FINANCIAL TIMES

MONDAY 28 JUNE 2021 | WORLD BUSINESS NEWSPAPER | USA $2.50 Canada C$3.00

Atlantic rift
US and Europe must overcome their recent differences — OPINION, PAGE 19

Class of Covid-19
Graduates in post-pandemic battle for jobs — FT SURVEY, PAGE 13

Deadly quarry
Jihadis vie for control of Africa's gold mines — BIG READ, PAGE 17

Tokyo retreat
Williams says no to Olympics

Serena Williams takes part in a practice session ahead of the Wimbledon tennis championships, which begin today in London. Last year's tournament was cancelled due to the Covid-19 pandemic.

Williams, a four-time Olympic gold medallist, revealed yesterday that she had decided not to take part in the upcoming Tokyo games.

"There are a lot of reasons that I made my Olympic decision," Williams said. "I don't feel like going into them today. Maybe another day."

With a month to go until the Olympics is set to open, a number of the biggest names in tennis have said they will not take part, adding to the clouds hanging over the games.

Japan's readiness page 18

PA

Briefing

▸ Wary shale groups hold back investment
Bumper profits and surging oil prices have failed to push US shale executives into big production rises, as companies seek to avoid being punished again for rapid investment. The number of operating rigs remains well below levels of recent years.— PAGE 6

▸ Doubts over China's cyber capabilities
Research has predicted that Beijing will be unable to match US cyber capabilities for a decade because China's prowess in the field is undermined by poor security and weak intelligence analysis.— PAGE 2

▸ Toshiba director slams coup and quits
George Olcott has resigned from the board, telling the FT that shareholders' shock move to oust chair Osamu Nagayama will prolong instability and uncertainty at the troubled conglomerate.— PAGE 6

▸ South Africa stronger, says central bank

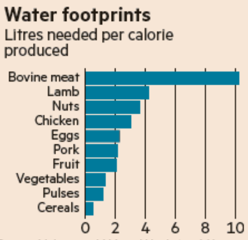
Governor Lesetja Kganyago has told the FT the country can ride out a post-Covid rise in global interest rates, despite fears of investors retreating to chase higher yields elsewhere.— PAGE 4

▸ US-Taiwan talks focus on digital trade
Taipei officials have said negotiations due to start on Wednesday will take in online commerce and supply chain security, as the partners seek to widen co-operation amid rising China tension.— PAGE 4

▸ Superyacht apartments ride luxury tide
Backers of what promises to be the world's biggest superyacht have put up for sale 39 on-board apartments as they bet on resilient demand for luxury travel. Prices start at €9.5m.— PAGE 8

▸ Business Life and Lex
Pilita Clark's Business Life column, Lex and today's crossword can be found on Page 15

Datawatch



Source: Mekonnen, M.M. and Hoekstra, A.Y. (2010) Unesco-IHE

An individual's water footprint depends largely on the type of diet they have. A diet which consists mostly of vegetables and pulses puts much less pressure on the world's water resources, compared to a meat-rich diet

Binance banned from Britain as global crypto crackdown widens

● Stinging rebuke for platform ● Consumer protection fears ● Curbs follow Japan warning

ADAM SAMSON AND PHILIP STAFFORD — LONDON

The UK's financial watchdog has ordered Binance to stop all regulated activities in Britain and imposed stringent requirements in a stinging rebuke of one of the world's biggest cryptocurrency exchanges.

The intervention by the Financial Conduct Authority is one of the most significant moves any global regulator has made against Binance, a sprawling digital asset group with subsidiaries around the world. The exchange has until Wednesday evening to confirm that it has complied with the watchdog's demands, such as ceasing advertising.

The move is a sign of how regulators are cracking down on the cryptocurrency industry as concerns mount relating to its potential role in illicit activities such as money laundering and fraud, and over consumer protection.

The FCA also issued a consumer warning at the weekend against both the Cayman Islands-registered Binance holdings company and Binance Markets Limited, a London-based affiliate that is controlled by chief executive Changpeng Zhao and overseen by the regulator. "Binance Markets Limited is not permitted to undertake any regulated activity in the UK," the FCA said. "No other entity in the Binance Group holds any form of UK authorisation, registration or licence to conduct regulated activity in the UK."

The group did not immediately respond to a request for comment, but has previously said it "takes its compliance obligations very seriously and is committed to following local regulator requirements wherever we operate".

Binance Markets Limited is not approved under the FCA's cryptocurrency registration regime, which is required for UK groups offering digital asset services. The entity had applied to become a registered cryptocurrency company with the regulator, but pulled that application last month according to two people familiar with the situation. The watchdog confirmed that the application had been dropped "following intensive engagement from the FCA".

The FCA's focus in deciding whether or not to approve such applications is based on a review of controls and practices to prevent money laundering and the financing of terrorism.

Binance: the sprawling digital asset group recorded crypto trading volumes equivalent to $1.5tn last month

Binance is one of the most important operators in the fast-emerging crypto market, offering a wide range of services to customers around the world, including trading in dozens of digital coins, futures, options and stock tokens, as well as savings accounts and lending. It recorded crypto trading volumes equivalent to $1.5tn last month, according to data from TheBlockCrypto.

Although the FCA has restricted Binance from offering services in the UK, British citizens can still access Binance's services in other jurisdictions.

The FCA's decision comes after Japan's Financial Services Agency warned last week that Binance was conducting unauthorised trade in cryptocurrencies with Japanese citizens. It published an identical notice in 2018.

Red tape takes heavy toll on Britain's trade with EU

A bleak picture has emerged of UK trade arrangements with Europe since post-Brexit rules came into force on January 1. Nearly a fifth of British businesses that did trade with the EU have stopped and almost a third of companies trading with the bloc have suffered a fall in business. The survey, conducted for the FT, portrays a struggle with the red tape ushered in by the deal with Brussels, despite its zero tariff, zero quota trading.

Report ▸ PAGE 2

UBS seeks hiring edge over Wall St with home-office mix for most staff

OWEN WALKER — LONDON

UBS plans to allow up to two-thirds of staff to mix working from home and the office on a permanent basis, betting the approach will give the Swiss lender an advantage over Wall Street banks when recruiting.

The move to embrace hybrid working has been led by chief executive Ralph Hamers and his top managers, according to people familiar with the matter, and underlines the growing gulf with the more hardline approach adopted by many US banks.

UBS has decided that only employees whose roles are required to take place in the office due to supervisory rules or to carry out specific tasks, such as traders and branch staff, will have little or no flexibility in their working practices.

An internal survey of its 72,000-strong global workforce showed roughly two-thirds were in positions that would allow hybrid working, according to people familiar with the matter.

After more than a year in which most bankers have worked from home offices, spare rooms and kitchen tables, the decision by UBS signals that one legacy of the pandemic may be a fundamental split in working practices between European and US banks.

UK-headquartered banks HSBC and Standard Chartered have announced plans to allow staff to work from home or in "near-home" locations to reduce the office footprint and cut commuting.

The stance from UBS also echoes that of European peers such as France's Société Générale, but is in stark contrast to the approach taken by several US banks, including JPMorgan Chase, Goldman Sachs and Morgan Stanley, which have ordered staff in New York back to their desks.

James Gorman, Morgan Stanley chief executive, has been the most strident in calling for staff to return to the office. "If you can go into a restaurant in New York City, you can come into the office," he said at a recent company event.

UBS, which is headquartered in Zurich, has not yet set a date on when staff will be required to return to the office. The bank declined to comment.

Despite moving into one of the City of London's largest buildings just five years ago, UBS has long looked for ways to allow more staff to work from home. Last year it experimented with augmented reality headsets, allowing staff to recreate the experience of working on a busy trading floor without leaving their homes.

Work & Careers page 14

World Markets

STOCK MARKETS

	Jun 25	Jun 18	%Week
S&P 500	4280.70	4166.45	2.74
Nasdaq Composite	14360.39	14030.38	2.35
Dow Jones Ind	34433.84	33290.08	3.44
FTSEurofirst 300	1767.43	1744.89	1.29
Euro Stoxx 50	4120.66	4083.37	0.91
FTSE 100	7136.07	7017.47	1.69
FTSE All-Share	4067.79	4002.07	1.64
CAC 40	6622.87	6569.16	0.82
Xetra Dax	15607.97	15448.04	1.04
Nikkei	29066.18	29018.33	0.16
Hang Seng	29288.22	28558.59	2.55
MSCI World $	3013.36	-	
MSCI EM $	1367.39	-	
MSCI ACWI $	718.68	-	

CURRENCIES

	Jun 25	Jun 18		Jun 25	Jun 18
$ per €	1.195	1.186	£ per $	0.719	0.724
$ per £	1.391	1.381	€ per £	1.164	1.165
£ per €	0.859	0.859	¥ per €	132.387	130.701
¥ per $	110.775	110.240	£ index	81.911	82.174
¥ per £	154.133	152.198	SFr per £	1.275	1.274
SFr per €	1.095	1.094			
€ per $	0.837	0.844			

COMMODITIES

	Jun 25	Jun 18	%Week
Oil WTI $	74.02	71.65	3.31
Oil Brent $	76.13	73.34	3.80
Gold $	1784.85	1778.70	0.35

INTEREST RATES

	price	yield	chg
US Gov 10 yr	146.95	1.53	0.06
UK Gov 10 yr		0.78	0.04
Ger Gov 10 yr		-0.16	0.04
Jpn Gov 10 yr	116.85	0.05	0.00
US Gov 30 yr	111.94	2.15	0.05
Ger Gov 2 yr	105.81	-0.65	0.00

	price	prev	chg
Fed Funds Eff	0.06	0.07	-0.01
US 3m Bills	0.05	0.05	0.00
Euro Libor 3m	-0.54	-0.54	0.00
UK 3m	0.08	0.08	0.00

Prices are latest for edition | Data provided by Morningstar

A Nikkei Company

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Tokyo, Hong Kong, Singapore, Seoul, Dubai

6 14919 00001 5 26100>

Online espionage

China cyber strengths called into question

Poor security leaves Beijing unable to match the US, says think-tank

HELEN WARRELL — LONDON

China's strengths as a cyber power are being undermined by poor security and weak intelligence analysis, according to new research that predicts Beijing will be unable to match US cyber capabilities for at least a decade.

The study, published today by the International Institute for Strategic Studies think-tank, comes as a number of hacking campaigns have highlighted the growing threat of online espionage by hostile states. In December, US officials discovered that Russia's foreign intelligence service, the SVR, had hijacked SolarWinds software to penetrate government targets including the commerce and Treasury departments. Three months later, Microsoft email software was compromised by suspected Chinese state-backed hackers to probe US non-governmental organisations and think-tanks.

IISS researchers have ranked countries on a spectrum of cyber capabilities, from the strength of their digital economies and the maturity of their intelligence and security functions to how well cyber facilities are integrated with military operations. China, like Russia, has proven expertise in offensive cyber operations — conducting online spying, intellectual property theft and disinformation campaigns against the US and its allies. But both countries are held back by comparatively loose cyber security compared with their competitors, according to the IISS.

As a result, only the US is ranked as a "top tier" cyber power by the think-tank, with China, Russia, the UK, Australia, Canada, France and Israel in the second tier. The third tier comprises India, Indonesia, Japan, Malaysia, North Korea, Iran and Vietnam.

> 'Western economies are under siege from cyber criminal groups based in and tolerated by Russia'

Greg Austin, an expert in cyber, space and future conflict at the IISS, said media reports focusing only on the positive sides of China's digital advances — such as its aspirations to become a global leader in artificial intelligence — had contributed to an "exaggerated" perception of its cyber prowess.

What sets the US apart in the first tier, according to the IISS, is its unparalleled digital-industrial base, its cryptographic expertise and the ability to execute "sophisticated, surgical" cyber strikes against adversaries. Unlike opponents such as China and Russia, the US also benefits from alliances with other cyber powers, including its Five Eyes partners.

But the US and its allies are increasingly at risk of ransomware attacks — such as those on Colonial Pipeline and Ireland's health service last month — by Russian criminal hackers who are not state-directed but whose activities are apparently tolerated by authorities.

Robert Hannigan, former director of the UK's intelligence agency GCHQ and now a senior executive at the cyber security company BlueVoyant, said he agreed with many of the IISS conclusions but questioned how much Beijing and Moscow would be held back by weak cyber defences.

"While it is true that cyber security is less well developed in Russia and China, they need it less urgently than open western economies," Hannigan said. "The threat is not symmetrical. Western economies are under siege from cyber criminal groups based in and tolerated or licensed by Russia — the same is not true in reverse."

European Council. Tension

Bloc leaders reproach Orban on anti-gay bill

Hungarian leader told to reconsider legislation as commission plans legal action

BEN HALL — PARIS
MEHREEN KHAN — BRUSSELS

Viktor Orban left a bruising EU summit at 2am on Friday with a lecture on the meaning of Christianity from fellow European leaders ringing in his ears.

The self-proclaimed standard bearer of "illiberal democracy" and traditional Christian values in Europe endured two hours of being upbraided over his government's bill to restrict the visibility of LGBT+ in schools and the media.

"If you truly believe in God, you have to be tolerant," Latvia's prime minister Krisjanis Karins told the Hungarian leader, according to diplomats familiar with the discussion. Ursula von der Leyen, European Commission president, and Mario Draghi, Italy's prime minister, also slammed Orban's legislation as a violation of Christian ethics, officials said.

Diplomats described how EU leaders tore into Hungary's premier with a vehemence rarely seen in European Council meetings, where presidents and prime ministers usually eschew personalising their disputes.

Mark Rutte, the Dutch prime minister who led the charge, even asked Orban to consider triggering the Article 50 exit process to leave the bloc if he was unwilling to repeal the legislation.

It was as if pent-up anger over Orban's flouting of the rule of law, media freedom and minority rights had exploded after years in which he had escaped censure thanks to his support from the centre-right European People's party and its leading light, Germany's Angela Merkel. But that support has evaporated, and Merkel lined up with the other critics.

"This could really be a turning point," said Klara Dobrev, a Hungarian opposition member of the European Parliament, adding that Budapest and Brussels were locked into confrontation.

The backlash over the bill, which several EU leaders said equated being gay with sexual offences against children, appeared to wrongfoot Orban, who has spent years picking fights with Brussels. At the end of the discussion, he complained of being "attacked" from all sides and asked his fellow leaders to consider how they would feel.

Under fire: Viktor Orban arrives for the second day of the EU summit on Friday
Aris Oikonomou/Reuters

Personal attachment to gay rights may explain some EU leaders' reactions. Luxembourg's Xavier Bettel gave a moving account of his struggles to be accepted as gay that "brought many to tears", Rutte told the Financial Times. Sanna Marin, Finland's prime minister, the daughter of a gay couple, called the debate "painful".

French president Emmanuel Macron said the controversy posed an "existential question for Europeans" that went beyond the conduct of Orban or his allies in Poland and Slovenia, the only countries to rally to his defence.

Peter Kreko, director of the Political Capital Institute, a research outfit in Budapest, said Orban had wanted to cause a row with Brussels to distract attention from an unpopular plan to build a campus for China's Fudan University in Budapest.

Orban also wanted to divide the opposition parties that have vowed to present a united front against the premier's Fidesz party in parliamentary elections next year, Kreko said.

Jobbik, a far-right party aligned with the opposition, backed the homosexuality amendments.

"Viktor Orban wants to fight the Brussels fight instead of fighting the Fudan fight," Kreko said. "The Eurosceptcism of the government has stepped up into another gear."

The Hungarian leader has in recent weeks sharpened his anti-Brussels rhetoric, notably with a speech last weekend when he called for the abolition of a directly elected European Parliament and warned that the EU was turning into the Soviet "empire". Orban's opponents say he is putting Hungary's EU membership at risk.

Meanwhile, Brussels looks set to take legal action. Didier Reynders, EU justice commissioner, said the Hungarian law was "a clear violation" of fundamental values, but Brussels needed to show there was breach of a specific EU laws, such as audiovisual or ecommerce legislation. The legal battle could be protracted and simply add to the list of other cases the EU is pursuing on other Hungarian breaches relating to academic freedom, non-government organisations and immigration.

> 'If you truly believe in God, you have to be tolerant'
> Krisjanis Karins, Latvian premier

At the same time, Orban's opponents hope the EU's financial leverage could bring him into line. The commission is due next week to sign off on Hungary's plans to spend €7bn of EU recovery fund money.

MEPs from the centrist Renew Europe group have demanded it withhold approval because of multiple violations of EU values in Brussels. Brussels is unlikely to acquiesce but it can suspend disbursements if economic reform commitments are not met by Hungary.

Dobrev, the Hungarian MEP, said it was inevitable these safeguards would be deployed against Orban's government, raising the stakes in the confrontation.

"Next year, his campaign slogan will be 'Orban or Europe for Hungary?'" Dobrev said. "What else can he do?"

Divorce fallout

One in three companies says Brexit has hit trade with EU

DANIEL THOMAS — LONDON
PETER FOSTER — BRIGHTON

Almost a third of British companies that trade with the EU have suffered a decline or loss of business since post-Brexit rules took effect on January 1, according to a survey conducted for the Financial Times.

The survey, carried out by the Institute of Directors, also found that 17 per cent of UK companies that previously traded with the EU have stopped, either temporarily or permanently, since the start of the year.

The findings paint a bleak picture of new trading arrangements with Europe, particularly for smaller businesses that lack the resources to navigate the barriers to commerce thrown up by the UK's departure from the EU single market and customs union on January 1.

Although the Brexit deal, agreed on Christmas Eve, confirmed zero-tariff, zero-quota trading between the UK and the EU, the arrangements require companies to comply with costly checks and customs controls, which have added friction to commerce.

Relations between the UK and the EU have also soured over a new trade border between Great Britain and Northern Ireland, which requires checks on many goods crossing the Irish Sea.

"Six months on, many businesses are still wrangling with the challenges of our new relationship with the EU," said Jonathan Geldart, director-general of the Institute of Directors.

"Small and medium-sized firms in particular are struggling to navigate new procedures around exporting and importing with the bloc, while business leaders are more broadly reporting difficulties in recruiting following an end to freedom of movement."

Of those companies that trade with the EU, 31 per cent said barriers set up since January 1 had weakened commerce with the bloc. Just 6 per cent said trade had increased, while 58 per cent stated there had been no change.

The IoD survey asked 651 companies to give their assessment of the impact of Brexit so far. Some companies responding to the IoD survey highlighted positive aspects of the UK's departure from EU rules: 17 per cent of companies said Brexit had made them more likely to invest in their businesses, compared with 15 per cent who said the opposite.

But about two-thirds of businesses said the impact of Brexit will get worse when some measures put in place to ease the transition end next January.

According to a separate poll carried out for the FT by the Chartered Management Institute, just over a quarter of private sector managers said changes to trade at the end of the Brexit transition period had led to reductions in their organisations' turnover in January. Six months later, almost the same proportion (26 per cent), largely from the same organisations, still reported a negative impact from the changes.

However, more than half the managers that took part in the CMI survey said the initial challenges to trade with the EU, resulting from the end of the Brexit transition period, had been resolved at least to a small extent, suggesting that many companies were starting to overcome some of these hurdles.

FINANCIAL TIMES
330 Hudson Street,
New York, NY 10013

Subscriptions and Customer Service
Tel: +1 800 628 8088
uscirculation@ft.com, www.ft.com/subsusa
Advertising
Tel: +1 917 551 5040
usads@ft.com
Letters to the editor
letters.editor@ft.com
Executive appointments
www.exec-appointments.com

Published by
F.T. Publications Inc.
330 Hudson St, New York,
NY 10013, USA;
Tel: +1 917-551-5000;
Editor: Roula Khalaf

Printed by
Blue Island Newspaper Printing, Harvey, IL
Evergreen Printing Company, Bellmawr, NJ
Bay Area Production Services, Fremont, CA

Published daily except Sundays, New Year's Day, Good Friday, Independence Day, Thanksgiving, the day after Thanksgiving, Christmas Day and the day after Christmas Day.

US subscription rates, 1 year $406. Periodicals postage paid at New York, NY and at additional mailing offices; Post-Master. Send address changes to F.T. Publications Inc., PO Box 469, Newburgh, NY 12551; USPS number, 190640; ISSN# 0884-6782.

Accountability

Scandals tarnish Dutch reputation for clean government

MEHREEN KHAN — BRUSSELS

Eva Maria Gonzales realised the Netherlands might not be the paragon of fair play it is held up to be when she was accidentally sent a trove of state documents showing a tax ministry "blacklist" of families wrongly accused of benefit fraud.

The Spanish-born lawyer, who was raised in the Netherlands, went on to defend the families successfully, exposing a scandal that shook the country, caused the government to resign at the start of this year and, alongside a series of other recent missteps, tarnished the country's self-image of good governance and accountability.

A reputation for fair play has helped successive governments to act as guardians of probity in the EU — as when Mark Rutte, the prime minister, demanded last year that countries such as Italy and Spain fix their dysfunctional administrations in return for help from the EU's Covid-19 recovery fund.

But that reputation has been shaken. Rutte, now a caretaker prime minister, has called the benefits scandal, in which the tax ministry singled out tens of thousands of families often on the basis of their ethnicity, a "colossal stain".

Critics say that its root cause lies in the frugal spending and technocratic efficiency that the Netherlands advocates abroad but which at home has led to a decade-long hollowing out of the state.

Zihni Ozdil, a historian and former liberal democrat MP, said the benefits affair exposed a "cognitive dissonance" among the Dutch ruling class. "We have cultivated a self-image of being a transparent and rule-of-law-abiding country. But when the facts do not correspond to reality, people do not seem to change their views," he said.

The government has suffered a series of embarrassments over its handling of the pandemic. It was slower than its EU neighbours to roll out vaccines, despite its advanced healthcare system.

The health ministry, in particular, has come under fire over a €100m procurement contract for face masks with a company set up by a political commentator with ties to the Christian Democrat party (CDA) that runs the ministry. Sywert van Lienden, the pundit, and two co-founders made nearly €20m from the arrangement despite marketing themselves as a non-profit organisation. Van Lienden apologised and resigned from the CDA last week.

The Netherlands ranks 20th out of 27 in the EU on the proportion of expenditure on central government, according to the European Commission. It also ranks eighth in Transparency International's corruption perceptions index, just below Norway and Sweden.

Dutch officials added that there had also been a marked shift by Rutte's liberal party over the past year, which now promises to expand the government's role and responsibilities. Nevertheless, the benefits scandal has been partly blamed on an obsession with efficiency. From 2004, the Dutch state entrusted the tax ministry to handle benefits claims using semi-automatic systems run largely by algorithms.

Mark Rutte, premier, has called the benefits scandal 'a colossal stain'

These helped to enable racial profiling where families of largely Moroccan, Turkish and Dutch Antilles origin were targeted, according to the national data protection authority.

At the apex of the system is Rutte. Opponents have disparagingly dubbed his preference for informal cabinet meetings and his claims to have little knowledge or memory of a string of recent scandals the "Rutte doctrine".

But he remains popular and is on course to lead a record-breaking fourth coalition government.

For Ozdil, consensus politics is also generating a dangerous counter-reaction and risks feeding the resentment of a populist far right, which rails against a "cartel" of mainstream parties.

Extreme right populist parties won a combined 28 parliamentary seats in elections in March. "Europe should be worried about what is happening in the Netherlands," he said.

INTERNATIONAL

US surge in violent crime reshapes debate on policing

Offending in the spotlight as cities suffer a spate of gun attacks and murders

JOSHUA CHAFFIN AND CHRISTINE ZHANG
NEW YORK

A bullet fired by an unstable man in Times Square on a Saturday in May ended up wounding a four-year-old shopping for toys with her family. It may have also changed the trajectory of New York City's mayoral race, and altered a national discussion about crime and policing.

Within hours, Eric Adams, a retired police captain and mayoral candidate, used the scene as the backdrop for a press conference staking his claim as the law-and-order candidate. Adams rejected activists' calls to "defund" the police and instead promised to send more officers on to the streets to tame raging gun violence.

It seemed to work. In Tuesday's Democratic primary he garnered the most votes, reinforcing how a contest that began as a debate about how to revive a city stricken by the pandemic had been overtaken by worries about crime.

The next day at the White House, President Joe Biden appeared to be singing a similar tune. "Now is not the time to turn our backs on law enforcement," Biden said, as he announced a series of measures to clamp down on gun violence, from helping communities hire more police to targeting illegal guns.

Seeking to head off a promising line of Republican attack, Biden insisted his administration was "taking on the bad actors doing bad things to our communities".

Violent crime, which has been waning for a generation in the US, is now back and on the political agenda after a national surge of shootings and murders.

Homicides have risen 18 per cent compared to this point in 2020, a year when murders also increased, according to a sample of 72 cities by New Orleans crime analyst Jeff Asher, and many experts expect worse to come over the summer.

In New York City, shootings were up 53 per cent as of June 20, and more than 100 per cent over the past two years. The 1,402 shooting incidents in Chicago over the same period marked a 58 per cent increase from 2019. In Atlanta, rising violence has given fresh impetus to a push by residents of the wealthy Buckhead neighbourhood to separate from the larger city so they can form their own police department.

Republicans have latched on to the issue, decrying the lawlessness in "Democratic cities" and blaming it on progressive demands to "defund" the police. The party this week accused Biden and fellow Democrats of doing "everything in their power to subvert law enforcement".

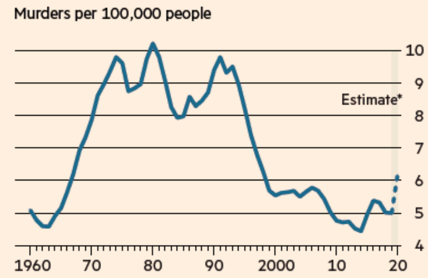
But the violence is widespread and not limited to areas under Democratic control. The Gun Violence Archive tallied 26 mass shootings (where a minimum of four victims were shot, either injured or killed) since June 15, from places such as Newark, New Jersey, Washington, Aurora, Colorado, Anchorage, Alaska and Albertville, Alabama.

"This same phenomenon is going on in every city in the country — large, medium, small, Democrat, Republican, red, blue — it doesn't matter," said Mike Lawlor, a criminal justice professor at the University of New Haven who also served as a Democratic member of the Connecticut House of Representatives. "Shootings are up everywhere."

Death scene: police collect evidence in Miami after three gunmen killed two people in May
Chandan Khanna/AFP/Getty

Most criminal justice experts believe the pandemic has played a role, either by worsening economic deprivation, shutting down courts or blockading young people in crowded neighbourhoods with few means of diversion while the virus raged. William Bratton, who has headed both the New York City and Los Angeles police departments, also blames some of the criminal justice reforms aimed at reducing prison populations, which he believes have been excessive, among them New York's move to end cash bail for all but the worst offences.

US murder rate rose in 2020
Murders per 100,000 people



* Assumes a 25% increase in murders based on preliminary data
Source: FBI UCR; data prior to 2000 via Jacob Kaplan's Crime Data Tool

The most politically charged suggestions for the rise in murders point to anti-police protests last summer in response to the murder of George Floyd, or a pullback of police activity as a result. But the data belie such simple explanations, according to Asher.

The murder increase occurred in cities of all sizes, not just places where protests broke out, he said: "If you do the math comparing where there were the most protests or where there were the most violent protests, and rates of increase of murder, there's just no relationship there."

For the Democratic party's moderate establishment, rising violence presents a challenge to navigate progressive calls to "defund" and even abolish the police while avoiding the aggressive impulses of the 1994 crime bill signed by a Democratic president, Bill Clinton.

'This same phenomenon is going on in every city in the country — large, medium, small, Democrat, Republican, red, blue — it doesn't matter'

Christopher Hayes, a Rutgers University professor of urban studies, worried that the most effective policies to reduce violence may not be the easiest to sell to voters. "It's politically convenient to look at this and say: 'Things are out of control. We need to come down on this with a hammer'," Hayes pointed out.

He added: "What's not convenient is to say, 'a lot of people involved with this are poor'."

Assuming he becomes New York's next mayor (a final count is expected within weeks), Adams, who is black, may be the best test case of Democrats' capacity to deal with crime without creating toxic side-effects.

For months he has been promising voters he has unique expertise to target violent hotspots and remove guns from the streets while, simultaneously, reforming the department and repairing community relations.

As Adams put it in a recent interview: "I support closing Rikers [Island jail], but I also support closing the pipeline that feeds Rikers."

Soon New Yorkers and the nation will see if that is possible.

Additional reporting by James Politi in Washington and Claire Bushey in Chicago

Inflation threat

S Africa confident of coping with rate rises

Economy buoyed by high commodity prices, says central bank governor

JOSEPH COTTERILL — JOHANNESBURG

South Africa is financially strong enough to weather a post-pandemic rise in global interest rates, its central bank governor has said, despite concerns that investors might pull their money out of riskier emerging markets if yields rise elsewhere.

Africa's most industrialised economy had been buoyed by high commodity prices and could cope if the US Federal Reserve and other big central banks raised rates sooner than expected as they exited pandemic stimulus measures, Lesetja Kganyago told the Financial Times.

Investors have bet on a faster end to the Fed's $120bn monthly asset purchases and sooner rate rises as US inflation has jumped in recent months, to as much as 5 per cent in May.

In 2013, similar bets on a move towards tapering the purchases caused the South African rand and other top emerging market currencies to tumble, as higher yields on US Treasuries enticed investors away from riskier assets. This so-called taper tantrum still haunts Fed policymakers.

"We shouldn't worry about a taper tantrum," Kganyago said. "We could worry about a data tantrum", or investors reading too much into the latest data on US inflation as a signal of imminent rate rises, he added.

"South Africa is less vulnerable this year than it was last year" when the pandemic sent the economy into a tailspin and gross domestic product fell 7 per cent, Kganyago said. Central banks were better at signalling their intentions in advance than they were at the time of the original tantrum.

In 2013 South Africa was among a set of "fragile five" economies that were especially exposed to capital flight because they had both budget and trade deficits that depended on foreign financing. But last year South Africa recorded its biggest positive trade balance in 30 years as demand for imports fell in the pandemic and lockdowns, and prices for commodities produced by South African mines, particularly platinum, surged on signs that the global economy was reopening.

The central bank expects South Africa to record another current account surplus this year.

President Cyril Ramaphosa's government is also expected to post a smaller budget deficit than originally expected for the current fiscal year.

Economists expect the South African Reserve Bank to keep rates at a near all-time low of 3.5 per cent this year as the country battles further waves of coronavirus infections and the economy, which is suffering huge unemployment, struggles to return to growth.

Kganyago said there was a "compelling case" for lowering the bank's price stability target, which aims for an inflation rate of between 3 and 6 per cent.

In the years since the inflation objective was first set in 2001, almost all other big economies had revised their own targets down "because globally, inflation has moved lower and countries want to maintain competitiveness", Kganyago said. "For South Africa to remain competitive, it is important that our inflation is in line with those of the countries that we compete with."

Bilateral ties

Supply chains on agenda as Taiwan and US restart trade talks

KATHRIN HILLE — TAIPEI
AIME WILLIAMS AND DEMETRI SEVASTOPULO — WASHINGTON

Taiwan and the US will discuss supply chain security and digital trade in their first trade talks in five years, as the countries seek to deepen economic ties in the face of rising tension with China.

The negotiations are due to start on Wednesday and will allow both sides to put a stronger focus on trade to match their efforts to bolster security and political ties amid increasing strains with Beijing. China claims Taiwan as part of its territory and has threatened to invade it if Taipei resists unification indefinitely.

"We want to elevate our trade relationship to the next level of co-operation, a level fit for the future," John Deng, Taiwan's trade representative, said. "We would like to talk about supply chains, digital trade and trade facilitation."

Washington's decision to restart talks under the Trade and Investment Framework Agreement (Tifa) marks a shift from the Donald Trump administration, which gave priority to agreeing a limited trade deal with Beijing.

Taiwan has been pushing for a bilateral trade deal since President Tsai Ing-wen opened the country's market to US beef and pork last week, a step long demanded by Washington.

Deng acknowledged that it might not be possible to reach such an agreement immediately. "A BTA [bilateral deal] is our ideal, and this is reality," he said. "[The US] won't too quickly start bilateral trade agreement talks with any country. But we can gradually pave the way."

Sarah Bianchi, nominated to be deputy US trade representative, said on Thursday that re-engaging with Taiwan under Tifa was an example of the Joe Biden administration working with allies "to address the rising challenge of China".

"I don't think the Trump administration integrated commercial and strategic policy," said Jeff Schott at the Peterson Institute for International Economics, a think-tank. "The Biden administration is clearly taking a more holistic approach to relations with China, and sees the Taiwan relationship as one that is more critical."

The latest talks follow a debate in Washington that included calls from the state department to add an economic component to efforts to strengthen ties with Taipei. Katherine Tai, US trade representative, had been less enthusiastic, but Jake Sullivan, national security adviser, urged her office to initiate the talks, said four people familiar with the situation.

"Ambassador Tai and the Biden administration are committed to strengthening our economic and trade relationship with Taiwan, and we look forward to discussing a range of issues during this week's Tifa meeting," said the USTR.

The US is likely to focus on semiconductor supply chain security and digital trade, as well as pressing Taipei to follow through with a commitment to open its market to US pork. Tsai's government has done little to encourage public acceptance of US pork, which may contain traces of the feed additive ractopamine. A referendum organised by Taiwan's opposition on the issue is due to be held in August.

War zone. Food shortage

Ethiopia rejects claims of famine in Tigray

Conflict threatens global optimism about one of Africa's fastest growing economies

ANDRES SCHIPANI AND DAVID PILLING
ADDIS ABABA

Only his religious calling is stopping Lisanewerk Desta taking up arms with the Tigray People's Liberation Front, the party that ran Ethiopia for three decades and with which the central government is now at war.

Some eight months after the conflict first began, hundreds if not thousands are believed to have died and, with access to the northern region limited, Lisanewerk believes the situation will get worse. "There's no food in Tigray," said Lisanewerk, an archivist with the Orthodox Church whose family fights for the TPLF. Food, he said, is being used by the TPLF's enemies "as a weapon".

Ethiopian officials say such fears are exaggerated. But nearly 40 years after famine in Tigray spawned the Live Aid concert and a global fundraising movement, some international agencies said the situation in the northern region bore all the hallmarks of famine.

This month, the UN and international aid groups said that 350,000 of Tigray's 6m people were already living in famine conditions, a level of starvation higher than anywhere else in the world.

According to the Integrated Food Security Phase Classification, a system deployed by aid agencies and governments to determine the level of hunger, 350,000 people were at Phase 5 on its scale of 1-5 where 5 constitutes famine. A further 5m people were classified as being either in "crisis" or "emergency".

Mark Lowcock, who last weekend ended his stint as under-secretary-general for humanitarian affairs at the UN, told the Financial Times in one of his last interviews in the post: "I actually never expected to see this again. I thought the world had moved on from this kind of problem."

The mere mention of "famine" is deeply embarrassing for a country whose government wants it to be known for its ancient rock-carved churches and 2,000-year-old writing system, not for hunger and dependence on international aid.

'There's plenty of evidence to justify the assertion that the Eritreans are using starvation as a weapon of war'

Ethiopia has been the fastest-growing large economy in Africa for 20 years, leading many international agencies to believe that it could quickly reach middle-income status and forever banish the images of desperate hunger with which it was once routinely associated.

But a war in Tigray has shattered those hopes. It has also ignited a bitter debate about how grave the situation is, with the Ethiopian government accusing the international community of exaggerating the situation for its own purposes and swallowing what it says is TPLF propaganda.

Abiy Ahmed, the prime minister, rejected the IPC assessment, telling the BBC at a polling station as he went to vote in national elections: "There is no hunger in Tigray." Whatever problems there were, he said, the government was capable of fixing them.

Abiy's administration has also asserted it has given access to aid agencies trying to get food to hungry people, many of whom have been displaced and unable to plant crops. Aid agencies deny they have unfettered access.

Worse, agencies on the ground have accused soldiers from neighbouring Eritrea, who are involved in the war in Tigray, of deliberately blocking food supplies to civilians. "There's plenty of evidence to justify the assertion that the Eritreans are using starvation as a weapon of war," said Lowcock.

That recalls the 1980s famine in which the Soviet-backed Derg regime of Mengistu Hailemariam used access to food in its unsuccessful attempt to head off a guerrilla uprising. In all, an estimated 1m people died.

Alyona Synenko, regional spokesperson for the International Committee of the Red Cross, said whatever the precise designation, the nutritional situation in Tigray was grave and likely to worsen.

"More than a million displaced people have been relying on the communities hosting them to share their food," she said from Nairobi. "Many food stores were looted and the available food supplies may soon be exhausted. Many people report that they can only afford one meal a day," she said.

Back in Addis Ababa, the Ethiopian capital where Abiy still retains significant support, there was open scepticism from some about the claims of famine.

"They say a lot of people are dying of famine," said Maryu, a 48-year-old professional who would only give his first name as he lined up to vote at what had been billed as the country's first "free and fair" election this week. Results have yet to be released. After months of fighting it was inevitable that farmers had not been able to plant and that this would result in a reduced harvest, he said.

Still, Maryu said, the TPLF were the masters of "fake news" and had duped the international community into exaggerating the gravity of the situation. "We can't say this is a famine," he said, waving his hand dismissively. "It is simply a shortage of food."

Desperation: tempers fray as food is allocated in the Tigray town of Agula. Below, a young boy is treated for malnutrition in Mekele
Ben Curtis/AP

Pandemic fallout

India's countryside calamity threatens to undermine recovery prospects

AMY KAZMIN AND JYOTSNA SINGH
NEW DELHI

India's financial markets have mounted a recovery from the downturn caused by the country's devastating second coronavirus wave, with shares near all-time highs.

But outside the cities, rural families are still piecing their lives back together even as public health officials warn that a third wave is on the horizon.

"You might see headline numbers coming back, but that doesn't mean everything is hunky dory," said Dharmakirti Joshi, chief economist for CRISIL, a credit rating agency.

The shocking human cost of India's Covid wave was exposed last month by footage that showed hundreds of shallow graves on the banks of the Ganges.

Despite an accelerated vaccination push, analysts warn that the calamity weighs heavily on India's economic prospects, too, damping the consumer demand that policymakers hoped would revive growth. "The population is psychologically traumatised," said Jahangir Aziz, head of emerging market economics at JPMorgan. "All investment plans, all durable consumption plans, will get postponed."

Until the emergence of the Delta variant, first detected by Indian scientists in rural Maharashtra in February, India's economy was expected to register double-digit growth after a 7.3 per cent contraction last year. But the second wave pushed the Reserve Bank of India's consumer confidence index to an all-time low of 48.5, down from 84 before the pandemic. Since April 1, the virus infected more than 18m people and claimed at least 232,000 lives. Analysts suspect the true toll is far higher.

The RBI recently pared its gross domestic product growth estimate for this year to 9.5 per cent, down from 10.5 per cent. JPMorgan forecasts India will grow just 9 per cent, which Aziz said would leave the economy about 10 per cent smaller than pre-pandemic levels.

"Anyone hooked into the global market will do very well," he said. "But Indian consumption, Indian investment and Indian small businesses are going to be damaged at a level at which it is hard for one to even imagine. Beyond essentials, people are going to be very, very cautious about buying."

'There is a huge amount of uncertainty. Nobody can predict how severe another wave might be'

India's workers were hit hard last year when 100m jobs evaporated overnight in a strict lockdown, triggering an exodus to the countryside.

By late 2020, an estimated 15m erstwhile urban workers were still unemployed, while those with jobs were earning less than before, according to a study by the Azim Premji University.

Strong performance in agriculture, which grew 3.6 per cent last year following bountiful monsoon rains, and heavy government spending on rural workfare schemes helped to cushion the blow.

But in a country where patients pay nearly 70 per cent of health expenditure themselves, the Covid surge forced millions of families to tap savings, sell assets or borrow to treat ailing loved ones.

That shock risks depressing consumer sentiment for months, especially among middle and working-class families. "Health expenditures are eating into household balance sheets, particularly poorer households," said Joshi.

Shobhnath Patel, a 38-year-old karate instructor in rural Uttar Pradesh, said his family had struggled since the pandemic forced the cancellation of his classes, two nephews lost their automotive industry jobs and his brother's house-painting business collapsed.

When his eldest brother was stricken with Covid in April, the family exhausted its savings on an ambulance to the nearby city of Varanasi, doctors' fees, an oxygen cylinder, medicines and hospital bills in an unsuccessful attempt to save him. Other families in Patel's village, Paterwa, suffered similar setbacks.

Caught off-guard by the second wave, many Indians seem resigned to the inevitability of a third wave, which will also weigh on demand.

"There is a huge amount of uncertainty," Joshi said. "Nobody can predict how severe another wave might be."

The pessimism is not universal. Saurabh Mukherjea, founder of Marcellus Investment Managers, said "business activity is recovering swiftly" as restrictions ease, while anxiety about public transport, coupled with cheap financing, is fuelling demand for cars and motorbikes. "Nobody wants to get on public transport," he said.

But he admitted that the sustainability of any rebound in consumer demand depended on the trajectory of the virus. "If we lurch into a third wave again, we'll be back to stagnation," he said.


ROGER FEDERER


BJÖRN BORG


GARBIÑE MUGURUZA

WHAT IS SO SPECIAL?

What is so special about this place? Beyond its history as the oldest tennis tournament in the world? Beyond its atmosphere and its rituals, summer drizzles, strawberries and cream, all a hop, skip and a jump from Central London? Beyond its unique colours, pristine white and vibrant green? And for that matter, beyond the grass, painstakingly cut to a sharp 8mm every single morning? And above all, beyond the epic matches that were disputed on it, and still are? Games that have pushed standards far beyond their discipline. Standards to play by. Standards to live by. This is the place where tennis legends are written. **Welcome to Wimbledon.**

#Perpetual

OYSTER PERPETUAL DATEJUST 41

THE CHAMPIONSHIPS WIMBLEDON

THE CHAMPIONSHIPS, WIMBLEDON
THE ALL ENGLAND LAWN TENNIS CLUB,
LONDON 28 JUNE TO 11 JULY 2021

ROLEX

'Jump or perish' The fear factor can only go so far as a tool for motivating staff to change ANDREW HILL, WORK & CAREERS

Companies & Markets

US shale oil groups keep tight rein on production

- Drillers wary of risking equity gains
- Fewer rigs working despite recovery

DEREK BROWER

The US shale patch is holding back on big production boosts despite bumper profits and surging crude prices, as executives seek to avoid being punished again for responding with rapid investment.

Although US crude prices have doubled in the past 12 months, the number of operating oil rigs — only 373 last week, according to Baker Hughes — remains well below levels of recent years. US oil production is languishing almost 15 per cent beneath last year's record high near 13m barrels a day.

Industry observers and insiders had expected a rapid recovery from the US shale industry. Now tepid spending and sluggish oilfield activity could leave supplies short as demand recovers.

> 'Now is a great time [to drill shale]. But why would you change the recipe? Not drilling is working'

"We are underinvesting as an industry around the globe," said Rick Muncrief, chief executive of Devon Energy, one of the largest US shale producers.

Nevertheless, Devon has pledged to hold production flat this year and cap any growth in 2022 at just 5 per cent, less than half the annual pace across the shale patch in the three years of bumper output rises before the pandemic.

Shale's spectacular production success in recent years made the US the world's largest oil producer but beggared many of its investors. The sector burnt through hundreds of billions of outside capital and failed consistently to turn a profit. But the stock market is beginning to reward companies willing to return capital and ignore the urge to launch another drilling rush. Shale producer Diamondback Energy's shares have doubled this year and Devon's are up almost 90 per cent.

The S&P 500's energy sector, dominated by US oil companies, has outperformed all others this year, as the market has endorsed the new low-growth mantra. "If there ever was a time to drill tight [shale] oil, now is a great time," said Robert Clarke, vice-president of upstream research at consultancy Wood Mackenzie. "But why would you change the recipe? Not drilling is working in their favour."

Listed companies' reluctance to risk these equity gains by increasing spending means it is private equity-backed operators — which do not face the same scrutiny as public companies — that have accounted for most of the modest rise in oilfield activity this year, according to consultancy Rystad Energy.

Some executives believe the inventory of high-quality shale-bearing rocks in the US is dwindling, hindering a recovery.

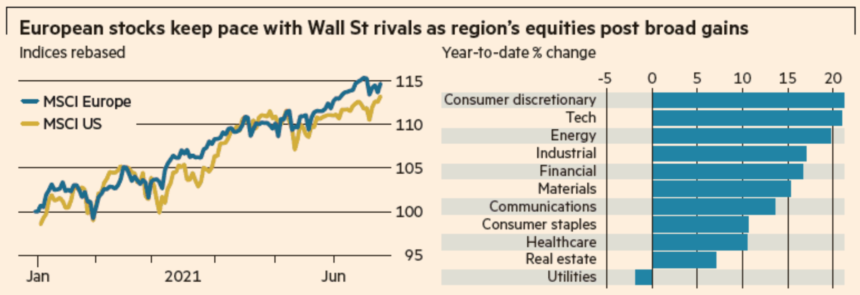
Investors' growing doubts about oil's long-term future were also a factor, said Bradley Williams, chief executive of Elephant Oil & Gas, a private-backed Wyoming-focused driller. "It's a real headwind now," he said. "To drill a bunch of wells — what are we drilling into? Is it a constructive commodity price environment or are we going to see a rapid transition away from oil and gas that's going to result in soft commodity prices and ultimately poor returns?"

Even companies such as ExxonMobil, with a history of investing through periods of oil market turbulence, have been forced by shareholders to rein in planned upstream spending. In the Permian Basin alone, Exxon planned in 2019 to increase output to 1m barrels a day by 2024. This year it cut the target to 750,000 b/d.

Rise and shine European stocks jump in first half of 2021 with 'old economy' to the fore

Revved up: Porsche is up more than 40 per cent this year — Ronald Wimek/EPA-EFE

European stocks keep pace with Wall St rivals as region's equities post broad gains



European stocks are in euro terms; US in dollars
Source: Bloomberg
Based on MSCI Europe index

SIDDHARTH VENKATARAMAKRISHNAN

European stocks are neck and neck with their US rivals in the first six months of 2021 after trailing Wall Street for most of the coronavirus crisis, reflecting the widening rally across the global equities market.

MSCI's broad barometer of European shares has raced ahead by almost 15 per cent in euro terms since the end of last year, outpacing the 13 per cent gains for American equities, tracked in US dollars. A rise in the dollar this year has eaten into the price returns for foreign investors in European stocks, leaving the MSCI Europe gauge up a slimmer 12 per cent on a dollar basis.

Investors in European shares have benefited as sectors considered to be sensitive to economic fluctuations, such as banks and energy companies, have gained favour as countries have lifted curbs on social activity.

Since April, when economies on both sides of the Atlantic emerged from long periods of lockdown, enthusiasm for US tech stocks that had surged at the height of the pandemic has waned.

Gains in Europe this year have been broad, with the consumer discretionary, technology, energy, industrial, financial and basic material sectors all up more than 15 per cent, according to Bloomberg data.

Only utilities, which are typically coveted for their consistent dividend payments, have declined as concerns over inflation have dented the appeal of those income streams.

Tom O'Hara, a portfolio manager at Janus Henderson, noted that many of the best performing sectors were so-called "old economy" industries that had been hit by the pandemic. Banks such as Banco de Sabadell, Banco BPM and Société Générale, carmaker Porsche and glassmaker Saint-Gobain are all up more than 40 per cent in 2021.

Despite the recent rally for European bourses, Wall Street equities have posted a much more vigorous rally since the pandemic nadir last year. MSCI's US index has jumped 95 per cent from its closing low on March 23, 2020, while the European equivalent is up 62 per cent from its trough reached that same month.

Revolt adds to uncertainty, says Toshiba ex-director

KANA INAGAKI AND LEO LEWIS — TOKYO

Shareholders in Toshiba have only prolonged "instability and uncertainty" at the troubled conglomerate with a vote to remove the chair of the company's board, said a director who saw no choice but to resign after Friday's investor revolt.

In exclusive remarks to the Financial Times after his sudden resignation on Friday, George Olcott expressed strong misgivings about the vote to oust Osamu Nagayama, a man he described as one of the few Japanese business leaders able to oversee a turnround on the scale required by Toshiba.

"Removing him as chair only serves to prolong instability and uncertainty in addition to depriving the board of an outstanding leader. I cannot understand how this development represents a good outcome for the company or any of its stakeholders," said Olcott, a former investment banker at SG Warburg who sits on the boards of several Japanese companies.

His remarks follow Toshiba's annual general meeting last Friday, held after months of deepening turmoil for the company.

Nagayama's removal by shareholders at the AGM followed calls by some investors for the entire board to be removed as a consequence of repeated leadership failures at a company that many see as rich with valuable technology and growth potential.

"I believe that Mr Nagayama's plan to plot a new course for Toshiba to improve its corporate value was ambitious but realisable, and I was looking forward to helping him and the board in this endeavour," said Olcott.

But others rejected Olcott's warning of instability at Toshiba, asserting instead that, despite the messiness of the process, the past two weeks had removed the main lightning rods of shareholder mistrust of Toshiba's leadership.

Raymond Zage, a non-executive director of Toshiba, said the immediate aftermath of the AGM had put the board in a state of unity and clarity on the issues in need of attention.

The removal of Nagayama forces Satoshi Tsunakawa, interim chief executive, to step in as interim chair until Toshiba can convene an extraordinary general meeting to appoint a new leadership team that includes at least four new non-executive board members.

Telecoms. Charlie Ergen

Dish hopes to serve up new kind of 5G network

Former poker player gambles on pioneering venture to take on titans of the mobile sector

NIC FILDES — LONDON

Charlie Ergen has had designs to turn from TV to mobile mogul for years.

The billionaire media executive and former professional poker player has spent $25bn over the past decade and a half buying mobile spectrum to turn Dish Network, his satellite pay-TV business, into a phone company capable of competing with the titans of the sector, AT&T, Verizon and T-Mobile. Eight years ago, he even came close to a $25bn bid for Sprint, which was the third-largest network at the time.

Then, earlier this year, Dish announced its intention to be the first telecoms company in the world to opt to run its service from the public cloud after striking a deal with Amazon to use its servers to control a new 5G network.

If it works, it could prove the case for a different type of telecoms architecture. According to Ergen, Dish's transition into a telecoms company is driven by "a paradigm shift in technology", with cloud providers now able to host all the servers and software capability required to run a network.

"That technology is critical. If you're too early, you're roadkill, but if you're too late, you miss the window," he told the Financial Times in an interview.

That has coincided with government pressure on telecoms companies in countries including the US and UK to use smaller equipment suppliers, after China's Huawei was banned from the rollout of new 5G networks on security grounds.

Dish is working with Nokia but also a long list of US software companies, including Mavenir, Altiostar, Matrixx, Ciena and Palo Alto Networks, to deliver a network that is being viewed as a potential pioneer for "open RAN" networks around the world.

"Open RAN" represents a shift that enables telecoms hardware and software from different providers to work together, rather than relying on one large supplier, such as Huawei or Ericsson. That allows smaller and potentially innovative suppliers to break into the 5G market.

It has been championed by the US and UK governments as a way to increase competition after the Huawei ban.

If Dish proves that it can rapidly deploy a new 5G network at a much lower cost — because it will not have to build and run its own data centres — its launch could be a landmark event. "To the extent we are successful, others will follow," Ergen said.

Dish's 5G network will go live in Las Vegas in the third quarter and it started taking customer sign-up requests this month via a website called Project Gene5is, but many in the industry remain sceptical that it will have much impact on a US telecoms market dominated by the three biggest groups.

The budget of $8bn-$10bn for building a new wireless network seems meagre to some. "You might get decent coverage in half of New Jersey for $10bn," said one executive at a rival telecoms company who said that the new 5G network was unlikely to be able to offer widespread coverage outside urban areas for years. That would reduce its appeal to consumers and business customers who needed to travel.

Others noted that Dish was moving into telecoms months after AT&T reversed its foray into new markets by, among other things, spinning off the satellite company's closest competitor, DirecTV.

For some, the wireless push is fundamental to the survival of Dish. Research group MoffettNathanson said that its satellite television business was likely to report "rock bottom levels" of new customers in the future. Even though it was just starting out, "it is now fair to say that Dish's core business is wireless rather than satellite TV", analysts said.

Ergen says he has seen off the doubters in the past. Dubbed the most hated man in Hollywood because of his high-stakes battles with content companies, he has a fearsome reputation. He has been active in Britain, where he circled rival Inmarsat but pulled out of the bidding at the eleventh hour in 2018.

He has certainly seen off doubters in the past. His $60,000 satellite TV start-up EchoStar — launched in 1980 by installing "big old-fashioned dishes" across rural America where reception was non-existent — got him off the ground. The launch of consumer digital broadcasting services in 1996 under the Dish (Digital Information Super Highway) brand turned him into a serious media player and gave him a lead over cable companies in the pay-TV market. Dish, now separated from EchoStar, has more than 11m customers and generated $15.5bn of revenue and a $1.8bn net profit in 2020.

Dish founder Charlie Ergen: 'If you're too early, you're roadkill'

Ergen has also pointed those sceptical of his plans to the steep fines from the US telecoms regulator — as part of conditions attached to its spectrum licences — if it does not build out its mobile network to reach 40 per cent of the US population by June next year and 70 per cent by 2023. He has said missing those regulatory milestones would be "financial suicide" for the company.

Dish already has a small foothold in the mobile market, having bought the Boost brand from T-Mobile in 2020. Boost's 9m customer base is less than a tenth of its larger rivals but Dish is already ruffling feathers, having accused T-Mobile of trying to "thwart competition" after the larger company moved to shut off an old 3G network used by Boost earlier than expected.

Even with the power of Amazon behind him, Ergen is not promising the Earth. "As a fourth player we don't believe we can conquer the world in the short term," he said.

Nonetheless, he believes that his cloud-based network could remake his business. "We're building Netflix in the Blockbuster world," he said in his distinctive Tennessee drawl. "This is not our first rodeo."

Brazil's meat processors told to beef up traceability

Pressure grows to prove livestock origins are not linked to deforestation

MICHAEL POOLER — SÃO PAULO
EMIKO TERAZONO — LONDON

Every day at abattoirs across Brazil, tens of thousands of cattle are butchered into choice cuts, burgers and ready-meals sold at home and around the world.

While the booming multibillion-dollar trade has made the Latin American nation the biggest global exporter of beef, the exact origins of the animals are often a mystery.

"There is a guy who produces the calf, one raises it and another that does the fattening," said Gilberto Tomazoni, chief executive of JBS, the world's largest meat processor with $50bn in annual turnover. "Basically, there has been a lack of information to monitor the suppliers of our suppliers."

The São Paulo-headquartered group, which this year suffered a cyber attack on its North American and Australian systems, has long been accused of links to ecological damage. But it is now embarking on a sweeping sustainability drive as Brazil faces threats of divestment and product boycotts over the Amazon rainforest.

At its vast industrial complex in Lins, in the interior of São Paulo state, JBS touts initiatives such as the recycling of plastic waste and renewable energy provided by a power station fed with sugar-cane residue as evidence of its endeavours.

Yet as the country's top meatpackers pledge to slash greenhouse gases, solving the puzzle of where their cattle come from will be vital for efforts to clean up an industry that is one of the driving forces of deforestation — and a significant contributor to global warming.

JBS recently set a target to be net zero by 2040, which will involve reducing its

> Even if deforestation were eliminated, cattle rearing inherently results in large amounts of methane

own and indirect emissions, then offsetting any that remain.

Its main rivals, Marfrig and Minerva Foods, are pursuing similar ambitions.

"Given how serious the situation is with deforestation in Brazil, this is quite timely," said Kiran Aziz, senior analyst at KLP, Norway's largest pension fund, which excluded JBS from its portfolio in 2018 due to corruption risk. "What's more important is the implementation."

The trio agreed more than a decade ago to prove they were not buying animals, directly or indirectly, from farms engaged in deforestation in the Amazon. Given its capacity to absorb carbon dioxide, the rainforest is a bulwark against climate change.

Australia's red meat and livestock industry is also aiming to reach carbon neutrality by the end of the decade, while the largest meat company in the US, Tyson Foods, is working to cut 30 per cent from greenhouse gas emissions by 2030.

But the majority of the world's largest meat and dairy companies have not made explicit net zero undertakings, according to recent research by New York University.

After destruction of the Brazilian Amazon surged to a 12-year high in 2020, meatpackers there came under pressure to prove the pledges were not just a greenwashing exercise.

Inaction carries financial risk. The big three Brazilian groups rely on European investors and banks for at least a quarter of their funding, including debt financing and equity holdings, according to Chain Reaction Research.

"They face the risk of a backlash from European institutions, like the divestment from JBS by Nordea," said Matthew Piotrowski, director of policy and research at Climate Advisers, referring to the Finland-based asset manager's decision to dump the stock last year amid environmental concerns.

Maria Lettini, director of the Fair Initiative, an investment advisory and research network, said: "Overall, investors are quite supportive, but many are sceptical about how they are going to meet those net zero targets."

Although Brazil's biggest beef processors have succeeded in monitoring direct cattle sellers, they have yet to implement full traceability of the scattered and sometimes small-scale ranches that feed into production chains and where animals can spend most of their lives.

Satellite imagery is already used as a tool for checking that direct providers are in compliance with rules against deforestation and encroachment on indigenous territories. JBS monitors 60,000 farms this way across an area 1.5 times the size of Germany and says it excludes any sellers found in breach.

Now the big task is to gain visibility further down the chain. JBS has developed a system based on blockchain to securely and confidentially track the certification of each head of cattle, so animals from illegally logged lands cannot be "laundered" through legitimate ranches supplying the group.

The data are then sent to an industry association for validation and the outcome is shared with the livestock seller. All direct suppliers in the Amazon must by 2025 sign up to the JBS digital ledger, which will be audited independently, or face exclusion.

Marfrig has identified the origins of 62 per cent of all its cattle from the Amazon and 47 per cent for the Cerrado savanna biome, including direct and indirect suppliers, and is recording the information through a blockchain-enabled platform.

For its part, Minerva claims to be the first meatpacker to have extended geospatial monitoring outside the Amazon, tracking direct suppliers in areas including the Cerrado, Atlantic forest and the marshy Pantanal region.

Yet even if deforestation were to be eliminated from Brazil's beef industry, cattle rearing inherently results in large amounts of methane, a more potent greenhouse gas than CO_2.

Approximately 70 per cent of all agricultural emissions in Brazil come from bovine digestion, as well as associated activities, according to Imaflora.

"It's a lot, and if you add that to the emissions from deforestation to raise cattle it's even bigger," said project coordinator Isabel Garcia Drigo.

Researchers say possible solutions include more intensive farming methods to improve land productivity, along with shortening the lifespan of cattle. Another focus is animal feed, whether supplements or different grasses, to reduce methane belched by animals.

For all the awareness of the climate emergency, global demand for beef has remained robust and cattle prices in Brazil have touched record levels.

Activists criticise the sector's commitments as too distant. JBS, for instance, has undertaken to end illegal logging in its Amazon supply chain by 2025, in other Brazilian biomes five years later — and finally zero deforestation globally by 2035.

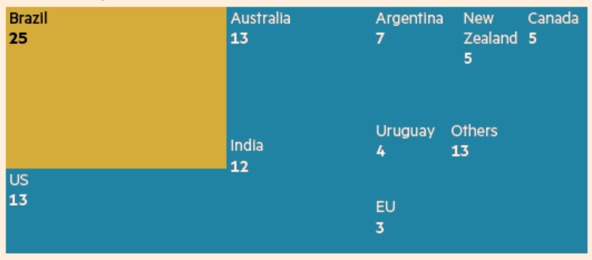
As a seller's market, producers may look to take their material elsewhere if they dislike a meatpacker's conditions.

"It is naive to again trust more promises of an industry which at the very core . . . is an emissions producer," said Daniela Montalto, a campaigner at Greenpeace. "We're talking about land grabbers, ranches laundering illegal cattle into the supply chain of the slaughterhouses."

'There has been a lack of information to monitor the suppliers of our suppliers'

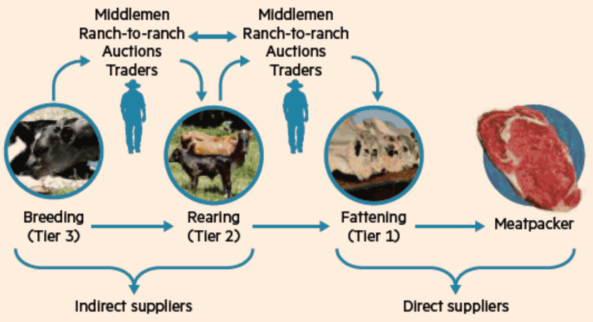
JBS is the world's largest meat processor

Brazil is the world's top beef exporter
2021 forecast (%)
Total world exports: **11bn tonnes**



Sources: USDA; erodeforestationcattle.org

Brazilian beef supply chain



Even if deforestation was eliminated from Brazil's beef industry, cattle still create large amounts of methane, a more potent greenhouse gas than CO_2
Bloomberg

Technology

China crackdown reduces tech listings

Value down more than 60% in second quarter as Beijing increases scrutiny

HUDSON LOCKETT AND TABBY KINDER
HONG KONG

The value of stock market listings by Chinese technology companies dropped more than 60 per cent in the second quarter, as regulators in Beijing broadened their crackdown on the sector.

Since the start of April, initial public offerings by China's tech groups on exchanges worldwide have raised $6bn, down almost two-thirds from the first quarter, according to data from Dealogic. The share of tech listings as a proportion of all Chinese IPOs also fell to the lowest level in two years, at just 21 per cent of the more than $28bn raised during the period.

The decline comes as Chinese tech groups have faced pressure from Beijing, which in recent months has stepped up regulatory scrutiny of some of the biggest names in the sector.

Regulators blocked the $37bn IPO of Ant Group, the fintech group controlled by billionaire Jack Ma, in November, and have ordered the business to restructure. Authorities have also punished tech groups for what they deem to be monopolistic practices, including fining Ant's sister ecommerce group, Alibaba, a record $2.8bn.

"The regulatory issue in China is something that's more fundamental because it's going to question the valuation you can give to your business — that's particularly true for financial technology companies," said Frank Benzimra, head of Asia equity strategy at Société Générale.

The sharp fall in tech IPOs in the second quarter contrasted with a bumper first quarter, in which such groups raised more than $15.3bn from share sales in Shanghai, Shenzhen, Hong Kong and New York.

It also came despite a boom for Chinese IPOs more broadly, as primary and secondary listings worldwide raised a record $65.4bn in the first six months of the year, Dealogic data show.

Much of the drop came in Hong Kong. The city's exchange has not hosted a single tech listing from mainland China in the past three months, following $8.6bn in IPOs in the first quarter.

Louis Tse, managing director of Hong Kong brokerage Wealthy Securities, said the fall-off was because of both a global shift by investors away from high-growth stocks and a fall in Chinese companies seeking secondary listings in the city. Over the past year, US-traded Chinese internet groups — including JD.com, NetEase and Baidu — have raised billions of dollars in Hong Kong as concerns grew that they could be delisted in New York. The US passed a law in December that forcibly delists companies that fail to comply with American audit rules.

However, Chinese tech IPOs could be set for a comeback. Chinese electric vehicle maker Xpeng said on Friday it would seek to raise up to $2.3bn in a Hong Kong listing with trading to start next month. Ride-hailing group Didi Chuxing plans to raise $4bn in a potential listing on the NYSE in the coming weeks.

Week ahead. Market questions

US reopening sets stage for surge in hiring

Will US jobs numbers pick up as economic recovery gathers pace?

After the past two US monthly jobs figures came in well below forecasts, the pace of hiring in June is expected to have accelerated after rising vaccinations and reopenings across the country.

Economists polled by Bloomberg forecast that Friday's non-farm payrolls report will show the US economy added 700,000 jobs this month, driven by the leisure and hospitality industries — substantially higher than the 559,000 jobs created in May and far above April's 278,000 figure. The unemployment rate, meanwhile, is projected to have dipped slightly to 5.7 per cent from 5.8 per cent.

Labour shortages, caused by worries about catching Covid in the workplace, childcare limitations and — according to some economists and politicians — extended federal unemployment benefits, have become more acute, with employers competing to hire as demand picks up. But low Covid transmission, rising vaccination rates and the reopening of major economic centres such as New York and California have set the stage for a rebound in hiring.

"We're definitely on the path towards healing, [but] there will be certain roadblocks that will hamper our progress towards full recovery" said Oren Klachkin, lead economist at Oxford Economics, who has predicted that non-farm payrolls would return to pre-pandemic levels in the first quarter of 2022.

At a time when markets are fretting about inflation, Friday's report is also expected to show higher wage pressures, with average hourly earnings expected to rise 3.6 per cent from a year ago.

Federal Reserve officials this month pencilled in sharply higher inflation this year and brought forward their projections for the first post-pandemic interest rate rise by a year to 2023, unnerving markets. Since then, Fed chair Jay Powell and his inner circle have sought to reassure markets about their caution in withdrawing support. *Mamta Badkar*

How much has Japan rebounded?

The quarterly Tankan survey, a closely watched proxy for Japan's performance, is expected to show a sharp divide between manufacturing and services when it is published on Thursday.

A slow vaccination rollout and soaring coronavirus cases had kept parts of the economy in stasis, with nine urban prefectures under states of emergency restrictions until recently. However, while the services sector continues to struggle, manufacturing is forecast to show clear signs of recovery.

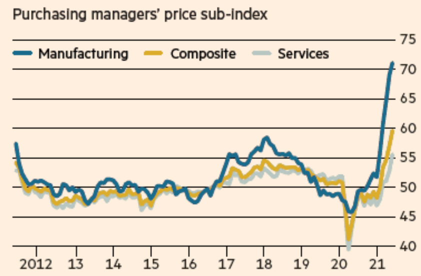
Rising vaccination rates have stepped up the demand for staff
Luke Sharrett/Bloomberg

"The key factor to watch out for [this] week will be how much manufacturing is going to gain," said Stefan Angrick, senior economist at Moody's Analytics in Tokyo. "We would expect manufacturing to rise because of the pick-up in global activity."

Compiled by the Bank of Japan, almost 10,000 companies take part in the Tankan survey, and it has a more than 99 per cent response rate. The survey's index for large manufacturers, which stood at minus 10 in the final quarter of 2020, is expected to rise from a reading of plus 5 in the first quarter of this year to 16 in the second, according to forecasts compiled by Bloomberg. The economic resurgence in the US and China, Japan's main export markets, is expected to be the main driver.

By contrast, the survey's non-manufacturers' index, which takes in service companies, is expected to inch up from minus 1 in the first quarter to plus 3 in the second, a sign of how hard the retail and travel sectors have been hit by Covid-19 restrictions. *Robin Harding*

Output prices for goods and services in the eurozone rose at the fastest pace on record
Purchasing managers' price sub-index



Below 50 = a majority of businesses reporting a contraction
Sources: IHS Markit; Refinitiv

How strong are price pressures in Europe?

The pace of price increases in the eurozone is expected to show a slight dip in data out on Wednesday, but economists think inflation will continue its upward march through the rest of the year.

Eurostat's flash eurozone inflation data for June will probably show a slight lull, even as the bloc emerges from lockdowns and its vaccination programme continues apace. A survey of business analysts by Bloomberg predicts inflation will come in at a year-on-year pace of 1.9 per cent.

But for the remainder of this year, most economists expect price growth to be on an upward trajectory, a view bolstered by an IHS survey that showed the proportion of businesses reporting price increases in June compared with the previous month rose to its highest level since records began two decades ago.

> 'We're definitely on the path towards healing, [but] there will be certain roadblocks that will hamper our progress towards full recovery'

Eurozone inflation exceeded the European Central Bank's target for the first time in more than two years in May, hitting 2 per cent. The IHS Markit survey released last week suggested price pressures had also picked up this month.

Reinhard Cluse, UBS economist, said inflation would peak at 2.6 per cent in November after a slight dip in the early summer, but noted the IHS survey signalled "that this year's inflation peak might be higher than forecasts assume".

The uptick in prices has been caused by shortages and supply chain bottlenecks, increased fuel and transport costs and upward pressures on wages.

Like their US peers, ECB policymakers say the inflation situation will be transient as the effects of pandemic restrictions work their way through economies. The bank forecasts headline inflation will drop to 1.4 per cent in 2023, as energy price rises wane.

Both the US and eurozone central banks "seem willing to not only tolerate temporarily higher headline inflation but also the beginnings of a wage-price spiral", noted Carsten Brzeski, economist at the bank ING. *Valentina Romei*

Media

Danish group to collectively bargain for Big Tech fees

RICHARD MILNE — OSLO
ALEX BARKER — LONDON

Denmark's media industry is pioneering a new bargaining tactic with Google and Facebook over payments for news, with newspapers, broadcasters and internet start-ups joining forces to negotiate with the tech groups as a copyright collective.

Almost 30 Danish media companies will meet on Friday for their first general assembly as a collective bargaining organisation in a move they hope can provide inspiration for other countries in Europe and beyond.

Anders Krab-Johansen, chief executive of newspaper group Berlingske Media and head of an informal network behind the alliance, told the Financial Times the co-operation meant tech giants would not be able to "divide and conquer us as usual".

He added: "What you see in most countries is that Google or Facebook negotiate particular deals with one or a few dominant media companies and they set the standard and the market has to follow. We would rather have a collective bargaining power, which gives us some size."

The Danish initiative, based on the EU copyright directive that gives news publishers the right to claim revenues for online use of their material, is the first in Europe to form a broad-based collective to pursue claims with tech companies.

The experiment, which mirrors the approach taken to licensing in the music industry, potentially has much broader significance for the news business as EU member states begin to interpret and apply the copyright directive.

> 'We would rather have a collective bargaining power, which gives us some size'

Google and Facebook are allocating hundreds of millions of dollars a year to pay for news around the world. But the funding is negotiated with publishers on a one-to-one basis and tied to specific news products so the tech groups can avoid systematic copyright charges for using content on their platforms.

The Danish groups joining forces include state broadcaster DR and its main private rival, TV2; the main newspaper groups of Berlingske and JP Politikens Hus; many local and specialist titles as well as internet start-up Zetland. The only big Danish media group missing is magazine publisher Egmont, a sign of how hard it is to reconcile the diverging interests of media companies.

The new group draws inspiration from a Scandinavian preference for collective bargaining but also Denmark's scepticism of big technology groups.

Google said it would "respect the way that Danish publishers choose to negotiate", adding that it had "already offered to start discussions with them, with the goal of reaching fair and reasonable agreements in line with the law".

Facebook, meanwhile, has sought to minimise its liability by stripping back the content posted when users share hyperlinks. In countries applying the EU copyright law, publishers' permission is required for anything more than the basic link to appear on the platform.

Pharmaceuticals

Edited genes delivered to organs for first time

HANNAH KUCHLER — LONDON

A US start-up has successfully treated the first patients using a Crispr gene-editing therapy directed inside the body to an internal organ.

The early trial data from Intellia Therapeutics, co-founded by Nobel Prize winner Jennifer Doudna, marked a breakthrough for Crispr-based treatments, showing scientists had overcome challenges that had previously restricted the technology's use to editing cells outside the body or in the eye.

The Boston-based start-up, working with biotech company Regeneron, treated transthyretin amyloidosis, a devastating disease in which a build-up of a problematic protein hits a patient's heart and nervous system, cutting their life expectancy.

John Leonard, Intellia's chief executive, said he was "super gratified" to see the positive results, which opened the door to treatments beyond the "tiny subset" of diseases for which Crispr-based treatments have been trialled.

"The allure and the promise of Crispr is this notion that you can change any gene, anyhow, anywhere in the genome, so long as you can get it there. And that last proviso is the key one," he said. "This is the first time Crispr has ever been infused into a patient . . . and the first time we've been able to target a gene successfully."

Crispr, which stands for clustered regularly interspaced short palindromic repeats, is a system used by bacteria to protect themselves against viruses. In 2012, Doudna and her French colleague, Emmanuelle Charpentier, discovered how to use it as a gene-editing tool.

> 'This is the first time Crispr has been infused into a patient . . . and been able to target a gene successfully'

Shares in Intellia have risen 233 per cent since it went public in 2016. The company is one of three with the original patents from the discoveries. The others are Crispr Therapeutics, which treated patients for sickle cell disease, and Editas Medicine, which is in trials to treat a form of inherited blindness.

Intellia is looking to edit bone marrow to treat blood-based diseases without transplanting cells, including working with the Bill & Melinda Gates Foundation to treat patients in Africa with sickle cell disease.

In its phase 1 trial, a Crispr treatment was inserted in a lipid nanoparticle, which was picked up in the blood by the same tissue that grabs cholesterol globules going to the liver. There, the one-off treatment inactivated the TTR gene and reduced the problem protein 87 per cent in patients on the highest dose. There were no serious side-effects by day 28.

Julian Gillmore, a professor of medicine at University College London who was the chief investigator on the phase 1 trial, has treated "ting" patients with this type of amyloidosis for 25 years, but for two decades there was little he could do for them.

In the past five years, he has been able to use gene silencers, but those treatments appeared to be less effective and required regular infusions.

"To have watched these patients get worse for so many years; I've known families for years totally decimated by this disease. It is incredible to see this revolution," he said.

Travel & leisure

Superyacht apartment sale a bet on recovery

ALICE HANCOCK — LONDON

With prices starting at €9.5m, backers of what will be the world's largest superyacht are offering 39 apartments for sale as they bet on resilient demand for exclusive luxury travel.

The 220 metre-long yacht is due to launch in 2024 and will provide buyers with "the intimacy of a private yacht alongside the chance to network in a vibrant community of like-minded owners", its investors said as they announced the €500m project.

The Somnio yacht will be more than 40m longer than the current record holder, the Azzam, owned by the Abu Dhabi royal family. The project has been spearheaded by Carl Le Souef, who founded one of Australia's largest skincare companies, Private Formula International, and now runs Somnio Global, a sustainability group.

Cruise liners and residential ships were forced into a shutdown last March after Covid outbreaks aboard liners prompted port officials to ban vessels from docking or made them quarantine offshore.

Protracted talks with governments over a restart, particularly in the US where health authorities have set rigorous requirements for cruise companies to resume operations, have meant ships have only recently begun to sail international itineraries.

Residential vessels have been a feature of the cruise market since 2002, when the Norwegian shipping magnate Knut Kloster launched ResidenSea, the first company to build a liner where people owned apartments on board, as opposed to buying cruise holidays.

Tony Peisley, an independent cruise industry analyst, said that although ResidenSea originally intended to build 10 ships, only The World was finished. In 2003, the company had to be refinanced with its apartment owners clubbing together to provide funding to ensure its survival. The vessel has 165 apartments, with penthouses selling for about €20m.

An artist's impression of the Somnio superyacht, due to launch in 2024

"The business model carries high capital and operational costs and other failed start-ups all found that it was tough to find enough buyers willing to pay the millions required upfront," Peisley said, adding that many of the super-rich preferred to own their own yachts.

Construction has started on the Somnio, with revenues from off-plan sales helping finance the rest of the build.

According to BOAT International, the specialist superyacht media group, sales of private yachts hit an all-time high in May as wealthy consumers sought ways to travel in spite of Covid-19 restrictions.

Apartments on board Somnio will cost upwards of €9.5m, with owners collectively deciding on an annual itinerary. The yacht will have a 10,000-bottle wine cellar and a beach club, as well hosting talks from scientists using onboard equipment to study marine environments.

How to Lead. Roxanne Varza, director, Station F

How a tech hub shifted its support online

Europe's biggest start-up space had to pivot to working with hundreds of founders remotely, writes *Jonathan Moules*

Roxanne Varza: 'I have never had a day at Station F that looked the same' — Wlad Simitch

Working remotely has been good for Roxanne Varza. But the coronavirus pandemic brought a new management challenge: how to turn Paris-based tech hub Station F, centred around a physical building, into a remote support service.

Six years ago, Varza received an email out of the blue from French billionaire businessman Xavier Niel that led to him offering her the job of running Station F, a former railway terminus in the centre of the French capital.

It has grown under Varza's leadership into Europe's largest hub for tech start-ups.

When she received the email, Varza, 36, was working with start-ups at Microsoft and knew Niel only a little through her previous roles as a charges d'affaires in the US office of the Invest in France agency and then as editor-in-chief for the French bureau of Techcrunch, the online IT industry publisher.

"He asked me whether I had trouble with jet lag and I didn't really know what he was getting at," she says.

"Then he asked me if I could go visit some comparable start-up spaces around the world and come back with some ideas.

He said, 'Well, if this project interests you what do you want to do?' And I said, 'Well, I'd like to do everything'. And he said, 'OK, well, why don't you?'"

Station F is now home to 1,000 start-up teams, providing meeting space for investors and laboratory space to make physical product prototypes on a scale unrivalled on the continent.

It also offers a roster of more than 30 start-up support programmes to help nurture the ambitions of its tenants, whose rent provides half of Station F's revenue. This enabled the operation to break even just 12 months after it opened in July 2017.

However, after six years of growth and success, the coronavirus pandemic meant Varza had to rethink how the hub could operate off-site.

We first talk over video during the first French lockdown, where she was temporarily based at a friend's holiday home in the Loire Valley. From the image on the screen, Varza seems relaxed. However, she also says she has many concerns about the months ahead.

"It's definitely tough," she says. "The problem really is that there's only so much that you can cut back on. We have had to cut most of our events and halt building-related projects, which actually is a sizeable investment for us. But there's really only so much money you can play with in this situation."

This new challenge pushed Varza to learn from Station F's entrepreneurs. Crisis is often a good time to start a new business, but success means keeping operations lean and focusing on matching costs to whatever revenues you can generate. "The message is the same for us as it is for the start-up teams, shifting from growth plans to crisis containment and remaining in operation until this passes," Varza says.

"We're actually just doing the same thing but scaling down. We're just really slowing down anything that's not urgent at the moment and just trying to reorganise the team."

With the physical site at Station F closed during the first lockdown, Varza made the meeting space for Station F members virtual, converting as many of the events as she could into online gatherings and providing support for the tenant entrepreneurs through video calls to their homes.

"We're still hosting a number of workshops online, we're especially trying to work with our start-ups to help them navigate the difficult time and talk to them. So, we've done a lot of online workshops and things like that."

Varza grew up in Palo Alto, in the heart of Silicon Valley, but says she had no interest in technology entrepreneurs during her childhood and had no ambitions to enter the tech sector while at school.

Her epiphany came when she graduated from university and got a job at the Invest in France agency in San Francisco. "The job involved talking to companies like Facebook and Twitter about setting up offices in France," Varza says. "As soon as I came in touch with these tech entrepreneurs it was infectious. They were so optimistic.

"Now I love talking about the tech too but it is really the stories that these people tell about building their businesses, and the ambition in their ideas, which is most important to me."

'We've seen start-ups that have seen an uptick in their business because [it] serves a need during the crisis'

She adds that she has also learnt to value the benefits of being surrounded by entrepreneurs at a time of crisis when people need to co-operate more closely.

"Our entire community has come together to share different offers," she says. "A lot of them provide their own products at free or reduced pricing to the Station F community."

Part of the challenge of managing Station F during the lockdown is balancing different needs of different start-up teams. The pandemic has been devastating for many small businesses, but Station F also contains new ventures that are developing services and products well suited to current circumstances.

"I have some start-ups that probably will be really negatively impacted and probably have to stop their activities, probably reduce their teams quite a bit.

"But we've seen others that have actually seen an uptick in their business because their business actually really serves a need during the crisis."

Station F has been able to remain sustainable by ongoing support from programme sponsors, including Facebook, Microsoft and Adidas, but has also had to cut its investments and focus on survival.

The need to keep switching roles is a necessity for entrepreneurs, building a business from scratch. It was the same with Station F before the Covid-19 lockdown happened, according to Varza.

"I have never had a day at Station F that looked the same," she says.

Varza had to manage her own time differently while working from home alongside her husband, Ning Li, co-founder of online home furnishings retailer Made.com, such as sharing childcare for their young daughter.

We speak again on video in 2021, after restrictions in France have been lifted sufficiently for Station F to readmit its start-up teams, although social distancing means that only a proportion of them can be in on any day.

It is hard to read Varza's mood because her expressions are now hidden by the mask she must wear indoors, but the return to the office has had an impact on her.

"The most difficult moments were not going into that first lockdown, but coming out of it and opening a massive space like this when you don't really have all the information you need from the government," she says.

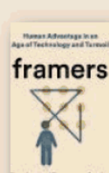
She is glad to be back in the office, but her home life is clearly also a support during this time.

"I know, in my mind, it's temporary and I know it's necessary, but when you start talking about the crisis nonstop, obviously, it brings everybody's mood down a little bit," she adds.

"It helps having an entrepreneur around the house, lifting your spirits."

Leadership
More interviews illuminating the personalities of high-profile leaders by focusing on the issues they faced ft.com/howtolead

Why humanity is an asset in an age of tech



Framers: Human Advantage in an Age of Technology and Turmoil,
by Kenneth Cukier and Viktor Mayer-Schönberger.
WH Allen, £20, 272 pages

Book review
by Andrew Hill

When it comes to trying to solve their problems, humans are increasingly opting for "the machine" or "the mob": on the one hand, the hyper-rationalism of algorithms, machine learning and artificial intelligence; on the other, gut instincts and emotion.

But by choosing either extreme, *Framers* warns, we deny our powerful and uniquely human cognitive capacity for framing: the "deliberate act of harnessing mental models to elicit options prior to making a decision".

The book mixes some familiar ingredients. Colourful stories of breakthrough research and innovation, from powered flight to gene-editing, a "how to" explanation of techniques for better decision-making, even an alliterative triad of chapter headings. The "three Cs" of causality, counterfactuals and constraints help people apply the right frame to a problem.

But *Framers* is different, and better, than the usual recipes for smart thinking. For one, it is much more tightly written. The examples are good and often original.

I had no idea that research suggests Nasa should assign to future long-range space missions one crew member with a prankster personality — a court jester or fool — to defuse tension and encourage novel thinking.

The authors do not waste space dragging out these stories. Instead, they stick closely to their argument that framing is an indispensable addition to that more frequently used problem-solving tool, human co-operation.

They point out that recent research has brought to the surface why using templates, or frames, a skill we develop as children, helps us to make better decisions.

Explaining the importance of causal reasoning, for instance, they shed light on the work of Princeton University's Tania Lombrozo, who has found that as humans explain the world, they learn more about it and develop better insights.

Similarly, by thinking up counterfactuals, we test potential outcomes and can avoid leaping to conclusions. The classic example was John F Kennedy's insistence that his advisers explore solutions to the Cuban missile crisis other than the bombing campaign his generals wanted.

More recently, as the early stages of the pandemic hit last year, many businesses found that scenario planning was essential in allowing them to feel their way forward through a previously unimagined crisis.

Cukier, an editor at The Economist, and Mayer-Schönberger, an Oxford professor of internet governance, seemed to put their money on hyper-rationalism in their 2013 book, *Big Data*, which speculated that data might eventually "be able to tell whether we're falling in love".

Here, in combination with another academic, Francis de Véricourt of Berlin's European School of Management and Technology, they put humans back into the machine.

In fact, they make plain that even the most impressive achievements of AI depend on human framing.

When OpenAI, a research organisation, developed a system in 2019 that could outplay the best human participants in the multiplayer online video game *Defense of the Ancients 2*, they did so by manually coding causal techniques used by humans.

Likewise, the popular AI music generator Coconet is capable of producing beautiful melodies and harmonies because it works with the "well-tempered" constraints of Bach, whose chorale harmonies were used to train it.

I wondered occasionally whether *Framers*' authors were simply applying their own new frame to established techniques rather than treading new ground. The term framing is standard in the social sciences, though thinkers such as Daniel Kahneman and Amos Tversky use it differently.

Hannah Arendt described how she used multiple frames, which she called "standpoints", to inform her view of the human condition after she escaped Nazi Germany.

What really distinguishes *Framers* from mundane decision-making manuals, though, are its last chapters on pluralism and vigilance, where Arendt appears, which warn of the dangers of forcing a single frame on to society.

"The only bad frame", Cukier, Mayer-Schönberger and de Véricourt write, "is one that denies other frames", an exception that they use to deplore totalitarianism, censorship and today's "cancel culture".

This final, hopeful section, makes a call for diversity, enlightenment and progressive human values to be set against the tyranny of mob and machine: "We are not buffeted by forces beyond our control. On the contrary, as framers we are armed with strategies to build the society we want."

The writer is the Financial Times management editor

MARKET DATA

WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

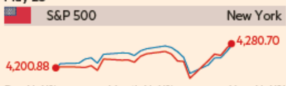
S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
No change	-0.06%	0.69%	0.37%	0.14%	0.66%	1.40%	0.46%	0.168%	0.072%	-0.068%	0.117%	0.85%	-0.38%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison

AMERICAS

May 26 - - Index All World

S&P 500 New York



Day NaN% Month NaN% Year NaN%

Nasdaq Composite New York

Day -0.06% Month 5.15% Year 43.36%

Dow Jones Industrial New York

Day 0.69% Month 0.35% Year 33.75%

May 26 - Jun 25 Index All World

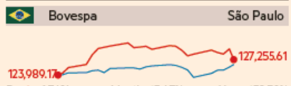
S&P/TSX COMP Toronto

Day 0.07% Month 3.40% Year 30.97%

IPC Mexico City

Day -0.02% Month 3.53% Year 33.96%

Bovespa São Paulo



Day -1.74% Month 3.47% Year 32.58%

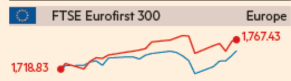
EUROPE

May 26 - Jun 25 Index All World

FTSE 100 London

Day 0.37% Month 1.51% Year 16.09%

FTSE Eurofirst 300 Europe



Day 0.14% Month 3.03% Year 25.80%

CAC 40 Paris

Day -0.12% Month 3.35% Year 35.96%

May 26 - Jun 25 Index All World

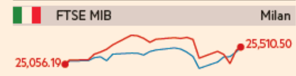
Xetra Dax Frankfurt

Day 0.12% Month 1.10% Year 29.06%

Ibex 35 Madrid

Day NaN% Month NaN% Year NaN%

FTSE MIB Milan



Day 0.35% Month 2.49% Year 33.12%

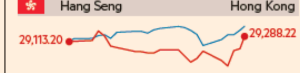
ASIA

May 26 - Jun 25 Index All World

Nikkei 225 Tokyo

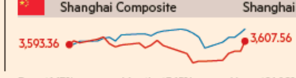
Day 0.66% Month 2.48% Year 28.99%

Hang Seng Hong Kong



Day 1.40% Month 3.11% Year 18.21%

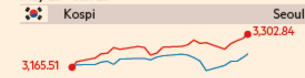
Shanghai Composite Shanghai



Day 1.15% Month 3.15% Year 21.08%

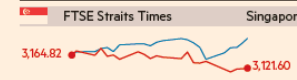
May 26 - Jun 25 Index All World

Kospi Seoul



Day 0.51% Month 5.04% Year 52.80%

FTSE Straits Times Singapore



Day 0.06% Month -0.11% Year 18.70%

BSE Sensex Mumbai

Day 0.43% Month 4.49% Year 51.78%

Country	Index	Latest	Previous
Argentina	Merval	65133.47	66933.06
Australia	All Ordinaries	7578.60	7539.10
	S&P/ASX 200	7308.00	7275.30
	S&P/ASX 200 Res	5464.30	5420.60
Austria	ATX	3481.60	3471.11
Belgium	BEL 20	4179.93	4149.61
	BEL Mid	9703.71	9682.88
Brazil	IBovespa	127255.61	129513.62
Canada	S&P/TSX 60	1213.50	1211.67
	S&P/TSX Comp	20230.26	20215.12
	S&P/TSX Div Met & Min	831.10	820.10
Chile	S&P/CLX IGPA Gen	21838.64	22180.83
China	FTSE A200	14219.89	13982.85
	FTSE B35	9000.71	8988.96
	Shanghai A	3781.40	3738.48
	Shanghai B	254.77	253.54
	Shanghai Comp	3607.56	3566.65
	Shenzhen A	2555.34	2527.36
	Shenzhen B	1191.96	1186.68
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1161.18	1161.73
Denmark	OMXC Copenahgen 20	1636.03	1636.86
Egypt	EGX 30	10278.86	10272.72
Estonia	OMX Tallinn	1656.02	1651.13
Finland	OMX Helsinki General	12436.81	12314.03
France	CAC 40	6622.87	6631.15
	SBF 120	5181.62	5184.73
Germany	M-DAX	34470.05	34343.84
	TecDAX	3562.98	3536.81
	XETRA Dax	15607.97	15589.23
Greece	Athens Gen	907.76	909.84
	FTSE/ASE 20	2195.46	2199.28
Hong Kong	Hang Seng	29288.22	28882.46
	HS China Enterprise	10878.45	10677.31
	HSCC Red Chip	4086.20	4038.00
Hungary	Bux	48461.47	48610.40
India	BSE Sensex	52925.04	52699.00
	Nifty 500	13539.40	13468.25
Indonesia	Jakarta Comp	6022.40	6012.06
Ireland	ISEQ Overall	8373.62	8389.98
Israel	Tel Aviv 125	1765.94	1768.43
Italy	FTSE Italia All-Share	27975.53	27890.30
	FTSE Italia Mid Cap	47907.49	47908.41
	FTSE MIB	25510.50	25422.22
Japan	2nd Section	7685.14	7617.10
	Nikkei 225	29066.18	28875.23
	S&P Topix 150	1669.61	1656.53
	Topix	1962.65	1947.10
Jordan	Amman SE	2110.90	2101.30
Kenya	NSE 20	1890.30	1898.68
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1224.80	1194.80
Lithuania	OMX Vilnius	915.94	917.18
Luxembourg	LuxX	1554.42	1550.64
Malaysia	FTSE Bursa KLCI	1559.68	1555.71
Mexico	IPC	50549.86	50558.32
Morocco	MASI	12476.51	12514.51
Netherlands	AEX	733.14	732.70
	AEX All Share	1044.42	1043.68
New Zealand	NZX 50	12626.09	12586.89
Nigeria	SE All Share	37954.35	37804.46
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	47603.36	47962.54
Philippines	Manila Comp	6950.51	6886.00
Poland	Wig	67947.66	67745.39
Portugal	PSI 20	5087.01	5077.57
	PSI General	3741.51	3743.39
Romania	BET Index	11875.16	11686.38
Russia	Micex Index	3831.84	3823.44
	RTX	1672.08	1664.94
Saudi-Arabia	TADAWUL All Share Index	10919.68	10894.20
Singapore	FTSE Straits Times	3121.60	3119.62
Slovakia	SAX	365.28	365.28
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	66215.47	66263.49
	FTSE/JSE Res 20	64061.91	63671.66
	FTSE/JSE Top 40	60140.15	60188.42
South Korea	Kospi	3302.84	3286.10
	Kospi 200	440.40	438.38
Spain	IBEX 35	9095.00	9074.10
Sri Lanka	CSE All Share	7809.15	7742.14
Sweden	OMX Stockholm 30	2270.94	2242.24
	OMX Stockholm AS	916.66	905.27
Switzerland	SMI Index	11999.70	11993.64
Taiwan	Weighted Pr	17502.99	17407.96
Thailand	Bangkok SET	1582.67	1585.72
Turkey	BIST 100	116840.94	116315.98
UAE	Abu Dhabi General Index	6576.04	6642.96
UK	FT 30	2796.50	2789.50
	FTSE 100	7136.07	7109.97
	FTSE 4Good UK	6698.78	6675.40
	FTSE All Share	4067.79	4051.12
	FTSE techMARK 100	6856.67	6823.56
USA	DJ Composite	11424.20	11361.87
	DJ Industrial	34433.84	34196.82
	DJ Transport	14976.97	14982.47
	DJ Utilities	889.07	878.97
	Nasdaq 100	14345.18	14365.96
	Nasdaq Cmp	14360.39	14369.71
	NYSE Comp	16658.79	16558.62
	S&P 500	4280.70	4266.49
	Wilshire 5000	45037.96	44886.57
Venezuela	IBC	4857.76	4897.32
Vietnam	VNI	1390.12	1379.72
Cross-Border	DJ Global Titans ($)	494.16	494.33
	Euro Stoxx 50 (Eur)	4120.66	4122.43
	Euronext 100 ID	1282.90	1283.01
	FTSE 4Good Global ($)	10538.43	10509.24
	FTSE All World ($)	475.98	473.82
	FTSE E300	1767.43	1765.01
	FTSE Eurotop 100	3322.33	3318.00
	FTSE Global 100 ($)	2783.42	2782.79
	FTSE Gold Min ($)	2164.11	2176.42
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	3039.61	3022.42
	FTSE World ($)	849.47	846.11
	FTSEurofirst 100 (Eur)	4558.76	4551.86
	FTSEurofirst 80 (Eur)	5674.07	5673.05
	MSCI ACWI Fr ($)	718.68	715.02
	MSCI All World ($)	3013.36	2998.00
	MSCI Europe (Eur)	1836.45	1819.03
	MSCI Pacific ($)	3194.82	3200.75
	S&P Euro (Eur)	1908.51	1906.92
	S&P Europe 350 (Eur)	1822.84	1821.15
	S&P Global 1200 ($)	3339.40	3326.74
	Stoxx 50 (Eur)	3545.17	3542.88

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Amazon.com	131.5	3401.46	-47.62
Apple	91.8	133.11	-0.30
Nike	70.6	154.35	20.75
Microsoft	66.0	265.02	-1.67
Linde	62.0	285.11	-0.02
Unitedhealth	61.2	404.95	6.08
Nvidia	52.5	761.24	-6.98
[illegible]			

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Royal Dutch Shell	234.7	1450.00	16.00
Astrazeneca	214.8	8499.00	84.00
Vodafone	208.8	123.00	-2.30
Anglo American	140.1	2966.50	42.50
Glencore	133.9	315.20	1.05
Rio Tinto	116.2	6062.00	62.00
Royal Dutch Shell	115.9	1494.40	11.80
[illegible]			

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Adidas Ag Na O.n.	378.7	311.35	18.85
Asml Holding	294.9	581.50	-0.60
Linde Eo 0,001	266.9	238.10	-2.15
Volkswagen Ag Vzo O.n.	193.3	215.95	-2.90
Royal Dutch Shella	189.4	17.54	0.11
Arcelormittal Sa	177.5	26.20	0.66
Siemens Ag Na O.n.	176.1	136.92	1.68
[illegible]			

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Softbank .	893.9	7931.00	69.00
Eisai Co.,	600.8	11765.00	-485.00
Toyota Motor	400.3	9849.00	25.00
Sony	324.5	10850.00	165.00
Fast Retailing Co.,	314.2	82710.00	-200.00
Hitachi,	302.9	6411.00	253.00
Tokyo Electron	260.4	48970.00	340.00
[illegible]			

[illegible]

UK MARKET WINNERS AND LOSERS

FTSE 100	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Anglo American	2966.50	9.2	22.4
Jd Sports Fashion	952.60	8.6	11.3
Ashtead	5410.00	8.1	55.1
Bhp	2160.00	7.2	10.2
Royal Dutch Shell	1450.00	6.4	14.3
British Land	518.80	6.1	2.6
Glencore	315.20	5.9	33.2
[illegible]			

FTSE 250	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Morrison (wm) Supermarkets	232.70	30.4	29.9
Chrysalis Investments	266.00	15.7	-
Liontrust Asset Management	1776.00	13.4	36.1
Travis Perkins	1762.00	11.6	33.6
Kainos	1460.00	9.4	17.2
Biffa	316.00	8.6	36.8
Ferrexpo	450.40	8.1	59.9
[illegible]			

FTSE SmallCap	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Harbour Energy	363.70	1683.7	-
Dignity	789.00	27.3	23.9
Motorpoint	355.00	13.4	22.4
Vitec (the)	1455.00	13.2	61.3
Kier	125.00	10.2	83.1
Esken	27.50	10.0	-8.2
Sig	56.05	9.6	73.9
[illegible]			

Industry Sectors	Jun 25 price(p)	%Chg week	%Chg ytd
Winners			
Industrial Transportation	4334.34	23.6	-
Health Care Equip.& Services	7484.10	21.2	20.1
Pharmaceuticals & Biotech.	17621.06	17.6	-1.0
Beverages	27317.11	15.4	37.2
Real Estate & Investment Servic	2802.93	14.3	18.9
Electronic & Electrical Equip.	11131.37	12.7	24.7
General Financial	13336.35	12.2	25.8
[illegible]			

Based on last week's performance. †Price at suspension.

CURRENCIES

[illegible]

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

[illegible]

FT 30 INDEX

[illegible]

FX: EFFECTIVE INDICES

[illegible]

FTSE GLOBAL EQUITY INDEX SERIES

[illegible]

FTSE SECTORS: LEADERS & LAGGARDS

[illegible]

FTSE 100 SUMMARY

[illegible]

UK STOCK MARKET TRADING DATA

[illegible]

Data provided by Morningstar | www.morningstar.co.uk

MORNINGSTAR

UK RIGHTS OFFERS

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

[illegible]

UK RECENT EQUITY ISSUES

[illegible]

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	+/-Week	52 Week High	52 Week Low	Yld	P/E	MCap m
[illegible]							
PetroChina♦	3.91	0.24	3.91	2.16	4.04	31.57	10628.99
PingAnIns	78.45	-0.30	103.60	75.70	3.20	8.10	75277.5
PngAnBnk	23.36	0.26	25.31	12.71	-	16.57	70229.62
Pwr Cons Corp	3.84	0.04	4.88	3.44	1.03	7.60	6629.92
SaicMtr	22.57	2.30	28.80	16.90	3.87	10.11	40852.62
ShenwanHong	0.07	0.00	0.10	0.03	-	-7.43	77.87
ShgPdgBk	10.08	0.04	12.69	9.22	5.91	5.73	45837.19
Sinopec Corp♦	4.13	0.00	4.69	2.95	5.54	5.94	13576.21
Sinopec Oil	2.01	0.01	2.37	1.67	-	84.45	4225.5
Denmark (kr)							
DanskeBk	113.30	2.35	125.60	80.28	1.75	10.81	15699.01
MollerMrsk	18250	455.00	18895	7516	0.77	19.87	27665.2
NovoB	511.00	-3.50	521.90	400.20	1.75	27.25	145567.65
[illegible]							
Tata Cons	3380.8	83.50	3399.65	2019.95	0.88	38.10	168552.49
Israel (ILS)							
TevaPha	33.49	-1.14	43.95	28.79	-	-2.82	11380.04
Italy (€)							
Enel	8.01	-0.05	9.05	6.73	4.25	31.06	97310.99
ENI	10.56	0.24	10.83	5.73	5.43	-4.19	45486.31
Generali	17.02	0.13	17.92	11.18	3.06	13.49	32150.46
IntSPaolo	2.39	0.04	2.49	1.38	-	18.70	55394.5
Unicred	10.42	0.40	11.04	6.09	-	37.95	27865.83
Japan (¥)							
AstellasPh	2009.5	70.00	2018.5	0.00	2.23	24.63	33773.51
Bridgestne	5162	96.00	5229	3078	2.33	-142.84	33257.59
Canon	2605	-30.50	2742	0.00	3.35	30.06	31364.97
[illegible]							
Takeda Ph	3758	1.00	4365	3239	5.23	29.98	53545.88
TokioMarine	5127	-32.00	5746	4436	4.15	22.45	32282.4
Toyota	9849	-381.00	10330	0.00	2.44	13.93	290112.94
Mexico (Mex$)							
AmerMvl	15.14	-0.64	16.30	12.71	2.45	13.21	34508.69
FEMSA UBD	167.77	-2.91	174.38	112.72	1.65	-122.82	18318.4
WalMrtMex	64.81	1.32	70.40	49.81	1.31	34.51	57174.74
Netherlands (€)							
ASML Hld	581.50	17.70	592.80	289.20	0.43	54.54	291530.07
Heineken	103.10	4.34	103.45	74.26	1.72	60.51	70972.06
ING	11.25	0.31	11.68	5.65	-	18.62	52498.53
Unilever	49.55	-0.59	53.66	43.00	0.75	26.11	180210.79
Norway (Kr)							
DNB	198.20	12.35	198.45	117.25	4.24	14.92	36259.21
Equinor	185.10	11.54	193.40	116.30	2.62	-23.80	70911.02
Telenor	144.85	1.05	161.45	138.25	6.05	13.19	23919.89
Qatar (QR)							
QatarNtBk	18.08	0.28	19.00	16.35	2.51	15.48	45865.06
Russia (RUB)							
Gzprm neft	276.63	7.63	13230.22	2.25	-	-	90679.02
Lukoil	6800.34	141.30	6800.34	3718.45	-	-	65241.24
MmcNrlskNckl	24527.03	-222.97	28011.97	343.80	-	-	53742.61
Novatek	1534.73	-24.84	13307.81	953.54	-	-	64523.96
Rosneft	565.00	37.00	39143.78	345.00	-	-	82913.47
Sberbank	312.28	2.87	568.52	2.82	-	-	93342.39
Surgutneftegas	38.00	0.75	43.50	30.34	-	-	18797.95
Saudi Arabia (SR)							
AlRajhiBnk	110.60	0.60	115.00	56.50	0.91	23.77	73729.4
NatnlcomBnk	57.20	2.60	59.50	35.60	-	14.71	45757.56
SaudiBasic	120.80	-1.40	128.20	86.10	3.11	5944.12	96634.86
SaudiTelec	131.00	0.60	139.80	94.00	3.08	23.57	69862.94
Singapore (S$)							
DBS	29.52	-0.38	30.60	19.45	4.09	13.67	56370.92
JardnMt US$	64.02	1.18	68.88	37.37	2.73	-58.78	46198.96
OCBC♦	11.86	-0.26	12.77	8.36	3.73	12.05	39564.67
SingTel	2.30	-0.01	2.63	2.00	5.63	21.34	28304.86
UOB	25.68	-0.26	26.84	18.85	3.78	14.79	32053.51
South Africa (R)							
Firstrand	53.35	0.40	59.82	35.52	2.67	21.60	21217.05
MTN Grp	104.00	0.27	109.41	52.16	3.34	11.37	13893.23
Naspers N	2915.83	-134.34	3888	2799.68	-	28.25	90030.22
South Korea (KRW)							
HyundMobis	292500	5000	405000	191000	1.45	16.89	24587.19
KoreaElePwr	25100	-1800.00	30050	18700	4.87	7.81	14288.64
SK Hynix	128500	2000	150500	71300	0.96	17.50	82954.96
SmsungEl	81600	700.00	96800	52000	3.88	20.10	431971.5
Spain (€)							
BBVA	5.43	0.21	5.55	2.13	-	11.18	43278.52
BcoSantdr	3.36	0.07	3.51	1.44	-	-7.23	69538.75
CaixaBnk	2.65	0.06	2.90	1.52	2.62	2.68	25528.23
Iberdrola	10.36	-0.38	12.57	10.01	4.03	26.34	79426.35
Inditex	30.79	0.31	32.85	20.86	1.17	84.20	114683.85
Repsol	11.06	0.32	11.55	5.04	7.00	-7.91	20185.18
Telefonica	3.93	-0.04	4.38	2.71	10.26	15.71	25566.87
Sweden (SKr)							
AtlasCpcoB	449.60	3.90	482.40	336.00	1.52	37.14	20713.52
Ericsson	106.50	-3.16	121.80	83.50	1.61	19.54	38631.87
H & M	201.70	-2.95	229.50	132.25	-	-189.88	34783.86
Investor	197.10	1.75	198.45	119.03	4.47	0.82	42397.38
[illegible]							
AscBrFd♦	2253	-28.00	2528	1618	-	44.53	24817.62
AstraZen	8499	115.00	10120	6499.8	2.42	38.70	149764.13
Aviva	417.10	2.30	426.60	247.40	3.12	8.73	23290.96
Barclays	174.84	2.98	210.45	88.90	-	12.96	41511.53
BP	325.50	10.10	336.95	188.52	5.81	-8.03	90266.14
BrAmTob	2786.5	-5.50	3175	207.50	7.55	9.99	72287.33
BT	204.20	4.25	206.70	94.68	-	13.99	28190.5
Compass	1537	-36.50	1721.63	1024.5	1.75	192.13	35170.93
Diageo	3484	24.50	3574.5	2253	2.01	71.84	122036.74
GlaxoSmh♦	1413.2	-10.20	1671.6	1190.8	5.66	13.56	96701.17
Glencore	315.20	17.65	339.40	150.59	-	-30.78	63262.59
HSBC	427.55	-1.85	462.55	281.50	2.51	20.34	119277.04
Imperial Brands	1562.5	-17.50	1686	1142	11.89	9.88	20734.85
LlydsBkg	47.22	0.79	59.94	23.59	-	18.89	47351.56
Natl Grid	923.20	-1.70	998.80	805.40	5.26	21.77	43116.53
Natwest Group	207.70	5.70	214.20	90.54	1.44	-59.34	34580.99
Prudential	1450	5.00	1598.5	861.00	1.58	24.29	52199.28
ReckittB	6410	-5.00	8020	5782	2.72	40.24	62807.2
RELX	1937.5	18.50	1961	1484.9	2.36	30.66	52118.86
RioTinto	6062	253.00	6876.26	4226.5	4.64	13.82	113127.31
RollsRoyce	106.50	-1.02	137.45	34.59	-	-2.01	2755.99
RylDShlA	1494.4	76.20	1718.36	878.10	3.16	-10.02	95588.71
StandCh	469.20	0.50	533.20	334.25	1.39	23.46	21522.88
Tesco♦	224.50	2.75	317.55	217.10	5.16	16.75	25575.97
Vodafone	123.00	-4.68	157.52	1.56	6.64	15.86	45650.08
WPP♦	1002.5	25.30	1024.46	558.00	1.00	-4.12	17660.73
United States of America ($)							
21stC Fox A	38.36	0.73	44.80	23.93	1.22	14.78	12541.35
3M	194.75	3.15	208.95	148.80	3.05	19.77	112891.71
AbbottLb	112.72	2.39	128.54	86.16	1.37	35.04	200283.17
Abbvie	112.98	-0.14	118.28	79.11	4.32	41.65	199547.8
Accenture	294.66	13.41	297.80	210.15	1.13	35.08	195982.71
Adobe	579.66	14.07	582.00	416.03	-	50.74	277077.48
AEP	84.77	2.42	94.21	74.80	3.43	18.39	42363.84
Aetna	-	-	-	-	-	-	-
Aflac	54.22	2.14	57.57	33.37	2.18	6.93	36851.56
AirProd	288.54	-4.16	327.89	230.73	1.93	33.90	63858.02
Alexion	182.74	2.05	183.05	99.91	-	58.83	40389.05
Allstate	130.78	6.74	140.00	84.97	1.68	7.42	39147.51
Alphabet	2450.17	47.95	2461.91	1351.65	-	32.38	736880.89
Altria	47.62	1.31	52.59	35.83	7.24	20.18	88127.38
Amazon	3401.46	-85.44	3554	2630.08	-	64.11	1715437.02
AmerAir	22.22	-0.07	26.09	10.63	-	-1.46	14251.53
AmerExpr	169.45	11.28	170.41	89.11	1.02	27.54	136119.67
AmerIntGrp♦	49.02	2.17	54.08	25.57	2.66	-7.00	42066.05
AmerTower	266.54	0.60	272.20	197.50	1.71	61.32	118555.95
Amgen	242.68	4.00	276.69	210.28	2.73	19.94	139432.76
Anthem	380.82	11.61	406.00	244.10	1.05	20.14	93240.22
Aon Cp	243.71	13.61	260.97	179.52	0.74	26.38	54992.49
Apple	133.11	2.65	145.09	87.82	0.62	29.53	2221290.56
Aptiv	155.77	8.50	160.14	73.36	0.14	22.98	42129.98
ArcherDan	61.46	0.80	69.30	37.54	2.38	16.56	34337.83
AT&T	28.89	0.24	33.88	26.35	7.26	-84.26	206274.6
AutomData♦	197.36	4.46	200.51	127.31	1.88	33.98	83980.3
Avago Tech	462.20	-1.30	495.14	303.00	2.93	52.73	189622.43
BakerHu	23.55	0.88	26.57	12.13	3.08	72.97	18224.02
BankAm	41.62	2.84	43.49	22.39	1.74	17.71	356655
Baxter♦	82.19	1.37	91.45	74.79	1.20	39.37	41329.41
BectonDick♦	241.20	0.66	284.97	219.50	1.35	42.79	70145.42
BerkshHat	419134	6405	445000	262700	-	6.40	267403.3
Biogen	347.93	-40.51	468.55	223.25	-	17.77	52382.51
BkNYMeln	50.99	2.77	52.90	32.65	2.48	13.08	44640.77
BlackRock	874.03	33.25	890.00	528.63	1.73	25.14	133312.65
Boeing	248.38	11.03	278.57	141.58	-	-11.90	145255.12
Booking Holdings	2281.66	39.05	2516	1532.83	-	132.23	93668.56
BrisMySq	66.74	0.27	67.96	56.67	2.84	-23.98	149019.99
CapOne	159.99	9.97	168.00	57.30	0.64	30.28	72233.78
CardinalHlth	57.28	1.23	62.96	44.65	3.45	12.10	16619.67
Carnival	28.13	-0.05	31.52	12.11	-	-2.04	27385.69
Caterpillar	216.31	7.45	246.69	120.80	1.92	34.32	118491.84
CharlesSch	73.78	3.95	76.37	31.63	0.98	32.23	133324.34
Charter Comms	721.29	35.69	722.10	498.08	-	40.52	136083.01
Chevron Corp	107.30	4.27	113.11	65.16	4.89	-35.61	206880.75
Chubb	162.29	6.28	179.01	111.93	1.94	13.07	72980.28
Cigna	237.10	5.13	272.81	158.84	0.43	10.17	81359.81
Cisco	53.06	0.99	55.35	35.28	2.75	21.91	223605.7
Citigroup	71.55	3.94	80.29	40.49	2.88	9.73	147897.25
CME Grp	218.12	7.41	221.82	146.89	1.59	36.51	78325.59
Coca-Cola♦	54.32	0.55	56.48	43.51	3.06	32.25	234210.49
Cognizant	70.49	2.17	82.73	53.99	1.27	26.95	37177.26
ColgtPlm	81.46	0.44	86.41	71.21	2.18	25.97	68912.62
Comcast	56.42	-0.29	59.11	37.77	1.68	22.11	258676.94
ConocPhil	61.31	3.78	62.35	27.53	2.81	-24.00	82732.85
Corning♦	40.90	2.20	46.82	25.11	2.22	29.60	34820.49
Costco	394.51	13.63	395.50	295.40	0.71	40.53	174400.68
CrownCstl	196.53	2.29	200.47	146.15	2.60	86.61	84938.23
CSX	95.91	1.16	104.87	65.37	1.11	26.94	72642.25
CVS	84.08	1.68	90.61	55.36	2.42	15.10	110697.03
Danaher♦	266.56	9.59	270.63	168.59	0.28	41.49	190131.61
Deere	349.99	21.02	400.34	148.19	0.88	31.60	109176.61
Delta	44.43	-0.53	52.28	24.38	-	-2.15	28419.51
Devon Energy	29.76	3.01	31.99	7.73	1.44	-4.31	20144.54
DiscFinServ	123.57	9.46	125.38	45.40	1.45	33.72	37674.95
Disney	178.35	5.93	203.02	108.02	-	-64.42	324049.83
DominRes	75.11	0.29	86.95	67.85	4.22	20.80	60578.04
DukeEner	99.72	0.11	108.00	77.58	3.90	57.29	76706.51
DuPont	76.54	0.11	87.27	50.75	1.58	-32.86	40730.17
Eaton	146.69	7.43	149.38	82.44	2.03	40.86	58455.97
eBay	67.90	4.64	68.19	45.36	0.98	17.76	46257.67
Ecolab	207.48	2.47	230.00	181.25	0.92	67.68	59326.29
Emerson	96.00	3.73	99.09	58.67	2.13	27.34	57571.2
EOG Res	87.65	8.34	87.99	31.22	1.64	-82.80	51152.99
EquityResTP	78.57	0.94	82.05	45.43	3.09	46.35	29385.6
Exelon	44.63	0.08	47.36	33.97	3.49	21.81	43611.33
ExxonMb	64.66	4.26	64.93	31.11	5.48	-12.10	273740.63
Facebook	341.37	11.71	344.90	207.11	-	28.98	817938.61
Fedex	291.95	6.63	319.90	129.28	0.89	26.01	77466.62
FordMtr	15.19	0.67	16.46	5.74	-	15.21	59556.84
Franklin	33.18	1.75	35.94	17.97	3.34	20.90	16733.43
GenDyn	189.81	4.66	197.51	129.17	2.34	17.03	53639.89
GenElectric	13.16	0.38	14.42	5.93	0.31	-121.13	115526.92
GenMills	59.63	-0.13	66.14	53.96	3.34	14.54	36372.59
GenMotors	60.30	1.54	64.30	23.33	0.64	13.68	87475.45
GileadSci♦	67.88	1.27	78.94	56.56	4.08	666.83	85133.61
GoldmSchs♦	368.77	19.94	393.26	185.52	1.38	14.64	125294.1
Halliburton	23.94	1.95	25.00	10.60	0.76	-11.93	21299.87
HCA Hold♦	207.62	6.26	217.36	91.21	0.23	15.39	68650.69
Hew-Pack	29.71	1.04	36.00	15.99	2.46	12.37	35689.3
HiltonWwde	124.48	0.76	132.69	69.83	0.12	-47.40	34671.88
HomeDep	313.63	11.02	345.69	240.25	1.94	25.92	333469.74
Honywell	218.74	6.24	234.02	137.53	1.69	33.17	151927.09
HumanaInc	441.71	18.21	475.44	365.06	0.59	15.56	56966.96
IBM	146.84	3.72	152.84	105.92	4.48	24.76	131204.89
IllinoisTool	222.93	3.37	242.07	166.42	2.03	31.72	70419.74
Illumina	474.66	18.50	555.77	260.42	-	109.97	69300.36
Intcntl Exch	119.32	6.56	121.97	90.01	1.04	31.64	67149.21
Intel	55.91	0.24	68.49	43.61	2.41	12.46	225764.58
Intuit	486.09	12.69	490.19	280.99	0.47	72.69	132828.6
John&John	164.21	2.23	173.65	133.65	2.48	28.77	432429.96
JohnsonCn	67.09	2.65	68.33	32.70	1.58	51.97	48084.42
JPMrgnCh	154.05	6.13	167.44	90.78	2.36	12.12	466329.09
Kimb-Clark♦	133.07	4.38	160.16	128.02	3.30	19.78	44902.02
KinderM	18.29	0.63	19.29	11.45	5.79	22.39	41419.22
Kraft Heinz	40.69	0.19	44.95	28.56	3.97	91.70	49769.87
Kroger	39.21	0.46	42.99	30.35	1.76	11.83	29685.93
L Brands	72.27	9.49	73.25	13.18	0.42	23.77	20005.88
LasVegasSd	52.68	-0.32	66.77	42.58	-	-21.41	40245.66
LibertyGbl	28.42	1.51	29.07	18.73	-	-10.34	5125.75
Lilly (E)	230.22	11.67	239.37	129.21	1.34	34.17	220786.84
Linde	285.11	3.09	305.71	204.02	1.40	51.50	148265.67
Lockheed	382.01	2.82	402.38	319.81	2.64	15.16	106173.56
Lowes	192.66	5.78	215.22	128.93	1.21	24.53	136189.45
Lyondell	101.92	1.57	118.02	60.04	4.16	14.40	34077.36
Marathon Ptl	62.55	3.68	64.84	26.56	3.74	-20.81	40623.24
Marsh&M	139.70	5.39	141.40	102.11	1.34	31.70	71041.91
MasterCard	379.61	12.19	401.50	281.20	0.44	57.73	373120.59
McDonald's	232.42	2.80	238.18	178.88	2.21	36.19	173425.83
McKesson♦	191.34	6.45	204.66	139.77	0.88	-7.04	30267.36
Medtronic	124.93	1.70	132.30	87.68	1.85	57.89	168414.74
Merck	77.20	0.59	87.80	15.32	3.27	27.28	195474.91
Metlife	61.02	2.72	67.68	34.82	3.04	48.04	53417.82
Microsoft	265.02	5.59	267.85	193.55	0.81	35.80	1996017.89
Mnstr Bvrg	92.12	0.36	99.24	67.37	-	34.28	48691.15
MondelezInt	63.18	1.04	64.37	49.92	1.96	23.73	88749.66
Monsanto	9.68	-0.02	10.00	9.51	-	-	242.00
MorganStly	88.40	4.31	94.27	45.86	1.60	11.47	164476.06
Netflix	527.07	26.30	593.29	432.14	-	63.27	233704.28
NextEraE	73.86	0.58	87.69	58.44	1.96	34.71	144872.33
Nike♦	154.35	25.94	154.59	93.57	0.67	72.81	196789.43
NorfolkS	265.85	4.42	295.14	166.00	1.45	29.19	66526.57
Northrop	373.31	6.12	379.03	282.88	1.57	13.55	60088.43
NXP	204.17	11.07	216.43	106.75	0.83	134.07	56299.94
Occid Pet	32.91	4.92	33.01	8.52	2.54	-2.07	30718.81
Oracle	78.46	2.23	85.03	53.54	1.22	18.91	219060.32
Pepsico♦	146.41	0.99	149.27	128.05	2.82	26.88	202284.63
Perrigo	46.88	0.60	58.83	38.20	1.95	-38.70	6260.78
Pfizer	38.98	0.17	43.08	29.95	3.97	30.88	218198.11
Phillips66	90.04	5.87	94.34	43.27	4.03	-18.26	39425.55
PhilMorris	99.04	-0.46	100.95	68.37	4.86	17.73	154357.5
PNCFin	193.36	15.03	203.88	97.09	2.40	21.62	82150.61
PPG Inds	167.21	-0.91	182.97	100.14	1.28	33.16	39644.02
ProctGmbl	134.92	2.89	146.92	115.04	2.36	24.59	330315.57
Prudntl	104.33	6.71	109.17	57.11	4.29	-102.50	41106.02
PublStor♦	304.75	6.39	305.59	183.22	2.65	45.10	53324.59
Qualcomm	137.65	4.65	167.94	86.68	1.90	19.58	155269.2
Raytheon	86.72	0.80	89.98	51.92	2.21	-37.55	131388.59
Regen Pharm	550.55	12.63	664.64	441.00	-	15.52	57639.74
S&P Global	412.36	21.65	412.93	303.50	0.68	40.25	99331.93
Salesforce	241.87	-0.91	284.50	180.00	-	54.50	223971.62
Schlmbrg♦	33.35	2.06	36.87	13.70	1.51	-16.21	46634.39
Sempra Energy	137.47	-0.30	144.93	112.16	3.10	20.52	41620.51
Shrwin-Will	273.99	5.83	293.05	184.34	0.70	35.19	72867.53
SimonProp	131.07	5.74	136.70	59.03	4.66	35.87	43060.61
SouthCpr	64.42	4.94	83.29	37.17	2.66	23.31	49801.38
Starbucks	113.04	3.34	118.98	71.06	1.53	131.87	133081.99
StateSt	83.23	4.38	89.28	56.63	2.52	13.60	28944.75
Stryker	263.00	8.09	268.04	171.75	0.92	70.67	99084.69
Sychrony Fin	49.80	3.66	50.96	21.04	1.78	13.91	28963.62
T-MobileUS	145.34	0.64	148.70	103.43	-	71.70	181218.31
Target	240.55	10.02	241.74	116.73	1.13	27.48	119005.82
TE Connect	133.80	4.64	139.58	76.59	1.45	42.25	44184.05
Tesla Mtrs	671.87	48.56	900.40	187.43	-	659.62	647232.83
TexasInstr	188.17	5.10	197.58	122.35	2.06	28.27	173779.42
TheTrvelers♦	151.72	6.96	162.71	105.67	2.26	13.60	38152.31
ThrmoFshr	492.87	10.40	532.57	343.19	0.19	24.60	193711.65
TJX Cos	67.53	4.16	74.65	48.73	0.35	952.02	81474.08
Truist Financial Corp	56.13	3.32	62.69	33.47	3.23	16.71	75486.16
UnionPac	221.27	6.46	231.26	162.13	1.77	28.38	146990.22
UPS B	205.61	7.84	219.59	107.16	2.00	131.17	148721.25
USBancorp	57.85	3.11	62.47	34.01	2.93	15.14	86177.87
UtdHlthcre	404.95	15.58	425.98	285.82	1.21	24.82	382152.17
ValeroEngy	82.09	6.07	84.95	35.44	4.82	-117.97	33555.12
Verizon	56.38	0.56	61.95	52.85	4.47	12.23	233417.01
VertexPharm	194.34	6.49	306.08	185.33	-	18.37	50307.95
VF Cp	82.88	3.21	90.79	56.70	2.37	-177.01	32518.48
ViacomCBS	43.82	3.79	101.97	21.67	2.23	11.54	26536.79
Visa Inc	237.32	6.91	238.48	179.23	0.53	48.62	401499.43
Walgreen	52.16	1.32	57.05	33.36	3.55	-73.72	45086.81
WalMartSto	138.53	3.36	153.66	118.02	1.58	28.78	388181.28
WellsFargo	46.38	4.63	48.13	20.76	1.76	31.72	191715.05
Williams Cos♦	26.78	0.72	28.35	18.04	6.06	27.95	32531.34
Yum!Brnds	117.25	2.61	122.73	84.17	1.63	39.18	34928.91
Venezuela (VEF)							
Bco de Vnzla	414990	-10.00	500000	6999.99	174.97	-	476.02
Bco Provncl	5200000	100000	6900000	450000	-	-15.75	176.35
Mrcntl Srvcs	5664000	564000	6600000	497000	0.02	2.53	108.46

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Nike	154.35	133.60	20.75	15.53	25.94	20.2	14.91
Occid Pet	32.91	31.74	1.17	3.69	4.92	17.6	33.67
L Brands	72.27	72.14	0.13	0.18	9.49	15.1	8.56
SaicMtr	22.57	21.99	0.58	2.64	2.30	11.3	12.96
Devon Energy	29.76	29.74	0.02	0.07	3.01	11.3	15.35
WellsFargo	46.38	45.18	1.20	2.66	4.63	11.1	0.63
EOG Res	87.65	86.09	1.56	1.81	8.34	10.5	11.40
ViacomCBS	43.82	42.87	0.95	2.22	3.79	9.5	7.14
Halliburton	23.94	23.80	0.14	0.59	1.95	8.9	9.12
PNCFin	193.36	189.18	4.18	2.21	15.03	8.4	0.87
SouthCpr	64.42	63.66	0.76	1.19	4.94	8.3	-3.84
DiscFinServ	123.57	120.63	2.94	2.44	9.46	8.3	8.11
ValeroEngy	82.09	81.73	0.36	0.44	6.07	8.0	6.16
Sychrony Fin	49.80	49.00	0.80	1.63	3.66	7.9	7.65
Tesla Mtrs	671.87	679.82	-7.95	-1.17	48.56	7.8	11.11
Hngzh HikVDT	63.51	63.40	0.11	0.17	4.37	7.4	-2.29
eBay	67.90	66.57	1.33	2.00	4.64	7.3	10.77
BankAm	41.62	40.83	0.79	1.93	2.84	7.3	-0.93
AmerExpr	169.45	168.21	1.24	0.74	11.28	7.1	7.24
ExxonMb	64.66	64.52	0.14	0.22	4.26	7.1	10.99

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
Woolworths	36.78	37.75	-0.97	-2.57	-6.57	-15.2	-11.59
Biogen	347.93	349.16	-1.23	-0.35	-40.51	-10.4	27.24
CSR	3.48	3.50	-0.02	-0.57	-0.28	-7.4	4.18
KoreaElePwr	25100.00	24750.00	350.00	1.41	-1800.00	-6.7	0.80
Ambev	17.55	17.95	-0.40	-2.23	-1.21	-6.4	-0.34
Cielo	3.68	3.74	-0.06	-1.60	-0.25	-6.4	-10.02
CmwBkAu	99.26	98.65	0.61	0.62	-6.65	-6.3	0.51
Ch OSLnd&Inv	18.34	18.34	0.00	0.00	-1.12	-5.8	-0.97
CSL	285.13	286.61	-1.48	-0.52	-17.09	-5.7	-1.43
RelianceIn	2104.45	2153.50	-49.05	-2.28	-121.20	-5.4	5.98
MediaTek	927.00	940.00	-13.00	-1.38	-51.00	-5.2	-1.70
MitsubEst	1837.00	1834.00	3.00	0.16	-89.50	-4.6	2.51
Naspers N	2915.83	2940.14	-24.31	-0.83	-134.34	-4.4	-3.05
Westpc	25.89	25.83	0.06	0.23	-1.05	-3.9	-0.35
Toyota	9849.00	9824.00	25.00	0.25	-381.00	-3.7	11.48
Vodafone	123.00	125.30	-2.30	-1.84	-4.68	-3.7	-3.83
AmerMvl	15.21	15.32	-0.11	-0.72	-0.57	-3.6	2.01
Iberdrola	10.36	10.47	-0.12	-1.10	-0.38	-3.5	-9.68
Volvo	215.55	214.80	0.75	0.35	-7.60	-3.4	0.87
ANZ	28.28	28.04	0.24	0.86	-0.95	-3.3	0.43

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Jun 25	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Jun 25	Red date	Coupon	S*	M*	F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

Jun 25	Rate	Current	Since	Last	Mnth Ago	Year Ago
US	Fed Funds	1.50-1.75	27-09-2018	1.00	1.75-2.00	1.25-1.50
US	Prime	3.25	27-09-2018	3.25	5.00	4.25
US	Discount	2.25	27-09-2018	0.75	2.50	1.75
Euro	Repo	0.00	16-03-2016	0.00	0.00	0.00
UK	Repo	0.10	02-08-2018	0.10	0.50	0.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00	0.00--0.10	0.00--0.10
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75--0.25	-1.25--0.25	-1.25--0.25

INTEREST RATES: MARKET

Jun 25 (Libor: Jun 24)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	0.08500	0.000	0.030	0.004	0.09500	0.14600	0.16525	0.24763
Euro Libor	-0.57971	0.001	0.004	-0.001	-0.57886	-0.54214	-0.52557	-0.48729
£ Libor	0.04100	0.000	0.000	0.000	0.05488	0.08125	0.11463	0.18313
Swiss Fr Libor				-0.004	-0.80600	-0.75380	-0.70860	-0.59060
Yen Libor				0.000	-0.06667	-0.07933	-0.06467	0.04650
Euro Euribor				-0.005	-0.55800	-0.53800	-0.50800	-0.47800
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.000	0.14000	0.19000	0.22000	
Euro CDs				0.000	-0.53000	-0.49000	-0.52000	

Jun 25	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	-0.74	-0.44	-0.75	-0.45	-0.68	-0.38	-0.64	-0.34	-0.67	-0.37	-0.66	-0.36
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	0.11	0.31	0.02	0.22	0.04	0.24	0.09	0.29	0.12	0.32	0.18	0.38
Japanese Yen	-0.10	0.00	-0.10	0.00	-0.10	0.10	-0.10	0.10	-0.15	0.15	-0.15	0.15

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	220.70	0.28	-0.96	-2.94	-0.48	4.74
Corporates(£)	396.93	-0.20	0.48	-2.91	0.56	2.37
Corporates($)	336.92	0.06	1.08	-1.35	1.08	-1.35
Corporates(€)	242.51	-0.10	0.24	-0.68	0.31	3.21
Eurozone Sov(€)	254.21	-0.39	-0.07	-3.53	0.07	-0.67
Gilts(£)	355.67	-0.40	0.22	-6.21	0.38	-7.42
Global Inflation-Lkd	314.15	0.11	-0.89	-0.11	-0.07	8.06
Markit iBoxx £ Non-Gilts	383.71	-0.19	0.38	-2.84	0.45	1.24
Overall ($)	278.34	0.04	0.71	-2.22	0.71	-2.22
Overall(£)	359.44	-0.35	0.26	-5.30	0.40	-5.09
Overall(€)	247.05	-0.29	0.00	-2.72	0.12	0.01
Treasuries ($)	254.68	0.03	0.54	-2.93	0.54	-2.93
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	699.26	-4.68	-	-	8.64	13.64
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	224.88	-2.51	-14.78	-27.12	273.86	224.88
Europe 5Y	45.63	-0.52	-2.75	-5.47	55.28	45.63
Japan 5Y	45.24	0.00	0.41	-1.26	49.50	44.56
Senior Financials 5Y	52.97	-0.45	-3.09	-6.50	64.29	52.91
Markit CDX						
Emerging Markets 5Y	151.89	-3.73	-3.90	-8.04	191.34	148.48
Nth Amer High Yld 5Y	273.30	-3.14	-8.03	-16.27	316.77	273.30
Nth Amer Inv Grade 5Y	47.99	-0.77	-1.65	-3.10	58.09	47.99

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	Jun 25	Day Chng	Prev	52 wk high	52 wk low
VIX	15.62	-0.35	15.97	41.16	14.19
VXD	14.49	-0.84	15.33	51.68	7.84
VXN	19.31	-0.29	19.60	47.63	19.00
VDAX	17.24	-0.67	17.91	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility. ‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	11/22	2.25	103.12	0.01	0.00	0.00	-0.03	-0.25
	05/32	1.25	96.38	1.61	0.01	-0.08	-0.13	0.58
Austria	05/34	2.40	128.21	0.19	-0.01	0.00	-0.07	0.19
	02/47	1.50	122.16	0.57	-0.01	-0.01	-0.09	0.27
Belgium	10/23	0.20	101.95	-0.63	0.00	0.00	-0.01	-0.07
Canada	11/22	2.00	102.40	0.26	0.01	0.07	0.06	0.00
	06/30	1.25	99.12	1.35	-0.02	0.01	-0.12	0.80
Denmark	11/22	0.25	101.08	-0.53	0.00	-0.01	-0.01	0.02
	11/30	0.10	113.73	-1.27	0.00	0.01	0.01	-0.16
Finland	04/23	1.50	103.88	-0.64	0.01	0.01	0.00	-0.08
	04/31	0.75	107.56	-0.02	0.00	0.00	-0.10	0.13
France	05/23	1.75	104.56	-0.62	0.00	0.01	0.01	-0.04
	05/27	1.00	107.73	-0.29	0.00	0.01	-0.05	0.06
Germany	-	-	-	-	-	-	-	-
	08/23	2.00	105.79	-0.69	0.00	0.02	0.00	0.02
	02/27	0.25	104.44	-0.52	0.00	0.03	-0.04	0.11
	08/50	0.00	91.53	0.30	-0.01	0.01	-0.11	0.29
Greece	02/27	4.30	121.37	0.46	0.01	0.05	-0.17	-1.00
Ireland	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	10/22	0.00	100.76	-0.57	-0.01	-0.01	-0.02	-0.09
Italy	08/22	0.90	101.43	-0.40	0.00	0.05	-0.03	-0.51
	11/25	2.50	110.70	0.05	-0.02	0.06	-0.11	-0.69
	05/31	6.00	149.29	0.79	-0.03	0.03	-0.17	-0.59
	03/48	3.45	135.22	1.78	-0.02	0.04	-0.12	-0.42
Japan	04/23	0.05	99.93	0.09	0.00	0.01	0.01	0.03
	06/27	0.10	101.07	-0.08	0.01	0.00	-0.02	0.02
	06/34	1.50	116.85	0.19	0.00	-0.02	-0.02	-0.03
	12/49	0.40	93.68	0.64	0.00	-0.02	-0.01	0.07
Netherlands	07/23	1.75	105.04	-0.69	0.00	0.01	-0.01	-0.09
	07/26	0.50	105.06	-0.49	0.00	0.01	-0.04	0.02
New Zealand	04/27	4.50	118.23	1.23	-0.01	0.04	0.04	0.58
	05/31	1.50	97.26	1.80	-0.01	0.00	-0.02	0.84
	05/31	1.50	97.26	1.80	-0.01	0.00	-0.02	0.84
Norway	[illegible]							
Portugal	[illegible]							
Spain	[illegible]							
Sweden	[illegible]							
Switzerland	[illegible]							
United Kingdom	[illegible]							
United States	[illegible]							

GILTS: UK CASH MARKET

Jun 25	Price £	Red Yield	Change in Yield Day	Week	Month	Year	52 Week High	52 Week Low	Amnt £m
Tr 3.75pc '21	100.72	0.04	33.33	0.00	33.33	300.00	102.75	100.00	29.00
Tr 4pc '22	102.75	0.03	0.00	-25.00	-400.00	-150.00	106.90	102.75	38.77
Tr 0.125pc '23	100.08	0.07	16.67	-46.15	40.00	-333.33	100.60	100.00	33.82
Tr 0.125pc '24	99.80	0.20	5.26	-9.09	25.00	-433.33	104.35	99.72	34.12
Tr 5pc '25	117.42	0.26	8.33	-3.70	30.00	-750.00	123.75	117.42	35.84
Tr 0.125pc '26	98.89	0.37	5.71	-2.63	5.71	3600.00	101.14	98.61	33.89
Tr 1.25pc '27	104.54	0.49	4.26	0.00	0.00	4800.00	109.23	104.13	39.34
Tr 0.875pc '29	101.32	0.71	4.41	1.43	-4.05	491.67	107.70	100.42	41.87
Tr 4.25pc '32	134.89	0.90	4.65	2.27	-4.26	233.33	147.41	133.57	38.71
Tr 4.25pc '36	142.99	1.08	3.85	3.85	-3.57	151.16	158.28	140.76	30.41
Tr 4.5pc '42	161.33	1.24	3.33	5.08	-3.13	117.54	182.64	157.72	27.21
Tr 3.75pc '52	163.74	1.26	3.28	5.88	-3.08	125.00	192.63	158.62	24.10
Tr 4pc '60	186.23	1.20	3.45	7.14	-2.44	140.00	223.93	179.62	24.12

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices Fixed Coupon	Jun 25	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	87.91	-0.04	2473.03	-0.15	-0.66	0.22
2 5 - 10 Years	179.31	-0.18	3701.66	0.03	-3.36	0.63
3 10 - 15 Years	211.50	-0.36	4664.64	0.41	-5.79	1.01
4 5 - 15 Years	186.40	-0.24	3938.04	0.17	-4.11	0.81
5 Over 15 Years	358.29	-0.80	5953.76	0.82	-12.50	1.23
7 All stocks	181.03	-0.42	3920.87	0.36	-7.12	1.09

Index Linked	Jun 25	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	305.12	-0.02	0.17	0.32	2536.48	0.17	1.64
2 Over 5 years	817.90	-0.53	0.97	-4.59	6195.68	0.97	-4.24
3 5-15 years	506.59	-0.15	0.30	-2.29	4050.67	0.30	-1.55
4 Over 15 years	1078.30	-0.66	1.20	-5.49	7947.31	1.20	-5.28
5 All stocks	727.89	-0.48	0.88	-4.23	5617.87	0.88	-3.79

Yield Indices	Jun 25	Jun 24	Yr ago		Jun 25	Jun 24	Yr ago
5 Yrs	0.39	0.37	-0.11	20 Yrs	1.27	1.23	0.60
10 Yrs	0.87	0.83	0.19	45 Yrs	1.16	1.12	0.47
15 Yrs	1.15	1.11	0.48				

Real yield	inflation 0% Jun 25	Dur yrs	Previous	Yr ago	inflation 5% Jun 25	Dur yrs	Previous	Yr ago
Up to 5 yrs	-2.79	2.82	-2.79	-2.43	-3.17	2.82	-3.18	-2.81
Over 5 yrs	-2.15	23.75	-2.17	-2.37	-2.17	23.81	-2.19	-2.39
5-15 yrs	-2.49	9.39	-2.50	-2.73	-2.59	9.40	-2.61	-2.83
Over 15 yrs	[illegible]							
All stocks	[illegible]							

See FTSE website for more details www.ftse.com/products/indices/gilts

©2018 Tradeweb Markets LLC. All rights reserved. The Tradeweb FTSE Gilt Closing Prices information contained herein is proprietary to Tradeweb; may not be copied or re-distributed; is not warranted to be accurate, complete or timely; and does not constitute investment advice. Tradeweb is not responsible for any loss or damage that might result from the use of this information.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar, its suppliers, or the FT. Neither the FT, nor Morningstar's suppliers, warrant or guarantee that the information is reliable or complete. Neither the FT nor Morningstar's suppliers accept responsibility and will not be liable for any loss arising from the reliance on the use of the listed information. For all queries e-mail ft.reader.enquiries@morningstar.com

Data provided by Morningstar | www.morningstar.co.uk

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jul	73.97	0.62	Corn♦	Jul	637.75	-15.75
Brent Crude Oil‡		76.09	0.49	Wheat♦	Jul	634.75	-15.75
RBOB Gasoline†	Jun	2.26	-0.02	Soybeans♦	Jul	1329.50	-41.00
Heating Oil†		-	-	Soybeans Meal♦	Jul	347.70	1.40
Natural Gas†	Jun	3.51	0.09	Cocoa (ICE Liffe)⊕	Jul	1595.00	7.00
Ethanol♦		-	-	Cocoa (ICE US)♥	Jul	2352.00	38.00
Uranium†		-	-	Coffee(Robusta)⊕	Jul	1700.00	59.00
[illegible]							

BONDS: INDEX-LINKED

	Price Jun 24	Yield Jun 24	Yield Prev	Month return	Value stock	Market stocks	No of stocks
Can 4.25%' 26	129.23	-0.978	-0.978	-0.67	5.00	77542.39	7
Fr 1.10%' 22	103.65	-2.191	-2.191	-0.09	19.85	266166.63	17
Swe 0.25%' 22	110.29	-0.723	-0.723	0.05	22.50	216725.88	7
UK 1.875%' 22	108.29	-3.803	-3.803	0.42	15.74	808036.91	31
UK 2.50%' 24	357.12	-2.916	-2.916	-0.07	6.82	808036.91	31
UK 2.00%' 35	292.23	-2.392	-2.392	0.05	9.08	808036.91	31
[illegible]							

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	[illegible]			Netherlands	[illegible]		
Austria	[illegible]			New Zealand	[illegible]		
Canada	[illegible]			Norway	[illegible]		
Denmark	[illegible]			Portugal	[illegible]		
Finland	[illegible]			Spain	[illegible]		
Germany	[illegible]			Sweden	[illegible]		
Ireland	[illegible]			Switzerland	[illegible]		
Italy	[illegible]			United Kingdom	[illegible]		
Japan	[illegible]			United States	[illegible]		

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

It's time to extinguish the 'burning platform'

Andrew Hill
Management

Fear can be a dangerously double-edged tool. If you have recently scrambled to book a coronavirus vaccination, you know how fear can prompt urgent, necessary action. On the other hand, if you have lived through multiple lockdowns, punctuated by dire government warnings, you know constant anxiety can be debilitating.

Yet leaders persist in trying to scare their staff out of comfy complacency. To do so they will often imply their organisation is standing on a "burning platform" and must jump or perish. The pandemic has reignited use of the illustration. In recent months, coronavirus has been invoked in exactly these terms as a trigger for UK tax reform, the shake-up of mental health services, the acceleration of digital higher education and the economic transformation of Singapore.

It is time to recognise that this cliché has finally run its course. It is inadequate, inappropriate and, as a way of motivating staff, potentially counterproductive.

The implication that change management is a matter of life or death was always in slightly dubious taste. Consultant Daryl Conner plucked the idea from television interviews with a survivor of the 1988 Piper Alpha disaster, which killed 167 oil rig workers, and included it in his bestseller *Managing at the Speed of Change*, from where it entered the management mainstream.

Even when executives do not use the metaphor itself, the truism that every crisis is an opportunity has convinced them to keep their companies at a constant rolling boil of angst about imminent disruption and disaster. "In my experience, that's the primary way in which CEOs drive change: implying that everything is going to collapse if we don't do something," says strategist John Hagel, author of a new book *The Journey Beyond Fear*.

Some 74 per cent of chief executives surveyed in 2019 by academic Constantinos Markides found the following statement to be true: "To create a sense of urgency, you have to make your people appreciate the imminent threat of disruption and the mortal danger the company is facing." In fact, Markides writes in *Organizing for the New Normal*, "nothing could be further from the truth".

I think there are a few exceptions. In 2011, Nokia's then chief executive Stephen Elop used the burning platform metaphor as a call to arms, warning staff, "We must decide how we are going to change our behaviour". Nokia was in a fix and he won plaudits for his frankness after years of smug superiority. But some critics claim he merely fuelled the flames that later consumed Nokia's devices business, closed off strategic options, and instilled a sense of despair among staff.

During the pandemic, chief executives have revelled in the speed with which they have been able to push through changes that would have stalled in normal times. But it is easy to draw the wrong conclusions. "Getting people to fear something in order to change behaviour can only work in the very short term," says Christina Gravert, a behavioural economist at the University of Copenhagen. "It's an emotion and so, long term, it's going to be very exhausting [to maintain]."

The main drawback to using fear as a tool for change is clear from our own experience. It can break habits, but extended anxiety can also turn us into risk-averse introverts, nervous even to edge out of our narrow comfort zones.

Conner himself has spent some of the past 30 years clearing up misapprehensions about the metaphor he propagated. It is a way to illustrate the commitment needed to achieve change, not a mandate to terrify, he has said. Indeed, it might just as well apply to a company in peak condition, facing no immediate threat, that realises it needs to explore new opportunities in order to stay on top.

> **Getting people to fear something in order to change behaviour can only work in the very short term**

To create a more "permanent sense of urgency", Markides suggests, chief executives should make the need for change positive and personal, and encourage their staff to feel emotionally committed to necessary transformation. "If CEOs recognised that [the metaphor] fed the fear, I think they would think twice about using it," Hagel told me.

He thinks many chief executives are unwilling to acknowledge their own short-term fear of missing their quarterly targets and being ousted. That seems a fair anxiety given the precarious tenure of those that reach the corporate pinnacle. It is also true that the Covid-19 conflagration and the smouldering climate emergency are real crises. But Hagel says leaders can acknowledge the challenges and obstacles of the current volatility, while still pointing out the path towards new positive goals. Instead, too often chief executives "just want to hold on to what they have".

"It's a world of increasing pressure," Hagel adds, "but it's also a world of expanding opportunity."

andrew.hill@ft.com

Early careers

'I feel left behind': graduates struggle to secure good jobs

FT survey reveals the intense competition and arduous tests facing those entering the workforce, write *Janina Conboye* and *Lucy Warwick-Ching*

Graduates are competing for fewer opportunities. Elliot Keen, above right, thinks new entrants to the labour market will seek a 'job for life'. Alex Morgan, below, feels the pandemic helped him pursue different goals — FT montage; Dreamstime; Unsplash; Tolga Akmen/FT

For Felix, trying to find a job is a "complete grind". The London-based graduate, who prefers to give only his first name, says he is neglecting university work in order to write cover letters and complete assessments. The "lack of feedback from the (many) rejections leads to a pretty vicious cycle. Often companies simply blank you instead of a rejection email."

After he found conventional routes proved stressful and unsuccessful, he focused on cold-emailing and eventually received an offer. "[It] appears a game of luck and numbers," he adds. "The graduate job market is absolutely flooded, as is that of postgrad applications."

Like other 2021 graduates, Felix is entering a global jobs market where there are fewer opportunities and increased competition. He was one of more than 70 who provided detailed responses to a Financial Times survey about graduating in the pandemic.

Many respondents, including those who have graduated from top institutions such as the London School of Economics, the University of Cambridge and University College Dublin, described their struggles in securing entry-level positions. They also highlighted that they are competing with 2020 graduates who lost out when graduate programmes were suspended.

A vast majority of respondents felt there were fewer job opportunities available for graduates. Many of their personal experiences highlighted a hyper-competitive jobs market, which can be demoralising and demotivating.

Many also felt they had not found a job that met their career aspirations, and had had to take a position with a lower salary than expected. About half felt that the pandemic has set back their early career prospects.

However, while more than a third felt they had been forced to change the direction of their career as a result of the pandemic, they thought the outcome was not necessarily a negative one.

Competitive jobs market

A graduate from the LSE, who preferred not to be named, said that finding a job was "a struggle". "Despite being highly qualified, you are competing against people that graduated a few years ago but still apply to [do] the same jobs as you because they could not find better. And you cannot really compete because they have experience which you don't have as a young graduate."

In the UK, of those that graduated during the pandemic 29 per cent of final year students lost their jobs, 26 per cent lost their internships and 28 per cent had their graduate job offer deferred or rescinded, according to research from Prospects, a specialist graduate careers organisation.

Meanwhile, those who run substantial graduate schemes have reported significant increases in the number of applicants for this year's intake.

Hywel Ball, UK chair of EY, the professional services firm, says graduate applications were up by 60 per cent compared with 2019, and 12 per cent compared with 2020. Allen & Overy, the international law firm, says applications for its UK graduate scheme grew by 38 per cent this year, with year on year growth for the past three application cycles.

Unilever, the consumer goods company, recruits graduates across 53 countries and saw a 27 per cent increase in applications from 2019 to 2020.

> 'There is a clear gap between the promise of university and the reality on the other side'

Compounding the problem further is the increasing number of entry-level jobs that require work experience. Even before the pandemic, 61 per cent of entry level positions in the US required three or more years of work experience, according to a 2018 analysis by TalentWorks, a job-matching software company.

Some students feel that the application process for some companies is becoming increasingly arduous. James Bevington, who has recently finished a PhD in chemical engineering at the University of New South Wales in Sydney, Australia, says: "When the power dynamics are so skewed against you with hundreds of applications per role, the recruitment process can become abusive."

He describes how on submitting an application he was given two days to undertake a 24-hour assessment for which he had to drop everything. He had no opportunity to ask basic questions about the company and only received an automated rejection after getting a perfect score on the assessment. "Why bother?" he says.

A London-based engineering graduate, who preferred not to be named, says: "Up until now I have 230+ failed applications for entry-level jobs. Having graduated [in] computer science, I now add income to my family as a delivery driver in between applying for different jobs and trying to muster the motivation to keep going. I feel left behind, not only by the job market, but by the institutions that offered my education — my academic achievements are something I pride myself on, yet the job market seems to disregard them completely."

Security versus curiosity

Another recurrent theme was that some who have secured employment are in fact curious about exploring other opportunities, but the uncertainty means they are reluctant to leave their current employer and try a different role at another company. Finding secure work was more important than finding fulfilling work.

Another London-based graduate, who preferred not to be named, had secured a job in an investment bank but had quickly decided it was not for them and would like to switch career. But "it's hard finding different opportunities . . . And it's easier to stick to the safer, well-paid path than take a risk and end up redundant," they said.

A law graduate from University College Dublin, currently based in Leuven, Belgium, following a masters at KU Leuven, who did not want to give his name, says: "The pandemic has impacted all of our anxiety levels but its disproportionate effects on workers has really made job security a priority for me, above finding work that is fulfilling and enjoyable."

Elliot Keen, a graduate in civil engineering from Birmingham university who is now based in London, said that new entrants to the labour market may default back to a "job for life" rather than moving around: "I reckon people will stay in their roles for five, maybe 10 years or longer."

> 'I reckon people will stay in their roles for five, maybe 10 years or longer'

Unexpected success

Among those graduates who felt forced to take another direction, some outcomes have been positive.

Alex Morgan, who did a political economy MA at King's College London following his undergraduate degree at Leeds, says the pandemic has "perversely helped me". He decided to pursue postgraduate education "because the graduate jobs market felt so dysfunctional" last year. Following his MA, he secured a job with the civil service. He had not planned to do an MA and adds: "I don't think I would have been able to secure this sort of job without it."

He also thinks that the forced shift in working habits could level the playing field and enable quicker progression — especially for those not based in London.

Nathaniel Fried, a geography graduate from King's College London, was working part-time on setting up an information security company. Anticipating the lack of job opportunities, he decided to pursue it full time. "We have been doing well," he says. While he feels he was forced by circumstances, exploring opportunities outside the traditional job market "has boosted my early career prospects by forcing me to innovate", he says.

Similarly, PhD student Bevington — who drew on the lessons of finishing his undergraduate course during a recession in 2011 — also decided to start his own company, a non-profit in the area of space research. "When I approach would-be employers about my company's offering, they can't partner quick enough."

61%	230+
Entry level jobs in US requiring three years' experience	Failed applications made by one UK graduate

Brian Massaro, an applied economics masters graduate from Marquette University in Milwaukee in the US, has accepted a full-time position following an internship during his studies, but he and a friend have been applying to start-up incubators and accelerators to grow an online publishing company he has been working on for the past few years.

While students felt that the pandemic has had a knock-on effect on their immediate career prospects, many respondents' sentiment was cautiously optimistic for the long term. But some felt that governments and companies should be providing more support and investing in graduates.

Morgan adds that businesses may need further incentives to provide high-quality graduate roles. "We heavily encourage young people to go to good universities, taking on a lot of debt to do so," he says. "It seems, in my peer group, that there is a raft of graduates (from top universities) who are unable to find roles which challenge them. That is not to say they are entitled to one, but I think there is a clear gap between the promise of university and the reality on the other side."

Fried adds: "I believe both businesses and government should be taking steps to invest in graduates. Social mobility is very low and those impacted most by lack of opportunities are marginalised groups."

Rahul, an India-based MBA graduate who did not want to give his last name, says companies need to improve the recruitment process and pay graduates based on skills: "Do not reduce pay just because people are in need."

He also says that the time taken to hire needs to be reduced to 30 days. "[Some] are taking almost 100 days for one recruitment process. It's inefficient."

Despite the challenges, some respondents are upbeat. "It is tough for us graduates," adds a Brighton university graduate. "We'll be all the stronger for it though!"

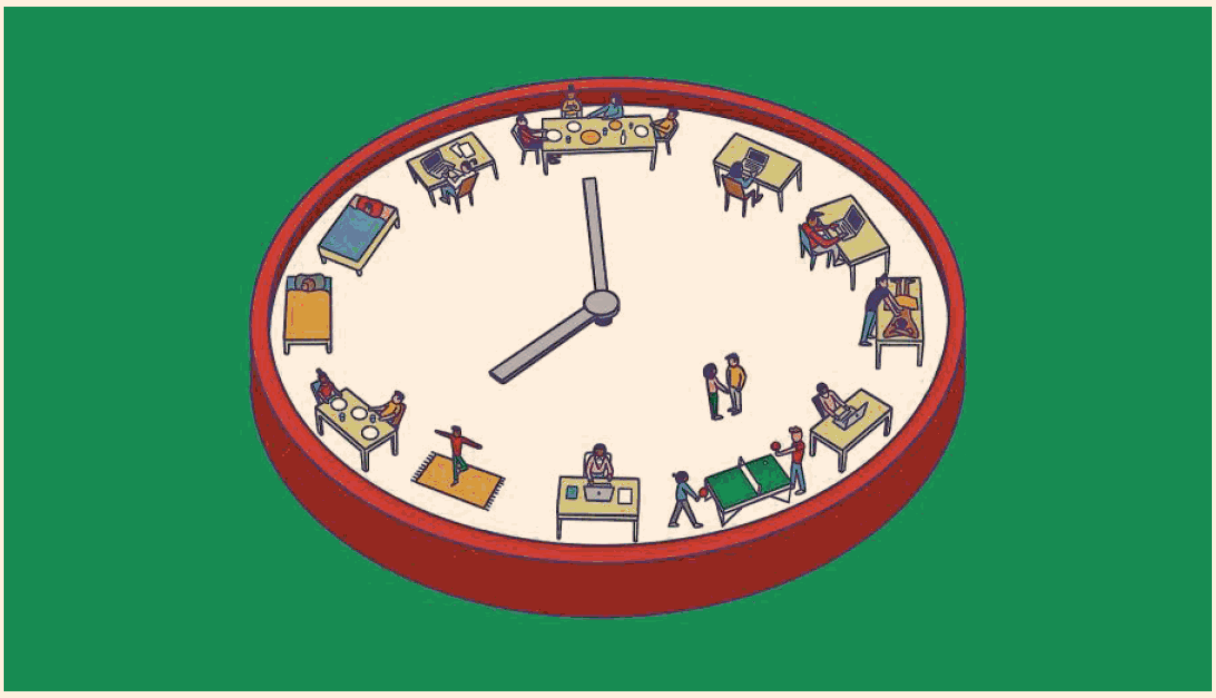
WORK & CAREERS

How to preserve productivity gains after the crisis

Leaders' lessons

Executives share their experiences of the past year and how they hope to prevent staff burnout

In the post-pandemic workplace, managers and leaders in all organisations will have to navigate new and difficult situations. In Leaders' Lessons, a monthly FT series, global executives share insights from their experiences during the pandemic — and their plans for the reset to come. For this fifth instalment, we asked: "How are you going to preserve productivity gains from the crisis while making sure staff don't burn out?"



Many staff have experienced a better work-life balance over the past year, says Richard Tang

Robert Hanson

Richard Tang, chair and founder of Zen Internet, based in northern England

Since the first lockdown, over 90 per cent of Zen's people have been home-based, and we have "discovered" that most of the business can run perfectly well with everyone working from home.

The huge reduction in commuting and business travel has also had environmental benefits, and as a B Corp, this is particularly important for us.

The new normal for Zen will centre on choice. Some people will choose to be office-based permanently, and others home-based, but we expect the majority will split their time flexibly between home and office working. Maybe it will end up being a 50/50 split on average — we'll have to wait and see.

It is this personal choice that we expect will allow us to hold on to productivity gains, and in fact to build upon them, since our people will be able to choose the working preferences that suit them best, within the constraints of what works for the wider team.

Many people at Zen have experienced a better work-life balance over the past year, without the pressure of commuting and that feeling of constantly rushing from one thing to another. People have had a chance to slow down their lives and enjoy the simpler things. For these people, burnout has been less likely than it was prior to the pandemic.

Large-scale homeworking brings with it a greater degree of isolation, and so makes our focus on mental health and wellbeing even more important.

Nathan Sivagananathan, managing partner, Atman Holdings, based in Sri Lanka

Employee burnout was a problem long before the global pandemic, especially in Asia, where we follow a rigid 9-to-5 structure. The prolonged stress and uncertainty created by the pandemic compounds the risk.

Meetings can be the death of company productivity. We base our decision to have a meeting on what we want to accomplish. If it is a problem-solving meeting, we limit participation to important stakeholders only and if it is status reporting or information sharing, objectives can more effectively be accomplished via a report or email.

I feel that the typical five-day work week decreases productivity and leads to fatigue. A four-day work week will increase efficiency and provide employees with the flexibility for a better work-life balance.

The pandemic demonstrated that employee productivity can be maintained off-site, but it has created a situation where some employees thrive while others risk burnout. The lines between work and non-work are blurring in new and unusual ways.

In this unprecedented situation, it was crucial that senior management aided employees in structuring, coordinating, and managing the pace of work. We hold regular virtual check-ins and virtual meetings to determine the pace of work and maintain productivity gains without interruption.

We understand that employees often feel compelled to project the appearance of productivity while working from home but workload management is key in preventing burnout. I advise my team to prioritise and focus on important tasks over immediate tasks.

Maya Hari, vice-president of global strategy and operations, Twitter Inc, based in Singapore

At Twitter, we were progressing towards a distributed and flexible workforce before Covid — and this was further accelerated out of necessity. Our employees are accustomed to using various virtual channels for work and having meetings and employee all-hands events enabled for remote participation. As a global leader based in Singapore, it's this very system of virtual asynchronous work and mindset that allows me to lead teams across time zones and geographies.

'I feel that the typical five-day work week leads to fatigue'

There's no denying that working from home has increased productivity, but we also need to be mindful of the psychological toll of higher work demands. The wellbeing of our employees is what drives everything — our number one priority has been to provide our employees with a deeply connected, highly inclusive company culture that allows them to take care of themselves and keep balance in their lives.

We have launched several internal initiatives over the past year, from company-wide rest days to flexible working hours for caregivers, counselling and peer-support programmes.

Finally, if our employees decide to return to the office, it will be their choice. If they are in a role and situation that enables them to work from home and they want to continue to do so forever, we will make that happen.

Anastasios (Tassos) Economou, founder and MD of the i Group of companies, based in Monaco, and chairman of YPO, a global CEO leadership network

During the pandemic we saw an increase in productivity in the beginning and then somewhat of a decline as signs of burnout in part of the team started showing up as working from home blurred the separation of work and personal space.

We are focusing on an HR strategy that allows more flexibility: people to come to the office for a number of days a week and then have the option to work remotely on the remaining days. The aim is to allow for connectivity in person and having focused time so that staff can do their deep work.

We have invested in a digital hub, and trained our teams to use more advanced technological tools. Those in the office can communicate seamlessly with those not there in person and everyone feels connected.

We restrict the distribution of emails in the evenings to reduce the human tendency to check our inbox. It's vital to signal the importance of down time.

Dealing with catastrophe
G20 countries need to commit to a natural disasters cash pot
AVINASH PERSAUD, OPINION

Don't get swamped by the great resignation wave

Pilita Clark
Business Life

During the pandemic, many airline workers have switched careers
Mirropix/Getty

When a British pilot named Paul Green lost his job last year, he did what so many other airline workers have done since the pandemic shattered their industry: something entirely unexpected.

Green set up a consultancy to teach business executives how to use skills he had honed in the cockpit to manage stress and make decisions under duress. Frontline NHS workers turned out to be his first clients. Like a lot of the pilots who have suddenly found themselves driving trucks, stacking supermarket shelves or opening cafés, Green hopes to eventually return to the flying career he had wanted since boyhood — but not as he did it before.

"The lifestyle of flying was not nice," he told me last week. "I'm married, I've got two children and the amount of time I was away from home, missing significant parts of my children growing up, was a real dilemma." Ideally, he hopes to find a way to mix part-time flying with the new business he runs from his home in Somerset.

"Flying is what I love doing," he said. "But I think the big thing for everybody right now is, at what cost do I want to follow that dream I once had, when life can be better on the other side?"

He does not appear to be the only one asking such questions. There are growing signs that employees around the world want a change after 15 turbulent pandemic months upended working life.

A record 4m Americans quit their jobs in April, the most since the US Bureau of Labor Statistics began publishing such data in December 2000. More than 40 per cent of the global workforce is ready to resign at some point this year, Microsoft research has shown. Just under 40 per cent of UK and Irish workers say they'll do the same this year, or once the economy is stronger.

Will they really? Who knows? Likewise, it is hard to know precisely what is causing what some are calling the Great Resignation. Pent-up demand could be one factor. People who stayed in jobs they loathed during last year's chaos might feel braver about moving this year. Burn-out might be another reason. Most of the 31,000 workers in the 30-odd nations covered in the Microsoft study said they felt overworked and 39 per cent felt "exhausted". They were spending more than twice as much time in Microsoft Teams meetings, which were lasting an average of 10 minutes longer, and sending billions more emails to customers. Perhaps it's not surprising that the white collar professional and business services sector endured one of the largest increases in resignations in the US.

> **There are growing signs that employees want a change after 15 turbulent pandemic months upended working life**

The big question is whether these exits, coming on top of widespread labour shortages, suggest that a fundamental power shift between workers and bosses is under way.

I'm sceptical. The sudden dearth of staff has arisen as restaurants and hotels have all reopened at once. Let's see what life is like once Covid-19 restrictions end and economic activity returns to a steadier path.

Even in the battered airline industry, flight school enrolments are ramping up again, especially in markets where recoveries are taking hold, the L3Harris and CAE aviation training groups told me last week. For every older pilot who drops out, in other words, there is likely to be at least one hungry newcomer in an industry that British aviation consultant John Strickland rightly says has an endless number of people "desperately" keen to enter it.

Saying that, the airline industry is unlike many others. Employers who think they can order staff back to their office desks as if nothing has changed since 2019 may be in for a shock.

Last week, the Bumble dating app group said it was giving its staff a week off to recharge. The HubSpot US software group is planning a Global Week of Rest for its workers from July 5. Many employers are introducing flexible, hybrid systems of working as they reopen. That's smart.

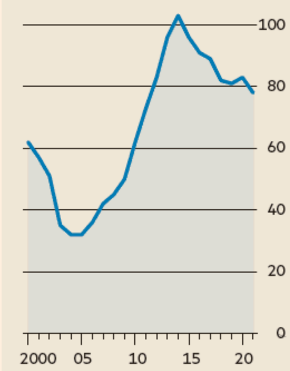
A lot of managers have just spent 15 months building what McKinsey senior partner Bill Schaninger calls "a goodwill reservoir" with employees. As he told a workplace conference last week, that reservoir should not be wasted with "a foolish desire to return to what was".

pilita.clark@ft.com

Lex.

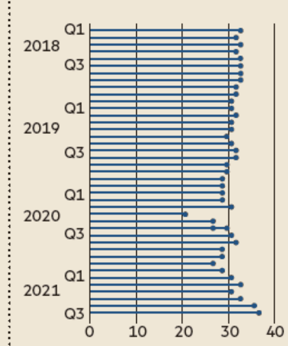
Urban property: escape from the country

Premium of city over country
Average prices, England and Wales (%)



Source: Hamptons & Land Registry

London home hunters from outside the capital are rising this year
Per cent



Trapped inside cramped flats and working on kitchen tables, many city dwellers spent the past year dreaming of greener pastures.

Fresh air, larger gardens, healthier lifestyles and more space to work are all valid reasons for looking at properties out of town.

In the UK, the availability of rural properties dried up last year, sending offer prices soaring by more than a tenth. In the US, transactions in pricey New York City properties over $10m collapsed as wealthy buyers disappeared.

America's real estate market is on a torrid run with the median price up 24 per cent in May, year on year. But suburban areas and regional cities are receiving more attention than larger urban areas.

Some lucky sellers in the English and Welsh countryside have already reaped the rewards of the shift. Average country property prices this year compared with 2020 are up 14 per cent, double that in towns.

A previously wide gap between properties in the two areas has closed from a maximum of 103 per cent in 2014 to 78 per cent. In Europe, demand for properties in the south of France has surged.

Not every city dweller is seeking wide open spaces, of course. In Asia, better control over the pandemic and lower case numbers means that the aspirational pull of modern urban areas has not taken the same knock.

New data from property agents hint that even in Europe and the US the exodus could be coming to an end. Those yearning for country idylls may change their minds if bosses call them back to work in offices even for a few days per week.

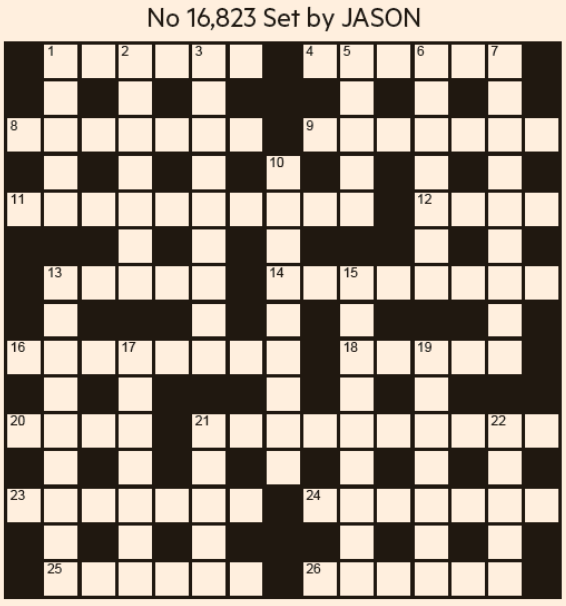
The tide has started to turn in a number of countries. In Switzerland, Zurich and Bern prices have begun to catch up with countryside locations this year after trailing significantly in 2020. Something similar has occurred in Germany.

In the US, only 2 per cent of the 3.5m New Yorkers who bolted town last year have stayed away, points out Knight Frank. Manhattan renters signed four times more new leases in May than they did the year before.

In the UK, a shift in mood may already be under way. In May, London buyer inquiries from outside the capital jumped to their highest since January 2018, according to estate agents Hamptons. The countryside's grass is not greener for everyone.

CROSSWORD

No 16,823 Set by JASON



ACROSS
1 This is one adult labradoodle, say (6)
4 Uniform sun protection, a bliss (6)
8 Racy act banking on strip club (7)
9 Unusual dialect word for meeting hall (7)
11 Consider reprimand applied to little food shop (10)
12 Possibly four-letter word that's old hat in another way (4)
13 Dance band's bill including consecutive pair of rumbas (5)
14 Stay away from home and shelter in a jet (5,3)
16 Perfect smile such as dazzles? (4,4)
18 Exercise and quietly limp (5)
20 Flipping potty is pink (4)
21 British tree, dead with silvery rot (10)
23 In a reckless way refute a hallmark? (7)
24 Inane is . . . . crazy (7)
25 Wince as employment dept goes into collapse (6)
26 Empty hoarding needs this to follow (6)

DOWN
1 A jungle kill (5)
2 New serial on money shows faithfulness which is often gritty (7)
3 Wear down doctors turning up with dock-worker (9)
5 Heading off their complete claptrap (5)
6 Some hype as OU promises a course for starters? (3,4)
7 Lost for words as we change vehicle (9)
10 Simply 50% discounted in ready repro (9)
13 Liberal getting into Earl's wife for Legion? (9)
15 Former media editor squeezed out (9)
17 Having upset first portion shore up supplying shellfish (7)
19 An Italian poet who journeyed moderately slowly (7)
21 Where to get a pint acceptable for noble (5)
22 Char to squeal on colleague finally (5)

JOTTER PAD

Versailles transformed into Lalanne land

The palace grounds are populated by creatures in an exhibition of sculptures by French artists Les Lalanne. By Laura Cappelle

When visitors wander into the Queen's Hamlet, a picturesque corner of the Versailles Palace dreamt up by Marie-Antoinette, it may take them a while to notice what's different this summer. The small village has gained new inhabitants — including two ducks looking at each other by the lake, a bronze donkey and two oversized doves.

They fit so seamlessly into their bucolic surroundings, designed in the 1780s by Richard Mique, that it's easy to forget they are the work of two whimsical 20th-century artists: Claude and François-Xavier Lalanne, better known as "Les Lalanne".

For half a century, the husband-and-wife team carved a niche at the crossroads of sculpture and decorative arts. Both drew from nature for their animal- and plant-inspired works, and many are cheekily designed to be used. The donkey grazing in Versailles isn't just a statue, but opens to become a desk; the doves' backs are carved into a chair.

Although François-Xavier died in 2008, followed by Claude in 2019, their large output has arguably never been more popular. A large sale at Sotheby's in Paris, shortly after Claude's death, drew more than 4,000 bidders from 43 countries, and exceeded all expectations to raise €91.3m (more than four times the estimate).

The exhibition at the Versailles Palace, west of Paris, is set to cement their place in the pantheon of French sculptors — and inject a little playfulness into visits to the venerable palace. Rather than being grouped in a single space, the Lalannes' works are deliberately scattered around the Queen's Hamlet, the Petit Trianon — the smaller residence gifted by Louis XVI to Marie-Antoinette — and its English gardens.

Turn a corner near the Love Monument, and you may spot a large wapiti, designed by François-Xavier, near a clearing; elsewhere, boars stalk a deer from across a small river, and sheep keep their distance from a bear. "After an hour, you feel like the works have always been there," says Catherine Pégard, the director of the Versailles Palace.

Yet there were no plans to bring them to Versailles until March of this year. The palace usually puts on a contemporary art exhibition by a living artist each year, but after a cancelled season last year due to the pandemic, Pégard opted for caution. "We hadn't planned anything for 2021, first due to the uncertainty, and also because our financial situation is far from easy," she says.

> 'A fundamental principle of the Lalannes' work is to make sculpture useful'

Jean-Gabriel Mitterrand, a veteran art dealer and nephew of former French president François Mitterrand, saw an opportunity. A Lalanne exhibition at Versailles had been on his mind for a long time: "I had mentioned it to Claude before she died, but she was too tired," he says. Pégard said yes — but with only three months to plan it, and find sponsors. Dior provided financial backing: Claude designed jewellery for designer Maria Grazia Chiuri's first collection there in 2017, one of the Lalannes' many brushes with fashion. (Yves Saint Laurent was a major early supporter of the pair.) And Mitterrand, who started working with Claude and François-Xavier in 1975 and went on to represent them via his own Galerie Mitterrand, persuaded their four daughters to lend 70 per cent of the roughly 50 artworks on display.

While the Lalannes often made copies of their designs, some of the sculptures at Versailles have rarely been seen. François-Xavier's "Bar Autruches", with its two porcelain ostriches holding a bar counter in their beaks, was commissioned in the 1970s by president Georges Pompidou for the Elysée Palace, where it still stands today. Only a handful are in circulation, and the Sèvres porcelain is too fragile to open the ostriches' wings or to pour ice into the egg that stands between them. Regardless, in Versailles' French Pavilion, where it echoes a golden frieze dotted with birds, it looks spectacular.

"A fundamental principle of the Lalannes' work is to make sculpture useful," Mitterrand says. In the recently restored Cool Pavilion stands a lush piece by Claude, the "Lit Singerie", whose monkeys swinging from branches overlook the bed; inside the neoclassical Belvédère, another bed — François-Xavier's "Cocodoll", which is shaped like a seagull — seems as if it's waiting for Marie-Antoinette to lounge on it.

Even though they rose to fame as a duo, the Lalannes worked separately. According to Mitterrand, they only co-created "three or four" pieces over the course of their lives. At home, their studios were separate. "They always said: we share a bedroom, but not a studio," Mitterrand says. "At the end of their work days, they had a little reunion. They would talk about their work, and usually they were in agreement."

The Lalannes shared Surrealist influences and a love of nature, but each had a distinctive style, too. "François-Xavier had a love of classical French paintings and worked with very strict, pure lines, while Claude was more baroque," Mitterrand says. While her husband worked from drawings, Claude revived a 19th-century process known as electrotyping, or galvanoplasty, to reproduce her models.

"She would dip flowers and plants into a moulding material, and then use the mould to craft bronzes. It allowed her to work as close to nature as possible," Mitterrand says. The only human figure in the exhibition is also by Claude: "Olympe", a fountain installed near the Belvédère, is based on a moulding of one of her granddaughters.

At home, where the pair often entertained, their sculptures weren't merely for show. Guests were occasionally invited to use Claude's leaf-inspired cutlery or François-Xavier's duck-shaped salt shaker. Yet Mitterrand insists their creations weren't "functional" per se. "When you use a Lalanne piece, it doesn't serve you: you serve the work. Claude's cutlery, for instance, had to be handled elegantly. It requires you to invent a relationship with each piece."

Art collectors are now queueing up to buy works by the Lalannes in the wake of a series of major exhibitions and sales, starting with the auction of Yves Saint Laurent and Pierre Bergé's collection in 2009. The 2019 Sotheby's sale, which served to pay for inheritance taxes on the Lalannes' family collection, helped to spread pieces around the world, Mitterrand says. This spring and summer the Clark Art Institute in Williamstown, Massachusetts, is also hosting the first museum exhibition devoted to the Lalannes in the US in over 40 years.

The next step might be a permanent exhibition space to host the Lalannes' quirky menagerie — perhaps at the pair's former home near Paris, which now belongs to one of their daughters. "Perhaps it could remain an artists' house, open to visitors," Mitterrand says. "We may yet be able to do it."

To October 10, chateauversailles.fr

Clockwise, from main: the estate hosts a quirky menagerie of sculptures, including 'Choupatte' (2016), 'Lapin de Victoire' (2013) and 'Pomme de New York' (2009) by Claude Lalanne
Capucine de Chabaneix; Didier Saulnier

Wonderland: 'Wapiti' by François-Xavier Lalanne
Didier Saulnier

True-ish story of the 'first female president'

PODCASTS
Fiona Sturges

In the autumn of 1919, the US president, Woodrow Wilson, embarked on a lengthy speaking tour of the country. Earlier that year he had been in Europe negotiating the Treaty of Versailles and assembling the League of Nations.

Facing opposition from Republican senators over the ratification of the treaty, he took to the road to rally support. But during the trip, he suffered severe headaches and exhaustion, and returned to Washington early. Back in the White House, he suffered a stroke that left him paralysed on one side. His wife, Edith, decided to keep his condition secret and refused to let anyone but his doctor see him. For several months, she made presidential decisions on her husband's behalf. Historians have called her "the first female president of the US".

The new comedy drama *Edith!*, from Crooked Media, professes to reveal "what really happened in the White House in 1919". Starring Rosamund Pike, and narrated from beyond the grave, it finds the first lady determined to protect her husband and his job. It doesn't strive for historical accuracy — it is subtitled "The Untold True-ish Story of America's Secret First Female President", after all — but the bare bones of what happened remain in place.

Pike's Edith is smart, irreverent and sardonic, and despairs of the tea parties and ribbon-cutting that make up the first lady's day job. Early on, we hear her advising Woodrow on handling Republican opposition, during which she murmurs: "God, I'm good at this!" Later, she recalls meeting her husband for the first time and their shared love of Wordsworth — "He was pretty racist but it was the poetry that won my heart."

I often struggle with audio drama — too much exposition and creaking sound effects — though *Edith!* wisely keeps the bulk of the action in the White House and the sound palette subtle.

The writing, by Gonzalo Cordova and Travis Helwig, is fast and fun — there are clear shades of *Veep* — and the story compulsive as Edith calmly sees off those who would take advantage of her husband's incapacity. "I was not the first female president," she says, modestly. "I was a patriot who helped the country stay together while the president took a little nap."

Gimlet's fiction pod *Motherhacker* is back for a second series, and is as enjoyable and bingeable as the first. Last time around, we met Bridget (Carrie Coon), a harassed single mother and school administrator who, after losing her savings to a hacker, got drawn into scams to get her money back.

In the second series, set during the pandemic, her Tesla is hacked, dragging her into further misadventure. At the heart of the series is the sound design, which makes expert use of smart technology, with its virtual assistants and endless notifications — and not a creaking door to be heard anywhere.

Formidable: Rosamund Pike plays first lady Edith Wilson — Vianney Le Caer

FT BIG READ. AFRICA

Searching for fresh sources of revenue, Islamists are taking over artisanal gold mines in countries such as Burkina Faso. Ministers and analysts warn that their activities are fuelling instability in the wider region.
By Neil Munshi

Jihadis join the Sahel gold rush

Above: an artisanal mine in Burkina Faso's Ganzourgou region. Below right: prime minister Christophe Joseph Marie Dabiré meets wounded people after an attack in the village of Solhan in the country's Sahel region — Ahmed Ouoba/AFP/Getty

On the side of a rural highway leading south from the city of Kaya in central Burkina Faso, Boureima Ouedraogo mixes gold ore slurry with soapy water in a rusted oil drum, then pours it down a crude metal sluice into a shallow pit. He plies a small mine just over a stubby plateau nearby with a dozen other men, some of whom are mixing clean ore with toxic mercury in blue plastic tubs.

Two months ago, Ouedraogo had to flee a mining site near Solhan, a village 100 miles to the east. "They wore turbans and they had guns, and 100 of them came one day riding motorbikes and shooting," says Ouedraogo, one of the more than 1m artisanal miners who excavate half the gold in Burkina Faso, much of which ends up being refined in Dubai. "They said you guys have to leave or you're dead, so I ran."

Solhan lies in northeastern Burkina Faso, which forms part of the tri-state region with Mali and Niger that has for the past few years been at the centre of a surge in jihadi activity, killing thousands, displacing millions and rendering wide swaths of the region completely ungoverned. The wave of violence, now increasingly targeting gold mining areas, is threatening to destabilise the wider region, including coastal states such as Ivory Coast and Ghana.

"There is a big danger because these terrorists' goal is to be able to manoeuvre from the coastal states to the Sahara," a region bigger than western Europe, says Zéphirin Diabré, federal minister of reconciliation.

If the Sahel collapses, there will be "a domino effect of insecurity, wholesale violence [and a] breakdown of borders as internally displaced persons spread across the Sahel, first into 'safer' countries within the region and then across to Europe," says Ayisha Osori, head of the Dakar-based Open Society Initiative for West Africa.

On June 4, extremists on motorcycles arrived in Solhan, a centre for gold mining in the area, and massacred more than 130 people. The government and the UN said last week that the assailants were mostly children aged 12 to 14. It was the deadliest attack in the country's history, and a visceral sign of how Islamists, keen for lucrative sources of funding, are directly targeting the country's thousands of artisanal mines, which together are estimated to produce up to 30 tonnes of gold a year. After the attack Burkina Faso's Sahel region announced a ban on all artisanal mining — recognition of the growing link between extremism and gold.

Men like Ouedraogo are at the sharp end of the surge in gold mining across the Sahel. Beyond the reach of governments, which often receive no tax on its extraction, criminal gangs including jihadi groups are taking control of informal mining sites. Burkinabè gold is mostly smuggled through the country's porous border with Togo and flown to Dubai for refining. Wealthy consumers end up buying the finished products unaware of the illicit production or export process.

Diabré says the terrorists are trying to acquire more territory in mining regions "because it's a source of revenue" — gold prices have soared roughly 30 per cent to around $1,800 an ounce in the past two years. Burkina Faso is Africa's fourth-biggest producer, according to the World Gold Council.

"What happened in Solhan, it had to do with the [desire] of these terrorist groups to take hold of these artisanal mines," says Diabré. "The terrorists want to grab hold of them to be able to exploit them for resources and money."

'They need gold'

Gold mining can be a murky business. Artisanal processing by the likes of Ouedraogo is fraught with health and environmental issues. Children often work in small-scale mines. Unlike precious stones, traceability remains elusive. It is not as easy to chemically trace a particular piece of gold to a specific mine. Gold from all over the world gets melted together in refining centres such as Dubai, where most west African gold is shipped before it heads to jewellers in the west, India and China.

Like other natural resources, it can be a curse for local populations. A 2019 Reuters report detailed how billions of dollars worth of gold is smuggled from Africa into the United Arab Emirates every year, skirting trade rules and depriving African governments of much-needed tax revenue. Traders in the region confirmed that much of the Sahel's artisanally mined gold is smuggled into Togo, where it is taxed at the country's lower rate, before being flown off to Dubai, mostly in hand luggage on commercial flights. A 2018 OECD study suggested that around 20 tonnes of gold is smuggled into Togo from Burkina Faso each year.

As gold prices soared from the early 2000s, industrial mining took off in Burkina Faso. The production surge drove the metal to the top of its export list, from 2 per cent of exports in 2007 to 77.5 per cent in 2019, according to MIT's Observatory of Economic Complexity.

Meanwhile, an artisanal gold rush has swept the Sahel since a rich seam from Sudan to Mauritania was discovered by artisanal miners nine years ago. Small-scale miners now produce 20-50 tonnes of gold in Mali, 10-30 tonnes in Burkina Faso and 10-15 tonnes in Niger, according to a 2019 International Crisis Group report, employing more than 2m people directly and 6m indirectly. Burkina Faso's 1m artisanal miners support roughly five dependants each, according to UN estimates, covering a quarter of the country's population.

Armed groups in all three countries have been seizing sites since at least 2016, according to the ICG. In December, Interpol seized 40,000 sticks of dynamite during an operation at land borders in Burkina Faso, Ivory Coast, Mali and Niger, which it says was "all intended for illegal gold mining which constitutes a new source of financing, and even a recruiting ground, for armed terrorist groups in the Sahel."

> 'There is a big danger — the terrorists' goal is to be able to manoeuvre from the coastal states to the Sahara'

Some mining sites are secured by volunteer self-defence forces. But in the tri-border region, where violence is at its most potent and the reach of the state minimal, the takeover of artisanal mining by extremist groups is spreading at an alarming pace, particularly in Burkina Faso.

"In the beginning they weren't targeting mining sites so much, but now they are," says Dieudonné Nonaba, president of the Wendkouni Association of Namentenga province, an NGO that works with artisanal miners. "And it is only increasing."

Daniel Eizenga, research fellow at the US defence department's Africa Center for Strategic Studies, says the violence in Burkina Faso is "more and more concentrated in areas where we know there are also concentrations of gold . . . it's pretty clear that those are related".

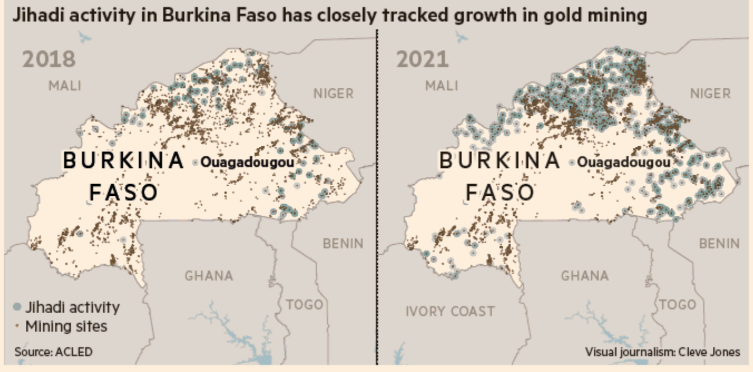
The three countries have been at the centre of a dynamic mix of violence that has spread across the region ever since Tuareg rebels joined Islamist groups to capture northern Mali in 2012, only to be pushed out by the extremists. France intervened to crush the insurgency in 2013 but is now overhauling its Operation Barkhane counterterror mission in an effort to get a grip on the crisis. But that original jihadi-rebel marriage of convenience in Mali is typical of the grey zone of criminality in the Sahel, where a man might be a smuggler, an extremist, a rebel, a bandit or an ethnic militia member depending on the day or the context.

The main jihadi groups in the Sahel are the al-Qaeda-linked Jama'at Nasr al-Islam wal Muslimin, a coalition of groups that is more widespread and has engaged in negotiations with authorities in Mali and Burkina Faso; and Islamic State in the Greater Sahara, an IS offshoot which is considered more brutal and unwilling to negotiate with governments. Both groups have exploited existing communal tensions in the region, slipping in and out of alliances with ethnic militias. Each makes money from cattle rustling, kidnapping for ransom, and a protection racket for smuggling routes, through which cigarettes, drugs, arms and people cross the Sahel and the Sahara Desert.

With ports and borders shut many of those revenue streams slumped during the coronavirus pandemic, driving both JNIM and ISGS further into gold, says Christian Nellemann, director of Rhipto, a non-profit Norwegian security analysis group. In the Gourma area of Mali, for example, the two groups, until recently collaborators, have for the past year been engaged in a fierce battle, including for control of mining sites.

"The critical thing is that if these groups want to get big, they need financing. It's only in the movies that a Kalashnikov is the price of a chicken," he says. "They desperately need gold."

Jihadi activity in Burkina Faso has closely tracked growth in gold mining



Source: ACLED
Visual journalism: Cleve Jones

'A kind of mafia'

Sitting at his home on the outskirts of Kaya, Kibsa Ouedraogo is surrounded by masks and statues from his life as an antique dealer. Now he serves as head of the Volunteers for the Defence of the Homeland (VDP, by its French initials) in the Centre-Nord region, which borders the Sahel and East regions hit hardest by extremist violence.

The VDP — farmers and hunters given two weeks training and an AK-47 — are the main defence for many mining villages. They've also been accused of gross human rights violations. They get little support from the military, Kibsa says: "We ask for help and no one comes."

The Burkinabè government has not officially acknowledged any negotiations with terrorist groups. But Kibsa says that three months ago he was invited to three rounds of talks in Kaya, where, he says, military and government officials, international NGO workers and traditional leaders were also present. Similar localised negotiations on ceasefires have been held in other parts of the country. This agreement lasted one month.

"We laid down our weapons but the terrorists did not — they kept attacking us," he says. "They took advantage of it to expand their territory."

Kibsa is chief of the village of Noaka, 29km away and surrounded by mining sites. "The terrorists hear that this site or that one is thriving with gold, and then they target those sites — they can kill everyone or they take control and take taxes," he says. "To me, it's not about religion — it's a kind of mafia."

Mahamadou Sawadogo, a Burkinabè security analyst, says jihadi groups have spent the past year expanding their territory around the country. "No matter which region, their first target is to control the mining area," he says. "It's their top revenue source, and also a good place for them to recruit young men."

Some Islamist groups work to build trust, says Sawadogo. If artisanal mining has been outlawed locally, they tell miners to work and that they will guarantee their safety. "No more robbery, no more banditry, no more [communal] feuds," he says. Crucially, they also buy gold, "and they pay the normal [market] price".

20-50 tonnes
Estimated annual output from small-scale gold miners in Mali. For Burkina Faso, the figure is 10-30 tonnes, according to the International Crisis Group. Artisanal mining in the Sahel employs more than 2m people directly

20 tonnes
Gold smuggled into Togo from Burkina Faso each year, according to estimates in a 2018 OECD report. Much of it is then flown to Dubai to be refined

$1,787
Current futures price for an ounce of gold. The price has risen by around 30% in the past two years

In some ways, the jihadis step in for a government that has long abandoned the area, and is unable to oust them. They exploit frustration with government policy that many argue favours the foreign industrial mining groups.

"They engage in more low-level violence to maintain compliance from populations and regulate social behaviour in areas under their influence, including at artisanal mining sites," says Heni Nsaibia, Sahel analyst at the Armed Conflict Location and Event Data Project.

'It is only spreading'

In the western Sahel, artisanal mining is also often the only work available. Men set out for territory they've heard is promising, hoping to get lucky. They pay the local community for access and spend months digging by hand. If they're lucky enough to strike gold, they might be robbed by bandits. Sometimes ethnic tensions bubble up between miners and locals and there is bloodshed.

And, increasingly, young men on motorcycles arrive and tell the miners to cut their trousers and grow their beards. And then the luckier among them flee, to start again somewhere new.

At a roadside café in the capital Ouagadougou, two miners who recently fled the north speak about their three decades in the industry. Rasmane Ilboudo, 52, says he first encountered extremists three years ago, but has since had nearly a dozen run-ins. In late May, scores of men rode into Sonda, where Ilboudo was working, just down the road from Solhan. "They set up camp, and now they run the mine," he says.

Sana Seydou, 53, says the last attack he witnessed was near Bouroum, about a month ago, in the Centre-Nord. "You see the terrorists in the market," he says.

They usually come to the mine and preach. "They say you should grow your beard, wear short trousers and pray every day," he says. Asked how he responds to the threats, he laughs ruefully. "Look at my beard!" he says, tugging the hairs on his chin.

For artisanal miners such as Seydou and Ilboudo, the Islamists' increased focus on gold heralds an ever more precarious future in one of the most neglected places on earth, as high prices for the precious metal beneath their soil fuels mining activity — and extremists embed deeper into their lives.

Ilboudo says he'll probably never return to the north. Instead, they have started mining in the south-west, which is less affected by violence. But extremist activity has spread to another porous tri-border area, where Mali, Burkina Faso and Ivory Coast meet. Data from ACLED illustrates how jihadi activity has grown around artisanal mining areas along Burkina Faso's borders with Ivory Coast and Ghana.

"We know they could come there too," Ilboudo says. "It's not diminishing — it's only spreading." Both say every miner they know has a story of an encounter with jihadis. The others are dead. "The terrorists say, wherever you go, we will find you," Ilboudo adds. "Anywhere you go to, they say, 'we're coming'."

FINANCIAL TIMES
'Without fear and without favour'
MONDAY 28 JUNE 2021

US infrastructure deal shows centrist clout

Bipartisan senators hold sway in an evenly split Washington

That staple of US public life, the Joe Biden gaffe, has been elusive since his inauguration as president in January. With luck, its return will not scupper the infrastructure bill he agreed with senators last week. Biden has withdrawn remarks that seemed to peg the bill to a more contentious one on social spending and tax increases. If Republicans and conservative Democrats accept his assurances, $1tn of investment could be enacted soon. Not just bridges and power grids will benefit. A White House that was struggling to match the pace of its first hundred days would have new life.

There will also be some regrets. Next to initial hopes, the bill stands emaciated. Its headline value is less than half the figure that Democrats first touted in March. Even that overstates the amount of new spending, which, once leftover stimulus cash is excluded, is nearer $600bn. Spread across a continental land mass over eight years, the sums are hardly nation-changing. Do not expect the US to gleam with Chinese-style trains, Germanic roads and Dubai-grade ports in 2030.

Another concession is over the funding. The bill provides for a better-resourced Internal Revenue Service, which might extract more in receipts from existing taxes. But Biden had wanted marginal rates themselves to go up, at least for corporations and the highest earners. He will now have to plot other routes to that end. His Congressional colleagues and the wider left are already devising ones.

Even in its reduced state, the bill is more than Donald Trump had to show for years of talking up infrastructure. In the end, however, Biden's achievement is less the content of the deal than its bipartisan manner. It honours the implicit promise of his entire presidency: that only a moderate in tone and thought, half a century steeped in Washington, can make the system work in an age of hot-heads and insurgents.

It also serves his grander aim: to show the world's autocracies, and nations tempted by their model, that democracies can still "do significant things". Framing infrastructure spending as part of the race against China helped in persuading Republicans.

The trick is to do it again. After his pandemic relief bill passed without Republican votes, Biden needed a bipartisan moment. The mystery is whether an accord on something as universally popular as infrastructure can extend to voting reform, climate change and other emotive fronts.

A tiny number of people will decide. It has taken a while for the implications of the last Congressional elections to become entirely clear. In a Senate that is almost evenly split, any lawmaker who is open to voting with the other party has disproportionate clout. Among those so empowered are the conservative Democrats Kyrsten Sinema and Joe Manchin. The moderate Susan Collins has a similarly decisive role in the Republican caucus. In few western capitals were politicians loosely describable as centrists so weak so recently. They are now, if not ascendant, then at least waking up to the power conferred on them by Congressional arithmetic.

Of course, the centrist position on a given subject is not axiomatically the proper one. The left is correct that, if the US is to have a larger state, it cannot keep ducking — as the likes of Manchin seem to — the question of tax. Still, the elevation of a few non-partisans in national life is precious for reasons that go beyond policy. At least until the midterm elections of 2022, it promises the tonal softening of a shrill and vicious Washington. A civilised politics is the ultimate infrastructure.

After Hancock's exit, the cabinet must get a grip

Javid could boost a UK government struggling to control its agenda

"Breaking social distancing guidance" is set to pass into common usage as a humorous euphemism. From the moment the revelation of Matt Hancock's relationship with a female aide spawned a host of internet memes the health secretary's position was untenable. No one besides the prime minister had been more visible in instructing the public to submit to lockdowns and distancing rules, hampering their relationships with families and loved ones. Ministers always struggle to recover from charges of hypocrisy.

The health secretary's resignation on Saturday evening salvaged some dignity. But it came too late. The 36-hour gap between his exposure and departure damaged the credibility of the government's Covid guidelines far more than was necessary. Boris Johnson could on Friday have told his health secretary he expected him to stand down, and would fire him if he did not. Instead, after Hancock's admission of fault, the prime minister said he considered the matter closed.

The episode raises new doubts about Johnson's judgment as his government lurches from scandal to scandal. Always reluctant to take difficult decisions, he seems slow to learn from his own political mistakes. The failure to expel Dominic Cummings after the Downing Street adviser's infamous cross-country car journeys during the first lockdown did similar harm. Cummings' outing to Barnard Castle in a way sealed Hancock's fate. Tory MPs who took heat from constituents over Johnson's decision to stick with his adviser would not accept a repeat.

Johnson's recurrent hesitations, too, over decisions to put the country into lockdown have cost countless lives. It is to Hancock's credit that he urged a new shutdown last autumn when others were against, and pushed for vaccine production in the UK — despite his failings on care homes and on providing sufficient protective gear for the NHS.

The return of the heavyweight Sajid Javid as his replacement is a potential boost for a cabinet struggling to appear in control of its agenda. Javid must immediately grapple with whether lockdown restrictions can be ended on July 19. The Delta variant has led to an alarming upsurge in infections, though less so in hospitalisations and deaths. Restiveness over foreign travel restrictions was rising even before the Hancock case and what was seen as bending quarantine rules to allow in 2,000 Uefa VIPs to watch Euro 2020 matches.

Determining whether vaccines have sufficiently broken the link between cases and hospitalisations to justify a final easing is one of the thorniest judgments facing the government since the first lockdown. It marks a crucial transition from a restrictive approach to one based on "living with" coronavirus.

Javid's next priorities must be winning a fight for funds to tackle the vast post-Covid healthcare backlog, and preparing for a booster vaccine campaign and another winter infection wave. He must convince Johnson and chancellor Rishi Sunak of the need for funding to deliver on the prime minister's pledge to reform social care. And he should block Baroness Dido Harding from being appointed to the key role of NHS England chief and ensure it goes to a better qualified candidate. This would be a welcome step away from the "chumocracy" that has characterised this government and which — since Hancock personally hired the aide with whom he had an affair — ultimately lay at the bottom of the latest resignation.

Most of all, it is the prime minister who should draw lessons from this imbroglio. Johnson has squandered opportunities to turn previous setbacks into a moment for a government reset. He should not waste this one.

Letters

Email: letters.editor@ft.com
Include daytime telephone number and full address
Corrections: corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

League tables will not create better leaders

The construction of league tables of chief executive officer quality, as suggested by Pilita Clark, although intuitively appealing, is a flawed proposition ("Lists of top bosses are fine but what about the 50 worst?", Work & Careers, June 21).

Ranking by leader quality may sound like a desirable idea. Presumably, those at the bottom of the league would be motivated to change their attitudes or behaviours in order to climb the rankings. It would also provide useful information to prospective employees.

Unfortunately, such a league table is grounded on one big, yet fallacious, assumption; that "CEO quality" can be objectively identified. In reality, quality depends on the perspective taken. That of employees? Investors? Customers? Suppliers? All will likely have a different (and contradictory) view of any CEO. For example, it is my understanding that the current Metropolitan Police commissioner is widely considered an exceptional leader by her colleagues, yet the media perspective sometimes seems to be less favourable.

This is known as the Rashomon effect, after the 1950 film, where different witnesses to a murder report contradictory evidence. The same has been found by scholarly research in executive coaching, where coaching quality was evaluated differently according to whether the client, or an "expert" observer was asked their opinion. Which highlights an issue with leadership more generally: there is no objective truth. We construct our own realities, based on our own experiences, seen through our own biased lenses.

I'd love to see better quality corporate leadership, but league tables aren't part of the solution.

Paul Berry
Human Performance Science
London SW15, UK

SMEs in the developing world need to adapt too

The report "Funding dispute threatens climate summit" (June 19) notes that rich countries have missed their target of $100bn in annual climate aid by 2020. It is important to emphasise that this shortfall is due to poor allocation rather than lack of demand. To meet their target, rich countries in the G7 and beyond must adjust their approach to capital allocation and acknowledge that, at scale, financing small and medium-sized businesses in developing economies can have a profound impact on sustainable growth and emissions reductions.

While much of this capital will be allocated to large infrastructure projects, such as industrial solar parks, addressing the needs of SMEs should be prioritised. The global supply chains that provide citizens of G7 countries with the goods and services they consume are reliant on SMEs in developing countries. To safeguard those supply chains, and protect against future economic shocks, it is critical to finance their climate mitigation, adaptation and resilience investments.

Seventy-eight per cent of the world's harvested croplands are in developing countries. Climate finance projects help these farmers and agribusinesses produce and process the food we consume. The cobalt and coltan mined in dangerous artisanal mines in the Democratic Republic of Congo are key ingredients for smartphones and electric vehicles. Financing green tech protects these supply chains so that consumers in developed economies can buy that latest Tesla and iPhone. And, critically, it enables safer mining practices, better health outcomes for communities and preservation of biodiversity.

Bhairav Raja
Senior Manager, DAI Sustainable Business Group, London HA5, UK

Inflation is not what we should be worried about

The Bank of England says that inflation is likely to be "transitory" and should not affect monetary policy ("BoE holds tight on interest rates despite inflation forecast above 3 per cent", Report, June 25). As they say in Russia, the situation is hopeless but not serious. Monetary policy hasn't worked for over a decade. A dose of inflation won't change that failure.

Cathal Rabbitte
Villars-sur-Ollon, Switzerland

The British Museum's controversial sponsorship by BP is due for renewal

Channel 4 would make an ideal social enterprise

Following the news that the culture secretary is expected to launch a consultation into the future of Channel 4 which could privatise the company by the end of next year, we urge the government to allow it to convert it into a social enterprise ("Channel 4 warns on privatisation after financial results shine", Report, June 23).

This would enable the broadcaster to maintain its independence and continue to commission programmes which serve a diverse audience and use its profits to support independent production companies.

The UK is home to 100,000 social enterprises — businesses set up to trade for a social and environmental purpose and which reinvest the majority of their profits to further these aims. Not only do they contribute £60bn to the economy and employ 2m people, but they offer a path away from the binary choice of state ownership or privatisation.

We simply cannot allow valuable national institutions to be sold off to those with the deepest pockets. Channel 4 has a vital role in supporting the emergence of new talent, ensuring better regional representation and offering an independent, critical voice to those in positions of power. Converting this prized broadcaster into a social enterprise will allow it to showcase a powerful model of what an independent broadcaster, responsible to communities and not just another money-spinner, can look like.

Peter Holbrook
Chief Executive, Social Enterprise UK
London SE1, UK

Fines do little to deter banks' illegal conduct

Patrick Jenkins' June 21 column ("Petty protectionism will not help European bank prospects") points out the many flaws in the prohibition on 10 global banks' participation in the EU Recovery Fund bond syndication. The ostensible reason for the bar was that those banks had repeatedly violated antitrust rules. That is true: many global banks are recidivist violators of antitrust/market manipulation laws — for example, JPMorgan Chase's recent criminal guilty pleas regarding the US Treasuries and precious metals markets.

However, antitrust actions are just a small fraction of decades of ongoing egregious illegal and criminal conduct by these banks including, for example, Goldman Sachs' recent criminal plea in a global foreign bribery and money laundering case. Better Markets released a report that detailed almost 400 major legal actions against just the six largest US banks over the last 20 years, which resulted in fines and settlements of almost $200bn. That report also showed that not only are global banks repeat lawbreakers, but their illegal activities have increased since the 2008 financial crash.

It is beyond question that fines and even criminal charges are little more than a nuisance cost of doing business for these gigantic global banks. If any other business had such a shocking record, it is unlikely they would still be in business. Thus, while the rational for this particular prohibition may have been a pretext, it is long past time that governments and others take global banks' illegal conduct seriously and deny those banks lucrative business such as the bond syndication. That loss of material business might actually reduce their illegal behaviour.

Dennis M Kelleher
President and CEO, Better Markets
Washington, DC, US

The Fed's new policy framework is a mystery

Recent FT articles on the Fed's new policy framework have left me confused (Report, June 24). The Fed says it will no longer react to anticipated higher inflation but only to actual higher inflation. Yet they are failing to react to actual higher inflation because they anticipate it will decline. Perhaps the real framework is anything that justifies not tightening?

William White
Toronto, ON, Canada

Conditions have barely improved for UK start-ups

The juxtaposition in today's paper of the article about James Anderson with two other reports demonstrates the contradictory characteristics of UK equity markets ("Star investor warns of lack of start-ups in UK's '19th century' FTSE 100 index", Report, June 22). It is interesting to note that, some six years ago, Anderson expressed very similar views in the Glasgow Herald and there is no doubt that his comment that "something's quite wrong" is totally correct. However initiatives to address the weaknesses that existed in 2015 have not been promoted even by an organisation as significant as Baillie Gifford.

Anderson continued by lamenting the sale of entrepreneurial UK companies, and rightly so, but another FT article was headlined "Private equity 'raid' on UK plc sparks fury in City of London" (Report, June 22) owing to the valuation placed on Morrisons by Clayton, Dubilier & Rice. Additionally, Legal & General stated that the private equity house "would not be adding any genuine value to the supermarket chain with its purchase".

It surely must be clear that private equity purchases of listed companies are triggered by undervalued companies that have been neglected by the same major investors who object to upside potential/value being identified by a third party — "the bid from the buyout firm was too low".

The recent announcements concerning the listing rules will be welcomed by entrepreneurs. However, any such changes will do nothing to create better knowledge and awareness of the issues that impinge on private companies, nor will the stifling influence of compliance regulations encourage investment management organisations to acquire and accumulate knowledge of private companies.

Richard Muir-Simpson
Chief Executive, Manufacturers Capital Ltd
Stirling, UK

A conflict of interest at the British Museum

The British Museum will soon decide whether to renew its sponsorship deal with the oil company BP. However, its new chair George Osborne can have no role in that decision ("George Osborne picked to lead British Museum", June 25).

Osborne is a partner at Robey Warshaw, where BP is a current client and, until recently, he was an adviser for BlackRock, one of BP's major investors.

As chancellor, Osborne drastically cut funding to the Arts Council by 30 per cent while providing generous tax breaks to BP and others, in order to maximise oil production in the North Sea. Today, BP continues to invest in new fossil fuel exploration despite the International Energy Agency having now made clear that such investments must end if the world is to be on a pathway to the 1.5C target set in the Paris agreement.

The British Museum's trustees should reconsider their decision to appoint a candidate that creates such clear conflicts of interest around one of the major controversies facing the museum today.

Chris Garrard
London SE22, UK

What the Olympic Village reveals about Japan's readiness

ASIA
Leo Lewis

Pillow juxtaposition, souvenir condoms and a plumbing-based dig at previous host nations: by last Sunday evening, and with a month left before curtain-up, the Tokyo 2020 pre-Olympic stories were already writing themselves.

The narrative-generator, on this occasion, was a first-glimpse press tour inside the Olympic Village. This sprawl of buildings in Tokyo Bay will eventually become desirable seafront flats, but feels more immediately destined to be the backdrop of a grim news bulletin later this summer that begins: "The outbreak has been traced to the wrestlers' sauna . . . "

A central purpose of the village tour, which dwelt upon the various measures put in place both to limit infection and test daily for its spread, was to allay precisely this type of concern. The pillows on the cardboard beds in the (fairly small) shared athletes' rooms will now be placed at opposite ends in an effort to reduce transmission risk.

Despite this, the concerns refuse to abate: last week's positive test for the Delta variant in an arriving member of the Ugandan team, and the decision to allow the rest of the team to travel to their host town in central Japan, is a very much sloppier look than the country wanted at this point.

In theory, the Tokyo 2020 village bubble will not, as at previous Olympics, host an effervescent festival of cosmopolitan co-mingling, but will instead, via stern rules, Perspex screens and artificially intelligent crowd-tracking software in the canteen, serve the now paramount purpose of putting this whole spectacle behind us without a medical catastrophe. The Games motto "united in emotion" looms in giant letters behind the village plaza, but fretful obedience rather than sporty bonhomie may be the unifying emotion the organisers are secretly longing for.

And perhaps necessarily so. Experts have repeatedly warned against holding these Games, using terms that leave the administration of Prime Minister Yoshihide Suga, the Tokyo organisers and the International Olympic Committee with the absolute burden of proving those warnings wrong.

The decision to hold the Games this summer demanded a combination of coercion, optimism, delusion and political gamble, all of which were readily mustered. All the subsequent contortions and paradoxes — some plain silly and others potentially life-threatening — are essential to disguise just how big a stride into the risk-laden unknown has been taken. If the new "playbook" rules ban athletes from shopping and dining outside the village, for instance, why have organisers been at such pains to equip it with a fully staffed bureau de change?

The condom conundrum arose during the tour as organisers were pressed on a knotty issue of policy. The earlier declaration that tens of thousands of condoms would be handed out to village residents jarred with the fierce exhortation against close contact between athletes. The interim solution — that they be distributed but not used — was roundly mocked but, in a triumphant show of strength, the decision was then announced to distribute them on the point of departure as latex educational emissaries from Japan to the world.

> Holding the Games demands a combination of coercion, optimism and political gamble

Later in the week, a similarly madcap series of policy lurches centred on the distribution of alcohol at the event venues: the sale of booze flickering conceptually between on and off as organisers groped for a balance between public opinion, a deadly virus and sponsorship commitments.

But in one important respect, the village tour was illuminating. There are many factors behind Japan's determination to push ahead with the Olympics. The political calculus for Suga stands out, as does the natural revulsion at letting all this preparation and expenditure go to waste.

But critical too is the script that the organisers appear to be writing in their heads: a wrenching, cinematic chaos of razor-edge decisions from which Japan successfully pulls off the "miracle" Games and is remembered as the field on which the world took its defining stand for normal life.

"Unlike certain other hosts, everything here is fully prepared," said one of the officials leading the village tour. "The athletes are guaranteed hot water as soon as they arrive."

This comment, and others like it, reflects a sentiment that comfortably predates the pandemic, echoing the instincts that surrounded the 1964 Games in Japan and suggesting a continuing desire to prove the country's developed status to the world despite that not really being in question. The double challenge of having hot water in the village and outsmarting a dangerous virus may be a stronger motivator than many have guessed.

leo.lewis@ft.com

Opinion

It is folly to make pensions safe by making them unaffordable

BRITAIN

Martin Wolf

Nobody knows how the economic world will look half a century from now. One can make more or less informed guesses. But ultimately they will just be guesses. Data we have from the past provide a rough guide. But the notion that we can draw reliable probability distributions over long periods ahead is nonsense. Yet we still have to make decisions that relate to longtime horizons. Climate change is an example. Another is pensions.

The destructive outcome of being precisely wrong rather than roughly right was the subject of my column two weeks ago. I noted that the desire to make private-sector defined benefit pensions plans safe had rendered them unaffordable. The perfectly safe and generous pensions that regulation sought to protect are disappearing from the UK. This leaves almost everybody who now works in the private sector relying on a paltry state pension, inadequate and insecure defined-contribution pensions and whatever other assets they may own. According to the UK's Pension Protection Fund, only 1m people today accrue new benefits in the defined-benefit schemes it covers. That is just 11 per cent of all scheme members. The rest are retired or deferred. The best has been the calamitous enemy of the good.

How did this sorry tale happen? The answer is: inappropriate institutions; foolish goals; and bad economics. All of these are related to the issue of uncertainty, as is explained in *Radical Uncertainty* by John Kay and Mervyn King.

The most important way for humans to cope with uncertainty is through institutions. But companies were always the wrong institutions for providing pensions. They are not secure enough to fulfil such a long-term contract. Moreover, there are conflicts of interest between shareholders and current and future pensioners. That reality has justified the ever more onerous regulation.

The problem with goals is that the cost of providing a given income up to 70 years into the future is unknowable. But the more certain achieving a specific target is made, the costlier it will be.

The problem with the economics is that it does not allow people to make needed judgments in a sensible way. A sobering and significant illustration comes from the mess that is currently being made of the Universities Superannuation Scheme, which has 460,000 members and £79bn. This is a giant scheme. Moreover, universities are ideal institutions to run a pension system.

> We have to assume that most private-sector, defined-benefit schemes will die

Yet, between March 2018 and March 2020, or just two years, the "technical provisions" deficit in the USS has jumped from £3.6bn to £16.1bn. As a result, say the trustees, "the overall contribution rate would need to rise to 42.1 per cent of payroll". The latter currently stands at 30.7 per cent of payroll and was already due to rise to 34.7 per cent under the 2018 valuation. So, the required contribution rate must jump from high to unaffordable.

Why? The explanation is changes in assumed discount rates, due to the fall in real interest rates on UK government gilts into highly negative territory during the pandemic. Why on earth should this exceptional event determine discount rates far into the future? Fundamentally, any precise calculation of the deficit for such a scheme is worthless. A silly question has to get a silly answer.

Woon Wong, of Cardiff Business School, argues compellingly that, on sensible assumptions, the scheme is in comfortable surplus. He estimates that the rate of return on investment needed to equate the present value of liabilities to the value of assets is a mere 0.7 per cent, in real terms. Given the time horizons of this scheme, even a huge bear market would not threaten its ability to meet its obligations. The only assumption under which the USS scheme could fail is a permanent end of economic growth. In such a world, even government debt now thought "safe" would cease to be so. The safety regulators and trustees desire is a mirage.

If the aim of regulation is to ensure that a scheme can meet its obligations in any imaginable state of the world, then all such schemes are going to disappear, making real people far worse off than they need to be. In the case of the USS, the right option is to make conservative, but not insanely pessimistic, assumptions and conclude that it is healthy.

Nevertheless we do have to assume that most private-sector, defined-benefit schemes will die, for both good and bad reasons. What should replace them? A sensible answer would include greater flexibility than in the old defined-benefit schemes. Yet we also need true risk-sharing within and across generations, which is absent from today's defined-contribution schemes. I will return to the topic of what this new approach should look like.

martin.wolf@ft.com

The US and EU are stronger together

BUSINESS

Rana Foroohar

The relationship between the EU and America these days puts me in mind of troubled celebrity couples on the red carpet — they smile for the camera, and act as though everything is fine, but in private, we all know, they are anything but content.

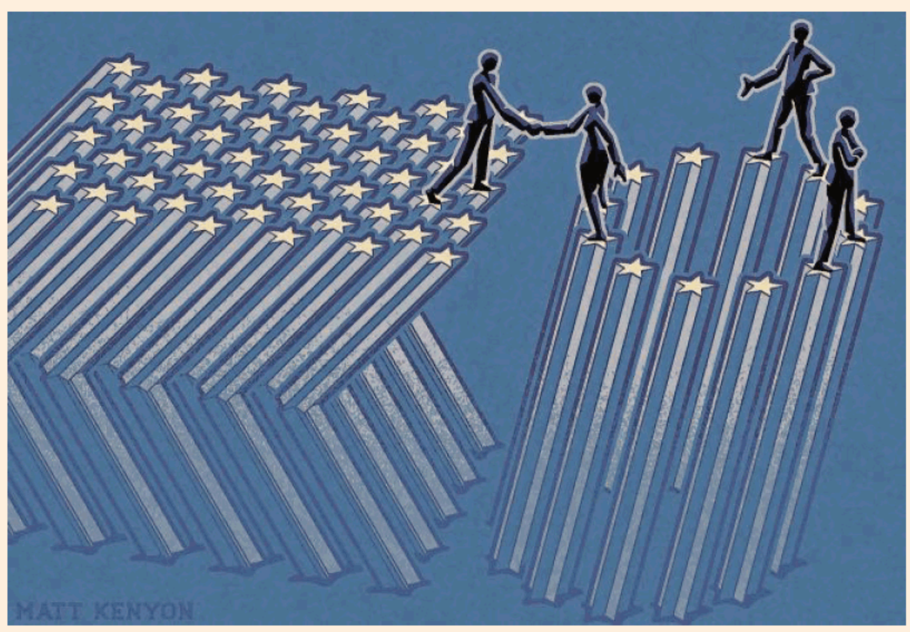
At the recent G7 summit, there were happy photo-ops and even some progress around trade conflicts, such as the Airbus-Boeing truce. But at bottom, Europeans remain deeply sceptical about whether the Biden administration is just a way station on route to another bout of toxic populism. Meanwhile, Americans are frustrated with Europeans for hedging their bets between a tighter transatlantic alliance or a closer relationship with China.

It doesn't have to be this way. In fact, it must not be. If the EU really wants to protect liberal values in the age of surveillance capitalism, it needs America. And if the US truly wants to decouple from China economically in strategic areas such as semiconductors, green batteries and electric vehicles, it needs demand from more than just the domestic market. There is low hanging fruit to be plucked here. But it requires some real empathy and understanding on both sides.

First, Europeans shouldn't mistake America's new industrial strategy, outlined last week by the director of the president's National Economic Council Brian Deese, for protectionism. It merely brings the US into line with what most other developed and many developing countries do as part of normal economic planning — making strategic investments in high-growth technologies and using the power of government procurement to support local workers and businesses.

Beyond that, the plan aims to create more domestic and global economic resilience, in part by creating more geographic redundancy in areas such as semiconductors, where 75 per cent of capacity is concentrated in China and East Asia, according to a BCG report. Nearly all of the world's most advanced semiconductor making capacity — some 92 per cent — is located in Taiwan.

Does anyone actually think that's a good idea given the geopolitics of the region? The Europeans certainly don't, hence the EU's "Digital Compass" plan to double their own share of chip output by 2030. The US Senate's $52bn bill to boost domestic semiconductor production is a good complement to this. But the truth is that it will take a decade or more to rebuild America's industrial base in chips, and even then, the US will need partners to create enough demand to make the economics of scale for an industry like semiconductors work.



Allies like Japan and South Korea, but also countries such as the Netherlands, could all play a crucial role in reconfigured semiconductor supply chains. Creating less concentration — both regionally and within specific companies — would be a good thing for global markets. In an ideal world, the US, EU and Asian allies would work together to create common industry standards so that incremental innovation and demand could spread across regions in areas like chips, green batteries, clean tech and AI.

Another way for the EU and the US to find agreement right now would be "to focus on common answers to existing challenges within their democracies", rather than on China, where the Europeans don't want to pick sides, says Renaud Lassus, minister counsellor for economic affairs at the French embassy in Washington, and author of *The Revival of Democracy in America and the Better Angels of Your Nature*, a Tocquevillian call for optimism about the future of the US.

> They need to focus on common answers to existing challenges within their democracies

Those challenges might include everything from Big Tech regulation to shared goals on climate change, perhaps even something as ambitious as putting a price on carbon. Despite opposition from some European countries, including Poland, it's possible that by July, the EU could put out a draft proposal for a carbon adjustment mechanism. The US has an opportunity to respond in kind with a proposal of its own.

That's a heavy lift for the administration; last week's bipartisan infrastructure deal included little on clean energy. But it's one that would fit the stated goal of putting climate at the centre of its own industrial strategy. It would also, by proxy, begin to address certain shared trade concerns about China. Chinese steel dumping, for example, would become impossible if there was a real price on carbon.

The Biden administration might use any upcoming "Summit for Democracy" that the White House convenes as a place to begin that work. Already, there is a virtuous circle of ideas sharing between the US and EU in areas such as digital privacy, with Europe's General Data Protection Regulation (GDPR) inspiring even more aggressive Californian privacy laws that may one day be adopted nationally. Antitrust is another such area, where both sides have informed each other's efforts to curb platform monopoly power.

One could imagine more co-operation on issues such as press freedom, the ways and means of creating a digital bill of rights, principles for how to regulate artificial intelligence and genomic research, and so on.

All this would go some way to creating a new basis for the transatlantic relationship, one focused more on fixing domestic weaknesses and bolstering regional strengths than on bashing China. Both sides have too much to lose by going it alone.

rana.foroohar@ft.com

Barbados offers lessons for debt relief in future crises

Avinash Persaud

Never again. That was the imperative that in July 1944 sent delegates from 44 nations to meet in Bretton Woods, New Hampshire, to refashion the postwar international economic system.

Because of the coronavirus crisis, we are again at a point when global leaders must ask what they can do to ensure that we will never again suffer the same loss of life and livelihoods from a global disaster. One proposal missing from the table is for a much-needed shock absorber as risks such as climate change and falling biodiversity intensify.

When the pandemic first hit, G20 Leaders, representing some of the largest economies, quickly came up with the debt service suspension initiative, or DSSI, to cover the official debts of poor countries. Under International Development Association rules followed by the World Bank and OECD members, poor countries with a gross domestic product per capita of less than $1,185 per annum are eligible for concessional finance — loans given on more lenient terms than by the market.

The DSSI speedily agreed, but it was inadequate for the scale and reach of the crisis. Globalisation has contributed to a convergence of income between countries but a divergence within them. Today, over 75 per cent of the world's poor live in countries with a per capita GDP above $1,185, so aren't eligible for concessionary finance. Yet these states don't have the fiscal or monetary space to address a pandemic or natural disaster and protect their poor. The threat a catastrophe poses to their solvency narrows that space further.

Of the 20 countries with the most significant GDP contraction during 2020, only Kyrgyzstan was eligible for the DSSI. The initiative offered liquidity of up to $12bn to the poorest countries, but developing countries that were not eligible had to meet over $1tn in debt service payments by the end of 2021, almost two-thirds of which was to private creditors. The difference between the assistance offered and the liquidity needed in these countries must be addressed to make the world more resilient when the next disaster hits.

During its debt restructuring in 2018-2019, Barbados exchanged old debt for approximately $5bn of sovereign bonds with natural disaster clauses and is now the largest issuer of such bonds. Under this style of clause, when an independent organisation, such as the World Health Organization or a meteorological agency, declares that a natural disaster has occurred, debt service is immediately suspended for two years, with the payments added back at the end of the term of the loan or bond. If all borrowers had issued bonds with Barbadian-style clauses during the pandemic, then the more than $1tn in debt servicing would have been available for developing countries to fight Covid-19.

> Natural disaster clauses would give developing countries more liquidity in the next crisis

Barbadian domestic bonds have been trading for approximately two years and international ones for twelve months. There is no evidence that its debt trades at a discount compared to countries with a similar credit rating that do not have these clauses — some signs of the opposite. But for most developing countries, the alternative to an automatic, predictable, and pre-determined liquidity arrangement in the throes of a GDP-crushing catastrophe is a messy rescheduling of debt payments.

Three tweaks are needed to maximise the benefits of disaster clauses and support their universal adoption. First, they should be "NPV (net present value)-neutral". Time has value, which is reflected in interest rates, and so when the debtor makes the missing payments later, they need to be adjusted up by an interest rate to ensure that the creditors are not worse off. Otherwise, they will implicitly be writing insurance against disasters. And as climate change intensifies they will not want to do that.

Second, the clauses should be "strippable," creating a market in maturity transformation. If a bank did not want to suffer the loss of liquidity in a disaster, it could swap the clause to a life insurance or pension fund that has short-term liquidity but wants longer-term assets. Finally, pandemics need to be explicitly included. Barbadian-style clauses only cover events outside of the control of the country that can be declared within hours of — or even before — they hit.

If G20 countries committed to adopting Barbadian-style natural disaster clauses, there would automatically be one hundred times more liquidity to deal with the next global crisis, giving developing countries the ability to breathe. Not only would this match the scale and speed of any future catastrophe, but there would be no better way of maximising the scale of participation in the crisis response.

The writer is Emeritus Professor of Gresham College and Chair of the CARICOM Commission on the Economy

Patients must have clarity on plans for NHS data

Naomi Lee

The UK Department of Health and Social Care released its draft strategy on NHS patient data last week. It is an ambitious vision to facilitate access to data for patients and clinicians alike. But recent proposals around the use of patient data for improving care or research, rather than direct clinical care, have been controversial. Much of the debate has turned on whether NHS data should be used for these purposes. But this risks playing into the hands of those who see data only as a commodity to be traded without recognising the shared value of this asset.

I have seen first-hand how poor access to health record data initially held back our understanding of Covid-19. By the end of May 2020, there were nearly 6.2m confirmed cases globally, but the best information on the outcome of Covid-19 in people with cancer was from data manually collected to inform two studies of under 1,000 people each. Throughout the past year, advances in health data have been made. Many major Covid-19 studies have been underpinned by large electronic health record data sets, including the first nationwide study of vaccination from Israel, the UK Recovery trial on the role of steroids in reducing mortality and OpenSAFELY, which used primary care data from 40 per cent of the UK population to understand the risk factors.

It is unsurprising that the UK government, and many in research and healthcare, want to expand the use of NHS data further. As a nationally representative, large data set, embedded as part of a universal healthcare system, it is unparalleled. The potential it offers for improving care in the UK population cannot be overstated. But there is also potential to place the country ahead in health research, and healthcare innovation, particularly in digital health technology or artificial intelligence.

> Poor access to health records initially held back our understanding of Covid-19

UK NHS data is already being used for secondary purposes: the Clinical Practice Research Datalink has generated over 2,800 research papers. However, the accusations that the government is making a data grab under the cover of a pandemic are not unjustified. According to survey data, 50 per cent of UK patients would share their anonymised personal health data with a research institute. Only 12.2 per cent would share it with a tech company, even for the purposes of improving healthcare, and just 3.5 per cent for a commercial purpose. The draft strategy gives no assurances on how data access by commercial companies would be governed or what the logistical or financial arrangements might be.

That draft strategy is also light on detail when it comes to data security and privacy, saying they are looking to the development of new technological advances. These details are of critical importance. The UK public must be able to understand and scrutinise the arrangements being made with their data. The NHS has a poor record of maintaining patient privacy when negotiating data partnerships.

The public have until July 23 to comment on the draft, and September to opt out from the primary care data scheme. This opportunity must be used to press the government for details on the commercial arrangements and privacy safeguards. Without providing this clarity, the government risks reducing the value of the entire enterprise. Not only would a loss of faith in the system mean individuals opting out on a large scale, therefore decreasing the size and representativeness of the data, its key asset, but it could also mean a loss of faith in research generated from the data.

The outcome of the NHS data strategy will have implications for similar regional and national projects beyond the UK, for example the European Health Dataspace currently being created. Patient data sets are a shared resource where the value is collective. Decisions on who benefits from them require transparency and public debate. The future of healthcare is inseparable from these discussions.

The writer is an editor on The Lancet


Cartier

Post-pandemic Cities

Monday June 28 2021

www.ft.com/reports

Leavers' return vital to city's revival

Some who left London may be back, but how soon? Recovery depends on them, writes *George Hammond*

Long way back: travellers at Victoria station In June — Dominika Zarzycka/PA

In January, one study struck fear into London's landlords and business owners. Research published by the government-funded Economic Statistics Centre of Excellence (ESCoE) estimated that 700,000 people had left the capital as a result of coronavirus.

That figure remains the starkest guess to date of the impact of the pandemic on London's population, estimated at 8.9m by the Office for National Statistics in 2018. Until last year, its relentless increase — up from 6.7m in 1990 — had shaped the city as we know it.

But a population reversal, if sustained, could cause London's house prices to fall, change the composition of the city's workforce markedly and permanently reconstitute the capital. Such fears are likely to persist until a central question of the pandemic is answered: will the exodus be reversed once restrictions are lifted?

Conclusive data on what has happened to London's population since January is not available. However, there are hints in the economy and the housing market about what may happen next.

"What we're seeing in the labour market very much confirms the idea that a lot of people have left and haven't come back yet, and that a lot of people who were on furlough have not been in the country during this period," says Jonathan Portes, professor of economics and public policy at King's College in London, and one of the authors of the ESCoE paper.

As sectors that were shuttered by coronavirus restrictions begin to reopen, shortages of skilled workers are becoming apparent in restaurants and on building sites. Already, the lack of staff is having a serious effect on employers, and changing the cost of doing business.

A prominent restaurateur, who owns a chain of eateries in London, says staffing costs have increased 15 per cent due to Brexit and the pandemic. The former has raised barriers to migrants from the EU, while the latter has prompted many to return to their home countries.

The extra cost, with revenues down about 50 per cent due to coronavirus, are likely to put some restaurants out of business, he predicts.

In the construction sector, the shortage of staff has been one reason behind rising costs, alongside supply chain disruption caused by the pandemic, Brexit and the six-day long blockage of the Suez Canal in March. According to one developer, the cost of laying a brick has more than doubled in the past year.

As Covid-19 restrictions loosen, and the economy shows signs of revival, Portes says "the big question" is whether the workers will return. With labour statistics lagging the reality on the ground, indications as to whether a population revival is under way will come first from other sources.

One of the earliest indications that London was haemorrhaging workers last year came from the rental market, where falling prices flashed warning signals about population decline.

If London regains its magnetism, residential rents should start to rise again. According to Richard Donnell, research director at property portal Zoopla, that is happening — at least in pockets of the London market.

"London's rental market has hit rock bottom and is starting to rebound quite quickly," he says. Data from Zoopla show a small rise in average rents across the capital between January and April, though prices remain about 10 per cent down on the same period a year earlier.

Donnell puts the modest rebound down to the return of some young professionals to city centres but, while coronavirus restrictions remain, any recovery will be partial.

"The decline in rents will only be offset once we have international travel and migration for work — the timing of which remains unclear and looks like some time in 2022," he says.

But while the absence of hundreds of thousands of foreign-born workers has changed the complexion of the inner London rental market and shrunk the employment pool for bars and restaurants, more remote working for domestic, white-collar workers — which ministers have signalled they are open to — could affect everything from the desirability of neighbourhoods to the placement of public transport.

"Cities have been used to sucking in millions of commuters in the morning and disgorging them in the evenings," notes Yolande Barnes, a professor at University College London's Bartlett Real Estate Institute.

"When that pattern changes, you might find the infrastructure is in the wrong place. Until we know how that question is resolved, it's much harder to know where real estate is going to go," she says.

> If London regains its magnetism, rents should start to rise again. That is happening, in pockets

These fraying attachments to the office are becoming evident in the housing market. Zoopla data show rising demand for larger houses in outer London boroughs or beyond the capital in towns such as Guildford, Swindon and Brighton, while appetite for flats close to the city centre has fallen fast.

"People have put their money where their mouth is in property and gone further afield — demand has changed because of Covid," says Barnes. More enduring changes to patterns of work would crystallise that shift, freeing employees from their ties to the office, she adds.

Even if office life returns — and with it the employees that lend city centres their vitality during the working week — "there's a significant adjustment that we have to go through", says Portes.

"There will be fewer shops and restaurants in central London. It's not going to become a ghost town, but there will be a painful adjustment for many businesses," he says.

'Anchor' department stores are cut adrift

Retail

Can the business model survive – or can town centres thrive without them? *Jonathan Eley* reports

In Émile Zola's 1883 novel *Au Bonheur des Dames*, the department store that forms the backdrop for the intrigues expands steadily as the story unfolds. If Zola were writing today, it would probably be dressing the windows for a closing down sale.

Department stores are in retreat across the world. The "cathedrals of commerce" erected at great expense in the 19th and 20th centuries are widely regarded as a concept whose time has passed — hobbled by their high fixed costs and unable to compete with the "endless aisle" of the internet. Covid-19 has only accelerated this decline.

Earlier this year, Debenhams pulled down the shutters on the last of its 124 UK stores, marking the end of more than 200 years of retail heritage. Dozens of independent operators have closed. Even John Lewis, regarded as the most financially conservative of the main UK chains, has shut eight of its 50 stores since the pandemic and announced a further eight closures.

That has left large holes in the towns and cities of a country that embraced the department store like few others.

"They were known as anchor stores and they gave places character and status," says Professor Cathy Parker at the Institute of Place Management at Manchester Metropolitan University. "Having something like a Harvey Nichols put you at the top of the retail hierarchy."

In shopping malls, they typically pay low per-square-foot rents in recognition of their role as drivers of footfall; other tenants benefit from the pulling power of department stores that offer everything from beauty to homewares. That same principle operates in city and town centres, where councils in the UK have gone to great lengths to retain department stores as tenants despite the condition of local government finances.

And the current evidence suggests that the largest department stores in the most prestigious locations will survive.

Continued on page 3

A difficult journey back for viable public transport

Urban travel

Fewer passengers means less revenue but not lower costs, says *Philip Georgiadis*

In cavernous tunnels 40 metres beneath the streets of London, engineers are racing to put the final touches to a new £19bn railway that will transform travel across the city. The east-west rail line known as Crossrail is over budget and heavily delayed — not expected to open until next year. But transport officials are now grappling with a more complex problem: how many people will use it?

Public transport around the world has been devastated by the pandemic. From Singapore to New York, passenger numbers fell suddenly last year as Covid-19 spread. Now, the industry is trying to plan while in the dark over how many passengers will return, and whether the way people travel has changed forever.

Ridership on New York's subway was down 90 per cent in spring 2020, while in London it fell by 95 per cent. Numbers have partially recovered globally, but are at about 40 per cent of normal in many European cities, and half the pre-Covid levels in Tokyo.

Most worryingly for the industry, the pandemic accelerated a shift to flexible working, enabled by the easy adoption of new communication technologies such as Zoom and Microsoft Teams.

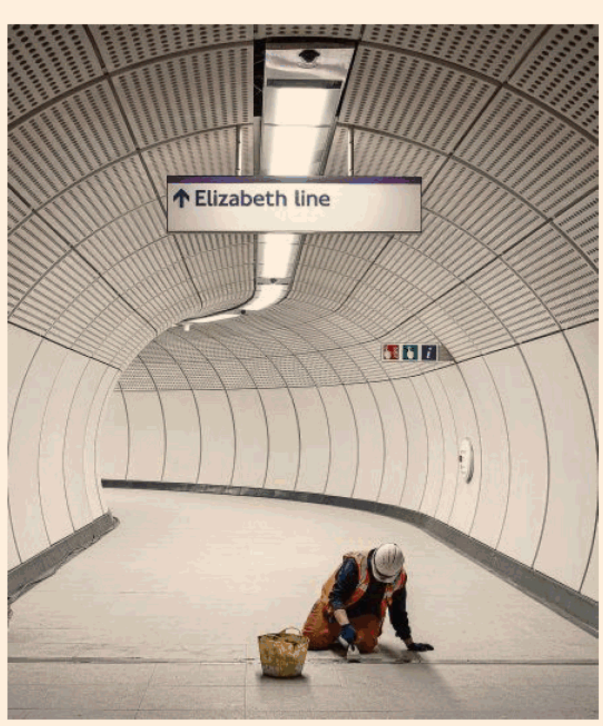
While some employers, such as the large US banks, have signalled they expect their staff to return to offices full-time, many — such as EY, the accountancy firm — have embraced greater flexibility over when and where employees work.

David Brown knows more than most about the dangers this poses to the transport industry. As chief executive of Go-Ahead, the London-listed company, he runs a group that handles nearly one-third of rail journeys in the UK.

Brown believes commuting is "never going to be the same again", and expects people to change the way they travel. "There's no doubt in my mind that we have a paradigm shift in the way people interact," he says.

Transport networks are typically geared towards moving as many people as possible during peak "crush" periods in the early morning and late afternoons. But changes to commuting patterns could alter that, as people travel less often and at different times.

Data from both London and New York already show that people are returning to the cities in greater numbers at the weekend for leisure, raising the possibility of ridership levels being boosted by demand at new times.



Last touches: work on Crossrail, to be called the Elizabeth Line — Leon Neal/Getty Images

Sir Peter Hendy, chair of Network Rail, the public body that oversees rail infrastructure in the UK, has already floated the idea of moving engineering work away from weekends and into the working week if there is a lasting shift.

But losing even 10 or 20 per cent of regular commuters to homeworking would deprive transport networks of essential, reliable revenue and raise questions over the economics of public transport in the cities of the future.

No transport system was financially self-sufficient even before the pandemic. All relied on at least some state support to maintain services, according to Pierre-Olivier Desmurs, the Paris-based head of rail and transit at Accenture, the consultancy. But the balance between commercial revenue and public subsidy has shifted during the pandemic, leaving policymakers with a difficult choice: fewer, cheaper services, or more government spending to maintain or expand services for those who still use them.

For Mohamed Mezghani, head of the International Association of Public Transport, the crisis has presented "a paradox" for the economics of public transport. "We know for a period of time we will have fewer people, but at the same time these people are expecting a better service, and so we will have to spend more," he says.

Mezghani is optimistic that many countries have signalled a desire to discourage travel by car and, as was the case with London's Crossrail, spending on large infrastructure projects has largely continued during the pandemic. "With climate change, with pollution, we have to admit that public transport is part of the solution," he says.

The Swiss government has indicated it wants to double the use of public transport by 2050 to help fight pollution and climate change. In the US, President Biden plans to spend more than $600bn on "a historic and overdue investment" in transport infrastructure, including rail and mass transit systems.

"The crisis has not changed the underlying trends," says Accenture's Desmurs. "There will be more people dwelling in cities, more people asking for better health and better conditions within cities. They will ask for easy access to mobility because that's part of fundamental freedoms for everybody."

Ultimately, new funding streams will have to be found to help pay for public transport, according to Mezghani, such as making more money from developing property for housing or commercial use. "We have not found the right instruments, but this is something we need to start doing seriously," he says.

Inside

Developers rethink the office after coronavirus

New York Companies are considering what new work culture means for design, says *Joshua Chaffin*

Big question: what will happen to the many offices of New York, seen here from the Rockefeller Center?
Spencer Platt/Getty Images

Scott Rechler, chief executive of RXR Realty, had just finalised a white paper for one of New York's largest office developers when the coronavirus pandemic shut down the city. The paper had been intended to guide RXR's decisions for the year ahead. Rechler binned the document. "It became irrelevant," he explains.

Months later, he and his team produced a new version. But this one did not feature the usual strong convictions. Instead, it was a collection of questions about the future of the office, the future of work, and the future of New York City — the same uncertainties now puzzling property developers, politicians, and chief executives across America's largest metropolis.

Rechler still believes New York City has a bright future — and so, too, the office towers that sustain it. However, he knows they will have to change.

"The genie is out of the bottle . . . remote work is going to change the nature of the workforce," he says. "And so what is going to come back is clearly going to be different from what existed before. We are all going to have to adapt."

For developers, the biggest challenge will be to transform humdrum offices into dynamic spaces that promote collaboration, and which workers would choose to visit at least a few days a week — even if they were not obliged to do so. Otherwise, as the past year has shown, many will skip the daily commute and work from home.

Rechler likens the challenge to that which ecommerce has posed to bricks-and-mortar retailers, with customers increasingly opting to buy goods online unless it was convenient and enjoyable to visit a shop. "It's going to be the same thing with the office," he says. "You're not going to go to the office or the city unless it's energising, it's engaging, it's an experience."

So far, most New Yorkers are staying away. On any given day, offices are about 20 per cent full, according to data from Kastle Systems, the security company. Rents are falling as tenants dump millions of square feet of unwanted space on to the sublet market.

In an effort to boost attendance, some developers, such as the Related Companies, have not only required their staff to return to the office but are also leaning on their vendors to do likewise.

"They're in a state of shock," says Ruth Colp-Haber, chief executive of Wharton Property Advisors, a consultant, of landlords and developers. "Their entire livelihood and state of being has been called into question."

New Yorkers will insist their city always bounces back — from the fiscal ruin of the 1970s, the September 11 terror attacks in 2001 or the 2008 global financial crisis. What has propelled the city over the past two decades, in particular, is a narrative about talent.

The rationale has been that if New York City could attract the best and the brightest from around the world, with a unique blend of arts and culture, restaurants and more, then leading companies would flock to the city to hire them. That, in turn, would attract even more talent.

> 'You're not going to go to the office unless it's energising, it's engaging, an experience'

On that basis, Google, Facebook, Disney, Pfizer and JPMorgan, among others, have made large real estate investments in Manhattan in recent years. Even during the pandemic, the big tech groups continued to spend.

A surge in apartment rentals in recent months — albeit at reduced rents — suggests that young workers still want to be in New York City, even after the pandemic. In May, for example, there were more than 9,400 leases signed, the highest number since 2008.

Business leaders are betting the return to the office will gather pace from September, especially now that more than 70 per cent of the city's population has been vaccinated and most Covid restrictions have been lifted. A year of settling back in is expected to follow.

A recent survey by CBRE, the commercial broker, found 85 per cent of companies expect employees to spend at least half the week in the office, with smaller groups in the office full time or working entirely remotely.

It may sound hopeful but it chimes with what Rob Speyer — chief executive of Tishman Speyer, the New York developer that owns Rockefeller Center and is now building the 65-storey Spiral on the west side of Manhattan — has been hearing from chief executives.

"Companies will experiment with a hybrid approach," Speyer says. "But most CEOs, in candid conversations, acknowledge and emphasise the importance that the workplace has to the future of their business because of the importance it has to the future of their culture."

In future, that office will have to be more than four walls and a roof, he explains. "You need great hospitality, you need flexibility, you need things that are going to help you build community among your people."

Michael Phillips, president of Jamestown, owner of the Chelsea Market among other trendy redevelopments, puts it this way: "The office used to be a place that you went to work and now it's going to be a place that you go to work together."

What does that mean in practice? "More collaboration space, more conference rooms, more food and beverages, more IT support in a way that people can get their needs met, and there's a real stickiness to being in that environment," he says.

Like others, Phillips expects the fashion for ever-more densely packed offices to reverse as people demand more space and cleaner air.

For RXR, it means something closer to the comfort of home. It is trying to design conference rooms that feel more like living rooms and engineer open spaces that encourage people to gather, as if they were in a kitchen.

Companies, Rechler believes, will no longer rethink their office every 10 years when they sign a new lease. Rather, designs and amenities will be in constant flux. RXR is building modular walls and furniture that can be changed over a weekend. Like other developers, it is also looking to the hospitality industry to imbue its buildings with the feel of a boutique hotel or private club.

"Pre-Covid, it was a nice thing to have, post-Covid it's a need to have," he says of such amenities. "That's the difference."

This all costs money. RXR is spending about $50m to spruce up one building, 5 Times Square, after its anchor tenant's lease expired last year. That may be cheaper than the alternative.

"There will be some buildings . . . that are not going to be able to make it post-Covid," Rechler says. "They're going to be too commodity-like, and they're going to be competitively obsolete."

Contributors

Sam Agini
Sports business reporter

Claire Bushey
Chicago correspondent

Joshua Chaffin
New York correspondent

Jonathan Eley
Retail correspondent

Philip Georgiadis
Acting transport correspondent

George Hammond
Property correspondent

Alice Hancock
Leisure industries reporter

Nathalie Thomas
Energy correspondent

Jerry Andrews
Commissioning editor

Mark Alderson
Designer

Esan Swan
Picture editor, photographer

View FT Reports at: ft.com/reports

Forum: a moment to imagine what cities could be

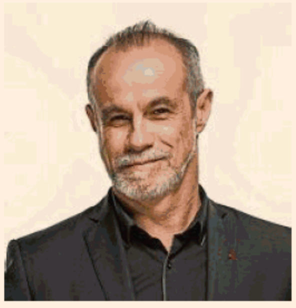
Planning

From a '15-minute city' to cut emissions, to a feminist vision — a discussion of what the future might look like

Rethinking Neighbourhoods and Public Space was the theme of a discussion held as part of the Post-Covid City online event held this month by the Pritzker Forum for Global Cities — a partnership with the Chicago Council on Global Affairs and the Financial Times. The panel included Claire Bushey, FT Chicago correspondent; Leslie Kern, author of *Feminist City;* and Carlos Moreno, the Paris mayor's special envoy for smart cities. We publish edited excerpts below.

Claire Bushey (CB): The pandemic has changed the way we experience our cities. As it ebbs, there's a question of what we need to do to reinvigorate urban life and build cities that are more resilient and more just. The pandemic has forced us to rethink the notion that we live in neighbourhoods and work in the central business district. Carlos, you work with city planners in Paris to help implement the idea of the "proximity city" — that most of your needs . . . can be met within a 15-minute travel radius, or 20 minutes, or 30.

Carlos Moreno (CM): The 15-minute concept is a new idea to fight against climate change with low CO2 emissions, because we want to reduce [travel and provide] access in the vicinity to essential urban social functions: to live, to work, to supply, to care, to learn and to enjoy . . . We need to develop this new proximity, because we [were able to] live — under the pandemic crisis — in a healthy city, and we could develop this [more "human"] city . . . We have different cities, but . . . we have the same challenges to reduce our CO2 emissions, to develop healthy cities, to build a new model for living differently. We have been accepting the unacceptable: to live in an unsustainable city.



Open minded: (top) the value of parks such as this elevated space on a former viaduct in Paris was evident in the pandemic. From left, discussion chair Claire Bushey, and panellists Carlos Moreno and Leslie Kern
Jumping Rocks/Getty Images

CB: [In the pandemic] we experienced the importance of outdoor public spaces. Parks, though, are not distributed equally and don't have equal amenities.

Leslie Kern (LK): I think many people found during the pandemic . . . that a lot of our urban environments were not very humane. That we have either taken away or never really invested in the kind of infrastructure that makes people comfortable . . . places to sit, shelter, shade, access to water, access to restrooms. We need to build back more caring, human, playful, sociable spaces into our cities. And we have to take a hard look at which neighbourhoods have access to high quality public space and which [have] any green space, any public space, at all. [We must not] just focus on putting them in the downtown tourist centre or in wealthier neighbourhoods, because often in lower income neighbourhoods, where people live in apartment buildings, for example, there's even a greater need.

CM: I am totally convinced that, today, we have been shifting towards a new paradigm. The most important point is to rediscover . . . the proximity of our resources for living differently and, in particular — this is the case in Paris — to propose the urban common good as a guideline for developing new services. The common good is [about] for example, social housing. For developing the commercial property of the city in order to avoid gentrification . . . The common good is, as well, the participatory budget — 10 per cent of the budget of the city of Paris is totally oriented for the participatory budget: €800m for people, for city dwellers, for civic associations.

LK: The idea of a 15-minute city overlaps so well with things that women and feminists have been arguing for a long time would be important for gender equity. Because [in] women's journey through the city and struggle to balance care work and paid work . . . the lack of proximity has been a real barrier, a real source of struggle . . . But we have to be careful . . . that we don't make these 15-minute areas a new urban amenity. I think some very lucky people are already living this reality. But many have been further displaced from such neighbourhoods, from good transportation links, from good quality schools, and from proximity to employment, because of gentrification processes.

Cities must ensure that in these areas there is a good mix of housing. That tenants are protected and not vulnerable to displacement . . . We have to maintain good, affordable public transportation links between neighbourhoods because not everybody will be able to do everything within their 15-minute neighbourhood. And we have to be attentive to equity issues such as gender because not everybody's lives look the same. What works . . . for one person might not work for another. So, paying attention to that variety of needs is really key.

For a video of the online discussions go to: www.globalcitiesforum.org/post-covid-city

Hospitality overhauls menu to cater for an era of uncertainty

Hotels and catering
Businesses have had to reassess what they offer, when and to whom, writes *Alice Hancock*

Before lockdown in London, PittaBun was a sandwich shop catering for the lunchtime office crowd in bustling, central Soho. Now renamed INO, it has reinvented itself a high-end Greek restaurant specialising in the country's wines, where the chefs are on show grilling cuts of Wagyu beef and eel over charcoal.

"We realised that the offices weren't coming back — if you were here at lunchtime you would see — so we decided to open a more destination-type restaurant," explains Andreas Labridis, INO's co-owner.

It is a common problem for many restaurant and bar owners in the capital as they start to reopen after its third — and longest — lockdown. Without the commuters and the tourists, urban hospitality sites have suffered more acute revenue losses than most, and now face a conundrum. Should they persist with their original concept, hoping office staff and sightseers will again fill the streets? Or should they accept that remote working and the slow recovery of international travel will mean cities are quieter for an extended period?

Even as restrictions have eased in cities across Europe and the US in recent weeks, footfall has remained far below 2019 levels. In London, in the first week of June, footfall was down 33 per cent compared with the same week in 2019, while in Milan — where hospitality venues are open but a curfew operates between midnight and 5am — footfall was 42 per cent lower, according to data from the retail analytics company Sensormatic Solutions.

Quiet day: absent workers mean footfall is down in central London

In June last year, in Paris, when restrictions were eased from the beginning of that month, footfall remained 67 per cent lower than in 2019, and is it still 58 per cent lower this June, Sensormatic has found. Luca Allegri, managing director of the Le Bristol Hotel, close to the Elysée Palace, says that walking the empty streets was "very strange".

He believes that "people will still want to come to Paris for leisure" and for business meetings, even if quotidian office work is often done from home. But, like Labridis, Allegri realised that Le Bristol — which has a three Michelin star restaurant — had to "increase the experience of our clients in terms of food and beverage" to give them a reason to visit and make occasional trips more memorable for regulars.

For example, the hotel, which already mills its own flour, has created a cheese-tasting room and plans to launch a live cooking experience around pasta. It will also retain a change made during the first lockdown: opening up its suites for private dinners served by dedicated sommeliers and waiters.

Des Gunewardena, chief executive of D&D, which owns restaurants in New York, Paris and London, as well as several other large UK cities, says: "You can't take for granted any more that you will be very busy because cities will be packed with people going to offices."

His restaurants have recovered in London, where sales are flat compared with similar periods in 2019 but, in New York, trading is still 50 to 60 per cent below pre-pandemic levels, despite the easing of restrictions.

"Cities have to sit up and make themselves good places to come to, whether it is to live there or creating a cultural side of things," Gunewardena says. He notes that many New York dwellers headed off to work remotely in Florida, where taxes are lower and the weather is better.

D&D, like many hospitality companies, is testing different operating models to ensure that sites remain viable even if consumer patterns permanently change. It is working on an app for "Club D&D", its loyalty programme, and has extended its opening hours in office-heavy locations such as London's Canary Wharf. Gunewardena says he expects restaurants to become a popular place for meetings as people come in for face-to-face encounters, rather than simply to sit in an office.

Hotel chains including Paris-headquartered Accor have similarly adapted meeting facilities to provide technology that can link workers in different locations. Some are also offering empty bedrooms as alternative spaces for remote working.

But the strategic shifts have been even more radical for food-to-go businesses such as Pret A Manger — which says it created eight new revenue streams during the pandemic. Like rivals Leon and Greggs, Pret added click-and-collect services and launched a range of supermarket products. It also started to sell its coffee via Amazon.

But the question remains: how many of these changes will stick?

Pano Christou, Pret's chief executive, says that, apart from a venture into hot dinners, he expects most of the new innovations will remain as delivery has continued to perform strongly — even with office workers beginning to commute again on one or two days a week.

Changing tastes: INO in London was a sandwich shop until lost lunchtime trade in the pandemic persuaded its owners to move upmarket — Esan Swan/FT

But David Trunkfield, hospitality and leisure lead at PwC, the consultancy, warns: "right now, no one knows" how permanent such changes will be. "In five years' time, we might all be back in the office five days a week and everyone who says different is speculating."

Whatever the long-term outcome, Andrew Carter, chief executive of UK-based think-tank Centre for Cities, says hospitality operators will be key to the recovery of urban centres post-Covid, especially given the widespread closure of bricks-and-mortar retailers in the face of competition from online rivals.

"Hospitality and entertainment . . . are crucial in the regeneration of town centres," he says. "It might be a rocky road to get to that but I am confident that it has a big role to play."

'Anchor' stores are cut adrift

Continued from page 1

At the time of writing, the group that includes London's Selfridges store was up for sale with a £4bn potential price tag — more than six times what its current owners paid for it in 2003.

Meanwhile, some others will be converted to serve alternative business purposes, including leisure, office space, residential and hospitality — especially where they occupied standalone buildings in prominent locations.

For example, the Jenners building on Edinburgh's Princes Street — ironically owned by the one of Europe's richest ecommerce tycoons — is to become a hotel with a smaller department store on its lower floors. Rackhams in Birmingham will also become a mixed-use facility, incorporating office space, retail, hospitality and public space. In Exeter, the former House of Fraser is to reopen as a hotel.

But such changes of use will not work everywhere, even after the UK government recently changed the law to remove some planning obstacles.

Michael Murray, who oversees property strategy at Frasers Group, says the cost of conversion is often prohibitive, especially where commercial property prices are lower. "You end up with effectively a negative land value as a result."

Mark Williams, at regeneration specialist Rivington Hark, says that if you drew a line from Bristol to The Wash, in England's East Anglia region, "north of that line you will probably need some kind of local authority intervention to make the sums add up . . . Doing something like a hotel conversion is very challenging even if the land values are enough to make it worthwhile."

Tony Brown, who ran the regional department store chain Beales until its collapse in early 2020, agrees with Murray that the model can still work — if it is radically rethought. For him, that means smaller stores — "not much more than 30,000 square feet" — and lower costs.

"The capital intensity of the old department store model was simply too great," he says, due to the high operating costs and the working capital needed to maintain levels of own-bought stock.

Brown has resurrected the Beales name, opening stores in Poole and Peterborough, but with key differences. The ground-floor "beauty hall" — long considered a department store must-have — is gone. "The economics of cosmetics, in particular, were dreadful," he explains, citing the weak profit margins and the onerous conditions imposed by beauty brands which are now under pressure from online-only upstarts.

A less visible but equally important change is that almost all revenue in the new stores comes from commissions on sales made by brand partners from their in-store sales areas. This avoids tying up capital in stock — the brands own the inventory — and the need to employ armies of buyers and merchandisers.

Brown says the model is scalable and he plans, eventually, to have five stores in provincial towns and cities. But he acknowledges that the rapid store roll-outs of the past are well and truly over. "I don't think you'll ever see a 150-store chain like Debenhams again. But there will be operators like us, with a small number of smaller stores."

For Parker, town centres need to be less focused on retail. "In future, we need to build space that is more adaptable, otherwise we will keep ending up with these white elephant buildings."

Green power push 'the only positive from Covid'

Energy

Pandemic accelerated companies' schemes to cut usage and emissions, writes *Nathalie Thomas*

During the summer in Michigan, when temperatures can surpass 32C and humidity is high, energy demand often doubles as households crank up their air conditioning.

But in the early days of the pandemic last year, the state's largest energy provider found many households were worried about how they would meet the rising costs over the summer. Unemployment was mounting and those who were forced to work from home saw their electricity usage growing fast.

Headquartered in the city of Jackson, Consumers Energy responded by giving away 50,000 "smart" thermostats to help customers statewide save money during the crisis. However, the devices have also had a longer-lasting effect: reducing electricity demand during the peak hours of 2pm-7pm, when the carbon intensity of the grid can be higher.

This smart thermostat scheme, launched in May 2020 with Google Nest and technology company Uplight, is one example of how some cities and areas have benefited from the acceleration of clean energy projects during the pandemic. Companies and policymakers have sought to use the recovery from the crisis to speed the shift from fossil fuels and rebuild their economies with "green" infrastructure programmes.

Consumers Energy's electricity customers who accepted the thermostat — which is controllable with a mobile phone and offers a clearer way of tracking usage — were also signed up to a programme designed to shift households' energy usage outside peak hours. In these peak times, electricity is more expensive and, to meet demand, utilities often rely on fossil fuel plants that can be powered up quickly.

Now, households are alerted a day ahead when the utility expects demand to be high — described to customers as an "energy savings event" — and their homes are automatically cooled in advance. Smart thermostats are then automatically adjusted by a few degrees during the crunch period to reduce demand on the system, although customers can still change settings manually if they are uncomfortable.

Taking control: use of smart thermostats can help cut both bills and peak-time demand; construction on Zorrotzaurre in Bilbao

There are now some 30,000 households signed up to the programme, known in the energy industry as "demand response". Utility companies around the world view this approach as critical to replacing polluting fossil fuel plants that are fired up during peak hours. It can also reduce the amount of clean energy infrastructure that might be needed in future, by turning whole areas of homes and businesses into "virtual power plants" that can respond to the needs of the grid.

Other companies, including the UK's Centrica, have also been looking at how to turn areas into virtual power plants using batteries installed in homes that can store electricity when it is cheap and discharge it in peak hours.

Demand reduction is one of the strategies in Consumers Energy's "clean energy plan" which aims to meet its customers' needs with 90 per cent clean energy resources by 2040. It has set a target to go coal-free by 2025.

Before the pandemic, it could be a "challenging conversation" to encourage customers to use less energy during peak hours, says Brian Rich, senior vice-president of Consumers Energy's parent company, CMS Energy. But the economic fallout of the crisis meant many began to see the financial benefits.

> 'Demand response' is critical to replacing fossil fuel plants fired up during peak hours

Rich says the company "started talking about energy efficiency and demand response through the pandemic as a cost play and bill savings play for customers".

Luis Buil, director of global smart solutions at Spanish utility Iberdrola, says that, since the pandemic, more towns and cities in Europe have been considering how to introduce clean energy projects. This is a response to people's desire to live in cleaner, greener places — and to take advantage of the new €750bn EU coronavirus recovery fund, known formally as Next Generation EU, designed to help states undertake green and digital transformations.

Buil says a number of Spanish municipalities have been asking how to replicate measures that are being introduced in Zorrotzaurre, an artificial island in the northern city of Bilbao once dominated by heavy industry. It is being turned into a residential and business district accessible only to zero-emissions vehicles and featuring solar rooftop installations, geothermal energy, and centralised district heat generation to cut emissions.

"Thanks to the Next Generation fund we are working with a lot of municipalities in order to build similar projects, in order to be ready to ask for the funds when it is open," says Buil. He adds that many other municipalities are keen to introduce community or collective solar schemes in residential buildings, given the large proportion of Spaniards who live in flats. "Probably the only positive thing about Covid is we really realised we can live in cities without smog, without noise," he says.

The redevelopment of Zorrotzaurre is taking place in several phases and has been under way for more than a decade. For Asier Abaunza, head of strategic projects for the city of Bilbao, though, the pandemic showed its importance.

A 2.5km waterfront on one river bank of Zorrotzaurre was completed just a month before Covid-19 hit. "So, when the pandemic came, we had a new green area for the people of the city to walk safely and in a very attractive space. It was very, very well evaluated by the people," says Abaunza.

Sporting comeback boosted by technology's growing role

Sport

New tech is helping event organisers map out a new future for the fan experience, says *Sam Agini*

Conor McGregor's fight against America's Dustin Poirier in January didn't go according to plan for the Irishman. But it was the first time in almost a year that Ultimate Fighting Championship, the mixed martial arts series, was able to welcome fans into an arena.

About 2,000 spectators filtered into the 18,000-capacity Etihad Arena on Yas Island in Abu Dhabi for the match, which McGregor lost by technical knockout. For Ali Al Shaiba, executive director of tourism and marketing at Abu Dhabi's department of culture and tourism, pulling off the return of fans following the pandemic was a relief, made possible by rigorous testing and keeping people in protective "bubbles".

"We couldn't sleep for a week going back and forth to the arena, checking every element," he recalls. "No one slept . . . but it was amazing, it was worth not sleeping for a week."

While Abu Dhabi has a history of hosting high-profile sports events, including Formula 1 car racing, Al Shaiba says successfully staging the fight amid the pandemic has strengthened the city's credentials as a destination for elite sports.

Around the world, cities and sports are adapting to the difficulties posed by Covid-19, often with new technologies playing a part in the return.

"The events industry was really one of the most affected [by the pandemic]," says Tania Braga, head of legacy at the International Olympic Committee (IOC), which organises the games. But she believes the return of sport will contribute to the wider economic recovery.

Marie Sallois-Dembreville, the IOC's director for corporate and sustainable development and executive committee member of the World Union of Olympic Cities, is in no doubt that cities still want to host events. "Everybody saw the difficulty of not having sport events or practice taking place and the [limitations] of that," she says. Sport can encourage physical activity, mental health and contribute to gender equality, she adds.

The IOC knows well the challenges of a global event in a city amid a pandemic.

Big win: Dustin Poirier celebrates his victory as fans return in Abu Dhabi

The Tokyo Olympics, delayed by a year, are scheduled to begin in July, with heavy restrictions on attendance.

For multi-city tournaments, such as the delayed Euro 2020 football competition, vaccines and testing have enabled fans to return in larger numbers, with 60,000 to be allowed to attend each of the final three matches in London.

And, as the returning fans have found, the comeback from Covid-19 has accelerated the role of technology — changing the match-day experience. Beyond the use of vaccine passports, digital tickets and contactless payments, technology can also speed up queueing and ordering food. Industry executives, stadium designers and analysts say technology will continue to reshape the fan experience as venues become more connected through the internet.

> 'We couldn't sleep for a week, going back and forth to the arena, checking every element . . . but it was amazing'

Dan Jones, head of the sports business group at consultancy Deloitte, says it is hard to imagine fans wanting to retreat from the convenience of digital ticketing. For teams, the attraction is in the data from digital tickets giving them insights into who attends events.

Teams and event organisers may also be able to take a cut when tickets are resold between fans. In future, tickets could be issued on blockchain, the digital record technology that powers cryptocurrencies, making each uniquely identifiable and allowing teams to monitor resale, according to Paul Lee, Deloitte's global head of technology, media and telecoms research.

The shift to contactless payments at stadiums will also continue. "For the last few decades, there's been this perception that digital is going to change everything," he says. "The reality is it just makes things easier and better."

Modern stadiums, such as that of Tottenham Hotspur, the London football team, now have the wireless infrastructure for fans to stay connected and share experiences on social media.

At the same time, clubs are starting to think about how better to involve live and remote audiences in events, says Christopher Lee, managing director at architecture firm Populous — which worked on Tottenham's stadium. He predicts more experimentation with virtual and augmented reality.

"On TV, you can get better angles, all the replays, commentary," says Nick Tyrer, associate director at Pattern Architects, which has worked on the designs for rival Premier League team Everton's planned new stadium.

"Part of our job is to ensure that spectators going to the ground have the best experience possible," he explains. "It is about better cameras, different sensors, we're designing for Spidercam, an aerial camera . . . drones will be one of the next potential ones."

Away from stadiums, cities are capable of hosting a wider range of sporting spectacles, argues Alejandro Agag, the Spanish motorsport businessman and former MEP. He says mass events will be harder to hold because of restrictions, but expects the strictest rules to ease.

In 2014, Agag launched Formula E, the electric car series, which he believes will benefit if, as he predicts, the pandemic speeds the transition to electric mobility as cities focus on sustainability.

Agag claims that interest in such technologies will also drive the growth of another of his interests: electric powerboat racing. His E1 Series, which will promote "sustainable watercraft", is targeting a 2023 debut and in June secured an undisclosed investment from Saudi Arabia's Public Investment Fund.

"The big advantage over car racing is the absence of big infrastructures needed, such as walls and fences," says Agag. "For cities with water [rivers, lakes or sea] this will become a great option."

Women at the Start

Monday June 28 2021

www.ft.com/reports

Action trumps pledges in the fight against inequality

Diversity Business leaders have made bold promises on diversity and inclusion. Now it is time to look at the results, writes *Oluwakemi Aladesuyi*

"People have called this a reckoning; people have called this an awakening," says Cindy Pace, speaking of the outpouring of commitments in the wake of the murder of George Floyd last year.

For Pace — who is vice-president and global chief diversity and inclusion officer at the US insurer MetLife, and brings a research-informed approach to her role — what stood out were the pledges. "The pledging wasn't just about words: 'I pledge to do X, Y and Z'. There were pledges focused on mitigating racial equity that I had not seen before."

CEO Action for Diversity & Inclusion, a leader-driven pledge, now has more than 2,000 signatories. All of them have made or renewed commitments to advancing diversity, equity and inclusion in the workplace through a wide breadth of actions, such as expanding employee resource groups, holding seminars on microaggressions and giving training on unconscious bias.

"In the past year, people focused on conversations: let's talk about race, let's talk about equity," says Pace. But while she agrees that it is important to have a work culture where differences are addressed with candour, that is not enough to drive equity, she argues. "We have to address the systemic barriers in the culture that cause one group to have access to opportunities over others."

A way to discern whether a company's pledges are driving the organisation towards greater equity is to ask what is demonstrably active about the company's initiatives, says Minda Harts, the author of career development book *The Memo: What Women of Color Need To Know To Secure A Seat At The Table*.

Wake-up call: George Floyd's murder was a catalyst for action — Mario Tama/Getty Images

One place to start is the company's "About us" page, she says. "You can see the face of leadership changing at many companies but, if you are a person of colour and you do not see yourself in leadership, then that is a problem."

Other elements that give a fuller view of how a company is advancing towards its active equity are pay audits — such as software company Salesforce's annual equal pay updates — or the publication of attrition rates and the progress of programmes aimed at improving staff retention levels.

"None of the companies are where they should be," says Dwana Franklin-Davis, chief executive of Reboot Representation, a coalition of tech companies that are trying to double the number of women graduating with computer science degrees.

Data presentation can also tell a story about a company — and how it is trying to get better. "When a company publishes disaggregated data [by race, gender and level] it is a signal to me that they are intentional about intersectionality," she adds.

It is difficult to assess what the culture of an organisation is from statistics. However, a thriving employee resource group could be a useful proxy of the company's values and what it puts resources behind, says Franklin-Davis. "If people are not happy in an organisation, they are not going to participate in things like that. They are going to come to work, do their job and go home."

An equitable workplace is one in which everyone has opportunities to grow, and the necessary investment in their skills to be successful. Much of that can be realised in the day-to-day direct relationship that an employee has with her manager.

Women of colour may often be the "only one" on a team. But having management that is adept at managing diverse employees — for example, by handling everyday microaggressions — can contribute to the psychological safety needed for everyone to bring their "full self" to work, says Harts.

The events of the past year have given companies the opportunity to make the workplace better than it was before, she says. "If you return to the office and nothing has changed, that shows me that this company is not invested in [your] success. Leaders have to decide if they want to demonstrate what equity is. And if they do, it's going to require some action."

Inside

Gender pay gap reporting drops in the UK

Transparency The number of employers reporting their data has tumbled since the start of the pandemic, reports *Aleksandra Wisniewska*

Only a quarter of the UK companies normally eligible to report their gender pay gap data did so in time for the April deadline this year — raising concerns that a continued hiatus on enforcement is delaying progress in closing the gap.

A decision by the UK government to suspend the gender pay gap reporting requirement entirely in 2020 — and to delay this year's deadline to October — had been intended to ease the pressure on companies battling the Covid-19 crisis. But it has sent a worrying message to women, who have been disproportionately affected by the economic fallout from the pandemic.

"We absolutely had the proof in the past 12 months that, if you do not enforce, companies won't report," says Caroline Nokes, MP and chair of the parliamentary women and equalities committee. "And if they don't report, you have zero confidence that they do the right thing. Only if you shine a spotlight on something, [do] you get change."

The number of organisations submitting pay gap figures fell from nearly 11,000 in 2019 to 6,200 in 2020 — a 42 per cent drop on the period before the pandemic. This year, only around 2,500 companies reported before the original April deadline — a quarter of the 10,000 companies that are eligible to report. Analysis by the professional services firm PwC found that those that did report by April were mostly in sectors least affected by the pandemic.

More companies have reported since April, bringing the total to around 3,400 so far, ahead of the new October deadline. This current reporting period, ending in April 2022, is the last one before the secretary of state is set to review the rules.

Gender pay gap reporting was introduced in the UK in 2017 as a mandatory requirement for employers with more than 250 employees. They had to submit their mean and median gender pay gaps, bonus pay gaps, and the proportion of men and women in each pay quartile. Since the requirement was introduced, the gender pay gap has been in slight, gradual decline.

"Suspending gender pay gap enforcement was proportionate and the right thing to do," says Alastair Pringle, interim chief executive at the Equality and Human Rights Commission, which is responsible for enforcing reporting. "The pandemic and lockdown have had, and are still having, a huge impact on employers. Offices were closed overnight and many industries were completely shut down."

The EHRC has recommended that the government make it mandatory for companies to publish action plans alongside gender pay figures, and to empower the EHRC to issue fines.

"It would be effective as an immediate sanction for late reporting," says Pringle.

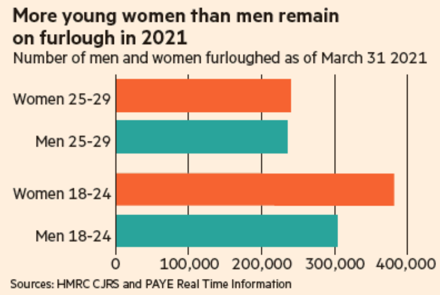
The government's equality hub says the government is "fully committed to women's economic empowerment" and points to the "unprecedented levels of economic support" offered to protect jobs for both women and men.

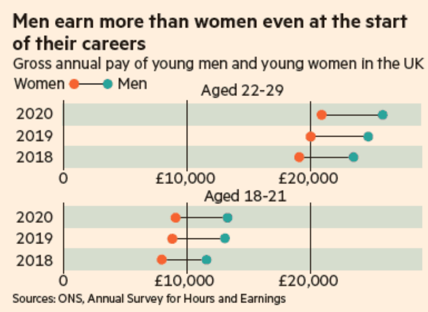
However, others are concerned by the government's decision to suspend and then delay the reporting requirement.

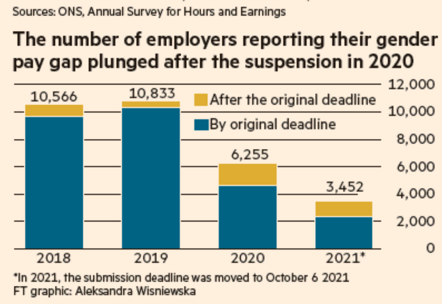
"It sends the wrong signal that the topic is only important in good times," says Denise Wilson, chief executive of the Hampton-Alexander review, the government-backed body that leads the task force for increasing the number of women on boards.

According to a recent report by the women and equalities committee, women across the UK were more likely to ask for furlough, be furloughed, lose jobs and miss out on the discretionary top-up to furloughed earnings.

"Even before the pandemic, young women were more likely to be on zero-hour contracts, have insecure jobs, were paid less than their male counterparts and faced a career of earning tens of thousands pounds less than men," says Joe Levenson, director of communications and campaigns at the Young Women's Trust.







No pressure: the UK government's decision to suspend and then delay the gender pay gap reporting requirement during the crisis has raised concerns

The pandemic has exacerbated these inequalities and the government's response falls short, say critics. "The recovery plan is very broad-brush and we have yet to see anything gendered [in its response]," says Nokes, who argues that more initiatives to support women are needed.

After finding that the government's investment plans were skewed towards male-dominated sectors, the women and equalities committee called this year for an equality analysis of the government's pandemic support schemes. "I would really want to see the government return to the equalities agenda with some passion and drive," says Nokes.

Ensuring more women enter the industries that are most likely to flourish post-pandemic will be key, says Ann Francke, chief executive of the Chartered Management Institute. She notes that fields such as technology, green energy and infrastructure were growing six times faster than others even before Covid — and yet are male-dominated.

"We urgently need to get young women into these fields," she says. "It's a once in a generation opportunity to learn from the crisis and make the workplace a better place. If we don't do that, we'll go even more backwards."

> 'If you do not enforce, companies won't report'
> Caroline Nokes, Women and Equalities Committee

The future shape of flexible working is still being debated, but it may prove to be a significant advantage in competition for talent, says the Hampton-Alexander review's Wilson. Organisations that opt not to offer continued flexibility could become less attractive employers.

"Women need to take a close hard look at the culture of those organisations and ask, 'Is that for me?'. Any organisation that isn't looking at that and making changes would ring the alarm bell," Wilson says.

What I wish I had known in 2008

Career planning

Women who graduated in the financial crisis offer tips on navigating the current climate. By *Janina Conboye*


'Don't be afraid to pivot': open-mindedness and flexibility are key — Getty Images

Louise Clark, COP 26 senior policy manager, National Grid
Graduated in 2009 with a degree in theology from Durham University.
I did not have a specific plan which, looking back, was probably a good thing. I decided to apply for the UK Civil Service Fast Stream graduate programme. When asked for a sector preference, I selected the environment as I had done some work experience in the sector and saw the opportunity for a purpose-led role.

This led to several years working in the government's Department of Energy and Climate Change, which permanently shaped my career. One thing I learnt is to not feel restricted by your degree subject. On the face of it, theology is not useful for anything but you build skills and then you can find a job that enables you to carry on building those skills.

Don't assume there are no jobs anywhere because of the pandemic. If you're interested in something, ask about it and go for it. Also, there is a perception that in the energy sector you need to be technical or scientific, but that just isn't true. There's strategy, policy, marketing, a whole range of things where generalists can be involved.

Marie Skinner, head of life sciences and talent acquisition, B-Hive Engineering
Graduated in 2008 with a masters in technical translation at the Université de Haute-Alsace Mulhouse-Colmar, and is currently studying for an executive MBA at HEC, Paris.
The market was hard. I was looking for a job everywhere — the UK, France, Germany. I had one interview and eventually the job was cancelled. I decided to start a translation business. I had no clue what I was doing, but I managed to develop my network. From the beginning, it was profitable. But, after four or five years, I got bored. I wanted to work with people as it was just me, my computer and my dictionary. I took night classes in HR and found a job as a recruiter at an engineering consultancy. I climbed my way up until I left for a competitor.

To those graduating now: don't be afraid to pivot. I shifted direction at 26 and did something completely different. It felt like a big thing, but actually it's OK.

Stephanie Bennett, senior banking adviser, Northern Trust Wealth Management
Graduated in 2009 with an MBA from University of Virginia Darden School of Business.
The firm I was working for in the summer of 2008 went under and was taken over by another firm. Offers were being rescinded but my post MBA job was honoured.

During my MBA, I turned my focus to a job on a trading floor in New York. It was not a job that had a lot of on campus interviewing opportunities so I had to fly to the city at least once a week to meet people at different firms.

I contacted Darden alumni who worked at the companies I was interested in, and asked them to introduce me to additional people.

It is essential to always be building your network even after you start your job. However, everyone is strapped for time and resources right now, so be sensitive to how you approach people.

I was not very sensitive when I leaned on my Darden network around the financial crisis and luckily a couple of people gave me some early constructive feedback so I could adjust my approach.

Bethany Watts, new business director, Leo Burnett, advertising agency
Graduated in 2009 with a degree in geography from University of Manchester.
After graduating, I fell into advertising. I had been travelling, including three months in Costa Rica and Nicaragua with Raleigh International, a sustainable development charity, I knew a couple of people who worked in advertising agencies, so I decided to do some work experience.

I got on to the graduate scheme at Leo's and I think it helped that I took a year out. I did not waste too much energy worrying about the things that I couldn't control.

If you do take a gap year, don't do something because you think you should; do stuff that makes you happy.

Think about your priorities: what's important to you, what won't you compromise on? It is also important to retain a degree of open mindedness. You might find a role at one of your top companies that is not your perfect role, but may be worth considering.

My priority was variation. I have been at Leo's for 10 years as it has provided me with enough different opportunities. Persevere and be patient. It will take time and effort, so get comfortable with rejection. You only need one "yes".

Priyanka Sharma, leadership development associate, LexisNexis Risk Solutions Group
Graduated in 2008 with a degree in zoology from Delhi University, India, and completed an MBA at London Business School in 2020.
I didn't know exactly what I wanted to do but, after two months, I realised I definitely needed a job. I came from a low-income household and didn't want to be a burden on my parents.

I took the first job that came my way working in a call centre. I then worked as a French teacher, while searching for the right opportunity — which was when I joined Tata Consultancy Services as a business analyst.

If you have financial responsibilities, take anything that comes your way — then you can stay afloat, pay your bills and keep looking for the right role. Don't randomly apply for roles; when you apply for everything, you dilute your brand. Be stubborn about your goals but flexible with the methods.

Improved online resources offer a salve for anxious jobseekers

Training

Researching a move from education into a career has been made easier by digital schemes, says *Andrew Jack*

For young people assessing their career prospects as they leave full-time education, the pandemic has only raised anxiety levels. But it has also improved the range of online resources available — and their access to virtual training.

A recent survey by the Princes Trust, a UK charity that helps young people through mentoring and training, has found that two-thirds of young women "always" or "often" feel anxious, and 57 per cent believe their mental health has worsened during the pandemic.

Yet Rozzy Amos, director for south of England at the Trust, says more women have participated in its initiatives now that more of them are online. "Childcare had been a real barrier and that was suddenly overcome because they could access our support in their own homes," she explains.

While many employers have delayed or cut their hiring and workplace-based work experience in recent months, because of Covid-related economic disruption or physical constraints, others have expanded digital schemes to provide advice and support.

"We've scaled up access online," says Bank of America's Katy Ingle, who oversees learning and diversity for Europe, Middle East and Africa (Emea).

The bank is providing a 10-week virtual summer internship to 1,800 young people across the world, as well as a women's insight programme, in which future jobseekers are able to learn about an organisation — and what they can do now to increase their chances of later being hired.

"Online has enabled more chances to engage a larger audience virtually, to take sessions to wider groups with different time slots that are more easily accessible," Ingle says.

For Karen Kimura, learning and development manager at the Girls' Day School Trust, which operates 25 fee-paying schools in the UK, young women should explore careers while still at school. Questions to ask include whether to go to university, try an apprenticeship that combines training with work, or even another route.

"You should ask every single person you meet what they do . . . what does a typical day look like, and what do you like and not like about it," she says.

This applies globally and for older students, says Allyson Zimmermann, executive director for Emea at Catalyst, a non-profit that advocates for women at work. "Most people like to talk about themselves — interview people in areas you want to work in, [ask] what's it like . . . don't be afraid to talk to people."

While different countries and employment sectors have different attitudes to inclusion, Zimmermann advises young women everywhere to seek out employers that show signs of progress on diversity in recruitment and leadership. Often in international organisations, the culture of the headquarters location "will determine what is valued and rewarded".

Kimura points to a growing range of resources, provided by university careers services, charities, employers and training organisations. Future Learn and other training platforms offer many online study courses, for instance.

"You might think you are interested in a career in forensics because you enjoy watching [US television drama] *Dexter*," she says. "It would be even better to do a course by a brilliant university on the subject."

MI5, the UK security service, offers an observation skills test to help potential applicants find out if they have the necessary ability. Bright Network, a charity, provides tests on different career choices, as well as internships in industries where women are under-represented, such as tech and engineering. Stemettes offers resources for young women interested in science, technology, engineering and maths (Stem) careers, while Upreach offers advice and experiences to those from disadvantaged backgrounds.

When applying for jobs, Mark Gale at the Young Women's Trust, which offers support and advice, says a lot of young women leave some excellent skills off their CV because they have not understood what is required for the job. "So, they are not presenting the most relevant ones, and miss out experiences like voluntary work and hobbies." Ask a friend or family member to review it and give feedback, he suggests.

Kevin Hogarth, UK chief people officer at professional services firm KPMG, says women often "need to get over any discomfort in what they might feel is being slightly arrogant in promoting themselves". As for finding detailed information on jobs, work experience and insight programmes, it is there but "you need to do your research. There's no shortcut."

And the apparently limited experience of some candidates need not curb their chances. "There are lots of different life experiences they can draw on to demonstrate skills and maturity — such as carers, who show great resilience, decision-making and judgment," Hogarth says.

Contributors

Oluwakemi Aladesuyi
Audio journalist
Aleksandra Wisniewska
Visual projects editor
Janina Conboye
Work and careers writer/editor
Andrew Jack
Global education editor

Claer Barrett
Consumer editor
Patricia Nilsson
Reporter
Heather McGregor
FT contributor
Amy Bell
Commissioning editor

Esan Swan
Picture editor

Self-employment *Claer Barrett* on the key finance questions freelancers should always address

Be your own boss but take charge of your money, too

Dividing lines: separating business earnings from personal finances will make it easier to keep track of cash flow and chase late payments — FT Montage/Getty Images

There are many attractions to being your own boss but, as any self-employed worker will tell you, being the boss of your own money is a must.

The impact of the Covid-19 pandemic means that more people are now working freelance or setting up on their own at the start of their careers — by choice or by necessity. Whatever your line of work, staying on top of your freelance finances is crucial. Still, many struggle to find the time. Here are the key points to help you get started.

What's the day rate?

The first question for a new freelancer is how much to charge. And the best way to find out is to research what, and how, others charge for their work. Networking groups for your specialism are particularly valuable for this.

However, you must also work out what you need to survive, and whether this is realistically achievable. Start with your personal finances, and run through your budget. How much do you need to make each month to cover your costs? As a bare minimum, what would this equate to as a "day rate" — and how does that compare to what others say they can achieve?

Remember, you will need to pay tax on freelance income — look for a simple online tax calculator to help you work out the likely amount. Rules vary according to geographic location, but some companies deduct basic tax at source.

You should also plan to build a cash savings buffer. If you do not have a regular income stream, you really will need this safety net for the leaner months.

As well as cash reserves for emergencies, the self-employed should also think about pension saving, although few find it easy to put money aside. The basic problem is that pensions tend to be inflexible: once you pay the money in, it could be locked up for decades. But you may receive tax relief on anything you can save.

Don't work for free

Sadly, some clients interpret the "free" in freelancer a little too literally. Be very wary of those who expect you to work for nothing, simply in order to "get the exposure".

You should always talk about the money before accepting the work. These conversations can be awkward, but they are necessary — and having a firm grasp of your day rate will help.

Anne Boden, founder of Starling Bank, recently reinforced this point on the FT's Money Clinic podcast. She said: "It's a particular issue with women in that they tend not to be prepared to say, 'I am worth X amount per day; I'm not prepared to have that conversation with you for free; and I'm not prepared to have that coffee so you can just pick my brain'." So take a leaf out of her book and say: "I'm a professional, this is my fee, I am worth it. And this is what I'm going to charge."

That is the easy part — the hard part is actually getting paid, which can be tortuous. Some clients will require you to register as a supplier; others require invoices to be completed in a specific way with codes and reference numbers. My advice is make friends with the accounts people at businesses you do a lot of work for.

Keep it separate

One of the biggest challenges for self-employed people is keeping their business earnings separate from personal finances. But doing so will make it much easier to keep track of cash flow and to chase overdue payments — the bane of any self-employed worker's life, not to mention filing annual accounts and tax returns.

Be aware that some banks charge fees for business accounts; digital banks tend to be the cheapest and have the best apps. You do not need to start your own company to qualify — most banks accept applications from sole traders (those who work for themselves).

For those combining employment and freelance work, it is usually possible to have a full-time PAYE job and register as self-employed for freelance earnings. My system is to set aside a percentage of any freelance income I generate and put it into Premium Bonds. I may win a tax-free prize while I wait to pay my tax bill.

> 'I'm a professional, this is my fee, I am worth it. And this is what I'm going to charge'

App or an accountant?

Generating invoices and dealing with receipts, expenses and tax bills makes it worth setting up some kind of admin system. At the most basic, this could be a spreadsheet, but there are a growing number of apps — free and paid for — that will streamline the process.

That is fine while you are starting out, but could an accountant provide something that an app could not? "Apps are great at collecting data, but what they can't do is guide you as to what that data means," argues Nimesh Shah, chief executive of accountancy firm Blick Rothenberg, which has nurtured many start-ups.

The first thing he looks at with start-up clients is the level of cash flow — the lifeblood of any business — and whether they are growing too quickly. "Apps can tell you how much tax you'll need to pay, but they don't necessarily tell you about tax allowances," he points out. In fact, accountancy fees may be one of your tax-deductible items.

Find the right structure

Most freelancers start as sole traders but, in time, they may need a more corporate structure.

Some clients will deal only with limited companies or partnerships. Depending on your line of work, you might want a company structure that protects you from future legal claims — in the UK, this would be the formation of a "limited" company.

Such a move would require the help of an accountant. This will increase your admin costs, but remember that businesses can often claim more generous tax allowances.

Accountants will ask new business owners questions about the right structure, and challenge their thinking on this, says Shah.

"If you're an entrepreneur starting a business with the idea of one day selling it . . . getting this advice early on can save you a fortune in legal bills further down the line," he explains.

The writer is the FT's consumer editor and presenter of the FT's Money Clinic podcast; Instagram @ClaerB

What recruiters want — and how to provide it

Career planning From short-term temping to gaining professional qualifications, there is more than one way to land a job you want, says *Heather McGregor*

As a recruiter for 17 years, founder of an initiative to help graduates from black and minority ethnic backgrounds get good first jobs, writer of a career guide for women, and currently professor to 15,000 students, I have developed a keen sense of some dos and don'ts for the best chances of being hired for a job you want. Here are some that you should consider.

No idea what you want to do?
Try out different things. Take your time. You are likely to be working a long time as life expectancy for most people extends — some of you will live to be over 100, while the age at which you might receive a pension will recede. Register with a temp agency and do a few short-term contracts in different companies to get a sense of what you enjoy — and what you don't.

Didn't get the job you went for?
If you do know what you want, there is no need to despair when you don't get in through the front door. You didn't make the graduate training scheme at Goldman Sachs? Or the BBC? Or McKinsey? It can be soul-destroying applying for grad scheme after grad scheme, only to get nowhere.

Try for smaller organisations in the same industry, and try for different routes in. For instance, a starter role in internal auditing reviews all elements of a business and gives you a bird's-eye view — so you can decide which bit you really want to work in. Another route in is in risk management — it is one of the biggest areas of any business, but university careers advisers do not seem to advise seeking a career in risk, for some reason.

Try for a job in the company you want to work for, even if it is something you never thought of doing. Call the HR department and ask which temp agency they use, then register there. It is easier to make a move from the inside.

The two-year rule
Your early, permanent jobs need to show you can take responsibility and stick at things. If you do get a permanent, career-shaping job, you should ideally stick it out for two years. Of course, this does not apply to stacking shelves or working behind a bar — or indeed any job where you are truly miserable. But two years is enough time to show future employers you are reliable.

Know your numbers: a grasp of a company's finances will impress interviewers — FT Montage/Getty Images

Build a network
Everywhere you study, and everywhere you work, you should cultivate at least one person who you will always stay in touch with and can look to for a reference. This is your "social capital" and will help you for your whole career. Networks are not just something you build — you also need to maintain and to mobilise them.

Once a year — the start of a new year is good for this — write to them all and let them know how the past 12 months has been for you. Got a promotion? Moved to a different part of the company?

It drives me nuts when people ask for a reference after years of not hearing from them.

Become financially literate
The ability to understand and even discuss the finances of the company you are trying to join will always help at interview. There are some great online courses to help you get to grips with company finances, whatever you studied before.

My favourites are those run by Finance Talking, which has courses for every level of non-financial beginner — including a 20 minute "coffee break" course (learn something useful in the time it takes to drink a cup of coffee), called "How to analyse a company".

Get qualified
I once picked out the CV of a graduate who had a weighbridge operator licence, and another who was a qualified helicopter pilot. I had no need of someone to operate a weighbridge or fly a helicopter but they indicated that these young women had pursued interesting professional qualifications.

If you are financially minded and trying for a career in investment banking or investment management, even the first level of the CFA Institute qualification, or similar, will help you stand out. Sure, if you are lucky enough to get on a grad training scheme, your employer will put you through this. But, if you can get yourself at least partly qualified, you might get into one of the smaller companies that do not have grad schemes. Professional qualifications show commitment and intent.

Your job-hunting 'agents'
Finally, have you told people you are looking for a job? Write to everyone you know and explain what you are looking for, and attach your CV. It will only take one of them to know of an opening somewhere and you could be finding your dream job.

The writer is executive dean of Edinburgh Business School, Heriot-Watt University, and author of 'Mrs Moneypenny's Careers Advice for Ambitious Women'

Ask the HR department which temp agency they use . . . It is easier to make a move from the inside

Dos and Don'ts for a top CV

Do:
- Put your name across the top and your contact details on the next line. A prospective employer wants to see quickly how to contact you. If you want to put, say, the city where you are based, avoid including your exact address. Think safe!
- Keep to one piece of A4 if possible, and not more than two. A CV is a factual record of your career. The reasons why you are highly suitable for a particular position should be outlined in a covering letter that accompanies the CV.
- Divide your CV into three: education (including professional qualifications); employment history; and additional information.
- Account for every year — chronological gaps will be spotted and asked about.
- Hopefully, you have another dimension (charitable activity, sport) to describe. If you do, list them together with how much you have achieved, or how committed you are. Thus "run regularly with the Highgate Harriers" or "contribute monthly articles to the local community magazine" are better than "running" and "writing".

Don't:
- Include your marital status or number of children — it is not relevant to your ability to do a job. You can always volunteer the information at interview.
- Include your date of birth — it will then be illegal in some countries for people to store your CV.
- Use a fancy typeface that no one can read. Arial or Times New Roman are fine.
- Ask someone else to write it for you, except in draft. Employers need to see how you present yourself, not how someone else does it.

Personal development Advice on managing your time effectively and building resilience in the face of setbacks, by *Patricia Nilsson* and *Amy Bell*

Healthy habits to boost your productivity

Caffeine regimens and perfected email headings are among some of the chirpier personal productivity hacks that have faded during the pandemic — with many workers struggling to stay sane as the lines between the professional and personal blur.

Studies have shown that while office workers are generally working well from home, some groups have found it harder to adapt to new and sometimes isolating job conditions.

Mothers who juggle careers with disproportionate responsibilities at home are among the hardest hit groups. But women without children have also reported lower productivity levels, which researchers at the University of Chicago's Becker Friedman Institute for economic research say could be due to "other demands placed on women in the domestic setting".

A study from the UK think-tank Economic and Social Research Council last year linked difficulty in performing one's job well to lower mental wellbeing.

With homeworking expected to remain commonplace for many — even as the pandemic recedes — executives recommend habits that can promote healthy bursts of work, and leave enough time for rest.

Claire Darley, vice-president at software company Adobe's Europe, Middle East and Africa business, manages 120 people in several countries. "Everyone has struggled with the day getting longer and stretchier," she says. "I certainly have, too."

To ensure she stays "fresh and on fire" Darley has become stricter about observing the hours in which she will not take calls or join virtual meetings: "People don't think you are a flake . . . actually, they respect you for it."

But while she advocates for professionals setting boundaries on day-to-day tasks, her top advice to young women wondering how to achieve more is to identify potentially career-enhancing opportunities, and take them.

"One of the things I often say to women, especially those at the beginning [of their careers], is it's all about chances, making and taking chances," says Darley. She points out that she secured her first internship at IBM 30 years ago by networking with a graduate from her university who had already done a similar work placement.

"I made my own chance by being cheeky, asking questions and getting myself on the interview list."

Noelly Michoux, co-founder and chief executive of skincare brand 4.5.6, sought the help of a life coach to stop a creeping feeling that constant firefighting meant she was not actually achieving anything.

"It would leave me with an awful feeling that I took home from work, so I would not really be present with my family either, and then I would go to bed with the guilt of not having had a fulfilling day, neither on a professional or personal level," she says.

The life coach has taught Michoux how to manage her mind and emotions and, most importantly, to be kind to herself when things do not end up the way she had planned. "It is not something you can just read about, you have to practise and practise until it becomes a habit," she says.

One of Michoux's new habits is turning off notifications on her personal and work devices between 9am and 5pm, meaning she only checks emails and messages on social media at allocated times, rather than when they come in. This applies also to her friends, who she says no longer expect an immediate response when they reach out.

Michoux has identified her most productive hours (between 2pm and 6pm) and will try to get emails and meetings out of the way before tackling more difficult tasks after lunch.

"Get your brain into the habit of doing the same kind of task, on the same day and at the same time. Then you become super effective," she says.

Mairead Nayager, global head of HR at drinks business Diageo, says she started her career sleeping just a few hours a night and putting strain on her body just through the sheer amount of time she spent sitting down at her desk.

"I ended up with a back injury and surgery at 31," she says, calling the experience "ridiculous" but also a "really big shift in my thinking".

From then on, Nayager decided that the key to increased productivity was to take control over her work habits.

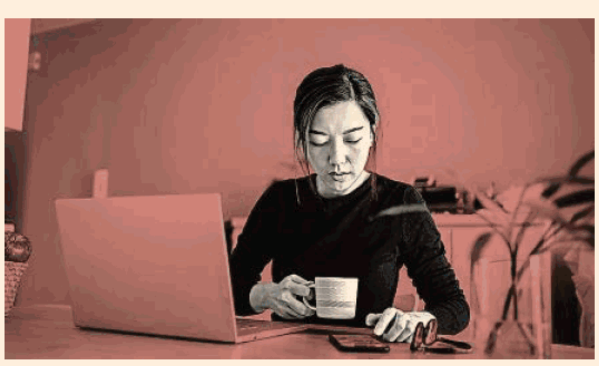
"There's an expectation to do these crazy long hours," she says about modern workplaces. "No matter how much you work in a given day, there's always something else that's left undone. So I think taking control over how you work is important."

Nayager, who has about 600 people in her team, says that Diageo — like many other companies — has not suffered a productivity drop during the pandemic. It is, however, not uncommon to hear from members of staff who say they are spending longer hours at work to reach the same level of output.

Despite the potential pitfalls, homeworking at scale has revealed that even big multinational companies have quite a bit of flexibility to accommodate people's preferences for work. Nayager applies this on a personal level as well.

Unforeseen circumstances, such as a colleague staying up all night with their child, happen every now and then and Nayager might encourage someone to "maybe just park the day, go to bed early and start afresh the next day".

"That's certainly what I will be doing today, as my toddler woke me up at 3:30 in the morning, and so I wouldn't even be very productive if I worked late tonight." **PN**



Call me later: turning off notifications from 9am to 5pm helps you focus — FT/Getty

Find grit to ace the early stages

The best way to take off in an Apache attack helicopter is to turn the nose towards the wind and "fly straight through it", says Shannon Huffman Polson. The resistance will help you rise.

One of the first women to fly an Apache for the US army, she led two flight platoons across three continents before joining the corporate world — learning about grit and resilience in the face of setbacks along the way.

Fear, like the wind, should be faced head-on, she says: "We have a tendency to shy away from the things that are difficult . . . The only way to face your fear is to acknowledge it and then turn towards it."

Starting a new job or navigating the workplace for the first time can be daunting. There are new responsibilities, you may feel pressure to say yes to everything, and you are meanwhile trying to fit into a new culture. And, in any new job as a young person, you are being sized up, says Gorick Ng, author of *The Unspoken Rules: Secrets to Starting Your Career Off Right*.

Think of "three Cs", he says: competence, commitment and compatibility. "Can you do your job well? Are you excited to be here? And do we get along? Your job is to make sure the answer is yes."

The transition from studying, where assignments are laid out for you, to working life can put pressure on new recruits' mental health, says Ng. "You have this bubble wrap around you in school. In the workplace, your managers are invested in your success but no one will think about your career in the same way you will."

Unexpected obstacles or a change in circumstances can also throw you off course.

For Huffman Polson, persevering through such challenges requires grit — having it, or developing it. "Grit is having a dogged determination in the face of difficult circumstances. It's being able to shift your mindset — to say, I'm going to look at this a different way."

For instance, you may have narrowly missed out on a job. Reframe it as a positive opportunity, she says.

"Start with the sentence: 'Another way to look at this is . . .' and force yourself come up with two or three ways. It puts you in a space of creation and discovery."

That said, when you face setbacks, do not try to snap straight into a positive mindset, says Emily Anhalt, clinical psychologist and co-founder of Coa, a "gym" for mental health. "When we don't process something we carry it with us," she says. "Take time to feel sad for what you had wanted to happen."

Having a sense of purpose can make the difference when a situation feels tumultuous, says Huffman Polson. Even if your first experiences of working life fail to match up to expectations, you can find something in them that will relate to your values.

For Huffman Polson, this was initially being stuck in a back office admin position in the military after completing her pilot training. Her response was to adapt the Five Whys technique originally invented by Japanese carmaker Toyota to improve manufacturing processes. You can adapt it to ask yourself "why", not just once but five times, to drill down to what really matters to you, she explains.

In her admin job, Huffman Polson's initial answer to the question, "Why am I here?" was that she wanted to fly a helicopter. Her fifth, final answer was that she wanted to serve her country. Recognising that kept her going.

Personal motivation is one aspect of starting in a new role. Then there is navigating workplace dynamics.

"The biggest challenges are always with people," says Huffman Polson. One example, she suggests, is if you feel you have upset your manager or a colleague, and facing it is the only way to end the tension: "Schedule a meeting and raise your concern."

Understanding the difference between intent and impact is also important, says Ng. "There are cases where your manager has positive intent but, due to stress or deadlines, their impact is negative."

Getting insider intel from colleagues you trust can help: "Find someone who can help you decipher what this person is really like," Ng advises.

Anhalt advocates building "resilience muscles" so that you are mentally stronger when challenges arise. Making time for interests outside work, for example, is particularly important now, when work and personal life are bleeding into each other, she says. And check in often with people you trust.

She says: "Things can feel really muddled but, by running our frustrations through another person's mind, [they] can be reflected back to us more clearly."

If faced with an overwhelming list of tasks, and someone asks you to take on another project, there are ways to push back without looking unwilling, says Ng. "People can't read your mind, so don't just smile and nod . . . Say, I would love to help, but just so you know I've got X [and Y] going on."

And do not be too hard on yourself if you make mistakes, adds Ng: "The key is to avoid making the same mistakes [again]." **AB**

'Grit is being able to shift your mindset — to say, I'm going to look at this a different way'

Five feel-better tips

You've had a disappointment at work? Then you are in good company — most people have faced setbacks in their careers, says Emily Anhalt. Here are some practical responses:

- Talk about it. Speaking about failures or problems out loud helps you move through them.
- Beware of comparing your "behind-the-scenes" life to everyone else's highlights reel.
- Stop "should-ing" — "I should know this", or "I should be further along in my career." It puts you in a fixed mindset.
- Keep a self-esteem file: a collection of any pieces of good feedback you have received, or when something goes really well. It is hard to argue with years of evidence.
- Don't personalise professional criticism. Hold your work separate from your personal identity to help you take in feedback more easily.