Hello and welcome to The Intelligence from The Economist.
I'm your host, Jason Palmer.
Every weekday, we provide a fresh perspective on the events shaping your world.
The electrification of transport is going at different speeds in different markets the world over.
We look at why two and three-wheel vehicles are going electric so much faster in Asia.
And what once seemed like an idle bureaucratic exercise in Britain has started to depressingly feel like a bit of necessary contingency planning.
We go through the risk registers to see how to prepare for the end of the world.
But first...
On this vote, the Yays are 335.
The Nays are 91.
Two-thirds being in the affirmative.
The rules are suspended.
The bill is passed.
On Saturday, America's Congress stunned the world by finally doing what it's supposed to, striking a deal to avoid a government shutdown.
It wasn't much of a glorious outcome.
Sure, government services can stay open and military and other government workers will get paid.
But it might prove to be a parric victory for Kevin McCarthy, the Republican Speaker of the House of Representatives.
Just moments ago on the House floor, we passed by overwhelming numbers the ability to keep government open for the next six weeks.
Six weeks.
All this fuss and it's still not a year-long budget authorization.
But the stakes had grown higher as a shutdown had grown nearer and Mr. McCarthy had to change tack at the literal 11th hour.
He snubbed the hardliners in his Republican Party and, gasp, sought the votes of Democrats, like House Minority Leader Hakeem Jeffries.

The American people have won.
The extreme MAGA Republicans have lost.
It's a bit early to declare any kind of victory here.
And for Mr. McCarthy, a new battle is opening up.
The Republican hardlines are absolutely furious with Kevin McCarthy that he moved this compromise bill and that he worked with Democrats to get it passed.
Daniel Franklin is Deputy United States Editor for The Economist.
Now they're turning their guns on Mr. McCarthy himself as Speaker of the House.
He's in a very fragile position.
Some of them are promising to challenge his leadership.
Well, let's wind back a bit.
What is it that these Republican hardliners wanted from the beginning?
The Republican hardliners wanted deep, deep spending cuts of a scale that there was never a chance that a Democrat-controlled Senate, let alone even a House with a very slim Republican majority, would agree to deep cuts in spending programs.
That relatively modest bit of the budget that is discretionary, in other words, that isn't commitments that have to be made.
And they wanted also, crucially, to cut funding for the Ukraine war effort.
And so the story of this near shutdown was Mr. McCarthy trying to meet those needs, but ultimately failing.
I mean, how did this deal get done?
Well, he was trying to meet those needs in full knowledge that there was not a chance that this would get through Congress.
And so threatening to shut down the government, the problem being that a government shutdown does not play well with voters.
Real things happen.
People don't get paid.
In particular, military personnel would not be paid.
And a lot of Republicans themselves in congressional districts where there's a lot of military and where they may not have strong majorities would potentially feel a big backlash from this.
So it was high stakes gain.
So in the end, and really to many people's surprise, right at the last minute, the speaker turned around and said, well, he was prepared to do a deal that would rely on Democratic votes.
He dropped a lot of these spending cut demands and managed just about in very, very few moments remaining to get the bill through the House, through the Senate and through President Biden to keep the government going.
But what is the substance of the deal?
Crucially, it's only a temporary deal.
It keeps the government going for 45 days.
So in theory, we could have the whole saga repeat again in just a few weeks time.
It did not include any funding for Ukraine, which was something that there is actually a majority support for in both the House and the Senate.
So it manages to keep the government going at the cost of just kicking the argument down the road

and some very real impact potentially on Ukraine and its war effort.
So the minority of the Republicans that you speak of must now be pretty unhappy with this deal.
They got done by McCarthy who went in with the Democrats on it.
Yes, some of them are absolutely furious on principle because they really do seriously want these cuts.
Others are just furious at what they see as a betrayal by Kevin McCarthy.
So Matt Gaetz, for example, from Florida went on CBS to say that he's going to challenge Kevin McCarthy as Speaker.
I do intend to file a motion to vacate against Speaker McCarthy this week.
I think we need to rip off the Band-Aid.
I think we need to move on with new leadership that can be trustworthy.
He is going to rely on the fact that if you step back and you look at what made McCarthy Speaker in the first place, it took 15 votes to get him there.
And as part of that, he had to concede that just one Republican colleague was all it would take to challenge his leadership.
So that's going to be put to the test, it seems.
So what's he saying about this challenge that's been threatened?
Well, Kevin McCarthy knew that this was the price he might have to pay and he said, bring it on.
You know what, if somebody wants to remove, because I want to be the adult in the room, go ahead and try.
But I think this country is too important.
He's going to face up to this challenge and he has such a thin majority in the House, 221 to 212, that it takes only a very few rambles of his own side to oust him.
So he's going to have to rely presumably on some Democrats to keep him in place and the Democrats are going to play hard to get.
And what does this particular fight tell you about governance in Congress?
Which outcome would be better for the way the country is run?
Do I have Mr. McCarthy stay or do I have him go?
Well, it's not obvious who would replace him at this point.
The number two Republican leader is undergoing treatment for cancer.
The number three leader has ruled himself out of the contest.
So there's a real danger that we would be back to having a great difficulty of having any sort of leadership in the House with its Republican majority.
And that's not good for the country.
And the strange thing is that it's not as if this is part of some great divide between Democrats and Republicans.
The argument is really primarily within the Republican caucus.
And coming back to the Ukraine question, which will, I guess, come up again in a few weeks' time.
What do you make of the idea that this only went through because the Ukraine funding was not part of the deal?
I think the real worry about this stopgap deal is the message it sends on Ukraine.
Now, there will be efforts from the Biden administration and Ukraine supporters in Congress to find ways of keeping the money going.

But the trouble is it sends a message that this support is now harder to come by
and that there is a growing and quite powerful lobby among Republicans to try to cut that off.
And I think that is going to be of grave concern to those looking to increasingly a long campaign in Ukraine.
And with regard to that, and I guess the bigger funding picture,
what are your predictions for a few weeks' time when this stopgap bill stops?
Well, there's going to be a lot of pressure to get a bill that takes America beyond the American election next November
and avoids a similar fight in election season.
So who knows whether the will will be there to get a compromise to push that over the line.
In the meantime, it seems we're going to have a fight over the speakership.
So there's a lot of moving parts in this.
It would be foolish to predict that all is going to go smoothly given what we've just seen happen.
Daniel, thank you very much for your time.
Thank you, Jason.
On the latest episode of Checks and Balance, our sister show on American politics,
my colleagues take a closer look at the machinations inside the Republican Party.
An important note on that, though.
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Go on, avail yourself.
The link is in the show notes, or just head to your preferred search engine and look for Economist Podcasts.
Even if you haven't seen it for yourself, our correspondents on the show keep pointing out just how bad traffic can be in many Asian cities.
It's not just cars.
In a lot of places, it's also mopeds and motorbikes and rickshaws and tuk-tuks.
But there's a big shift going on in that two- and three-wheeled end of the market.
Roads might not be getting any less busy, but they are getting less noisy.
Electric scooters are becoming a huge deal in Asia.

Mike Bird is our Asia Business and Finance Editor and a co-host of our sister show Money Talks.
That's particularly due to some interesting technological changes that are allowing that market to boom a lot more quickly than other types of electric vehicles.
When you say boom, how boomy are we talking here?
We'll take China as an example.
It's the biggest market in the world for electric vehicles, full stop.
About half of two- and three-wheeled vehicles sold in 2021 were battery powered.
That's relative to about 16% of new passenger cars.
Other than some very small markets in parts of Europe, that's basically as electrified as anything gets.
And as you can see, the two-wheeled vehicles, those scooters and mopeds typically are moving a lot faster towards full electrification than the passenger car market is.
But you're also seeing this in other parts of Asia as well.
On September the 6th, the go-to group, which is the parent company of Gojek, a ride-hailing app in Indonesia and across South Asia, announced this deal with Selex Motors,
which is a Vietnamese producer of electric bikes and these networks of swappable batteries, what are called battery ATMs.
So you might drive around and see a wall full of batteries charging.
People can drive up, take a new battery when theirs is out, put theirs in and set off straight away.
So it cuts out a lot of that charging time.
You've seen deals like this one in late August between Kimco, which is a large motorcycle maker from Taiwan as well,
announcing a deal with Thai state-owned energy firm, PTT, to make electric motorbikes.
And basically this is a sort of new model popping up around the region that looks particularly promising for fairly rapid electrification of the two-wheeler vehicle market.
So this is clearly a movement going on across the region, but where's the biggest market? You mentioned China, is it there?
So actually the biggest opportunity on this front is really India, not just because it's the world's most populous country,
but because anyone who's visited India will know it's an enormous market for two and three-wheeler vehicles.
And if you look at the electric two and three-wheeler sales, they reached about five and a half million in the first eight months of 2023, obviously absolutely colossal.
That's up 53% compared with the same period the previous year.
What we've seen is a number of similar deals this year.
Gagoro, which is a Taiwanese company, has already announced two deals with Indian food delivery companies.
It's announced a deal with the state of Maharashtra, which has 126 million people.
It's the state in which Mumbai is located for those who don't know.
They're aiming to invest billions of dollars over eight years and basically lay out a lot of the infrastructure that you'll need for this sort of battery charging.
They're calling that the Ultra Mega Project.
And so you mentioned this is a boom that is going on very much in the two and three-wheeled side of

things.
Does any of that translate to the four-wheeled or just normal sort of electrified car market?
So people have talked and sort of experimented with battery swapping for passenger cars.
It's intriguing for exactly the same reasons.
You don't have to spend a lot of time charging up your car.
If you can just get a battery quickly swapped in and out, NEO in China is experimenting with this sort of thing.
But definitely the case is most clear cut for smaller rides for a number of reasons.
One, you try lifting your car battery out of your electric vehicle.
You may well struggle.
Batteries have a little bit of a problem with being stored.
They can decay.
They can become a little bit dangerous.
The bigger the battery, the more true that is.
And the research on this basically suggests that the total cost of ownership,
which measures how much a driver or a rider pays for every mile driven over a vehicle's lifetime,
is lower for two and three-wheelers when you use battery swapping.
That's less clear cut for bigger vehicles because there's so many difficulties with the infrastructure.
And on the pace that you're describing it,
it sounds as if the old school, the petrol-powered scooter might be for the chop in the long run here.
I think we can hope that that's the case.
The only problem with that is that there's a sort of chicken and egg problem when it comes to the infrastructure.
Building these battery swapping networks is expensive.
So to justify that, you need people to buy the compatible vehicles.
The problem is people aren't going to buy the compatible vehicles unless they have access to the charging stations,
which means building the infrastructure.
I mean, that's exactly the problem that we have always talked about when it comes to cars.
Absolutely. That's a problem with cars as well.
I think why it's an additionally serious problem in Asia or a serious challenge to be surmounted
is that you're talking about places that are much poorer.
Basically, the expense of investing in these battery ATMs and maintaining for them and caring for them
and making sure that they're widespread enough is more expensive when you've just got a low per capita income.
So what we would need to see for this to really work is some sort of standardization of battery types,
some sort of increasing agreement between governments and industries
and these battery swapping companies to try and make sure the maximum number of vehicles
apply to a single or a shareable battery type in some way.
So it's going to take some time, but it does seem that since the sort of economics of this work
that this is going to be something you're increasingly see across Asia
in these absolutely enormous markets for two and three wheel vehicles.

Mike, thanks very much for your time.
Thanks very much, Jason.
This is a really great cup of coffee, sigh.
But you also can't get hangry.
This is true.
At Staple's Business Advantage, we help you select from 2,000 break room products
so you can be sure there's something for everyone.
Yum, sign up today and save 20%.
Staple's Business Advantage.
Business is human.
Terrorist attacks on transport score three.
The delicately euphemistic nuclear miscalculation beats that
with a stronger impact score of four.
The accidental release of a hazardous pathogen
and the assassination of a high profile public figure
both feel like barely worth bothering with.
Each of them scores two.
But the highest scoring of all is pandemic with a splendidly robust five.
Admittedly, civil nuclear accident scores five as well,
but pandemic also threatens up to 840,000 deaths.
So it wins.
To read the British government's risk register
is like sifting through a game of apocalyptic top trumps.
The register lists the many varied
and sometimes quite splattery ways in which Britons might be wiped out
and then it assigns scores to them.
As is the way with any game of top trumps,
some of the entries are more eye-catching than others.
Few are likely to suffer any sleepless nights
over a major outbreak of African horse sickness.
Others in the pack are much less ignorable.
Almost no one could read the entry for pandemic
with its talk of tests and waves and hospitalisations
without a dull sense of dread.
Because the apocalypse, which was once entertainingly abstract,
is starting to feel considerably less remote than it once did.
By those who study these things,
Britain's risk register is widely considered to be kind of good.
It's much more detailed, much more precise
and much less secretive than it was before.
It's definitely got flaws.
Its methodology is way too opaque.
The production of it is a bit too cloak and dagger.

And slow-moving cataclysms such as AI or climate change
or antimicrobial resistance aren't on it.
But one of the biggest criticisms of our risk register
is its representation, which sounds trivial but isn't.
The way it's laid out is that every risk on the register
has two scores, a likelihood score,
which goes along the x-axis
and an impact score which goes up the side.
And the impact score goes from one, which they call minor,
to five, which they call slightly less reassuring, catastrophic.
The problem is the scale is logarithmic,
so within a single square you get threats
that might cause just a thousand deaths.
And you get threats that might cause a hundred thousand deaths,
even a million deaths.
This looks really tidy on the page.
You get a nice square-looking matrix, but it's a problem.
People think that it means that you just don't take them seriously enough.
There are other quirks to this register.
If you read through it, the advice that it offers to individuals
is feeble at times, almost at other times just quite eccentric.
So for a marauding terrorist attack,
it references advice that tells people to run and then hide,
which, while sensible, is not wholly comforting.
And it also suggests that to prepare for disaster,
people might like to stash wind-up radios,
torches and bottled water at home,
or to join a community group or social club
that is active in emergency preparedness.
What those who don't have a local nuclear fallout club
should do for fun on a Friday night is not clear.
Britain started producing risk registers in 2008,
and in that time they felt less like a kind of essential tool
than an odd bureaucratic hobby.
Since then, Russia has invaded Ukraine.
AI has threatened to develop god-like intelligence
with ominous consequences,
and the pandemic has killed 25 million people worldwide.
A philosopher at Oxford called Toby Ord
puts the odds that humanity will suffer
some sort of existential catastrophe within the next century,
at about one in six.
So the end, if it's not yet nigh,

feels a bit nigher than it did before.
And that means that planning for it matters.
To understand what governments can do when they really want to,
go to Brentwood in Essex.
It's a kind of unassuming area.
You drive past lots of golf courses and garden centres,
and then at the foot of the hill,
you come to a really boring-looking bungalow.
Step inside the bungalow,
and it's surprisingly cool.
Its walls are a bit thicker than they probably should be.
Its windows are blocked off by steel shutters.
If you go down the steps in front of you,
then you start to feel that cold air is creeping around your ankles.
What you're standing at is the start of a hundred-odd metre tunnel
leading to the British government's old nuclear bunker.
That bungalow is the Kelvin Hatch Underground Bunker.
It was built in 1952 to house politicians and civil servants
in the event of a nuclear attack on London.
It was built by lopping the top of the hill,
like you'd take the top of an egg,
putting the bunker inside,
and then putting the top of the hill back on.
And it's huge.
If you walk along its eerie, mazy corridors today,
they smell of floor polish in the past.
There's a decontamination unit by the door.
There's Geiger counters hanging on hooks.
There's beds in the corridor for where people would sleep
when they didn't have anywhere else to go.
What it is is an example of doing risk very well indeed.
And it's also an example of why governments don't usually bother with most risks.
It is quite extraordinary to walk around.
It really is a very eerie place.
There's still the signs on the doors
showing what all the rooms would have been used for
in the event of an attack.
So there's communications rooms,
there's signs saying this is where the judiciary would have sat.
At once, awesome and also horrifying,
because this bunker, big though it is,
it was built to house 600-odd people,
is what they are assuming is going to be the totality of Britain's government,

come a nuclear attack.
So there is a cost to not taking risks seriously,
but what Kelvin shows you is that there is a cost to taking them very seriously.
It's a kind of lose-lose situation that feels a bit dispiriting.
Although, on the bright side,
if a truly terrible, unforeseen risk arrives,
at least no one will be around to criticise.
That's all for this episode of The Intelligence.
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