

Elon Musk is an unguided geopolitical missile

While his influence is showing up from Ukraine to China, he still lacks the ability to make the law

GIDEON RACHMAN *Financial Times* 2 September 2024

Big businesses and billionaires usually steer clear of political controversy. If they exercise power, they prefer to do it in the shadows.

Elon Musk is different. In recent weeks, he has endorsed Donald Trump and conducted a softball interview with him on X, the social media platform that he owns. Musk is also engaged in a bitter public feud with the Supreme Court of Brazil, which banned X last week. He has recently claimed that civil war is inevitable in Britain and responded to the arrest in France of Pavel Durov, the founder of Telegram, by posting: “POV: It’s 2030 in Europe and you’re being executed for liking a meme.”

The ownership of X has handed Musk a massive megaphone to broadcast his views. But focusing on his social media platform obscures the real extent and source of his geopolitical power.

It is the control of SpaceX, Starlink and Tesla that have given Musk a central role in the war in Ukraine and in the growing rivalry between the US and China; as well as a walk-on part in the war in Gaza.

In these conflicts, Musk’s role is more ambiguous than in the west’s culture wars. His unpredictable interventions — combined with immense technological and financial power — make him an unguided geopolitical missile, whose whims can reshape world affairs.

When Russia launched its full-scale invasion of Ukraine in 2022, one of its first goals was to knock out the internet access. By providing Ukraine with access to Starlink, his satellite internet service, Musk kept the country’s armed forces in the fight at a critical moment.

Later in the conflict, however, Musk chose to restrict Ukrainian access to Starlink — so as to hamper any effort to attack Russian forces in Crimea. Musk cited the risk of a third world war as justification. That action — allied to his promotion of a peace plan that incorporated some Russian demands — made Musk much less popular in Kyiv. But his view of the risks of a third world war were not that different from those of the Biden administration.

Where Musk and the US government have really parted company is over China. The opening of a massive Tesla factory in Shanghai in 2019 is seen in Washington as a major setback for the American goal of staying ahead of China in the key technologies of the future. China is now the world’s leading producer of electric vehicles and US officials believe that Chinese manufacturers have learnt from — and sometimes stolen from — Tesla.

The Biden administration is trying to persuade America’s leading tech companies to diversify away from China and was encouraged when Musk scheduled a visit to India earlier this year, with a view to opening a Tesla plant there. But, at the last minute, Musk cancelled and turned up in Beijing instead. In China, he announced an intensification of Tesla’s relationship with the country. The Shanghai factory now produces more than half the Teslas manufactured globally.

American officials note that Musk's championship of free speech — and willingness to insult world leaders — does not extend to China. X has long been banned in China but Musk is scrupulously respectful towards Xi Jinping, China's dictatorial leader.

Another foreign leader who seems to have got Musk's measure is Israel's Benjamin Netanyahu. Musk has been accused of promoting antisemitic conspiracy theories on X. But it was his proposal to provide Starlink to aid organisations in Gaza that really alarmed the Israeli government — which claimed this would help Hamas. After a visit to Israel last year, Musk agreed that he would only operate Starlink in Gaza with Israeli approval.

The Biden administration is uneasy about many of Musk's activities. But his companies have technological capabilities that even the US government lacks. To keep Ukraine connected, when Musk wavered, the Pentagon had to contract with Starlink. When Nasa wants to ferry astronauts to and from the International Space Station, it is SpaceX that makes it happen.

If Musk often talks and acts as if he is more powerful than any government it may be because, in certain respects, that is true.

But governments retain one key power that still eludes Musk; the ability to make and enforce the law. The clash between Brazil and X — and the arrest of Durov in France — are both signals that the age of social media impunity is coming to an end in the democratic world.

(It never existed in the authoritarian world.) Social media companies are increasingly likely to be regulated more like legacy media companies and that has costly implications. Last year, Fox News had to pay Dominion Voting Systems \$787.5mn to settle defamation claims, stemming from Fox's reporting of conspiracy theories about the 2020 presidential election.

X is full of conspiracy theories — some of them promoted by Musk himself. For all his wealth and his undoubted brilliance as an engineer and entrepreneur, Musk will remain subject to the laws of the countries he operates in. That dawning realisation may account for his increasingly furious fulminations against Brazil, Britain, the EU and the state of California — and any one else who dares to stand in his way.

X is not the source of Musk's power. But it could mark the spot where his power is limited.

Young Americans Can't Keep Funding Boomers and Beyond

C. Eugene Steuerle and Glenn Kramon *New York Times* Sept. 1, 2024

Mr. Steuerle co-founded the Urban-Brookings Tax Policy Center. Mr. Kramon is a lecturer at Stanford Business School.

You know the expression “OK, boomer”? Better said as “Boomer OK.” That’s because the social safety net in the United States is increasingly favoring the old over the young. And this affects our political views and the security of future generations.

Younger Americans have valid reason for disgruntlement: Big shifts in income and wealth are significantly favoring their elders. Under almost every president since 1980, 80 percent of the real growth in domestic spending has gone to Social Security and health care, with Medicare the most expensive health program, according to calculations based on [federal data](#). As a share of G.D.P., all other domestic outlays combined have declined.

Our current tax system also largely does not help Americans, most of whom are younger, pay for their higher education. That wasn’t as big a deal in the 1960s or ’70s, when the average college graduate most likely had little or no student debt. Today the average taken out each year is about [seven times that in 1971](#), in part because state governments have stripped colleges and universities of funding. This is happening at a time when owning a house is increasingly out of reach. The median price has risen from about [3.5 times median annual income in 1984 to 5.8 times in 2022](#).

So it shouldn’t come as a surprise that today, younger generations are more likely to fall into lower-income classes than their parents or grandparents. Nearly a half-century ago, [it was the reverse](#). And in 1989, the median net worth of Americans ages 35 to 44 was nearly 75 percent of those 65 to 74. By 2022, [that ratio had fallen to one-third](#).

The why is simple. Unlike with most other spending, Congress effectively designed Medicare in 1965 and Social Security in the 1970s in such a way that outlays would increase forever faster than our national income. That’s partly because Medicare costs keep rising along with medical prices and new treatments and because Social Security benefits are designed to increase for each new generation along with inflation and wages. And we’re living longer, which means more years of benefits.

Today [tax revenues](#) are so committed to mandatory spending, largely for older Americans, and to interest on the national debt (which has quadrupled as a share of G.D.P. since 1980) that little revenue is left for everything else. So unless we borrow to pay for it, there’s little for education, infrastructure, the environment, affordable housing, reducing poverty or the military.

It’s not hard to figure out which generation has benefited most. Picture the [older folks parading](#) in golf carts for Donald Trump (and some for Kamala Harris) in The Villages this summer. Then picture 20-somethings paying onerous student loans and living with their parents because they can’t afford a house.

All of this may explain why so many young people are expressing disenchantment with politicians both Democratic and Republican, becoming more vulnerable to extremist rants on social media and deciding not to vote at all. A recent report in The Lancet Psychiatry suggested that economic trends might even be partly to blame for the [mental health crisis](#) crushing many young people.

Most of the taxes workers pay for Social Security and Medicare are not reserved for their retirement but rather pay for current beneficiaries. Like some adolescents who don't appreciate how much their parents pay to support them, many older Americans don't seem to appreciate how much more they are taking out than they are put in. A 65-year-old couple with average life expectancy and average household income (about \$90,000 in 2023) retiring in 2025 [will require \\$1.34 million](#) to finance their benefits, even though they paid only \$720,000. (Numbers are adjusted for inflation.) Younger generations are making up that difference.

What's more, the decline in the birthrate means fewer taxpaying workers to support the increased costs. The result: a rising burden and a budget with ever less left for them. Listening to Ms. Harris's plan to help struggling Americans, we can't help but wonder: How will she pay for it?

What to do? Many argue that raising taxes on the wealthy and on successful businesses would help. But that would not be [nearly enough](#) to meet these obligations. So we must also consider other changes.

"Old age" must be redefined and retirement ages raised so that living longer doesn't mean retiring longer on workers' taxes, particularly for [wealthy retirees](#). After all, longer lives for most people should mean more productive years.

Furthermore, we must slow the rate of increase in lifetime benefits for future retirees, who are now scheduled to receive substantially more than the boomers do, after adjusting for inflation. For example, Social Security and Medicare benefits will exceed \$2 million for a millennial couple with average earnings — and will be significantly more for those with higher incomes.

Because many lower-income older Americans depend heavily on these programs, benefits for the wealthy could be the first target. And some of those savings could go to the neediest retirees, as well as programs for the young.

We must also repair our immigration system so that new Americans can help support benefits for older ones.

Four of the past five presidents (all except Joe Biden) the past 32 years and many members of Congress have been baby boomers, born between 1946 and 1964, as are the candidates Mr. Trump and Ms. Harris. Unless generations younger than us 70 million boomers become more politically engaged in addressing these problems, they will squeeze out even more of what the government provides for their children and grandchildren.

Politicians tend to avoid discussing this hard reality, recognizing how unpopular the solutions are. But something has to give. It's time for us all to grow up.

A Democracy With Everything but a Choice

A new analysis of American elections finds that in half of all races for partisan offices, a candidate runs unopposed. Democrats are the biggest no-shows.

[Michael Wines](#) *New York Times* Sept. 4, 2024

This November, voters in rural Perry County, Mo., will face a ballot with candidates for a bevy of local offices: state senator, state representative and circuit judge; two county commissioners, sheriff and many more.

What they won't face is a choice.

Each of the 17 down-ballot races in Perry County has only one candidate. Just south, Cape Girardeau County fares only slightly better: Three of 12 races have two candidates.

All the candidates in the uncontested races are Republicans. And in those few races where a Democrat also is on the ballot, Republican victories are foregone conclusions in a rural area where voters overwhelmingly favor the G.O.P.

"There's strength in numbers," Kelly McKerrow, the chairwoman of the Perry County Democratic Party organization, said. "And we just don't have them."

Amid the feverish handicapping of an election often called crucial to the future of American democracy, Missouri tells a different story, repeated time and again across a deeply polarized country where it can feel futile to run as a Democrat or Republican in a stronghold of the other party. In half of all races for partisan offices, candidates are elected — often multiple times — without opposition.

And though defending democracy was a dominant theme of the Democratic National Convention last month, in the 2022 midterms, Democrats failed to field a single candidate for fully half of all partisan offices — well over three times the rate of Republican no-shows.

That analysis of electoral competition comes from three nonprofit groups that assembled a database of races in the 2022 election cycle for more than 29,400 partisan offices nationwide, from U.S. senator to members of local airport district boards. Of those offices, 14,450 had but one candidate.

No complete accounting of all the nation's uncontested races exists, but other studies have turned up roughly similar results. The online database Ballotpedia says that, on average, 58 percent of the thousands of elections [it follows](#) have a single candidate. The survey of 2022 elections is more extensive, but covered fewer offices in some states than in others.

[Contest Every Race](#), a project of the progressive nonprofit [Movement Labs](#), is using the data to recruit Democratic candidates in places where the party lacks a presence. That group and the

others, the nonpartisan [BallotReady](#) and the progressive [Pipeline Fund](#), placed no conditions on a reporter's use of data on the 2022 races.

Political scholars say that politicians elected without opposition [cast fewer votes and introduce less legislation](#), and that no-contest elections depress voter turnout.

One-sided elections also lead to one-sided policies untempered by political opposition, said Keel Hunt, a onetime aide to the former Tennessee governor Lamar Alexander, a Republican. Mr. Hunt, the [author of three books](#) on the state's political history, said the repercussions are playing out nationwide in states overwhelmingly dominated by one party.

"You see extremist gerrymanders," he said. "You see all these rules affecting how people live, from the schoolhouse and banning books to the hospital and abortion laws. You get this kind of extremism that only reinforces itself if there's never any competition."

Uncontested elections are hardly limited to small-bore offices. On November's ballot, three of four elections to the Georgia Supreme Court — which seems almost certain to decide whether the Fulton County [election interference case](#) against former President Donald J. Trump will proceed — have but one candidate. All three Nevada Supreme Court races are uncontested; so are all five in Oregon.

In Wisconsin, the [online publication Bolts reports](#), 67 of 71 races this fall for county district attorney — the office that decides who is and is not charged with a crime — are uncontested. In Ohio, 73 of 88 county prosecutors [are running unopposed](#). In Texas, only 31 of 254 county sheriff races are contested.

It is not only Democrats who fail to field candidates. Republicans don't contest state legislative seats in Chicago, Pittsburgh, Oklahoma City and other big cities. They lack candidates in places as different as liberal California and Massachusetts and overwhelmingly poor and Black parts of the Deep South.

But while the electorate splits roughly equally between the two parties, Democrats contest far fewer offices. One reason is that Republicans control more statehouses that have gerrymandered Democrats out of contention for legislative seats.

But much of the disparity exists because voters have left the Democratic Party in many rural counties that are sparsely populated, but have as many elective posts as larger ones.

"The distribution of offices does not align with the distribution of voters," said Barry C. Burden, who heads the [Election Research Center](#) at the University of Wisconsin-Madison.

That means Republicans have deep roots both in rural states and states with big Democratic cities. In Illinois, for example, Chicago makes the state reliably Democratic in national politics, but the 2022 elections survey found that Democrats failed to contest nearly 500 partisan offices, largely in the rural parts of the state, compared to 181 for Republicans.

In Missouri, despite big Democratic population centers in St. Louis and Kansas City, the 2022 survey found that seven in 10 partisan offices in the state went uncontested — and Democrats were absent eight times more often than Republicans.

That is striking because Democrats held most major Missouri offices, including governor, U.S. senator and secretary of state, barely a decade ago.

There is no shortage of opinions on the reason for that collapse. But Pam Muench, a 67-year-old real-estate entrepreneur who was elected last month to the Perry County Republican Central Committee, said it comes down to one word: values.

“Republicans are mainly Christian,” she said, stressing the party’s opposition to abortion. “They’re business owners, and they don’t want high crime. Look at the big cities that are run by Democrats and how they look, so run down.”

The counties hugging the Mississippi River south of St. Louis illustrate why rebuilding lost rural political allegiances is supremely difficult.

In Cape Girardeau, a river town of 40,000, J. Michael Davis, a Democrat, Navy veteran and Methodist pastor, is running against a Republican incumbent in the State House of Representatives. His yard signs omit his political affiliation. He campaigns less on issues than on being a common-sense problem solver.

“I might not do any better than anyone else has done in the past, but I hope I do at least as good,” he said in an interview.

That almost certainly would not be good enough. Andy Leighton, the chair of the county Democratic Party, says resurrecting the party’s fortunes is both a moral and political calling. “Someone who is living in rural Missouri has to stand up to say ‘We can do better than this,’” he said.

But though rebuilding is not impossible, he said, it is very hard. Mr. Leighton won 31 percent of the vote in his 2022 race for the same seat.

Pam Muench, 67, and her husband, Allen, were both elected to the Perry County Republican Central Committee last month. Credit...Pam Muench

“No matter what you do to push the needle, it’s going to be a 35 percent vote total for you,” he said. “People want to invest in winners. And when you know you’re going to get 35 percent, no matter what, it’s hard to invest in that.”

A shortage of money, he said, is crucial. National party leaders pour dollars into states where races for federal offices determine national power. Democratic donors in Missouri cities do not make up the shortfall.

And even when there is money, getting a message out is challenging. Newspapers are dying, local television news is sparse and a typical media diet can range from Facebook to Fox News. “Everybody’s so scattered and in their own little echo chamber,” Mr. Leighton said.

“There’s an old saying in politics that you’ve got to get the talk right,” said Al Cross, a political analyst and former director of the Institute for Rural Journalism at the University of Kentucky. “And once your base gets below 30 or 35 percent, you’ve lost the talk. People who still identify with the Democratic Party are afraid to say that. And that’s much more true in rural places because of the importance of personal contact.”

“I won’t put a yard sign out,” said Dr. McKerrow, of the Perry County Democrats. “I mean, it’s a dead end. It’s not worth it.”

That makes potential candidates wary of undertaking hopeless races that could affect their social lives and even businesses. In southern Missouri, Democrats seeking office sometimes choose to run as Republicans.

“It’s a big commitment to put a ‘D’ behind your name, risk your reputation, risk losing your job, knowing that you’re going to get 35 percent of the vote,” Mr. Leighton said. The alternative — quitting work to campaign and fund-raise full-time — is “a really hard act,” he said.

Yet political scholars and strategists alike say running is the only way to claw back lost voters. Ben Wikler, the chair of the Wisconsin Democratic Party, said the party recruits and counsels rural candidates — and gives even guaranteed losers a cash stipend — because “if you don’t take a swing at it, you never get anywhere.”

One result: Democratic candidates for seats in Wisconsin’s State Assembly and State Senate this November outnumber Republican ones.

Lauren Gepford, a vice president at Movement Labs, oversees the effort by Contest Every Race to recruit and finance rural Democratic candidates. About four in 10 go on to win, she said, but the benefits extend beyond that.

“Our initial goal was to make sure that everybody has a choice on their ballot,” she said. “But we’ve seen when a Democrat runs locally it reshapes political terrain. There’s some counties that we’ve worked in for six years now where you’ll see that they’ve become consistently more Democratic.”

Contest Every Race encourages candidates to use yard signs and billboards that show local supporters they are not alone. Some signs display only the words “[Rural Strong](#),” over a logo depicting farmland — a sort of secret handshake binding like-minded voters.

“People think that they can’t say they’re a Democrat because they’ll lose their friends,” Ms. Gepford said. “But when they find out that actually the person standing next to them in church, in the grocery store, was also a Democrat and not talking about it, that’s been really powerful.”

