

# The Economist

Our US Senate forecasting model

Quantum computing's excited state

The world's toughest business school

After RBG

SEPTEMBER 26TH–OCTOBER 2ND 2020

## Why are so many governments getting it wrong?



- [All articles](#)

## All articles

- [Politics this week](#)
- [Business this week](#)
- [KAL's cartoon](#)



## Politics this week

Sep 24th 2020 |



Donald Trump marshalled enough Republican votes in the Senate to consider a replacement for **Ruth Bader Ginsburg** before the election on November 3rd. Ms Ginsburg's death gives the party a window to fill her seat on the Supreme Court with a conservative, further tipping its ideological balance to the right. Ms Ginsburg, appointed by Bill Clinton in 1993, was accorded the honour of lying in state in the Capitol building, the first woman to do so. See [article](#).

A grand jury found no evidence to bring charges against three policemen for the fatal shooting of **Breonna Taylor**, a black woman, in Kentucky. Around midnight on March 13th police burst into Taylor's flat without knocking to search for drugs. Her boyfriend, who later said he feared it was her ex-boyfriend breaking in, opened fire. The officers shot back, killing Taylor. No drugs were found. One officer, who fired through blinds, was charged with wantonly endangering the neighbours. After the decision, protests erupted and two officers were shot.

Jeanine Áñez, **Bolivia's** interim president, dropped out as a candidate in the presidential election due to be held on October 18th. She said she hoped her withdrawal would boost the prospects of candidates running against Luis Arce, a leftist.

**Peru's** president, Martín Vizcarra, survived a congressional vote to impeach him. Opposition politicians sought his ouster because, they claimed, leaked recordings proved that he had tried to cover up ties with a folk singer, known as "Richard Swing", who had supported him and then received government contracts. See [article](#).

**Alexei Navalny**, the main opposition leader in Russia, was discharged from the hospital in Germany where he had been treated since being poisoned with Novichok, a nerve agent, in Russia.

**Italians** voted in a referendum to cut the size of their parliament by more than a third. See [article](#).

As cases of covid-19 continued to soar in **Spain**, the government appealed to residents of Madrid to stay at home. But it stopped short of declaring a state of emergency.

**Britain's** prime minister, Boris Johnson, announced new restrictions, as the number of daily covid-19 cases has trebled since the start of September. Last month he was prodding workers to return to offices. Now he says they are to work from home again. Mr Johnson urged people to act responsibly: "your mild cough can be someone else's death knell". The government announced a new scheme to safeguard jobs. See [article](#).

Wildlife officials said that toxic algal blooms in drinking holes caused the previously unexplained deaths of more than 300 **elephants** in Botswana in

recent months. Botswana is home to one-third of Africa's declining elephant population.

The leader of a coup in **Mali** appointed Bah Ndaw, a former defence minister, as transitional president. The <sup>EU</sup> and America have suspended military aid to the country, which is fighting jihadists.

America announced new sanctions on people and entities linked to **Iran's** nuclear programme. America also said it was unilaterally reimposing a <sup>UN</sup> arms embargo on Iran, a move the <sup>UN</sup> Security Council has refused to recognise.

Protesters in **Thailand** marched to the royal palace to demand reforms to the monarchy. Many wore crop tops and temporary tattoos to mock King Vajiralongkorn, who did not respond. He was in Germany, where he spends most of his time. See [article](#).

Anwar Ibrahim, the leader of **Malaysia's** opposition, announced that he had the support of enough <sup>MPs</sup> to bring the coalition that ran the country until seven months ago back to power. But the king, to whom he must present his claim to power, is in hospital. See [article](#).

Police in **Hong Kong** arrested Joshua Wong, a pro-democracy activist. He was accused of attending an illegal assembly last year and of violating a ban on protesters wearing masks.

China sent military aircraft across the mid-point of the **Taiwan Strait**, which had served as a makeshift boundary between Chinese and Taiwanese airspace. The incursions may have been a retaliation for the announcement of new American arms sales to Taiwan. A Chinese government spokesman said it did not accept the mid-point as a demarcation line.

China's leader, Xi Jinping, said his country would be **carbon-neutral** by 2060, though he didn't elaborate on how it would achieve that. Speaking to the <sup>UN</sup> by video-link, he reiterated a pledge that China's carbon emissions will peak before 2030. See [article](#).

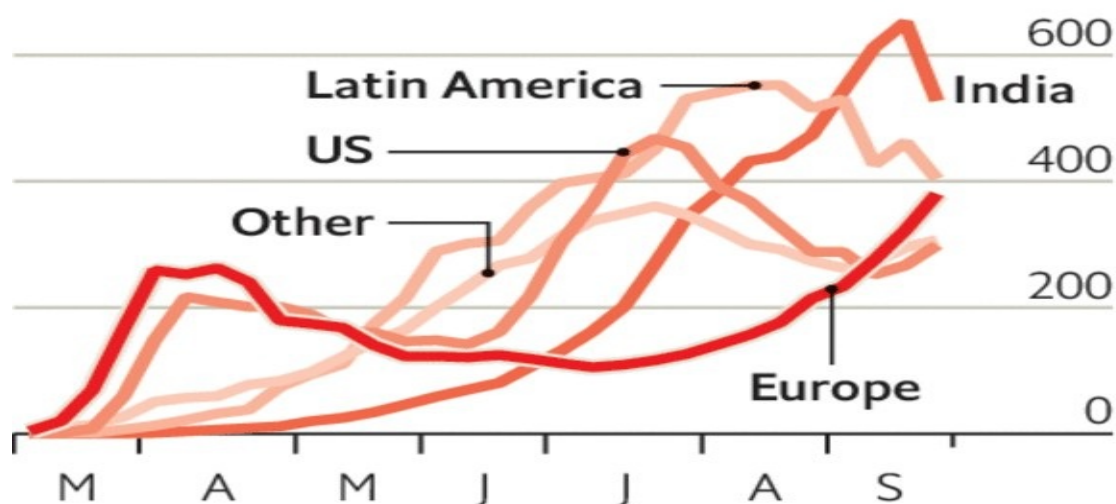
A **Chinese** court sentenced Ren Zhiqiang, a former boss of a state-owned property firm, to 18 years in prison for corruption. Mr Ren had been an outspoken critic of Mr Xi. See [article](#).

The area of the **Arctic** covered by sea ice shrank to 3.74m sq km in mid-September, the second-lowest figure in 40 years of record-keeping. The decline was most rapid in early September, caused in part by a heatwave in Siberia. Falling temperatures are helping the ice to return, but the 14 lowest extents of the ice have all been recorded over the past 14 years.

Coronavirus briefs

To 6am GMT September 24th 2020

## Weekly confirmed cases by area, '000



## Confirmed deaths\*

	Per 100k	Total	This week
Peru	96	31,568	641
Belgium	86	9,959	24
Spain	66	31,034	791
Bolivia	66	7,731	253
Brazil	65	138,105	3,999
Chile	65	12,345	287
Ecuador	63	11,171	175
Britain	62	41,862	178
United States	61	201,211	5,065
Italy	59	35,758	113

Sources: Johns Hopkins University CSSE; UN;  
*The Economist* \*Definitions differ by country



The <sup>WHO</sup> said that the global number of new **infections** had reached a weekly high of 2m. In the **Netherlands** the number of new cases hit a weekly record of nearly 13,500, up by 60% from the previous week. See [article](#).

The number of daily coronavirus infections reached a new high in **Israel**. Officials say hospitals are approaching their capacity. The government tightened a nationwide lockdown. **Iran** reported its most cases in a day. Its official cumulative total is now 433,000, though the true figure is much higher.

<sup>UEFA</sup>, Europe's **football** governing body, was criticised for allowing 20,000 fans to attend a match in Budapest between Bayern Munich and Sevilla.

America's Centres for Disease Control issued advice for **Halloween**. Trick-or-treating, costume masks and parties are discouraged; carving pumpkins with your family is okay.

## Business this week

Sep 26th 2020 |



There was some confusion about a tentative deal that will allow **TikTok**, a video-sharing app, to stay in business in the United States. Donald Trump gave his “blessing” to an agreement that would see Oracle and Walmart take a 20% stake in a newly formed TikTok Global, which would then rely on Oracle to provide it with cloud services. But Oracle and ByteDance, TikTok’s Chinese parent company, issued contradictory statements about the ownership of the new business, with ByteDance describing it as a “subsidiary”. China’s state media

raged against the deal, describing it as “bullying and extortion”. TikTok asked a court to block an impending order that will in effect shut its operations in America over security concerns. See [article](#).

A judge in California issued a last-minute temporary injunction against the Trump administration’s ban on **WeChat**, another Chinese tech firm that has fallen foul of the government. The plaintiffs argued that prohibiting the social-media app in America would curtail free speech and was aimed at Chinese-Americans. The administration can appeal against the decision.

**Microsoft**, which had been in the running to buy TikTok before Mr Trump threw his weight behind Oracle’s bid, consoled itself by buying **ZeniMax**, which owns several gaming firms, publishing hits such as “The Elder Scrolls” and “Wolfenstein”. At \$7.5bn, it is one of Microsoft’s bigger acquisitions.

Following weeks of courting, **CaixaBank** made it official and agreed to take over **Bankia**, creating Spain’s biggest lender with €650bn (\$760bn) in assets. “Getting married in difficult times makes it even more important that you choose the right partner,” said CaixaBank’s chief executive.

In Russia, **Yandex**, a tech firm that operates one of the country’s most popular internet search engines, struck a \$5.5bn deal to buy **Tinkoff**, an online bank that was founded by Oleg Tinkov and is listed in London.

**Deutsche Bank** is preparing to close a fifth of its branches in Germany, according to reports, leaving it with 400 branches. The German lender thinks the pandemic has shifted many customers permanently towards digital banking.

Electric dream machine

Investors were unimpressed by **Tesla’s** much hyped “Battery Day”, even though Elon Musk tried to dampen expectations. The company did announce an ambition to move all levels of car-battery production in house (rather than just battery packs) and increase the range of its batteries. But there were no specifics about a “million-mile” battery, nor a target, in terms of dollars per kilowatt-hour, to bring down the cost of its electric cars to match petrol-powered ones.

California’s governor signed an order that bans the sale of new petrol and diesel **cars** by 2035. It is the first American state to adopt such a measure.

**Unilever** secured the overwhelming support of shareholders in the Netherlands for its proposal to end its Anglo-Dutch dual structure and base the entire group in London. British investors will vote on the measure next month. Unilever wants to unify its structure by late November, but would reconsider its move if the Dutch parliament passes a law before then that would levy huge taxes on any multinational leaving the country.



The Economist

The **income of workers** across the world will have fallen by an average 10.7%



in the first nine months of this year compared with the same period last year, according to the International Labour Organisation. That amounts to \$3.5trn. The percentage of working hours lost because of covid-19 is most acute in Latin America, followed by South Asia. The ILO's outlook for the last three months of 2020 has "worsened significantly".

**Nike** reported an 82% jump in online sales for the three months ending August 31st, year on year. Sales at its stores, most of which were open during the quarter, remained tepid because of social- distancing measures.

The end of the line

The British government scrapped the system of franchising **train companies** that has underpinned the rail industry since privatisation in the 1990s. A new mix of performance targets and management fees moves operators towards a contracts-based system. With passenger numbers still well below normal because of covid-19, the taxpayer will continue to underwrite the industry's losses. See [article](#).

In the latest corporate response to the race protests that have swept America, Mars changed the name of its **Uncle Ben's** brand of rice to Ben's Original and removed the face of an elderly black man from the packaging "to create more equitable iconography". The image first appeared in 1946. Mars also struck a partnership with the National Urban League, a civil-rights group, to support aspiring black chefs through a scholarship fund.

## KAL's cartoon

Sep 24th 2020 |



# Table of Contents

[The Economist](#)

[All articles](#)

[Politics this week](#)

[Business this week](#)

[KAL's cartoon](#)