



Under The Radar

*A dive into the news
you might have missed*



TRAFALGAR STRATEGY

Notoriously private Palantir goes public

What happened?

Notoriously secretive big-data company Palantir this week filed the draft paperwork necessary to list stock, suggesting the company is finally ready to come into the light. The company was founded in 2003 by venture capitalist Peter Thiel using the proceeds derived from the sale of his stake in online payments company PayPal, a company Thiel co-founded.

Little is known about Palantir but what little is known has caused occasional discomfort. Palantir has a number of controversial contracts with the U.S. federal government, including the Pentagon and US Customs and Immigration Enforcement (ICE), the service charged with managing the Trump Administration's detention camps for migrant children. In the UK, the company has recently won a contract to build a coronavirus tracking system for the Department of Health and Social Services.

With an estimated value of \$20 billion, a Palantir IPO would be the biggest since Uber's star-crossed public offering last year. It is not yet known whether Palantir will go through a traditional public offering or the 'direct listing' approach used recently by other high-profile start-ups including Slack and Spotify.

What does it mean?

No matter if the result is Donald Trump or Joe Biden, it is clear a reckoning is coming for tech, particularly 'big tech' that relies on private algorithms to deliver services to a largely unsuspecting public. Palantir, which sells customised data-analytics tools to corporations and the government, is precisely the kind of target regulatory reformers have in mind. The question regulators must grapple with is the following: how much should the machines be allowed to determine what humans experience? Without a window into the technology driving government or business decisions how can citizens or customers be assured they're being treated equitably?

Becoming a public company will subject Palantir to some of the scrutiny it has so far resisted. Indeed, the move to file with regulators could be interpreted as an attempt to get ahead of the regulation Palantir knows will be coming. With data the new oil, companies like Palantir would certainly be wise to build whatever goodwill they can before the reckoning. More importantly, the move to transparency might be necessary for Palantir to quell the internal unrest it has experienced in recent years. Over 200 employees, for example, sent a letter to CEO Alex Karp in 2018 protesting the business' involvement with ICE. Similar employee eruptions have happened recently at companies like Amazon and Google. Alas, the proof will be in the pudding and investors and regulators will certainly be pouring over whatever information Palantir deigns to put under public scrutiny.

Democracy in America

What happened?

The Supreme Court unanimously ruled that States can force members of the Electoral College to cast their ballots for the Presidential Candidate they had pledged to support. The case was brought to the court by Washington State and Colorado, who wanted the issue dealt with before this year's Presidential Election. The ruling has emboldened opponents of the Electoral College system, mainly in the Democratic Party, who are eager to abolish the system.

What does it mean?

While this decision does not address the central flaw of the Electoral College, which is an anachronistic voting system no longer fit for a modern democracy, it has gone some way to making it defunct. The Electoral College was invented by the Founders to allow enlightened 'electors' to vote with their conscience, meaning they could intervene to prevent an unfit President from taking office. But in practice, this hasn't been applied, which is why Donald Trump is in the Oval Office. However, by now taking this central principle away, one should naturally question why the system should remain at all.

Defenders of the status quo argue that the Electoral College is essential to maintaining the Republican system of government. According to them, if the

principle of one person one vote is truly applied, New York and California would more or less elect the President, which would exclude smaller states from influencing the direction of the Republic.

But this is a flimsy argument – while it's true that abolishing the Electoral College would benefit populated (and usually blue) cities, smaller states already exert a disproportionate influence on American politics. This is best evidenced by the Senate, where every state no matter their size is able to elect two senators. This means that despite only representing 1.6 million people between them, there are four senators hailing from North and South Dakota compared to the two that represent 40 million Californians. Understandably, the Democratic Party is eager to see the Electoral College abolished, given that both Al Gore and Hillary Clinton have won the popular vote this century, but failed to pick up enough states to put them in the White House.

But before they push for abolition, they should apply the same principle in their own party. In 2016, 517 superdelegates who can vote for a candidate regardless of who their state prefers, announced their support for Hillary Clinton before voters had even gone to the polls. As many argued at the time, this was an underhanded tactic designed to disenfranchise Bernie Sanders voters. It's anti-democratic kingmaking like this that has helped foster so much distrust towards the Democrats. If they want to abolish a system that prevents them from entering the White House, then they should get their own house in order first.

En Marche?

What happened?

Emmanuel Macron appointed a new Prime Minister and shuffled key cabinet posts in a move designed to clear house and lay the foundations for the final two years of his presidential term. Jean Castex is the new premier, while among the cabinet changes Gérald Darminin was named Interior Minister, Eric Dupond-Moretti was appointed Attorney General, and the Sarkozy-era Roselyne Bachelot returned as Culture Minister.

What does it mean?

Macron's presidency has been beset by several crises. His lofty reformist ambitions have been resisted by swathes of the public (as is customary in France), and the Gilet Jaunes protests remain a scar on the social fabric of the nation. Having stood on a "neither left nor right" ticket has been a blessing and a curse for Macron, widening his appeal but inevitably leading to discontent amongst a large chunk of his base, as he promised everything to all. Macron has always had to carefully balance his power and elector base and, on the surface, his reshuffle achieves just that. One moderate conservative replaces another as Prime Minister, while a prominent ex-Socialist has also been brought into the fold as Attorney General. Polls show Macron would beat the far-right (his closest competition) in a presidential run-off, however for now he has more to worry about than the spectre of Le Pen.

GDP is predicted to fall by 11% by the end of the year, accompanied by mass unemployment. Faced with this stark horizon, Macron has pledged a new path based upon the very French tenets of solidarity and protection. Beyond these social concepts, he has made clear that the environment will be central to the French recovery.

For France to be a good place to do business and attract investment, Macron the reformer is key. A further overhaul of the French pension system and labour laws are sorely needed, while stubbornly high tax rates also need to be addressed if France is to claw back wealth creators from post-Brexit London.

"He has more to worry about than the spectre of Le Pen"

Macron has the ideas and drive to change the very structure of France's institutions and ways of life, and he now has carte blanche to launch a recovery that reflects these ambitions. If the recent local elections are anything to go by, his government should tap into the French electorate's desire for the environment to be front and centre of the recovery plan. Meanwhile, on the international stage Macron remains one of the few vociferous champions of liberalism. If his world views are to prosper, in an age of pandemic, nationalism and protectionism, Macron has to lead and lead well.

This Weeks Must Reads

Take a Chancellor on me:
Inside the world of Rishi Sunak

[Tattler](#)

“From head boy, to hedge funder, to chancellor of the exchequer – and one of the richest MPs in Westminster. Now Rishi Sunak has been tipped as a prime minister in the making – but has he risen too far, too fast”

- Ben Judah on the life and rise of Britain's Chancellor, Rishi Sunak.

How Germany Fell Back in Love With Angela Merkel

[The New York Times](#)

“Most surprising, however, is how Ms. Merkel has successfully managed to connect with Germany's citizens. In previous crises, she's had to convince her party or other world leaders. This time, it was the German people.”

- Anna Sauerbrey looks at how the pandemic has revitalized Angela Merkel and burnished her reputation as one of the country's best leaders.

The leveraging of America: how companies became
addicted to debt

[Financial Times](#)

“The pandemic has underscored the fragility of an economy built on corporate debt in a time of crisis.”

- Mark Vandeveld on corporate debt in the US.

2020 Is Our Last, Best Chance to Save the Planet

[TIME](#)

“Scientists and policymakers expected the green transition to occur over the next decade, but the pandemic has pushed 10 years of anticipated investment in everything from power plants to roads into a monthslong time frame. ”

- Justin Worland on the defining year for the planet.



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