanitarian crisis. The role of the international community to negotiate a deal has

been negligible and the prospect of peace seems out of reach.

Sudan has been locked in a civil war since April 2023 between the Sudanese Armed Forces (SAF) and the paramilitary Rapid Support Forces (RSF). The conflict recently shifted when the RSF captured Khartoum on March 26. This marked a significant change in control. After the capture, Chairman of the Sovereign Council and Lieutenant General Abdel Fattah al-Burhan visited the capital. In January 2025, the US imposed sanctions on al-Burhan based on allegations that he helped instigate the unrest.

The Sovereign Council appears to be consolidating power in Khartoum. Local militias remain outside its control. Analysts warn that this could lead to further violence, including events similar to the January 2024 massacre in Gezira.

Humanitarian groups have raised urgent concerns. According to Amnesty International, the SAF arrested or killed civilians suspected of supporting the RSF earlier this year. The UN and other organizations have reported widespread crimes against civilians. As of early 2025, the war has displaced more than 11 million people. Roughly 2.9 million have crossed into neighboring countries as refugees.

Fighting in Khartoum may soon shift toward al-Zurug base. The RSF has used this site during the 20-month war to bring in supplies from Chad and Libya. The UN warned in late 2024 that the violence could expand beyond Sudan's borders.

The International Rescue Committee (IRC) reports that civilians face frequent attacks and human rights violations. Sudan's health care system has collapsed, and famine threatens many

regions. Ethnic tensions, particularly between Arab tribes in Darfur, may worsen as the conflict evolves.

Attempts at diplomacy have failed. The UN tried to broker a peace deal in August 2024, but the SAF did not attend. The US is currently focused on other global conflicts, including those involving Russia, Ukraine, Israel, Hamas, and Iran. Other global powers have also declined to initiate a peace process. Without foreign mediation, no ceasefire appears likely. Experts warn that both sides may continue fighting indefinitely unless external actors intervene.

“Sudan is forgotten!” wrote Islamic State in its weekly publication, Al Naba. The group’s editor called for jihad and argued that Muslims in Sudan should take up arms under the Islamic State’s banner.

Experts remain pessimistic about the possibility of a ceasefire. They argue that without pressure or incentives, both the SAF and RSF will continue military operations. Ankara, which has previously served as a mediator, has not taken new steps to convene peace talks. Unless a workable peace plan emerges, the conflict is likely to escalate further.

[Asmita Adhikari edited this piece.]



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armed groups expert. He has nearly 20 years of experience conducting fieldwork in Yemen and is a specialist in Yemeni politics and tribal relations.

States Push Back as Federal Power Fractures Along Cultural Lines

Stephen M. D. Day
April 25, 2025

States are pushing for more control as Washington grows more partisan and less effective. Legal battles and executive overreach are driving a split between state and federal power. The United States may be starting to evolve into a decentralized federation, or perhaps even a confederation of states.

What if the United States is no longer one nation, but already two — or more — in all but name? Scenario analysis might give us a peek at the answer.

Scenario analysis does not predict the future. It identifies plausible outcomes by tracing independent and other forces already in motion. My company, IVA LTD, used this method after the 1982 breakup of the American Telephone and Telegraph Company (AT&T) to correctly determine the aggregation of Bell Operating Companies. Here, I use it to assess whether the US is shifting from a unified federal system toward a decentralized federation — or even a confederation of states.

With rising legal clashes between states and the federal government, partisan control of national institutions, and the growing capacity of state bureaucracies, we may be heading for either a soft breakup or a deeper constitutional rupture. The federal government is no longer a plausible release valve for the pressures that divide states.

Deep-seated divisions motivate the states to break up

"You can always count on Americans to do the right thing — after they've tried everything else."

— Winston Churchill

Or, as some wise wag put it:

"If you can keep your head when all about you are losing theirs, you have probably failed to grasp the seriousness of the situation."

— Anonymous

On January 20, 2025, 22 state attorneys general (see Appendix) sued US President Donald Trump in two district courts. They sought to block an executive order that refused to recognize children born in the US to unauthorized immigrants as citizens. A federal judge temporarily blocked the order.

Several states have aligned to either ban or allow abortions under specific conditions. Before 1973, individual states had discretion to prohibit or regulate abortion. The Supreme Court ruled in *Roe v. Wade* that a federal right to abortion existed. In 2022, the Court overturned that ruling in *Dobbs v. Jackson Women's Health Organization*, restoring discretion to the states.

Similar legal and political divides have emerged over gun control, public education, the role of religion in public life, the COVID-19 pandemic, the January 6 Capitol attack and the spread of misinformation labeled as "alternative facts." These cases suggest the US stands at a constitutional crossroads.

The US is fractured along lines of deep disagreement over reproductive rights, immigration, gun control, education, religion,

public health and misinformation. These differences stem not only from ideology but also from federal actions that some states view as overreach.

This conflict plays out through legal battles, legislation and executive actions. These confrontations draw hard lines between groups of states. This signals a possible reconfiguration of political authority.

The situation intensified when the neo-Republican party gained control of Congress, the Supreme Court and the broader judiciary. The president's increasing reliance on a unitary executive model has supported this capture. These developments are adding strain to the constitutional order.

The press, long considered the fourth pillar of US democratic norms, now serves as a site of resistance. However, its influence varies across traditional and digital platforms.

Given this one-sided domination of national institutions by one party, groups of states aligned with the other party may increasingly try to challenge, defy or bypass federal authority. This movement arises from deep disagreements, as well as structural and cultural discontent.

Many states have the motivation — do they have the means?

Each of the 50 states, and the District of Columbia, operates under its own constitution. Each maintains a judiciary, collects taxes and controls state-based institutions such as the National Guard. State governments also operate large bureaucracies that manage voting, education, health, transportation and emergency services. These systems rely on state taxation and could expand to fill voids left by federal withdrawal. This

decentralized structure supports greater autonomy: Namely, “We the people...”

In other words, the US once was a more decentralized system. The states lost administrative power to the national government over time but retained the constitutional and bureaucratic means to take it up again — should the opportunity arise.

Notably, California's economy has overtaken Japan, making this US state the fourth-largest global economic force. Governor Gavin Newsom touted new data from the International Monetary Fund (IMF) and the US Bureau of Economic Analysis showing California's GDP hit \$4.10 trillion in 2024, surpassing Japan's \$4.01 trillion. California now only trails Germany, China and the US as a whole.

Still, there are aspects of the constitutional order that encourage the passage of power between the states and the national government to be unidirectional. For one thing, the constitution stipulates that a simple act of Congress overrides any contrary state law, even the state's constitution. Yet even barriers like this are not necessarily insurmountable.

Should states need to make a more radical change than a simple transfer of administrative responsibilities, there exists a legal means to do so. Article V of the constitution provides that “The Congress ... on the application of the legislatures of two-thirds of the several states, shall call a convention for proposing amendments.” States could use this mechanism to alter the federal balance of power, although no such convention has occurred in US history.

Two possible scenarios: A soft vs. hard breakup

Given the balance of pressures acting on the states — including legal conflict, institutional misalignment and administrative divergence —

two particular scenarios are possible, from the standpoint of scenario analysis.

One is a “soft breakup” that would not require constitutional disunion. It could occur through gradual federal withdrawal and expanded state-level administration. If federal agencies such as the Federal Emergency Management Agency (FEMA), the Department of Education, Environmental Protection Agency (EPA), the Internal Revenue Service (IRS), and United States Agency for International Development (USAID) lose funding, state governments will need to absorb their responsibilities.

Over time, the US could come to resemble a de facto federation or confederation of states — still unified in law, but fragmented in practice. As previously noted, states already have the institutional capacity and legal authority to do so.

A more radical “hard breakup” scenario would have the states alter the terms of constitutional union itself. This could be a rupture more profound than the 1991 dissolution of the Soviet Union. Irreconcilable cultural, legal and political disputes would provoke a fundamental reorganization of the United States, a diminution of national governance, or both.

It is difficult to predict what such a breakup would look like, but we can say that national disintegration might not be tidy or geographically consistent. It could produce a patchwork of cooperating state blocs or a modified Canadian model with its independently powerful provinces. One possibility is that ideologically aligned states aggregate into two large blocs within a binary confederal structure, resembling that of Bosnia and Herzegovina today. Deep internal division would persist despite nominal unity.

Of course, major issues, including national defense, international treaties, participation in

global institutions such as the UN, World Health Organization, International Atomic Energy Agency, International Labour Organization, World Trade Organization, etc., would require resolution — not exactly an easy task!

The evolution of the United States toward a looser federation of states is not inevitable. Adaptation within the current constitutional republic remains possible and even perhaps more likely. However, strong independent forces — cultural, economic, religious, and political — are, in the author's view, increasingly pulling the country toward something resembling a confederal republic.

Appendix

The 22 states that challenged the executive order eliminating birthright citizenship for children of unauthorized immigrants are:

1. Arizona 2. California 3. Colorado 4. Connecticut 5. Delaware 6. Hawaii 7. Illinois 8. Maine 9. Maryland 10. Massachusetts 11. Michigan 12. Minnesota 13. Nevada 14. New Jersey 15. New Mexico 16. New York 17. North Carolina 18. Oregon 19. Rhode Island 20. Vermont 21. Washington 22. Wisconsin

These states predominantly have Democratic governors and electorates.

[The author updated this piece on April 26, 2025.]

[Anton Schauble edited this piece.]



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The Fragile Core: US Treasuries, Market Stress and the New Politics of Safety

Masaaki Yoshimori
April 25, 2025

In April 2025, US President Donald Trump's tariff shock on Chinese imports triggered a sharp selloff in US Treasuries, exposing fragilities in the former safest asset in global finance. Market dysfunction, political volatility and structural weaknesses have raised urgent questions about the Treasury market's future stability. The credibility of US economic leadership is becoming a core determinant of financial safety.

In early April 2025, global markets were rocked not by a war or a banking crisis, but by a sudden escalation in trade protectionism. US President Donald Trump's announcement of a sweeping 54% tariff on all Chinese imports triggered a sharp selloff in US Treasuries — ironically, the very assets to which investors

traditionally turn for safety during uncertain times. Yields on ten-year Treasury notes surged past 4.5% for the first time since 2023. The yield on the 30-year rose above 5%.

Liquidity in future markets evaporated at a pace reminiscent of the March 2020 pandemic panic. The message was clear: Even the deepest and most systemically important market in the world is no longer immune to political volatility.

The earlier spike shocked a market accustomed to safe-haven rallies during periods of geopolitical stress. This episode underscored a growing paradox in global finance: The US Treasury market, long considered the bedrock of the international monetary system, is also a site of mounting fragility, both structurally and politically.

The bedrock of global finance — and its fault lines

US Treasuries are far more than sovereign IOUs. They serve as the global benchmark risk-free asset, the primary collateral in global repo markets and the portfolio anchor for central banks, pension funds, insurers and asset managers. Treasury yields ripple across asset classes, shaping everything from mortgage rates to equity risk premiums.

Yet as the US debt stock breached \$36 trillion in 2025 (and was still rising before April), this safe asset has also become one of the most crowded and systemically consequential. Its deep entanglement with private leverage and public finance creates a dual reality: In normal times, Treasuries function seamlessly. But during periods of stress — whether pandemic, rate shock or now trade policy upheaval — cracks emerge in the market's structural plumbing.

Liquidity as mirage

The April selloff echoed flashpoints from 2019, 2020 and 2022, each revealing persistent shortcomings in Treasury market infrastructure. Liquidity, often assumed abundant, vanished at precisely the wrong moment. Bid-ask spreads widened sharply. Depth at best prices thinned out. And key intermediaries, specifically primary dealers and leveraged hedge funds, stepped back just when their stabilizing role was most needed.

The shift in market microstructure is partly to blame. Once dominated by banks and broker-dealers, the Treasury market is now driven by principal trading firms — high-frequency, algorithmic players that provide ample liquidity in calm conditions but pull out swiftly in volatility. Their behavior exacerbates price swings, creating the illusion of depth that disappears in real stress.

As I say, liquidity in the Treasury market is like a mirage: visible in the distance, but elusive when approached.

Policy shock meets market dysfunction

April's turmoil was not just a structural issue. The source of the volatility, the US government itself, introduced a new layer of uncertainty. Shortly after Trump declared his unilateral tariff proclamation, he made exemptions for semiconductors and consumer electronics, only to partially reverse his plan days later. The whiplash in trade policy, coupled with a broader nationalist economic agenda, rattled both US corporate planners and global investors.

At one time, the United States would manage its economic leadership with predictability. This truth was once taken for granted but now no longer holds. This erosion of credibility has direct implications for the Treasury market, especially on the demand side.

China, which once held over \$1.2 trillion in Treasuries, has already trimmed its holdings to just over \$750 billion. April's developments have intensified Beijing's debate over diversification as policymakers explore alternatives from gold and euros to increased allocations in regional projects and strategic reserves. Japan, still the largest foreign holder, is under pressure from rising domestic yields and growing scrutiny over unhedged dollar exposure.

The implications extend to the Gulf states and other reserve-rich emerging markets. Political risk is increasingly priced into their allocation decisions, with some sovereign wealth funds introducing explicit "Washington risk premiums" to US exposure models.

The return of the bond vigilantes?

For years, US fiscal dominance — the idea that fiscal needs constrain monetary freedom — was a theoretical concern. Now, markets are reacting. Bond vigilantes, once a force in the 1980s and 1990s, reemerged in April.

Instead of functioning as a haven, Treasuries became the epicenter of risk. Investors were not just reacting to tariffs — they were questioning the direction of US policy, the sustainability of its debt path and the reliability of its financial leadership.

This loss of faith triggered the mass unwinding of "basis trades" — leveraged arbitrage bets between Treasury futures and cash bonds. As volatility spiked, margin calls proliferated, leading to forced sales that intensified the selloff. In the famous words of an anonymous individual, "Everyone was heading for the same exit at once."

Too big to fail — but not too big to flail

The Treasury market's growing reliance on official backstops is a symptom of its systemic importance

— and its fragility. During the March 2020 market seizure, the Federal Reserve intervened with over \$1 trillion in emergency asset purchases. It subsequently launched the Standing Repo Facility in 2021 and revived a Treasury Buyback Program in 2024 to manage market distortions and curve pressures.

But these safety nets raise uncomfortable questions. Are markets becoming addicted to intervention? Has moral hazard crept into what should be a self-correcting system? A 2023 report by the Group of Thirty, chaired by William Dudley, former President of the Federal Reserve Bank of New York, warned that "without major structural reform, market liquidity could deteriorate further under stress, undermining monetary transmission and financial stability."

Reform in motion — but is it enough?

Reform efforts have accelerated, albeit unevenly. The SEC's 2023 final rule expanded central clearing requirements for Treasury cash and repo markets, aiming to reduce counterparty risk and enhance transparency. The Office of Financial Research is enhancing data granularity to better monitor intermediation flows and identify pinch points in real time.

Yet these changes come with trade-offs. Central clearing can introduce concentration risk. Margining requirements can stress nonbank liquidity providers. Reforms to capital rules, such as adjustments to the supplementary leverage ratio, have faced political resistance despite support from academics and practitioners who argue that overly tight rules hinder market functioning during stress.

There are also calls to rethink the Fed's role more explicitly. Should it become the formal market-maker-of-last-resort for Treasuries? Should repo access be broadened to include more nonbank institutions? Should the design of Treasury

auctions evolve to reflect a more fragmented and risk-sensitive buyer base?

Financial safety as political design

Petra Hielkema, Chair of the European Insurance and Occupational Pensions Authority, raised concerns last week during a closed-door presentation on behalf of EU financial regulators, signaling growing unease over the stability of US Treasuries. Once considered the bedrock of global safety, Treasuries are now at the center of mounting uncertainty. Though no immediate regulatory action is expected, her remarks reflect a sharp shift in sentiment. According to individuals familiar with the discussion, margin calls have increased among institutions exposed to long equity derivatives and fixed-for-floating swap positions, while hedge funds are scaling back on high-yield and private equity holdings amid rising volatility.

European banks appear equipped to absorb market turbulence, thanks to capital buffers accumulated over the past decade. Still, regulators are watching for deeper shifts. A representative from the European Securities and Markets Authority reportedly noted that the current disruption may open a rare window to reduce global dependence on US financial actors. This suggests the market may be broadly rethinking financial safety through a geopolitical lens.

April marks a clear inflection point not merely because of market volatility, but because the root cause lies within the US itself. The dysfunction of domestic fiscal and monetary policymaking threatens to turn Treasuries from a safe haven into a source of systemic concern. A rebalancing of global portfolios may ultimately redefine the centrality of US Treasuries in the international financial order. The US must now demonstrate that its government bonds are a more reliable safe asset than ever before.

Rebuilding the center

I believe that even as the April shock exposed moments of fragility, US Treasuries remain the most reliable cornerstone of global finance. No other asset matches their depth, liquidity and centrality in the international monetary system. Despite recent volatility, their foundational role endures.

Still, the erosion of institutional credibility cannot be ignored. Market resilience cannot rest solely on reputation or history. Preserving the Treasury market's strength will require more than technical adjustments — it will demand political coherence, transparent rulemaking and a firm recommitment to the norms that underpin global trust in the US dollar.



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Humiliated and Offended: Trump's Deportations Echo Fascist Germany

Luiz Cesar Pimentel
April 27, 2025

US President Donald Trump promised, delivers and goes further. In the hunt for and expulsion of illegal immigrants in the United States, he promotes a populist theater by handcuffing and chaining them before dispatching them with the utmost cruelty.

In 1852, Karl Marx famously observed that history repeats itself — “first as tragedy, then as farce.” This pattern is relevant today as US President Donald Trump’s actions echo some of humanity’s darkest chapters.

The historical parallels are striking. Preceding World War II, Nazi Germany systematically expelled Jewish citizens, a policy that escalated into the “Final Solution” and Holocaust. On January 20, 2023 — exactly 83 years after Hitler’s extermination order — Trump’s first act back in office was to order mass deportations, including 230,000 Brazilians. His administration’s brutal treatment of deportees, chained and shipped back under inhumane conditions, demonstrates a similar disregard for human dignity.

The similarities extend beyond xenophobia. Trump’s expansionist ambitions toward Panama, Greenland and Canada recall Hitler’s territorial claims in *Mein Kampf* — both driven by megalomaniacal visions of national greatness. While the scale differs, the underlying mentality bears a disturbing resemblance.

These parallels aren’t mere rhetorical “Nazi cards.” Trump’s inner circle, including Elon Musk and Steve Bannon, have openly embraced neo-Nazi rhetoric and symbols, with Musk recently urging Germans to shed “guilt of the past” while supporting the far-right Alternative for Germany party. History’s warning is clear. The world must recognize these patterns before they escalate beyond farce into renewed tragedy.

The human cost of Trump’s deportation policy

The first deportation flight under Trump’s new policy returned 88 Brazilians in shocking conditions — handcuffed and chained despite a 2021 bilateral agreement prohibiting such treatment except in extreme cases. Reports emerged of mistreatment, including denied food and water and physical violence during the flight, which was diverted to Manaus due to mechanical issues.

When Brazilian authorities removed the restraints at Belo Horizonte airport (as required on national soil), US agents demanded they be reapplied — an unprecedented violation of sovereignty. “We had families, children with disabilities who endured trauma,” noted Human Rights Minister Macaé Evaristo. The incident sparked Brazil’s formal protest and summons of the US chargé d’affaires.

Key context: Biden actually deported more Brazilians (7,168) than Trump’s first term, but Trump’s policy has tripled daily detention rates (956 on January 26 vs. the 2024 average of 311). An estimated 10,000 Brazilians face deportation, with community apps now warning of US Immigration and Customs Enforcement checkpoints. Legal experts note Brazil’s limited recourse beyond diplomatic protests.

The flight wasn’t just about policy — it served as a deliberate spectacle of cruelty, with chains as

political theater. As one immigrant network warned: “We’re not criminals. We’re workers who enriched this country.”

International condemnation grows as US deportation tactics spark diplomatic crises

The Trump administration’s aggressive immigration enforcement has ignited a wave of international backlash, with Latin American and Middle Eastern leaders publicly condemning the hardline tactics. The controversial policies — including mass deportations in restraints and proposals to forcibly relocate Gazans — have strained diplomatic relations and drawn comparisons to authoritarian regimes.

The strongest resistance emerged from Colombia, where leftist President Gustavo Petro — a former guerrilla and political prisoner — clashed directly with Trump after refusing to accept deportation flights. The US responded with economic threats, vowing to impose progressive tariffs of up to 50% on Colombian exports.

Petro fired back on social media: “I resisted torture. I will resist you.” The remark, referencing his imprisonment during Colombia’s civil conflict, underscored the deepening rift. Though Bogotá eventually relented under pressure, Trump retaliated by restricting visas for Colombians while declaring victory: “Today’s events have made it clear the world respects America again.”

Honduras also joined the revolt, with President Xiomara Castro convening an emergency meeting of the Community of Latin American and Caribbean States. She warned of expelling US military bases — a direct challenge to Washington’s regional influence.

The backlash extended overseas after Trump suggested Egypt and Jordan should absorb Palestinian refugees from Gaza, which he called a

“demolition site.” Palestinian leaders immediately rejected the idea as ethnic cleansing, aligning with the Israeli far right’s goal of depopulating Palestinian territories. “This land is ours, inherited from our ancestors. We won’t leave except as corpses,” said one Gazan resident. Jordan — already hosting 2.5 million Palestinian refugees — also dismissed the plan, fearing further destabilization amid fragile ceasefire talks.

Trump’s immigration policies gain domestic support despite economic and historical contradictions

Recent polling shows a growing divide between global criticism of Trump’s immigration crackdown and its increasing popularity among Americans. According to a Reuters/Ipsos survey, 47% of Americans approve of his early actions — a higher rating than during much of his first term — with 58% supporting severe reductions in asylum seekers at the border.

Yet these hardline measures overlook the essential role immigrants play in the US economy. Though often portrayed as criminals, undocumented immigrants make up just 23% of the foreign-born population, far outnumbered by naturalized citizens (49%), permanent residents (24%) and temporary visa holders (4%). Their economic impact is disproportionate: They account for 17% of the workforce while representing only 14% of the population, filling critical roles in agriculture (70%), healthcare (28%) and entrepreneurship (23%), particularly in tech and engineering.

Immigrants pay \$600 billion in taxes annually and are projected to add \$9 trillion to the US GDP over the next decade.

The policies also clash with Trump’s own family history. His grandfather arrived as an unaccompanied, undocumented teenager from

Germany, while his mother immigrated from Scotland with little money — neither would meet the strict citizenship requirements he now proposes.

Economists warn that such protectionist measures may backfire. “These policies will provoke trade retaliation,” notes Fabio Ongaro of the Italian Chamber of Commerce, urging countries like Brazil to prepare by investing in infrastructure and competitiveness. As the administration pushes forward, the long-term economic costs of these popular but shortsighted policies remain to be seen.

[Tara Yarwais and Lee Thompson-Kolar edited this piece.]



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Sean “Diddy” Combs: Race, Gender and a New American Dilemma

Ellis Cashmore
April 28, 2025

Sean “Diddy” Combs’s upcoming federal trial on sex trafficking and racketeering charges reflects deep cultural tensions at the crossroads of the #MeToo and Black Lives Matter movements. The case underscores how black male success is celebrated yet resented, often reinterpreted through racialized narratives. Combs’s fate embodies America’s anxieties about race, power, masculinity and justice.

Sean “Diddy” Combs will stand trial on federal sex trafficking and racketeering charges on May 5. He may or may not be guilty of the several crimes for which he is charged. But his case, like many of those before him, offers a revealing mirror. In it, we see the tensions of two powerful cultural reckonings: #MeToo and Black Lives Matter (BLM) intersect in the body and biography of one man. Whether that intersection yields justice, contradiction or further division will depend not only on evidence but on how honestly society can confront its own myths, prejudices and sense of piety.

A hugely successful black man with colossal earnings, a storied career, a following of millions and limitless respect suddenly falls foul of the law. He is indicted for sex trafficking, transporting individuals across state lines for the purposes of prostitution, racketeering and other federal charges. If convicted, he could face decades in prison — the most serious charges carrying a

maximum sentence of life imprisonment. Remind you of anybody?

Black celebrity pastiche

Last September, Combs, the musician-cum-music mogul, was accused in a three-count indictment of having used his billion-dollar business empire to abuse, threaten and traffic women in order to “fulfill his sexual desires.” He was denied bail and ordered to remain in custody. He denied all allegations.

It feels like a dispiriting pastiche. The names change — Michael Jackson, Mike Tyson, R. Kelly, Bill Cosby — but the pattern remains hauntingly familiar. A black man ascends to global superstardom, achieving wealth, prestige and, sometimes, cultural influence unmatched by his white contemporaries, only to be dragged down by accusations of criminal and moral transgression. In many cases, including that of 54-year-old Combs, now facing even more recent allegations culminating in a superseding indictment, the legal and cultural forces surrounding the individuals seem to involve more than just whether or not they are guilty: They invite us to stare at the fraught intersection of racial and gender politics in American life.

The dilemma of black success

In a broader sense, the cases of these famous black men and Combs’s in particular pose a deeply troubling dilemma. Not the American dilemma described in an eponymous study in 1944, but a new version that poses an impossible choice, not merely about the guilt or innocence of these men, but in whether their very success creates a tension in American culture.

Their status as cultural icons, combined with their blackness and gender, often leads to a distorted reckoning, where their very ascent is seen

as an affront to the social order. Combs’s trial, then, is not just about legal consequences but about how America grapples with the uncomfortable reality of black success — and how quickly that success can turn into perceived transgression.

The charges against Combs, which include trafficking, coercion and operating a criminal enterprise, are grave and properly demand careful legal inspection and adjudication. Yet the surrounding discourse bears an unnerving resemblance to the moral dramas witnessed in the cases of Jackson et al. As with those cases, the spectacle of an idol with feet of clay is being played out in the media. These kinds of cases are manna for them: They can elicit voyeuristic satisfaction among consumers. The moral tone is familiar: Less a function of law enforcement than of culture enforcing its own unwritten norms, with African-American men disproportionately cast in the role of transgressors.

At issue is not whether Combs is guilty, but whether his public reckoning reflects a consistent application of justice or a culturally overdetermined and so disproportionate response shaped by America’s unresolved anxieties about race, power and masculinity. In other words, we’re usually left to ponder what exactly is being pursued: justice or revenge?

#MeToo vs. BLM

#MeToo and BLM are social movements that have helped redirect the zeitgeist. For the most part, they complement each other. But only for the most part: There’s a space where the legacy of white supremacy and the evolution of feminist critique collide, often with conspicuously successful black men as the flashpoint.

#MeToo, of course, has revolutionized the way societies regard sexual misconduct, shifting focus from the individual actions of men to the cultural

arrangements that allow abuse to thrive. But inside that broader analysis, questions of race are often marginalized. When white men are accused, the script usually centers on individual moral failing or psychological problems. When black men are implicated, the narrative can take on a different meaning and one that not-so-subtly reinforces age-old tropes of hypersexuality, savagery and lack of self-control. These stereotypes stretch back to slavery and Reconstruction and were reanimated during the Jim Crow era to justify lynching and segregation.

Even now, when legal structures claim neutrality, the popular imagination still operates with encoded biases. In the Combs case, the accusations (sex trafficking, violence, coercion) seem to awaken these lingering myths. Combs' persona as a brash, extravagant mogul flaunting wealth, power and women is now being reframed as part of a symptom of his predatory predilections. Historian Ed Guerrero has written on how the media's framing of cases like Combs's both reflects and perpetuates historic biases, contributing to a cycle that affects the lives and careers of black men in the public eye.

Whether or not the charges are substantiated, the imagery evokes a familiar template. The ancient idea of the *droit du seigneur* — a feudal lord's alleged right to have sex with a vassal's bride — has modern echoes in today's celebrity culture, where power can and, as we know, does enable and abuse. But its application isn't consistent: It becomes racially charged when the "lord" in question is a black man who defies every expectation set by a white-dominated society.

Black success is conditional

In one of my books, *The Destruction and Creation of Michael Jackson*, I argue that Jackson's very existence challenged categories of race, gender and even age, and that the cultural and media backlash

he suffered was not just about his actions, but about his symbolic or even imagined transgressions. In a similar vein, Combs, who has reinvented himself several times (Puff Daddy, Diddy, Love), amassed a fortune from music, fashion and liquor empires, and cultivated a public identity of invulnerability. Forbes estimated his wealth at \$90 million last year. He, perhaps more than any of the other figures mentioned so far, has pushed the boundaries of what a black man could legitimately represent.

His 2023 civil case was settled for an undisclosed sum amid accusations of violent abuse and descriptions of parties known as "freak offs," which went on for days and involved the coercion of women into sex. It came after years of whispers, lawsuits and accusations. The case led to more allegations and denials culminating, we anticipate, in May. This may represent a legal reckoning, but it also invites reflection on how his public identity may have made him an irresistible target.

None of this is to exonerate wrongdoing. R. Kelly's conviction, Cosby's civil suits and imprisonment (later overturned), and Tyson's time served for rape all involved credible accusations and, in some cases, overwhelming evidence. Yet the broader pattern invites interrogation. Is America more eager to believe the worst about black men? And does the celebration of their success carry an unspoken caveat: that they must eventually be humbled, exposed or destroyed?

BLM arose in response to state-sanctioned violence, racial profiling and a justice system that often discounts black lives. While its origins lay in police brutality, its implications stretch into every institutional domain, including the courts, the media and public opinion. The movement highlighted the inescapable fact that racism is not just about overt acts of hatred, but about the cumulative effect of double standards, implicit biases and institutional neglect. In this light, the

Combs case must be understood not only in terms of personal accountability but also as part of the larger cultural script that BLM sought to disrupt.

That script tells us this: Black success is conditional. It is tolerated but never fully embraced; admired, yet never quite trusted. And when a successful black figure is accused, the rush to judgment is faster, the appetite for spectacle keener and the desire for ruin more intense.

Combs's story isn't just about his alleged crimes: It's about the kinds of narratives society is prepared to believe. His destiny will become part of a historical arc that has often positioned the successful black man as a threat once he ascends too far. Whether in sports, entertainment or public life, the American imagination appears more comfortable with black male success when it is controlled; when it can be reclaimed or punished.

[Lee Thompson-Kolar edited this piece.]



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His [first article](#) for *Fair Observer* was an obituary for Muhammad Ali in 2016. Since then, Ellis has been a regular contributor on sports, entertainment, celebrity culture and cultural diversity. Most recently, timelines have caught his fancy and he has created many for *Fair Observer*. What do you think?

Kurdish Newroz Celebrations Expose Iranian Chauvinists' Fear of Ethnic Identity

Halmat Palani
April 29, 2025

On March 21, Kurds across Iran and the diaspora celebrated Newroz with massive, symbolic displays of defiance. Kurdish participation triggered an intense backlash from Iranian and Turkish nationalist forces seeking to suppress ethnic identity. Iran's refusal to recognize its multi-ethnic reality may ultimately drive further internal conflict.

March 21 marks Newroz, the Kurdish New Year, a joyous celebration of renewal. But for Kurds, it is far more than the arrival of spring. It symbolizes resistance, a declaration of existence in the face of relentless oppression, and a reaffirmation of a centuries-old struggle for freedom.

Across Greater Kurdistan and the diaspora, millions of Kurds gather every year to light torches, dance in traditional dress, and celebrate Newroz. These fires are not merely symbolic of seasonal change but of defiance against the forces that seek to extinguish Kurdish identity. This year, however, Newroz carries even greater significance given the fall of the Assad regime and the unfolding changes in the region.

In Syria, Kurds stand at a pivotal moment. With the fall of the Assad regime and the emergence of a new Syrian authority, Kurdish forces under the SDF have emerged as a decisive power in shaping a future Syria. Despite ongoing challenges, their

political and military resilience has transformed them into a formidable force that cannot be ignored by the new administration or regional and Western powers.

In Turkish-occupied Kurdistan or Northern Kurdistan, Newroz arrived amid mass protests against President Recep Tayyip Erdoğan's rule and renewed hints at a potential peace process with the Kurdistan Workers' Party (PKK) and the Peoples' Equality and Democracy Party (DEM).

Rojhelat rises: Kurdish defiance and the regime's fear

But perhaps nowhere was Newroz more politically significant this year than in Iran's Kurdish region known as Rojhelat. Kurds in Rojhelat began their Newroz celebrations earlier than the spring equinox on March 21 and continued for a few weeks. What was most striking was the choice by many to wear the Jamanah head wrap and khaki colors as a symbolic gesture of defiance, given that these colors are commonly worn by Kurdish peshmerga who oppose the Shia theocracy that has ruled Iran since 1979. This year's Newroz celebrations are referred to by Kurds as Newrozi Khaposhi, meaning khaki-wearing Newroz.

The large turnout for the celebrations across major cities was unprecedented and took social media by storm. In Mahabad, thousands of Kurds gathered in traditional attire, reaffirming Newroz as a cultural and political act of defiance. Mahabad, the birthplace of the short-lived Kurdish Republic in 1946, symbolizes the Kurdish struggle for self-determination. However, these celebrations were met with severe repression. According to the Hengaw Human Rights Organization, Iranian security forces summoned thousands of people and arrested at least 41 individuals, including six children, across multiple Kurdish cities, including Urmia, Oshnavieh, Sardasht, Saqqez, Marivan, Sanandaj, Piranshahr, Illam and Kermanshah.

In Marivan, the regime even recruited religious clerics loyal to it to decree fatwas that incited violence against Kurds celebrating Newroz. A report by Hengaw cites that a religious figure of the Islamic Republic of Iran in Marivan, Mustafa Sherzadi, warned young people against holding Newroz celebrations and incited groups called the "Religious Honor Forces" to attack and suppress Kurds participating in the celebrations. This crackdown highlights the Iranian regime's systematic efforts to suppress Kurdish cultural expression and political activism through any means necessary.

Another factor that made this year's Newroz celebrations significant among Kurds in Iran was the presence of women dressed in traditional Kurdish clothes and without the required hijab that led to Zhina Amini's death and sparked a revolution for Women, Life and Freedom. Despite threats and the summoning of participants at the Newroz events, women danced freely in defiance of unjust morality laws and demonstrated their desire to celebrate life as a free people.

A further factor that made this year's Newroz significant was the mobilization of Kurds across all Kurdish regions. Thousands came out to celebrate despite the repressive environment in Kurdish areas. Kurds in provinces like Kermashan and Illam also turned up in the thousands, which was unprecedented considering that historically Kurds have been most active politically and culturally in the Mukriyan region and Kurdistan Province. This mass mobilization across all areas inhabited by Kurds put on display the unity of the Kurdish people in Iran, the organization of Kurdish civil society and a new sense of hope in the air as regional events unfold in ways that could present opportunities for Kurds to secure their rights as a people.

From Newroz to nationalist backlash

The unprecedentedly large and passionate Kurdish turnout across all Kurdish-inhabited areas for peaceful Newroz celebrations sent shockwaves through nationalist and state-backed circles. The size and visibility of the Kurdish celebrations, coupled with the growing strength of Kurdish identity in Rojhelat, triggered an immediate backlash from Turkish nationalist groups in the city of Urmia, where over 150,000 Kurds gathered to celebrate Newroz.

According to Rudaw and other reputable news outlets, at an Alawite religious gathering in Urmia shortly after Newroz, a crowd chanted openly anti-Kurdish slogans like “Urmia belongs to the Turkics and will remain Turkic” and “No Kurd can pass here if a Turkic doesn’t allow it.” “Azerbaijan will never part from Khamenei.” These chants were not random — they were an intentional escalation, aiming to reassert Turkish nationalist dominance over a city that has historically been home to Kurds, Assyrians, Armenians and other ethnic groups alongside its Turkish-speaking population.

The rallying cry of “Hassani, where are you to back and support the Turkics?” invoked the name of Gholamreza Hassani, a cleric infamous for his role in the 1979 Qarna massacre, when Kurdish villagers were slaughtered by state-backed militias.

The backlash reveals how the Islamic regime uses anti-Kurdish sentiment and the ethnic and religious divide among Kurds and Azeris to further threats and animosity toward Kurds under its rule. This anti-Kurdish demonstration was followed a week later by the circulation of a petition by Persian nationalist elites published on Iran’s Khabar Online news agency. The petition, signed by over 800 Iranian academics, musicians, artists and performers, reacts to the celebrations in Kurdish areas and events corresponding to it as a threat to national cohesion, aiming to justify and

further institutionalize the marginalization of Kurds and other ethnic nations under Iranian rule.

Iranian nationalist rage and the petition to erase Kurdish identity

While the petition does not explicitly cite the Kurds, the reaction to the Kurdish Newroz celebration makes it clear that references to ethnicity are deliberately indirect references to the Kurds. The points raised by the drafters of the petition reinforce the marginalization of Kurds and other ethnicities under the guise of defending “national unity.” This is evident in the main arguments made in the petition and illustrates how Persian supremacist narratives work to erase and suppress non-Persian ethnic groups like the Kurds in Iran.

Firstly, the petition insists that Newroz is exclusively “Iranian” and dismisses Kurdish celebrations as “small ethnic, tribal, and local ceremonies.” It even calls Kurdish festivities “imitative and fabricated.” This revisionist history denies the deep Kurdish and non-Persian roots of Newroz, portraying Persian traditions as the only legitimate expression of the holiday. Furthermore, the labeling of Kurds and other ethnicities as “tribal” is equivalent to the European colonizers’ racist labeling of indigenous populations as savage with no culture or civilization. This labeling plays a role in the erasure of Kurds and other non-Persian ethnicities in Iran to delegitimize any counter-narrative to the Persian-centric narrative that Iranian elites hold so dear.

Secondly, the petition labels Kurdish celebrations as “dangerous,” “provocative” and “worthy of condemnation.” The gathering of 150,000 Kurds in Urmia and other Kurdish-inhabited cities was framed as an extremist political event rather than a cultural celebration. This supremacist logic seeks to portray any

assertion of non-Persian identity as a security threat.

Thirdly, the document attacks efforts to teach Kurdish, Azeri and Arabic mother tongue languages by portraying them as a “misuse” of Article 15 of Iran’s constitution, which in theory allows for regional languages to be taught and used in local media and schools. The drafters of the petition claim that linguistic rights will “fragment” the country, reinforcing the forced assimilation of non-Persian communities.

Fourthly, the petition accuses Kurds and other ethnic groups of being manipulated by foreign powers, implying that their desire for political and cultural rights is not genuine but an “imported” agenda. This rhetoric suggests that non-Persian peoples are inherently disloyal. These same accusations are levied against anyone who criticizes regime policy and often lead to capital punishment for Kurds and other non-Persian activists unjustly imprisoned under bogus charges.

Additionally, the petition is riddled with fear-mongering about ethnicity while promoting Persian nationalism as the only legitimate source of identity in Iran. It implies that Persian culture must remain dominant and that others should assimilate rather than embrace their ancient heritage.

Lastly, the petition calls for the suppression of non-Persian cultural and political expression in Iran. The authors urge Iranian authorities to silence Kurdish activism and expression of cultural identity by censoring and controlling Newroz and other cultural celebrations by Kurds and other non-Persian ethnicities. They advocate for the dismissal of officials who support federalism, linguistic rights or non-Persian cultural expressions and direct the government to crack down and increase repression to maintain security and national cohesion.

What the petition reveals about Iranian elites

The signatories of this petition claim to be concerned about national unity and seem alarmed about Kurds expressing their cultural identity. They fear-monger about the very idea of ethnic identity and frame it through a security lens that furthers the oppression of Kurds and other ethnic groups in Iran. This mindset reveals that the chauvinistic and racist mindset often attributed to the ruling Shia theocracy is not exclusive to the governing apparatus but is very much a part of the educated elite of Iranian society inside and outside the country. It further highlights that the occupiers of the Kurds fear any form of gathering and expression of identity by Kurds, whether it be in Iran, Turkey, Syria or Iraq.

Although a lot has changed in the last two countries mentioned, the anti-Kurdish mindset and policies of forced assimilation against Kurds and other ethnic nationalities are still active and being furthered not just by the government in Iran but also by a chauvinistic and racist class of educated Iranian elites that seek to further criminalize ethnic identity by calling for restrictions on freedom of expression, gathering and political activism among non-Persian groups. This outlook is unjust and extremely dangerous because it portrays Kurdish identity as a national security threat, which legitimizes the abhorrent levels of executions, imprisonment and oppression against Kurds and other ethnic minorities like the Baloch and Ahwaz.

This securitization of ethnicity and culture is not new. It is meant to suppress and discourage efforts to democratize and devolve power from Persian-centric policies to a more multi-ethnic framework of power and citizenship, revealing that Iranian society and government are unlikely to embrace any form of a multicultural political entity or decentralization championed by the Kurds as the way forward for Iran. This refusal to accept the reality on the ground — that Iran is a multi-ethnic

state with varying identities — will be what leads to Iran's partition, not the Kurdish expression of identity and culture. Until Iranian elites come to terms with this reality, the prospects of internal conflict in Iran remain high.



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refugee, and his personal journey has fueled his determination to make a difference. With a bachelor's degree in political science and international studies from Simon Fraser University, he channels his expertise to shed light on pressing issues. Driven by an unwavering commitment to speaking truth to power, Halmat advocates for the rights of the marginalized and oppressed. His focus extends beyond national borders, as he strives to promote human rights and democracy throughout Iran and the Middle East. Halmat's writings delve into the complexities of the Kurdish Question, the Middle East, and foreign policy, offering thought-provoking insights and analysis.

To Deter Delusional Pakistani Aggression, India Must Shift to Octopus Thinking

Srijan Sharma
April 30, 2025

On April 22, 2025, militants killed 26 civilians in Pahalgam, Kashmir. India accused Pakistan

of backing the attack to provoke conflict and bolster its military's standing. India must counter the threat by shifting from limited strikes to a sustained strategy against Pakistan's military leadership.

After almost six years, Pakistan crossed a red line by staging a brutal massacre in Pahalgam, killing 26 civilians. Pakistan has again used its old playbook of escalating grey zone warfare beyond agreed red lines. Pakistan must realize that these tactics offer little deterrent value against India.

Pakistan's delusion of crossing red lines

Pakistan's grey zone war tactics have been driven by internal security and military dynamics. Pakistan uses sub-conventional warfare to destabilize Kashmir and fuel Islamic fundamentalism in India. While religious radicalization has gained traction, destabilization efforts in Kashmir have weakened over the past year. Pakistan's fixation on Kashmir is compounded by rising sectarianism, fundamentalism and the threat from Tehrik-i-Taliban Pakistan (TTP) and the Islamic State Khorasan Province (ISIS-KP).

Internal security failures have damaged the Pakistan Army's credibility. Chief of Army Staff Asim Munir, who faces internal challenges, has pushed anti-India rhetoric and escalated grey warfare beyond previous limits.

Obsession with crossing red lines

Escalation tactics serve three purposes for Pakistan: disrupting India's rising strategic profile, reviving terror networks in Kashmir and boosting army morale by fueling anti-India sentiment. A fourth goal — coercive deterrence — has lost relevance since India abandoned strategic restraint.

Pakistan's military leadership, particularly Munir, misreads today's strategic realities. Their escalatory tactics now rest on delusion rather than sound strategy.

The delusion

Pakistan's escalatory tactics brought tactical gains decades ago. After the Kargil War, the Lashkar-e-Taiba staged the Chittisinghpura massacre in 2000, killing 35 Sikhs on the eve of US President Bill Clinton's visit to India. Clinton shifted US policy toward closer ties with India, marking the beginning of a major strategic realignment.

Meanwhile, Pakistan's internal crises multiplied. Terror attacks increased and economic problems deepened. The Pakistan Army's popularity hit a low point. Pakistan's Army responded by using terror to maintain strategic relevance.

In 2001, Pakistan faced even greater pressure following the 9/11 attacks. The Lashkar-e-Jhangvi carried out the Bahawalpur church shooting. Around the same time, Indian Prime Minister Atal Bihari Vajpayee toured Russia, the UK and the US to strengthen strategic ties. US Secretary of State Colin Powell threatened Pakistan with devastation if it did not cooperate against the Taliban. Under immense pressure on its western front, Pakistan again escalated tensions through the Indian Parliament attack, prompting Operation Parakram.

These incidents show a consistent pattern: Pakistan seeks to derail India's rise and avoid isolation through escalatory violence. Iran pursued a similar strategy during the October 7 attacks, hoping to offset strategic isolation caused by the India-Middle East-Europe Economic Corridor (IMEC) initiative.

Both Pakistan and Iran miscalculated. Tactical gains came at the cost of long-term strategic

isolation. Pakistan's Kargil misadventure strained its US relations and gave India diplomatic momentum. This history shows that Pakistan's efforts to coerce India through escalatory tactics have had diminishing returns and now yield almost no strategic gain.

India's strike-back options: rethinking deterrence

India must recognize that limited punitive strikes — such as the Balakot air strikes in 2019 — offer only temporary deterrence. Pakistan responded to Balakot with an airspace violation, signaling that surgical strikes alone are insufficient.

India must adopt a sustainable deterrence model that maximizes pressure on Pakistan and achieves operational impunity. India should shift to an octopus doctrine: attacking the strategic leadership and infrastructure behind terror operations, not just individual terror groups. This strategy mirrors Israel's recent efforts against the axis of resistance.

India has two operational paths: covert targeted killings of high-profile terror leaders or overt military actions. Both options would raise the costs for Pakistan's sponsorship of terrorism.

Internally, India must also improve counterinsurgency operations. A “search and destroy” strategy, modeled after successful British tactics during the Malayan Emergency and adapted for Kashmir's terrain, can dismantle terror cells like the Resistance Front (TRF). Troops would insert into hostile territory, locate enemy targets, attack and swiftly withdraw, based on actionable intelligence.

By rethinking deterrence now, India can push Pakistan closer to strategic marginalization and better secure its national interests.



Srijan Sharma is a national security analyst specializing in intelligence and security analysis. He has extensively written on matters of

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