



THE ECONOMIST
True Progressivism
V. 405, N. 8806, OUTUBRO 2012



9 The world this week

Leaders

- 13 Inequality and the world economy**
True Progressivism
- 14 EADS and BAE Systems**
Nein, danke
- 17 Immigrant entrepreneurs**
The Chilecon Valley challenge
- 17 Making peace in the Philippines**
Jam to Moros
- 18 American finance**
The prosecutorial maze

Letters

- 22 On Chile, productivity, Vietnam, savings, parenting, cancer, Barack Obama**

Briefing

- 29 Textbooks round the world**
It ain't necessarily so

United States

- 35 Latinos and the election**
Throwing votes away
- 36 Predicting re-elections**
Follow the data
- 36 The economy**
A little help from the invisible hand
- 38 Moderates under pressure**
Excluded middle
- 40 The campaign**
Heard on the trail
- 42 The swing states: Wisconsin**
Crossing the line
- 43 Lexington**
Hope and change, four years on

The Americas

- 45 Venezuela's election**
Stuck with him
- 46 Argentina's debt default**
Caught napping
- 46 Brazilian politics**
Local action

Asia

- 49 Presidential politics in South Korea**
Bashing the big guys
- 50 Politics in Australia**
Handbagged
- 50 Sri Lanka's judiciary**
Enter the goons
- 51 Pakistan's politics**
The love tour
- 52 The Philippines**
It could be peace

China

- 55 The stockmarkets**
Like it's 1999
- 56 Tibet**
Strangers in a strange land
- 58 Banyan**
Tensions in Hong Kong

**Special report:
World economy**

For richer, for poorer
After page 58

Middle East and Africa

- 61 Jordan and its king**
As beleaguered as ever
- 62 Syria's crisis**
No side set to win soon
- 62 Bahrain's police**
How to recruit radicals
- 63 Iran's currency crisis**
A comeback for reformers?
- 64 Israel's election**
The incumbent sits pretty
- 64 Kenya's parliamentarians**
Vultures and hyenas

Europe

- 65 Italian politics**
The next prime minister?
- 66 Greece and Germany**
Angela's Athens
- 67 Homelessness in France**
Down and out in Paris
- 67 French politics**
Angry pigeons
- 68 Germany's army**
No shooting, please
- 70 Charlemagne**
No more Grexit

Britain

- 71 Politics**
Tribes of Tories
- 72 Innovation centres**
Roger, West Wales
- 73 Bagehot**
The Boris and Dave show

International

- 74 Fake pharmaceuticals**
Bad medicine
- 75 Butlers**
Very good, sir
- 75 Link rot**
Cut short?

Business

- 77 BAE Systems and EADS**
Kaputt
- 78 Huawei and ZTE**
Congress puts China on hold
- 78 Working from home**
Out of sight, out of mind
- 79 Entrepreneurs in Latin America**
The lure of Chilecon Valley
- 80 Start-up Chile**
Shut down Cumpló
- 81 Schumpeter**
The silence of the suits

Finance and economics

- 83 America's financial system**
Law and disorder
- 84 Buttonwood**
Gold prices
- 86 The IMF's annual meetings**
Time for a rethink
- 86 India's credit rating**
Don't call me junk
- 88 Italian banking**
Monte to climb
- 89 Iron ore**
The lore of ore
- 90 Free exchange**
Cities and productivity

Science and technology

- 93 The 2012 Nobel prizes**
Good eggs
- 94 SpaceX goes to the ISS**
And this time it means business
- 96 Reptilian micturition**
That's a relief

Books and arts

- 99 The spread of disease**
Germs and money
- 100 New fiction**
Mr Penumbra
- 100 Creating neoliberalism**
Masters of the universe
- 101 Francesco Guardi's Venice**
Poetry in paint

Business books quarterly

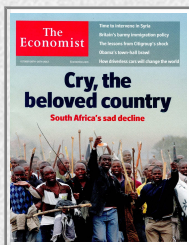
- 102 Start-ups**
Take the plunge
- 103 Power networks**
Hands across the world
- 103 The innovation race**
Don't get left behind
- 104 The financial crisis**
Robert Peston's solutions

112 Economic and financial indicators

Statistics on 42 economies, plus a closer look at global non-cash payments

Obituary

- 114 Nguyen Chi Thien**
Vietnam's Solzhenitsyn



THE ECONOMIST
Cry the beloved country
V. 405, N. 8807, OUTUBRO 2012



8 The world this week

Leaders

- 11 Sad South Africa**
Cry, the beloved country
- 12 Immigration**
The Tories' barmiest policy
- 13 Syria's civil war**
The killing fields
- 16 Citigroup's reshuffle**
A reassuring shock
- 16 Stockmarkets**
Black marks from Black Monday
- 18 Assisted suicide**
Easing death

Letters

- 19 On America's economy, the Maldives, India, baby-boomers, Boris Johnson**

Briefing

- 22 South Africa**
Over the rainbow

United States

- 27 The second presidential debate**
Town-hall brawl
- 28 The economy**
A silver lining, not a sunrise
- 29 Tax in California**
Vote yes, or the kids get it
- 29 The campaign**
Heard on the trail
- 30 The Massachusetts Senate race**
The people's senator
- 30 Arlen Specter**
Snarlin' no more
- 31 The swing states: Pennsylvania**
Eyes off the prize
- 32 Lexington**
Paul Ryan, a fiscal hawk grounded

The Americas

- 34 Mexico's drug lords**
Kingpin bowling
- 35 Guerrillas in Colombia**
This time is different
- 35 Peruvian politics**
Pardon me

Asia

- 36 India and China**
Unsettled for a while yet
- 37 Tawang**
A Dalai Lama dilemma
- 37 Brinkmanship in Japan**
A game of chicken
- 38 Cambodia after Sihanouk**
Dancing off the stage
- 38 Myanmar's Rohingyas**
No help, please, we're Buddhists
- 39 Pakistani extremism**
Turning point?
- 40 Banyan**
An Okinawan violation

China

- 41 Village democracy**
A revolution fizzles
- 42 The Nobel prize in literature**
A Chinese Dickens?

Middle East and Africa

- 43 Africa's economy**
Bulging in the middle
- 44 Nigeria's oil**
A dire need for reform
- 45 Syria's Salafists...**
Getting stronger?
- 45 ...and a punchy preacher**
The charm of telesalafism
- 46 Egypt's Salafists**
Dogma and purity v worldly politics

Europe

- 47 Turkey, Syria and the Kurds**
South by south-east
- 48 France and terrorism**
An African journey
- 49 Austerity in Spain**
Under pressure
- 49 Austerity in Portugal**
More pain, less gain
- 50 Russia's opposition**
Not a good week
- 50 Montenegro's election**
Once and future leader?
- 51 Charlemagne**
The single market under threat

Britain

- 52 Immigration and business**
A harder road
- 53 Gary McKinnon**
No place like home
- 54 Bagehot**
The nanny state

International

- 55 Assisted suicide**
Over my dead body
- 56 Geek philanthropy**
Data huggers
- 56 Ayn Rand**
Who's shrugging now?

Business

- 57 BP and Rosneft**
Unhappy families
- 58 French business**
The search for a Mittelstand
- 59 American companies**
The mighty middle
- 59 Japan's biggest foreign acquisition**
A Sprint out of Japan
- 60 Japan and China**
Rattling the supply chains
- 61 Indonesia**
Bumirang
- 61 News Corporation**
Fazed and refused
- 62 Schumpeter**
The driverless road ahead

Finance and economics

- 65 Vikram Pandit leaves Citigroup**
Pray as you go
- 66 Buttonwood**
Interest rates and equities
- 67 The rise of the yuan**
Turning from green to red
- 67 China's GDP numbers**
Reaching a bottom?
- 68 Bank funding in Europe**
Proof of life
- 68 The Vatican's finances**
On His Holiness's public service

69 CVC's Australian loss

An isolated carcass

70 Brazilian banks

No more free lunch

71 Free exchange

The Nobel winners

Science and technology

72 Exoplanets

Small, furry creatures from Alpha Centauri?

73 Launching aircraft

Proof by induction

74 Body and mind

Political strength

74 Crowdfunding science

Many a mickle

Books and arts

75 The iron curtain

Crushed

76 America's immigrants

Brain drain

76 Booze, bonks and bodies

James Bond over the years

77 Patrick Leigh Fermor

Travelling man

77 Climate change

Carbon crunch

78 Hairy old myths

The power of pilosity

84 Economic and financial indicators

Statistics on 42 economies, plus a closer look at the economic contribution of women

Obituary

86 Norodom Sihanouk

Cambodia's Papa King



THE ECONOMIST
The man who must change China
V. 405, N. 8808, OUTUBRO 2012



Britain

- 58 **The Savile affair**
The BBC's ghost
- 59 **Young people**
The continent generation
- 59 **The decline of clubbing**
Less dance
- 60 **Bagehot**
The greenest government

International

- 61 **Election technology**
Paper cuts
- 62 **Racing pigeons**
Coo, how much?
- 62 **Constitutional quirks**
Read the small print

Business

- 63 **Microsoft and Windows 8**
Tablets from on high
- 64 **Hitachi's new strategy**
No more Jack Welch lite
- 65 **Siemens's new strategy**
Re-engineering
- 65 **Horse-racing**
Frankel's line
- 66 **The biggest construction companies**
Great wall builders
- 68 **Online shopping**
No-name designers
- 68 **The woes of Netflix**
No happy ending
- 69 **Thai multinationals**
Coming to a plate near you
- 69 **Doing Business 2013**
Red tape cut
- 70 **Schumpeter**
The global Mexican

Finance and economics

- 71 **Spain's fiscal woes**
State of denial
- 72 **Government cuts**
Parsing public payrolls
- 72 **Insurance in Asia**
Tantalising but tough
- 73 **Buttonwood**
Why illiquidity spreads

74 Sovereign credit-default swaps

Messenger shot

74 Why Greg Smith quit

That Goldman Sachs book

75 Index investing

Category fillers

75 Banks and big data

Shopping at the bank

76 Free exchange

The austerity debate

Science and technology

79 Gene therapy

Hello mothers, hello father

80 L'Aquila's earthquake

A reason to tremble

81 Dinosaurs' plumage...

Feathers fly

81 ...and their behaviour

Headbangers

Books and arts

83 China's great famine

Millennial madness

84 Mathematics

Fascinating fractals

84 Grimm's fairy tales

Philip Pullman's rewrite

85 The bank bail-out

Crisis mismanagement

86 Auckland Castle

Divine detour

92 Economic and financial indicators

Statistics on 42 economies, plus a closer look at foreign direct investment

Obituary

94 George McGovern

Feeding the hungry

11 The world this week

Leaders

- 15 **America's election**
Everything to play for
- 16 **Georgia**
Over to you, Bidzina
- 16 **French reform**
Wishful thinking
- 17 **The world economy**
Investors, beware
- 18 **China's capitalism**
Not just tilting at windmills

Letters

- 20 **On the Doha round, American society, Arab politics, the future of cars**

Briefing

- 25 **Currencies**
The weak shall inherit the earth

United States

- 29 **The first debate**
Romney's back in the game
- 30 **The Senate**
Not so flippable
- 32 **The swing states: North Carolina**
New South, blue South?
- 34 **The Supreme Court**
Law's long arm
- 34 **The campaign in quotes**
Heard on the trail
- 35 **The economy**
Asking the experts
- 38 **Lexington**
The politics of very big trucks

The Americas

- 41 **Canada's economy**
Hey, small spender
- 42 **Paraguayan politics**
A Liberal spring
- 42 **Migrants return from Spain**
¡Ya me voy!

Asia

- 45 **Nationalism in Japan**
Beware the populists
- 46 **Malaysian politics**
No time like tomorrow
- 46 **The Maldives**
Sunset cruise
- 48 **Sri Lanka**
Hanging about
- 49 **Mumbai and Maharashtra**
The degeneration game
- 50 **Banyan**
Asia's softening economies

China

- 53 **State-owned enterprises**
The grip tightens
- 54 **Party congress**
It's happening at last
- 56 **Relations with Myanmar**
Less thunder out of China

Middle East and Africa

- 57 **Iran's nuclear programme**
Red lines and a reeling rial
- 58 **Saudi oil**
Bring the price down
- 59 **Egypt's constitution**
The role of religion
- 60 **A Sudanese accord**
Better than nothing
- 60 **Mali's heritage**
Scrolls under threat
- 61 **Somalia and the Shabab**
It's not over yet

Europe

- 62 **Greek politics**
Immigrants as scapegoats
- 63 **Turkey and Syria**
Collateral damage?
- 63 **French politics**
A policy "reorientation"
- 64 **Germany's election**
Charging at Merkel
- 64 **Russian pensions**
An unaffordable system
- 65 **Georgian politics**
A stunning victory
- 66 **Charlemagne**
Mysterious Mariano