The Economist

How to handle Huawei

Talking to the Taliban

Better ways to tax the rich

The future of fertility

FEBRUARY 2ND–8TH 2019

The battle for Venezuela

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Politics this week

Print edition | The world this week Feb 2nd 2019

More **Venezuelans** took to the streets to demand that Nicolás Maduro, who rigged an election last year, step down in favour of the head of the national assembly, Juan Guaidó, as the constitution prescribes. Mr Guaidó is recognised by most Latin American democracies, as well as the United States and Canada. Several European countries said they would recognise Mr Guaidó unless elections are called soon. Mr Maduro, whose misrule has led to hyperinflation and food shortages, retains the support of Russia, Turkey and, lukewarmly, China. Mr Guaidó said he had held secret talks with the Venezuelan army to persuade it to switch sides. America said that payments for oil imports from Venezuela would be put into accounts that would be available only to a democratic government. See article .

A court in northern **China** sentenced a human-rights lawyer, Wang Quanzhang, to four and a half years in prison for "subversion". He was the last to go on trial of more than 200 lawyers and activists who were detained in 2015. Journalists, diplomats and Mr Wang's wife were barred from the proceedings.

It's my way or the Huawei

Canada's prime minister, Justin Trudeau, fired his country's ambassador to **China**, John McCallum. Mr McCallum had ruffled feathers when he suggested that Meng Wanzhou, a senior executive of Huawei, a technology firm, might have strong grounds to challenge a request for her extradition from Canada to the United States to face fraud charges.

The Supreme Court of **Pakistan** rejected a petition calling for a review of its earlier decision to acquit Asia Bibi, a Christian woman accused of blasphemy. Rioting zealots had previously called for her to be hanged anyway. This time protests were muted, as 3,000 zealots had been locked up. See article .

Two bombs exploded near a cathedral in the **Philippines**, killing 20 people and injuring many more. Islamic State claimed responsibility for the attack, which came just after voters in the Muslim-majority region voted in favour of more political autonomy. See article .

American officials said they were making progress in talks with the Taliban about ending the war in **Afghanistan**. America has offered to withdraw its forces if the Taliban promise not to harbour terrorists, stop fighting and begin talks with the Afghan government. See article .

An artless deal

The **government shutdown** in America ended on January 26th after 35 days, making it the longest in history. President Donald Trump blinked first in his dispute with Congress, having promised to keep the government closed until he received funding to build a wall on the Mexican border. But he warned there would be another shutdown—or that he would declare a national emergency—if legislators did not fund his wall by February 15th. See article .

Roger Stone, a former adviser to Mr Trump, was arrested in Florida. The office of Robert Mueller, the special counsel investigating links between Russia and Mr Trump's election campaign, levelled seven charges against Mr Stone, including witness tampering and obstructing an official proceeding. See article .

Time to smell the coffee

Howard Schultz, a former boss of Starbucks, said he was considering running as an independent candidate in the next presidential election. Critics warned that doing so would split the anti-Trump vote, thus helping the president to secure another term. See article .

A **polar vortex** froze the American Midwest, with temperatures falling to -33ºC in Chicago. At least eight people have died because of the inclement weather. See article .

Britain's Parliament voted to back the **Brexit** deal proposed by Theresa May, the prime minister, so long as she replaces the Irish "backstop", which seeks to avoid a hard border in Ireland, with some unspecified alternative. Michel Barnier, the EU's lead negotiator, said he was unwilling to reconsider the previous agreement. Jeremy Corbyn, Britain's opposition leader, met Mrs May to discuss options. See article .

Greece voted to recognise Macedonia, its neighbour, under the new name of **North Macedonia**. The agreement opens the door to North Macedonia's admission to the EU and NATO.

Gilets jaunes protesters in **France** set up not one but two new political parties. Neither sounds coherent. One vows to "remake politics around the heart and empathy". Other *gilets jaunes* denounced the party-builders for selling out. See article .

Pride, swallowed

Matteo Salvini, **Italy**'s deputy prime minister, asked his government to bar prosecutors from pressing potential kidnapping charges against him. He is in trouble over his order to stop 177 migrants from leaving a boat. Mr Salvini had previously welcomed the trial, saying he was proud to defend his country.

Zimbabwe's police and army have been accused of mass rapes, beatings and robbery while crushing protests against costly fuel.

Benny Gantz, a retired general, jumped in opinion polls after launching his campaign for **Israel's** parliamentary elections, due in April. No one is sure what he stands for, but Mr Gantz's new party is expected to win more than 20 seats in the 120-seat Knesset. Likud, the party of Binyamin Netanyahu, the prime minister, is expected to win 30 or so.

More than 130 people are feared to have drowned off the coast of **Djibouti** after two boats carrying migrants capsized. The vessels were carrying people from Africa to the Arabian peninsula, where they were hoping to seek work.

A judicial commission into corruption in **South Africa** has heard testimony from a businessman that government officials and members of the ruling African National Congress were put on monthly retainers, paid bribes and given gifts including sports cars by a firm that won government contracts. The daughter of one minister was also offered driver training because she kept crashing the cars she had been given.

Business this week

Print edition | The world this week Jan 31st 2019

A dam belonging to **Vale**, the world's largest iron-ore producer, collapsed in Brazil, killing at least 84 people. About 276 are still missing. The company's share price has fallen by 18% since the collapse; investors fear a torrent of compensation claims and regulatory fines. The firm said that it will decommission dams similar to the one that collapsed, a move which will reduce its annual output of iron ore by 10%. See article .

In America, the **Federal Reserve** ditched its guidance to investors suggesting that further rises in interest rates lie ahead. The American central bank pledged to be "patient", citing low inflation and recent economic turbulence as reasons not to raise rates. It also said it would slow down its policy of shrinking its balance-sheet if needed.

America's Justice Department accused **Huawei**, a Chinese technology company, of a series of misdeeds including theft of intellectual property and the obstruction of justice. Huawei is also accused of duping four banks into violating sanctions on Iran, on which basis Canadian police arrested Meng Wanzhou, its chief financial officer, in December. America formally requested her extradition this week. If the allegations against Huawei are proven, American firms could be banned from selling it their technology. See article .

Norwegian Air said that it would try to raise NKr3bn ($350m) in a rights issue. The troubled carrier bet the house on making a success of low-cost flights across the Atlantic Ocean. But it is now paying the price for expanding too fast; last year it lost NKr3.8bn. IAG, an airline group that owns British Airways, recently pulled out of takeover talks with Norwegian and sold its stake in the airline.

The **euro zone's economy** failed to bounce back in the final three months of 2018, with growth remaining at 0.2% in both the third and fourth quarters. **Italy** fell into recession over the period. Meanwhile, **Spain's** unemployment rate fell to 14.5% in the last quarter of 2018, its lowest rate in a decade. Although 3.3m people in the country are still looking for work, the unemployment rate has fallen steadily since its peak of nearly 27% in 2013. See article .

Boeing, the American aerospace giant, announced that annual revenues last year exceeded $100bn for the first time, helped by strong demand for its commercial aircraft. Last year the firm received 20% more orders for its civil jets than its European rival, Airbus.

BuzzFeed, a news website once known for "listicles", announced another round of job losses. BuzzFeed's founder and chief executive, Jonah Peretti, said the company would reduce its headcount by 15%, or by about 250 jobs, according to the *Wall Street Journal*. Verizon Media Group, which owns rival websites such as HuffPost, Yahoo, and AOL, also said it would sack 800 employees.

No pig's land

Denmark is to build a 70km fence along its German border to repel stray pigs. It will be constructed to stop the spread of African swine fever. The Danes, famed for their exports of bacon and other pork products, are worried about infected wild boar bringing the untreatable disease north, which could devastate livestock and hurt the country's farming industry.

De Beers, the world's largest producer of diamonds, said sales fell by a quarter at the start of this year. The mining giant is particularly being affected by slower economic growth in China, the world's second-biggest consumer of the stones.

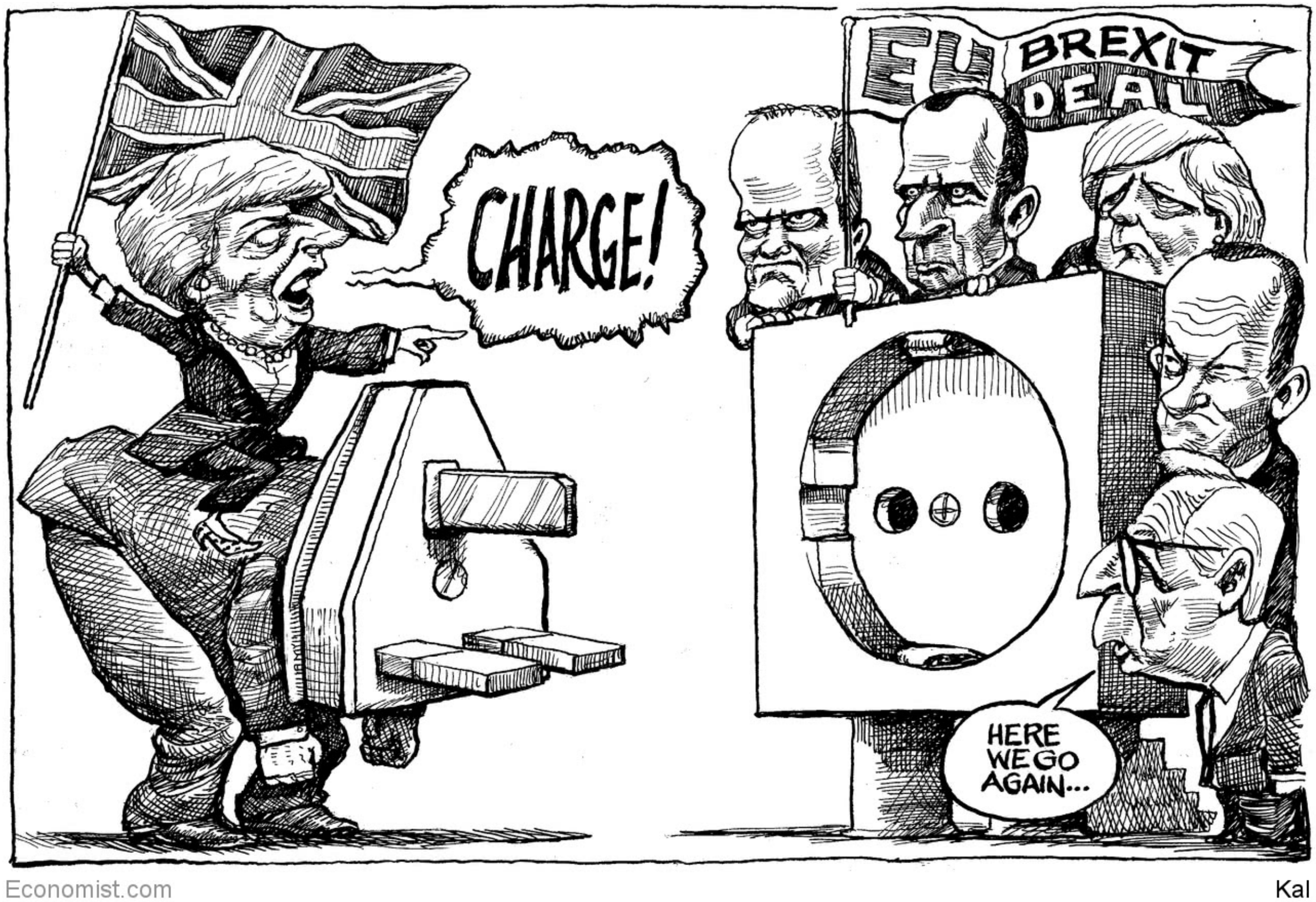
A government-appointed commission in **Germany** agreed that the country should phase out the use of coal by 2038. The body agreed that a total of at least €40bn ($46bn) should be provided in aid for coal-mining states affected by the move, which is less than the figure of around €60bn they had asked for. It is hoped that the new target will partly offset the extra carbon emissions caused by Germany's abandonment of nuclear power, which its government announced in 2011.

Sailing high

Royal Caribbean, a cruise line based in America, announced that revenues in the last three months of 2018 rose by 16% and profits by 9.6%, year on year. Bookings for cruise holidays were unexpectedly healthy over the winter. Last year the company expanded by acquiring Silversea Cruises, a luxury brand, and launching into service the *Symphony of the Seas*, the largest passenger ship in the world by gross tonnage.

KAL’s cartoon

Print edition | The world this week Jan 31st 2019



How to intervene
The battle for Venezuela

The anointing of Juan Guaidó

The battle for Venezuela's future

The world's democracies are right to seek change in Latin America's worst-governed country

Print edition | Leaders Feb 2nd 2019

AFP/The Economist

IF PROTESTS ALONE could oust a president, Nicolás Maduro would already be on a plane to Cuba. On January 23rd at least 1m Venezuelans from across the country took to the streets demanding Mr Maduro step down. They were answering the call of Juan Guaidó, who last week proclaimed himself the rightful head of state. Mr Guaidó has won the backing of most of Latin America, as well as the United States and Europe. Protests planned for February 2nd promise to be even bigger. But Mr Maduro is supported by the army as well as Russia, China and Turkey. As *The Economist* went to press, he was still holding on to power.

Much is at stake. Most important is the fate of 32m Venezuelans made wretched by six years under Mr Maduro. Polls suggest that 80% of them are sick of him. Other countries are also hurt by Venezuela's failure. The region is struggling with the exodus of over 3m of its people fleeing hunger, repression and the socialist dystopia created by the late Hugo Chávez. Europe and the United States suffer from Venezuela's pervasive corruption, which enhances its role as a conduit for narcotics. And as world leaders pile in for Mr Maduro or against him, they are battling over an important idea which has lately fallen out of favour: that when a leader pillages his state, oppresses his people and subverts the rule of law, it is everybody's business.

The scale of the disaster Mr Maduro has brought down upon Venezuela is hard to comprehend. In the past five years GDP has fallen by half. Annual inflation is reckoned to be 1.7m per cent (the government no longer publishes the numbers), which means that bolívar savings worth $10,000 at the start of the year dwindle to 59 cents by the end. Venezuela has vast reserves of oil and gas, but the state oil company has been plundered and put under one of the country's 2,000 generals, who has watched production tumble to 1.1m barrels a day. People are malnourished and lack simple medicines, including antibiotics. Hospitals have become death traps for want of power and equipment. Blaming his troubles on foreign conspiracies, Mr Maduro has rejected most offers of humanitarian aid.

Despite this litany of suffering many outsiders, especially on the left, argue that the world should leave Venezuelans to sort out their differences. Some adopt Mr Maduro's view that Mr Guaidó's claim to the presidency, recognised immediately by the United States, is really a coup. Russia, which has worked hard to discredit the idea that Western intervention can ever be benign or constructive, is reported to have sent 400 troops from a private military contractor, also spotted in Syria, Ukraine and parts of Africa, to protect either the regime or Russian assets.

Abandoning Venezuela to the malevolent rule of Mr Maduro would be wrong. If anyone has launched a coup it is he. He was inaugurated on January 10th for a second term having stolen last year's election. In his first term, won in 2013 in another dubious vote, he eroded democracy by silencing critical media and eviscerating the constitution. He packed the electoral commission and the supreme court with puppets and neutered the national assembly, which the opposition controls. By contrast, Mr Guaidó has a good claim to legitimacy. As head of the national assembly, he serves as acting president if the office is vacant—which, because Mr Maduro is not a legitimate occupant, it is.

The question is not whether the world should help Mr Guaidó, but how (see article). This week the United States, still Venezuela's main trading partner, imposed what amounts to sanctions on oil exports and on imports of the diluents needed to market its heavy oil. By ordering that payments for Venezuelan oil must be put in bank accounts reserved for Mr Guaidó's government, the United States aims to asphyxiate the regime, in the hope that the armed forces will switch to Mr Guaidó.

One danger is that Mr Maduro digs in and orders the security forces and the *colectivos*, organised thugs at the regime's service, to impose terror. Another is that the United States overplays its hand. Just now it is working with the Lima group of regional governments. But its sanctions could hurt the people more than the regime. If, bent on regime change, it acts unthinkingly, it could come to be seen once again in Latin America as imperialist and overbearing. Russia is portraying the United States's intervention as an attempt to dominate its backyard. Its media are already saying that Vladimir Putin's interest in Ukraine is no different. The situation is a test of President Donald Trump and his foreign-policy team, including the hawkish national security adviser, John Bolton. This week Mr Bolton hinted at the use of American troops. Barring state violence against American citizens, that would be a mistake.

Mr Guaidó's backers have ways to help without resorting to force or dirty tricks. These fall into two categories. The first includes incentives for Venezuelans to demand change, for the army to abandon the regime and for Mr Maduro to go. Now that Mr Guaidó has been recognised as interim president, he stands to control billions of dollars of Venezuela's foreign assets if power shifts. The national assembly has passed a law offering an amnesty to soldiers and civilians who work to re-institute democracy. Mr Maduro is being promised the chance to flee the country.

The second way to help is to let Venezuelans know that the world is ready if Mr Guaidó takes power. The lesson from the Arab spring is that even a leader who starts by sweeping away a tyrant must bring improvements rapidly or risk losing support. The immediate priorities will be food and health care. The very fact of a new government will help stop hyperinflation (see article), but Venezuela will also need real money from abroad—international lenders, including the IMF, should be generous. The to-do list is long: Venezuela will need to remove price controls and other distortions and build a social safety-net. It must restart the oil industry, which will entail welcoming foreign investment. Its debt will need restructuring—including the debt to Russia and China which is due to be paid in oil. And amid all this, Mr Guaidó's caretaker government must hold elections.

A generation ago, Venezuela was a functioning state. It can be again. It is blessed with oil and fertile land. It has an educated population at home and in the diaspora that fled. And in Mr Guaidó it has a leader who, at last, seems to be able to unite the fractious opposition. But first it must get rid of Mr Maduro.

This article appeared in the Leaders section of the print edition under the headline "The battle for Venezuela"

Talking to the Taliban

A deal to end the insurgency in Afghanistan would be wonderful

As long as it is not a figleaf to cover an American retreat

Print edition | Leaders Feb 2nd 2019


Reuters

AFTER MORE than 17 years, it is the longest war in American history. American forces are no closer to defeating the Taliban—the repressive Islamist militia that ruled most of Afghanistan before 2001—than they were a decade ago. In fact, the share of the country under full control of the elected, American-backed government is humiliatingly small. The conflict has reached something close to a stalemate, but a bloody one: some 10,000 police and soldiers, 3,400 civilians and an unknown number of insurgents died in 2017 alone. Since then, the authorities have stopped releasing data on military casualties—not, presumably, because things have got better.

The news that America and the Taliban are making headway in negotiations to end the conflict is therefore welcome (see article). Zalmay Khalilzad, America's chief negotiator, says the two sides have agreed on a "framework" for a deal. America would withdraw its troops in exchange for an undertaking from the Taliban not to provide sanctuary to foreign terrorists, as they once did for Osama bin Laden. The Taliban would also have to agree to a ceasefire and begin negotiations with the Afghan government, which they have long denounced as an American creation.

The goals of drawing the Taliban into peaceful politics and thus extricating America from a costly and destructive conflict are the right ones. But there are, sadly, many reasons to fear that the framework will not produce either outcome. For one thing, the details will be thorny. The Taliban already sound lukewarm about the ceasefire and the talks. Setting the order in which the agreed steps are taken could also be a stumbling block, especially when it comes to the timing and pace of America's withdrawal.

Another worry is that the Taliban will promise the moon to rid themselves of the Americans, on the entirely reasonable assumption that, even if they go on to break their word, the GIs are unlikely to return. The American-led mission in Afghanistan is called Resolute Support, but the resolve of President Donald Trump, at least, is clearly dissipating. He has made no secret of his desire to bring American troops home, and given no sign that he values the things their presence achieves.

Before America toppled the Taliban regime, Afghanistan was a violent theocratic despotism. Women were not allowed out of their homes unless covered head to toe and accompanied by a male relative. Any departure from the Taliban's barbaric version of Islam, such as dancing or shaving or educating girls, could earn floggings, imprisonment or even death. Ancient statues were dynamited as pagan idols. Keeping such zealots at bay, for as long as they try to impose their beliefs by force, is an incalculable benefit to the two-thirds of Afghans (some 24m people) who live in government-controlled areas.

There are benefits for America, too. If the Taliban were to overthrow the Afghan government after an American withdrawal, it would be a humiliation on a par with Vietnam. Even if the government staggered on, a pull-out without a solid peace agreement would cause chaos. Regional powers such as China, India, Iran, Pakistan and Russia would all struggle to fill the vacuum. At best, the result would be a gruesome surge in fighting; at worst, the whole region could be destabilised. An offshoot of the Taliban in Pakistan set off something close to civil war there in 2014. America could easily be sucked back in.

With a force of 140,000, America could not wipe out the Taliban. But with a mere 13,000 troops bolstering the Afghan army today, it seems able to keep the insurgents more or less in check. Mr Khalilzad should be clear that America is looking for a durable settlement, not a figleaf to cover its retreat. Its troops should stay until the Taliban show that they are sincere about taking up politics and laying down arms. Otherwise, the Taliban will have no reason to change their stripes—and Afghanistan, already at war for 40 years, will be condemned to yet more conflict.

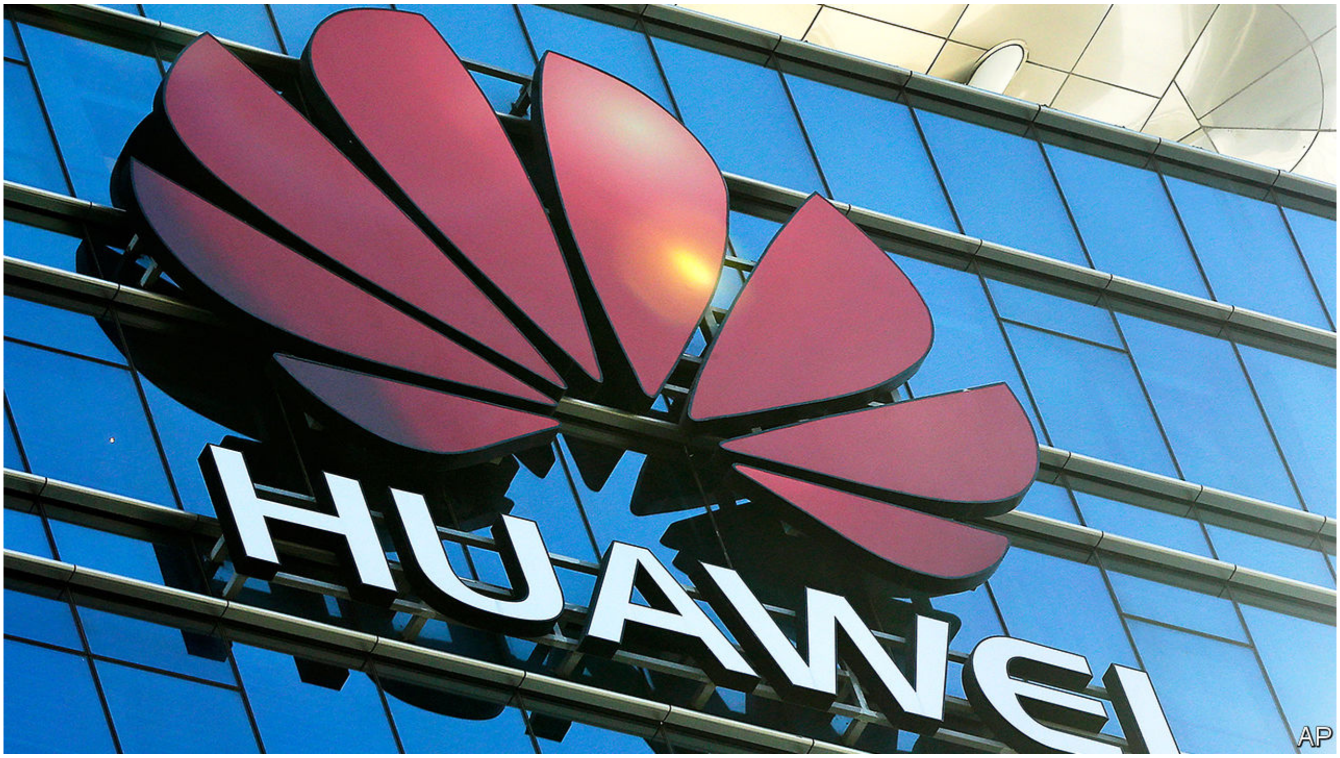
This article appeared in the Leaders section of the print edition under the headline "Talking to the Taliban"

Chinese technology

How to handle Huawei

Banning one of China's leading firms from operating in the West should be a last resort

Print edition | Leaders Jan 31st 2019


AP

ON JANUARY 28TH Liu He, a Chinese vice-premier, landed in Washington ready for talks to calm the trade war between America and China. Instead he was met by a geopolitical tempest. That day America's attorney-general charged Huawei, one of China's biggest firms, with 23 crimes, including sanctions-busting, stealing corporate secrets and obstructing justice. American officials also made clear that they view Huawei as a threat to national security, since it builds the telecoms networks that underpin modern societies. Some 170 countries that use Huawei must now decide whether doing business with it is safe.

That decision is hard, because Huawei has more than one guise. The first is benign: it is China's most successful global firm. Last year it booked $110bn of sales and shipped 200m smartphones. It has built 1,500 networks, reaching a third of the planet's population. Huawei's second face, prosecutors allege, is that of a grubby enterprise that breaks laws for profit. They say it offered bonuses to staff who stole intellectual property and that Meng Wanzhou, its finance chief and the daughter of its founder, misled banks about doing business in Iran. She was arrested in Canada in December and authorities there are considering an American extradition request. China says the allegations are a "smear".

Huawei's third identity is the most disturbing and the hardest to pin down. It could be a vehicle for Chinese spying or even, in a time of war, sabotage. Rumours of this have circulated for years without any public evidence (including this week), but it makes sense to be wary. Huawei has a high market share in new 5G networks, which will connect everything from cars to robots. The networks' dispersed design makes them hard to monitor. And China's leaders are tightening their grip on business, including firms such as Huawei in which the state has no stake. This influence has been formalised in the National Intelligence Law of 2017, which requires firms to work with China's one-party state.

The nuclear option would be to ban Huawei. Since 2012 it has, in effect, been prevented from selling equipment in America. Australia recently prohibited Huawei's 5G equipment. Japan has toughened its rules. America could probably put Huawei out of business if it wanted to, by banning American firms such as Qualcomm and Intel from supplying it with crucial components and by cutting it off from the global banking system.

Such aggressive action would come with huge costs for all, including America. The economic ones are obvious: supply chains would be wrecked, at least 180,000 jobs would go, mainly in China, and customers would have less choice. On January 29th an Australian operator deprived of Huawei gear abandoned plans for a new 5G network. But the greatest cost would be a splintering of the global trading system. The line between justice and trade negotiations has become blurred. American officials insist that they are just enforcing the law, but President Donald Trump has said that Ms Meng's fate is a bargaining chip. Wilbur Ross, the commerce secretary and a China hawk, was present this week when the allegations against Huawei were announced. The exclusion of a firm on the say-so of American officials, without evidence of spying, would set a dangerous precedent. The same precautionary logic would justify banning all hardware made in China or keeping Chinese firms out of industries like e-commerce or finance. Might China be entitled to impose a similar ban on American firms with a big role in its economy? Think of General Motors or Boeing.

Instead of spiralling into a cold war, leaders should create mechanisms and rules that favour trade by minimising mistrust (see Business section). Both sides have a part to play. Host countries need to develop structures to monitor Huawei and offer a fair response if things go wrong. European political leaders complain that they have not been shown evidence of Huawei spying. The more credible and law-like America's process is, the better. Britain has a board that allows spooks to review Huawei's equipment. Germany has copied it and Singapore may follow. Governments can lower the risk by insisting on a diversity of suppliers. A country with four networks should have at least two that were not built by Huawei.

For its part, China Inc needs to get serious about demonstrating that it can be trusted abroad. Huawei's governance is a mixture of obfuscation and opacity. It should appoint foreign directors, recruit Western investors and set up subsidiaries overseas that have their own boards and indigenous managers. China's government, meanwhile, can complain that it is being treated unfairly, but if it really wants better treatment it should send a signal that it understands the anxieties it stirs up. As the Huawei affair shows, President Xi Jinping's growing authoritarianism is undermining China's commercial interests abroad.

Correction (January 31st 2019): *A previous version of this leader said that courts in Canada were considering America's extradition request. In fact the matter is not yet before a court; other authorities are still considering whether to put it before a court. This has been amended.*

Over to EU

How Brussels should respond to Britain's confused demands

Brexit is a problem that only Britain can fix—but the EU must give it the time to do so

Print edition | Leaders Feb 2nd 2019

THERESA MAY has become so used to losing votes in the House of Commons that when, on January 29th, the prime minister got MPs to back her on a motion regarding her Brexit deal, it was treated as a breakthrough. "She did it!" announced one front page the next morning. Another hailed "Theresa's triumph".

Alas, it is anything but. MPs agreed that they would support the exit deal she has agreed to with the European Union, so long as the Irish "backstop" was removed (see article). But on the crucial question of what might replace it—something that negotiators in Brussels have spent almost two years scratching their heads over—the motion suggested no more than unspecified "alternative arrangements". Mrs May vowed to take this vague demand to have her cake and eat it back to Brussels.

She will get short shrift, and she deserves it. A sensible approach to the Brexit talks would have been to agree at home on what kind of deal to go for, then begin negotiations. The prime minister did the opposite, talking to the EU for nearly two years before coming back to find that her treaty could not pass her own Parliament. With less than two months before Brexit day, she now proposes to reopen negotiations on what she herself recently insisted was "the only possible deal".

It is abject. But any exasperated European leaders who are keen for Britain to just go, deal or no deal, should think again. A chaotic exit with no withdrawal agreement would represent a colossal failure by both sides. The EU cannot solve Westminster's tumultuous politics, let alone the contradictions within the Brexit project. But one thing Britain urgently needs in order to sort out its mess is time—and that is where the EU can help.

Those Brexiteers urging the EU to make "concessions" on the Irish backstop misunderstand its purpose. Britain wants an independent trade policy, an invisible border with Ireland and no customs checks between Northern Ireland and the British mainland. These three aims are incompatible. If Britain sets its own tariffs, it will mean customs checks on goods passing between it and the EU, of which Ireland is a member. That means inspections at the border. Britain believes that in future it will be possible to do such checks remotely, perhaps using new technology. One day that may be true. Until then, an interim solution is needed. This is the backstop, under which Britain would remain in a customs union with the EU, keeping both borders open but delaying its ability to strike trade deals.

The backstop thus exists as a logical consequence of Britain's own negotiating objectives, not European caprice. By definition, it expires when someone comes up with a way to carry out customs checks with no border infrastructure. Hardline Brexiteers' calls for the backstop to be time-limited are thus not just unrealistic but nonsensical. Beyond more words of reassurance about the arrangement's temporary nature—which it should ladle on liberally—the EU cannot do much about the backstop.

Where it can make a difference is on the timing. Unless Parliament agrees on a deal by March 29th, Britain will fall out of the EU without any exit arrangements in place. Britain itself would suffer most from this. But for the EU, and especially Ireland, it would also be horribly damaging to lose one of its most important members in such circumstances. Parliament this week made clear that it was against leaving with no deal. If Mrs May wants to avoid this fate, she will surely have to ask for more time. The EU should signal that it will agree to her request.

The longer Britain has to sort out its mess, the more chance that it can avoid disaster. Mrs May's strategy has been to get the hardline Brexiteers in her Conservative Party to back the deal. The vote this week for the cake-based motion, which more or less united Conservative MPs, has helped feed the idea that this is still possible. But the response from Brussels ought to put paid to that thinking. In reality, Mrs May is likely to have more luck winning votes from the opposition. The price of Labour's support seems to be a permanent customs union. The backstop, as Brexiteers complain, already amounts to something close to this. It is possible to imagine a deal being done, but not in the two months remaining. With more time, Parliament may yet feel its way to a solution. Brexit is a British problem that only Britain can fix. But the EU can give it the time it needs—and it must.

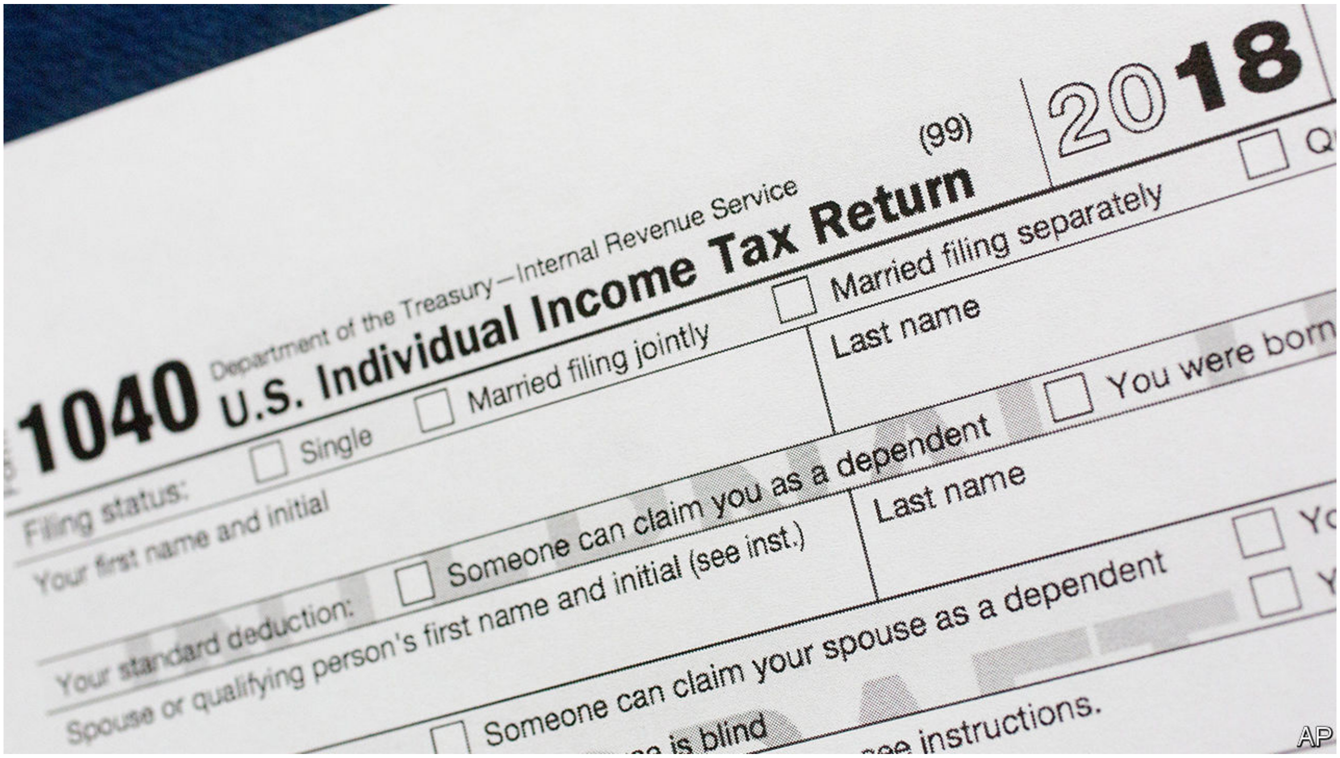
This article appeared in the Leaders section of the print edition under the headline "Over to EU"

A way through the warren

How to tax the rich

And how to limit the economic damage

Print edition | Leaders Feb 2nd 2019

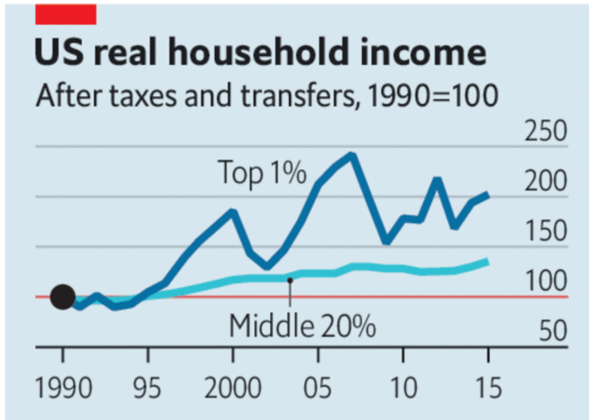


DURING HIS lesser-known run for president, which began in 1999, Donald Trump proposed levying a wealth tax on Americans with more than $10m. He may soon find himself campaigning on the other side of the issue. That is because Democrats are lining up to find ways to tax the rich. Senator Elizabeth Warren, who wants Mr Trump's job, has called for an annual levy of 2% on wealth above $50m and of 3% on wealth above $1bn. Alexandria Ocasio-Cortez, a prominent new left-wing congresswoman, has floated a top tax rate of 70% on the highest incomes.

In one way these proposals are a relief. Left-wing Democrats have plenty of ideas for new spending—Medicare for all, free college tuition, the "Green New Deal"—that would need funding. Mainly because America is ageing, but also boosted by Mr Trump's unfunded tax cuts, the debt-to-GDP ratio is already expected to nearly double over the next 30 years. If a future Democratic administration creates new spending programmes while maintaining existing ones, higher taxes will be necessary.

If revenues are to rise, there are good grounds to look first to the rich. Mr Trump's tax cuts are just the latest change to have made life at the top more splendorous. Between 1990 and 2015 the real income of the top 1% of households, after taxes and transfers, nearly doubled. Over the same period middle incomes grew by only about a third—and most of that was thanks to government intervention. Globalisation, technological change and ebbing competition have all helped the rich prosper in recent decades. Techno-prophets fear that inequality could soon worsen further, as algorithms replace workers en masse. Whether or not they are right, the disproportionate gains the rich have already enjoyed could justify raising new revenues from them.

Unfortunately, the proposed new schemes are poorly designed. Ms Warren's takes aim at wealth inequality, which has also risen dramatically. It is legitimate to tax wealth. But Ms Warren's levy would be crude, distorting and hard to enforce. A business owner making nominal annual returns of around 5% would see much of that wiped out, before accounting for existing taxes on capital. That prospect would squash investment and enterprise. Meanwhile, bureaucrats would repeatedly find themselves having to value billionaires' art collections and other illiquid assets. Eight rich countries have scrapped their wealth taxes since 1990, often amid concerns about their economic and administrative costs. In 2017 only four levied them.



The Economist

There are better ways to raise taxes on capital. One is to increase inheritance tax, an inequality-buster that, though also too easily avoided, is relatively gentle on investment and work incentives when levied at modest rates. Another is to target economic rents and windfalls that inflate investment returns. Higher property taxes can efficiently capture some of the astronomical gains that landowners near successful cities have enjoyed. It is also possible to raise taxes on corporations that enjoy abnormally high profits without severely inhibiting growth. The trick is to shield investment spending by letting companies deduct it from their taxable profit immediately, rather than as their assets depreciate. (Mr Trump's reform accomplished this, but only partially and temporarily.)

What about income tax? Ms Ocasio-Cortez's boosters point out that a 70% levy is close to the rate that is said to maximise revenue in one notable economic study. In truth the study is notable because it is an outlier—one that ignores the benefits of entrepreneurial innovation or of workers improving their skills. France's short-lived 75% top tax rate, which was scrapped at the end of 2014, raised less money than was hoped. America's top rate of federal income tax is 37%; higher is clearly feasible, but it would be wise to keep change incremental.

Although there is scope to raise taxes on the rich, they cannot pay for everything, if only because the rich are relatively scarce. One estimate puts extra annual revenue from Ms Ocasio-Cortez's idea, which applies only to incomes above $10m, at perhaps $12bn, or 0.3% of the tax take. Ms Warren's proposal would raise $210bn a year, her backers say—but they assume, implausibly, limited avoidance and no economic damage. Ultimately, the price of ambitious spending programmes will be tax increases that are also far-reaching. The crucial point about a strategy for taxing the rich is to realise that it has limits.

This article appeared in the Leaders section of the print edition under the headline "A way through the warren"

On childhood, science, Wetherspoons, Disney, Chicago
Letters

On childhood, science, agritech, Wetherspoons, Disney, Chicago

Letters to the editor

Letters to the editor

Print edition | Letters Feb 2nd 2019

Letters are welcome and should be addressed to the Editor at letters@economist.com

The kids were all right

Your article on the history of childhood (Special report on childhood , January 5th) was based almost entirely on the work of Philippe Ariès, whom you cited. But though we are indebted to Ariès for beginning serious scholarship on this topic, his central thesis that childhood did not exist before the 17th century is now discredited. Notions of childhood existed throughout history. Across time and different cultures, childhood has been viewed as a distinct stage of life, and children have had cultural activities and possessions of their own.

It is simply untrue that children were viewed primarily as imperfect adults and that the stark separation of adults and children is a modern invention. It is also not true that parents did not love and cherish their children, even at a time of high infant mortality. They took part in rituals around their children's birth and grieved their death. The way children were viewed historically was extremely diverse, a point missed by Ariès. It is not helpful to assert that childhood did not exist before the 17th century.

ROBYN BOERé
Toronto

Childhood seems to be losing its fun. Earlier and earlier schooling, shifting family patterns, increased time spent indoors and in cities, and constant technological evolution have created socioeconomic pressures. Your special report neatly identified four childhood revolutions from medieval times to the present day, but did not acknowledge today's play crisis. Neuroscientific research shows that playtime is critical to developing the cognitive, creative and communications skills needed in the future, and yet time set aside for play is being squeezed everywhere.

University College London is leading research on this issue on our behalf. Its findings, to be shared later in 2019, will identify "play gaps" in more than 40 countries. Closing these gaps in access to play will support deeper learning, which science tells us is when learning is joyful, experimental, social, meaningful, hands-on and minds-on.

JOHN GOODWIN
Chief executive
LEGO Foundation
Billund, Denmark

As a researcher in the field of internet addiction, I am grateful for the balanced position you took on the effects of digital-media overuse on children's mental health. That said, I wondered why you did not mention that the World Health Organisation has included the diagnosis "gaming disorder" in the latest draft of its classification of diseases? I am aware that scientists are still debating whether this diagnosis is premature, but you should have raised it to provide the full picture.

CHRISTIAN MONTAG
Professor of molecular psychology
Ulm University
Ulm, Germany


Andrea Ucini

Science and democracy

American pre-eminence in science and technology has a straightforward heritage. Astonishing experiences during the second world war, such as the Manhattan Project, the effects of advanced radar and so on, convinced many that America must embark on a nationally planned programme of scientific research. The momentum of this thinking took us through the cold war and space race and has underpinned America's unchallenged array of research universities and national laboratories. But now we seem to have lost our mojo, highlighted by the National Academy of Science's report, "Rising Above the Gathering Storm". Federal funding and science support is lagging just when rivals like China are making real advances (" Red moon rising ", January 12th).

The seminal role of science is lacking in our national political dialogue and this is where we must make the definitive break with China. As a professional scientist, I cannot see a path for China to maintain the level of original thinking that it needs while pursuing authoritarian control in almost all other spheres. America's founders understood this. Science played a trenchant role in forging our democracy.

ALLAN HAUER
Corrales, New Mexico

Recall that the spread of scientific inquiry under Denis Diderot, Jean d'Alembert, and other figures of the 18th-century Enlightenment helped undermine support for absolutist rule in France and contributed to the end of the monarchy. Science and absolutism are uncomfortable bedfellows.

MICHAEL MERTAUGH
Portland, Maine

Israeli agritech

* One overlooked dimension to Israeli agritech investment is its use beyond domestic needs to address humanitarian challenges globally (" Silicon makes Israel's desert bloom ", January 12th). But a key to success is making such technology and methods accessible and replicable among the rural poor.

We are testing a model now to empower Africa's smallholder farmers through a philanthropic loan fund that provides reasonably-priced loans, Israeli agritech and training, and access to new markets to sell their goods. Not only does it advance crop yields and financial standing of farmers and their families, it will increase knowledge-sharing between local farming communities, Israeli agritech innovators, and those who will benefit from related advancements in this field in the future.

Sometimes making the desert bloom can be a global enterprise with widespread social impact.

MANDIE WINSTON
Director
Disaster relief and development unit
American Jewish Joint Distribution Committee
New York

Havin' a laugh?

I suppose it was only to be expected that an anti-Brexit, London-based weekly would want to have a giggle about Tim Martin's free-trade tour around a hundred of his pubs (" Me and my Spoons ", January 19th). Why so snide? Mr Martin founded, runs and presides over the fortunes of nearly 1,000 pubs and hotels throughout Britain, offering wholesome food and a wonderful variety of draught beers at cheap prices. The business generates a healthy annual profit and the man is obviously a minor commercial genius. I would have thought that a newspaper supportive of free trade and hard-headed business efficiency would have wanted to sing his praises rather than treat him and his achievements as eccentric.

Down here on Costa Geriatrica, some of us long ago concluded that no British institution did more to ease the economic and human pain of living through the austerity years than Wetherspoons.

ROGER BARNARD
Chairman
Wetherspoon's Collective of Workers, Peasants and Intellectuals
Eastbourne

An illustrious illustrator

The article on Disney's live-action remakes put me in mind of Cecil Beard, one of the early Disney cartoonists, whom I knew in his retirement years (" An old new world ", January 5th). Authenticity mattered in his day, too. Cecil told me how, when making the original "Bambi", he and three other cartoonists went out in the Sierras and filmed wild animals. They then broke down the films, frame by frame, to learn how the animals really moved. As well as enhancing the credibility of their animation, the work of those cartoonists turned out to be original research, making its way into physiology textbooks.

UNCLE RIVER
Pie Town, New Mexico

Ubi Est Mea?

Regarding corruption in Chicago (" On the make by the lake ", January 12th), in the late 1960s Mike Royko, a Pulitzer prize-winning columnist for several newspapers, suggested that the city change its motto to "Where's Mine?"

JIM SPANGLER
Brookfield, Wisconsin
* Letters appear online only

This article appeared in the Letters section of the print edition under the headline "Letters"

Venezuela
A chance, at last, for liberation

A chance, at last, for liberation

Venezuela's failed revolution may itself be overthrown

America's intervention could topple the government of Nicolás Maduro

Print edition | Briefing Jan 31st 2019

THE OP-13 BUILDING at the entrance to the Catia shantytown in Caracas is an ugly red and grey edifice, built a decade ago by a Russian company. With such housing projects Hugo Chávez, the founder of Venezuela's "Bolivarian revolution", established himself as the benefactor of the poor. The polyurethane cladding suits Moscow, not the tropics. The windows are too small to admit much breeze. But people who live in Catia are grateful to the government. "It's completely *chavista* here," says Ayax Armas, a cook who lives opposite.

Loyalty is reinforced by fear. Catia is controlled by pro-government *colectivos*, which are at once local intelligence-services, neighbourhood-watch groups and criminal gangs. Protests against the left-wing regime were almost unheard of. But anger is simmering. The oil boom, which paid for Chávez's largesse, ended soon after he died in 2013. Under Nicolás Maduro, who took over from him, the economy has slumped and food has become scarce. Annual inflation is 1.7m per cent, according to the opposition-controlled legislature. "Who wouldn't want to change this situation?" asks Carlos, who scavenges for fruit and vegetables in the rubbish, cleans them and resells them. More than 80% of Venezuelans want Mr Maduro out, according to Datanalisis, a polling firm.

Just before midnight on January 22nd Catia erupted. Residents of OP13 streamed out, set fire to rubbish that had been piling up for weeks and banged pots and pans. "This government is about to fall," they chanted. After two decades of socialist rule that descended into ever-greater repression and economic mismanagement, they may just be right.

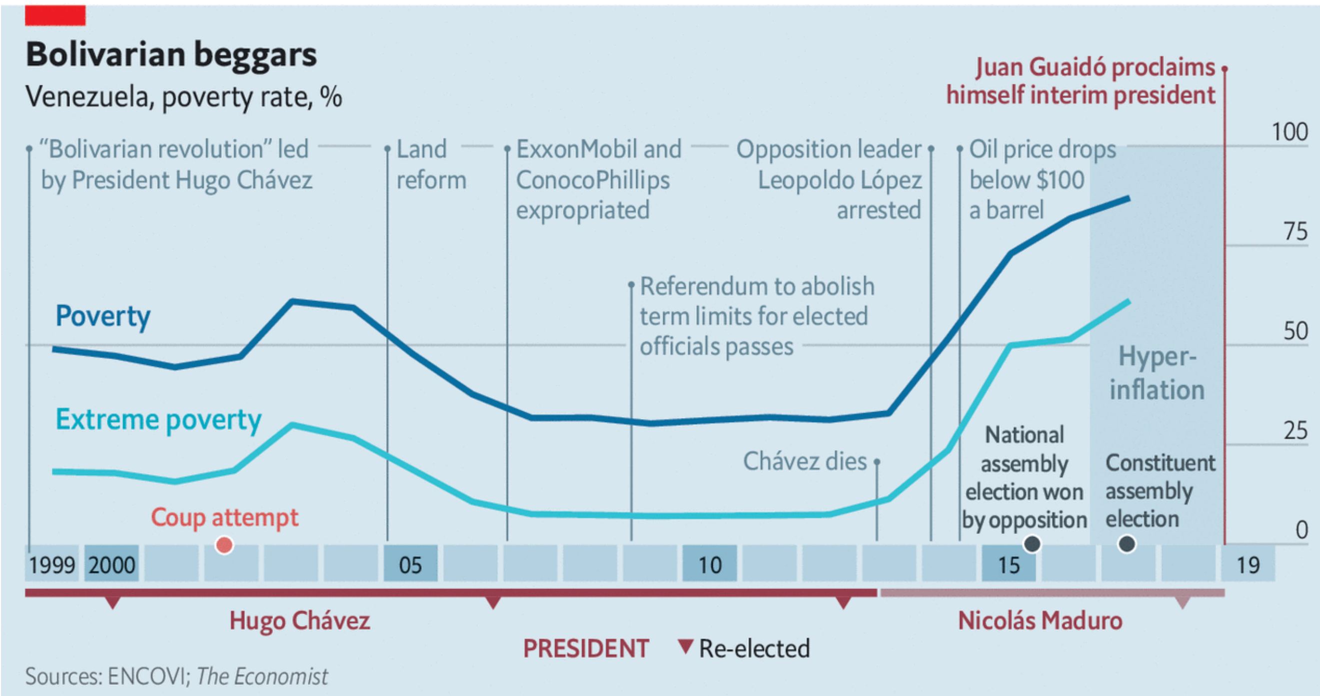
Since Catia's rebellion events have moved at a dizzying pace. On January 23rd Juan Guaidó, a young, little-known politician who had been head of Venezuela's legislature for just 18 days, proclaimed himself the country's acting president before a cheering crowd in Caracas. He declared the presidency vacant on the grounds that Mr Maduro's re-election last May was a fraud. In those circumstances, the constitution gives the presidency to the head of the legislature until fresh elections can be held.

Along with more than 1m protesters across Venezuela that day, the United States, Canada and almost all large Latin American countries recognised Mr Guaidó. Britain, France, Germany and Spain said they would follow if Mr Maduro doesn't call a free election within days.

President Donald Trump has moved to make Mr Guaidó's claim a reality. On January 28th America imposed its toughest sanctions yet on Venezuela's regime. It froze the American accounts and assets of PDVSA, the national oil monopoly, and said that it will divert the proceeds of further sales into an account that will be accessible only after PDVSA comes under the control of Mr Guaidó or an elected government. This cuts off the regime from its main source of cash. Already it has defaulted on most of its debt and is short of money to buy the loyalty of the armed forces, maintain oil production and import enough to feed 32m Venezuelans. The new sanctions will make all that even harder.

Venezuela thus finds itself part of a trial of strength. A peaceful transition to a democratic, economically literate government could restore normality to what was once one of the region's richest countries (see article). Equally, the Trump-Guaidó gambit might lead to conflict between armed groups or simply fail, leaving the regime more dominant than ever. In that case, millions more Venezuelans would join the 3m who have already fled, mostly to neighbouring countries such as Colombia. American prestige, wagered on ousting Mr Maduro, would suffer, too.

Mr Maduro has resisted growing opposition since 2013, when poverty began to rise (see chart). As Venezuelans turned against him, his power came to depend on a patronage network of *enchufados*, or "plugged-in people", especially in the security forces. He has appointed over 2,000 officers to the rank of general or equivalent. The army runs companies in as many as 20 industries, including an insurer, a rubber manufacturer and a television channel, according to *Crónica Uno*, a newspaper.



The Economist

The armed forces collar scarce dollars at an artificially cheap rate and sell them to dollar-starved companies at a much dearer one. The national guard smuggles petrol, weapons, food, gold and diamonds, according to Margarita López Maya of Universidad Central de Venezuela, citing investigations by American authorities. After Mr Guaidó's proclamation, all of the country's top brass pledged support to Mr Maduro.

They have stomped on dissent. At the protests in Catia the *colectivos* were first on the scene, followed by the dreaded FAES, an elite police force ("*colectivos* with a licence", Mr Armas calls them). "We are not going to let anyone fuck with us," said one *colectivo* leader in Catia after the fracas. Repression took place across the country on the next day. Some 700 people were detained, a record number for one day, according to Foro Penal, a human-rights group. Thirty-five people were killed.

But the oppressors are also unhappy. Despite the money to be made from corruption, the crisis affects the armed forces as it does the rest of society, says Rocío San Miguel, a Caracas-based military analyst. The salary of a major in the national guard is 36,000 bolívares a month, worth less than $15. "That is not enough for two days' worth of food for a family of four," says Ms San Miguel.

Growing disgruntlement in the security forces increases the importance of the several hundred Cuban counter-intelligence agents (supplied in return for cheap oil) who also prop up Mr Maduro's rule. They tap Venezuelan phones to monitor dissent as well as looking after the president's personal security, says a western intelligence source. He adds that Mr Maduro gets an intelligence briefing every morning from two Cuban officers. The most intense snooping is on the police and armed forces—anyone with a gun, says Ms San Miguel.

The regime has disrupted several coup attempts. Around 100 senior officers are in prison, including several who were close to Chávez and who served Mr Maduro as ministers. Troop commanders have been shuffled frequently to prevent them from building close relations with their soldiers, according to *Caracas Chronicles Political Risk Report*, a newsletter.

Even before the latest sanctions, the regime was running out of money to keep the generals happy. Production by PDVSA, which has been mismanaged for years, was expected to fall to less than 1m barrels a day in 2019, its lowest level since the 1940s.

If sold at world prices, that should bring in about $20bn for the year, except that 45% of the oil goes directly to China and Russia to repay debt, according to Siobhan Morden of Nomura, an investment bank. Cash from oil sales goes mainly to pay other claimants and to pay Venezuela's import bill. Less than $250m would be left to spend on patronage. That is less than the wage bill for Manchester City's footballers. Venezuela would have to dip further into its dwindling foreign-exchange reserves.

With the new sanctions, money will be even tighter. They freeze PDVSA's $7bn of assets in America, which include three oil refineries, and will reduce revenue from oil exports by more than $11bn, says the Trump administration. PDVSA might find other buyers, perhaps in Asia, but is likely to earn less because transport costs will be higher. Almost as painful is the ban on the sale of diluents to PDVSA, without which its thick oil will not flow through pipes.

These measures will accelerate Venezuela's economic collapse. GDP will shrink by 26% this year, bringing the total decline since Mr Maduro took office to 60%, estimates Francisco Rodríguez of Torino Capital, an investment bank. Bond prices suggest that the markets put the odds of Mr Maduro's ousting at 50-90%.

Mr Guaidó and Mr Trump are betting that hardship will topple the regime before it starves the Venezuelan people. The opposition is striving to persuade the armed forces to switch allegiance. The national assembly passed a law offering amnesty for those who help "build democracy". Volunteers distributed pamphlets laying out the terms at army bases (some soldiers burned them). To members of the regime too discredited to be part of any democratic government, including Mr Maduro, the opposition is offering passage to a comfortable retirement, perhaps in Cuba.

He is not ready to be pensioned off. He has called for support from China and Russia. On January 26th their UN ambassadors rebuked America for interfering. Both countries have big financial stakes in Venezuela. China, which has extended a total of $60bn in loans over the past 20 years, is its biggest creditor. And Russia has lent $17bn to oil projects and to finance arms sales.

China, which takes a hard-headed view of Venezuela, has promised little new money. It is to Russia's authoritarian leader, Vladimir Putin, that Mr Maduro has turned. Mr Putin sees Venezuela as a stage for his confrontation with America. Sergei Lavrov, Russia's foreign minister, said his government will do all it can to support the Venezuelan president. Unconfirmed reports say that 400 men from Wagner, a military company owned by an associate of Mr Putin, flew to Venezuela, perhaps to protect Mr Maduro from his own officers.

It is hard to see Russia committing troops or much treasure to keeping Mr Maduro in power. But Mr Putin would profit from other outcomes, too. Violence would demonstrate the risk of allowing a mob to subvert an established leader. An American military intervention could be cited as evidence that America shares Mr Putin's belief in great powers' spheres of influence.

Without Chinese or Russian cash, Mr Maduro will have to rule on emergency rations. That can work for a while. As people become poorer, the cost of patronage falls. Voters who once expected a flat now accept a box of food. But the forces working to topple Mr Maduro are getting stronger while those holding him up are weakening. For Venezuela's sake and his own, he should take early retirement.

This article appeared in the Briefing section of the print edition under the headline "A chance, at last, for liberation"

The day after

How Venezuela’s economy can recover from the Maduro regime

It will need a lot of help from outside, but there is hope

Print edition | Briefing Jan 31st 2019


Eyevine

THREE YEARS ago Ricardo Hausmann of Harvard University began work on what he calls the “morning-after plan”, a blueprint to rehabilitate Venezuela’s economy after President Nicolás Maduro’s hoped-for fall. Back then, he thought that new dawn would break quickly. Now, after a long delay, it again looks tantalisingly close.

The intervening years have allowed his plan to marinate and Venezuela’s economy to rot. In December a group of opposition politicians, union leaders, businesspeople, academics and church leaders reached consensus on a broad-brush document that draws on Mr Hausmann’s work. Entitled “National Plan: the Day After”, it points out that Venezuela’s “productive apparatus” has been hammered. Its health services have collapsed and inflation is rampant. In the past five years of Mr Maduro’s rule, GDP has roughly halved. The collapse is worse than Spain suffered during its civil war, says Mr Hausmann.

What should a new government fix first? Mr Hausmann’s team have identified two “binding” constraints that must be loosened before any other reforms can help. The first includes price controls and the threat of expropriation, which together are an “attack on the invisible hand”. The government has seized assets in many industries, from coffee-processing to banking. This has destroyed incentives for entrepreneurs to invest and increase production in response to shortages.

The second constraint is the lack of dollars. The export earnings of PDVSA, the state oil monopoly, have shrunk. And government cronies snaffle up much of the hard currency that remains. That deprives entrepreneurs of the means to buy vital imported inputs, such as spare parts.

Many of Venezuela’s other problems, including hyperinflation, are consequences of these deeper troubles, Mr Hausmann argues. Opponents of Mr Maduro thus plan to revive the invisible hand, by restoring property rights and relaxing price and exchange controls. This would be coupled with direct forms of help for the poor.

What about the lack of foreign exchange? That, Venezuela cannot solve alone. It will need an infusion of dollars from outside and reassurance that its future export earnings and overseas assets will not be seized by its foreign creditors. The face value of their claims on the state exceeded $135bn last year, according to Torino Capital, an investment bank. The queue includes China (over $13bn) and Russia ($3bn), which have, in effect, pre-paid for barrels of oil with past loans. Also jockeying for position are the holders of sovereign bonds ($24bn) and PDVSA paper ($28bn). Other claimants include expropriated firms and unpaid suppliers.

A tempting strategy for any individual creditor is to let other lenders take a haircut, wait for Venezuela to recover, then insist on full repayment. But if every creditor pursues that course, Venezuela will never recover, and without debt restructuring, the

IMF may not be willing to lend. Lee Buchheit, a lawyer who advised Iraq, among other countries, and Mitu Gulati of Duke University argue that Venezuela may need America's president to issue an executive order giving it the same sort of protection from creditors as Iraq enjoyed in its restructuring after 2003.

Debt relief would limit the flow of dollars out of the country. On top of that, the IMF and others will have to pour more dollars into it. Mr Hausmann envisages a loan in excess of $60bn over three years. Rather than printing bolívares to cover its fiscal deficit, the government would buy local currency with the IMF's dollars. This, in turn, would put dollars in the hands of entrepreneurs, who could spend them on the imports needed to revive their businesses.

This mix of monetary restraint and output recovery should stem inflation. But the speed at which prices stabilise also depends on public expectations. To succeed quickly, the state must first convince the public that it will do so. To add credibility, the plan's sponsors favour an independent central bank and an "anchor" to discipline its policies.

The choice of anchor is important. The stricter the regime, the faster it can cure hyperinflation. A currency board (which would allow the central bank to create bolívares only when it has added the equivalent amount of dollars to its reserves) offers the best chance of immediate stability, but might prove too rigid in the long run. An exchange-rate peg would change inflation expectations more slowly, but would be more suitable for the economy over time. Mr Hausmann favours a peg over the stricter alternatives. But, he says, given the dangers of currency speculation, he is reluctant to discuss the details in public.

After its economy has stabilised, Venezuela will have to revive its oil industry. The reformers have drafted a hydrocarbons law that will retain current royalty and tax rates, and allow foreign firms to own their ventures outright. Experienced Venezuelans are working in the global industry, including at Norway's Equinor and BP. The country's exports would benefit from re-importing some of this expertise.

Would such a plan win the outside support it needs? The interim government has powerful friends in America, Brazil and elsewhere. Nothing in it will shock the IMF. And although China supports Mr Maduro in public, its oil investments give it an incentive to support the industry's revival. But Mr Hausmann needs no reminder about the uncertainties. He began work on his morning-after plan after the opposition won a two-thirds majority in the national legislature, when it seemed that change was "imminent". Sadly Mr Maduro has survived in office over 1,150 mornings-after since then.

This article appeared in the Briefing section of the print edition under the headline "The day after"

United States

Facebook turns 15
Remembrance of posts past

Remembrance of posts past

Facebook turns 15

How the social-networking giant has changed America

Print edition | United States Feb 2nd 2019

Selman Hosgor

ON FEBRUARY 4th 2004 a young website with a baby-blue banner was born. Founded in a dormitory at Harvard, TheFacebook.com tapped into people's instinctive desire to see and be seen. Few guessed how successful it would become. In 2008 Rupert Murdoch, the media mogul who had bought the social-networking rival MySpace, called Facebook the "flavour of the month"; the following year this newspaper warned in an article about Facebook that it is "awfully easy for one 'next big thing' to be overtaken by the next."

Instead Facebook has stayed on top by spreading wildly across America and the world and buying competitors, including the photo-sharing app Instagram and the messaging firm WhatsApp. Around two-thirds of American adults use its original social network. At its peak, the average user spent nearly an hour a day on Facebook's platforms. Few companies have exerted such a strong influence on society, changing people's communication habits, reuniting lost contacts, shaping their perception of world events and redefining the meaning of the word "friend". "Every once in a while, changes in technology come along which are so profound, that there is a before and an after. Facebook is one of those," says Roger McNamee, author of a forthcoming book called "Zucked".

Birthdays are an occasion for reflection. In the 15 years since its founding, Facebook has altered America in three notable ways. First, it has shaped what it means and feels like to be young. The company has done this twice: once with its flagship social network, which became the pastime and addiction of college students and high schoolers in the mid-2000s, and again with Instagram, which is the digital drug of choice for their successors today, along with the rival app Snapchat.

The company has fostered a virtual "me-conomy", where people (over)share their feelings, photos and comments. Some blame Facebook for fanning teenage narcissism and for short attention spans. Others say it has caused anxiety, depression and insecurity. Researchers have shown that people who spend more time on Facebook are more likely to think other people have it better than they do and that life is unfair.

The lasting effects of social media, and Facebook in particular, on young people's psyches will not be fully understood for years, but it is clear that Facebook has changed human interaction. At the safe remove of a screen, bullying on social media has become painfully common; some 59% of American teenagers say they have been bullied or harassed online. Facebook has cultivated far-flung, online friendships, but it has changed the nature of offline ones, too. According to research by Common Sense Media, a non-profit, in 2012 around half of 13- to 17-year-olds said their favourite way to communicate with friends was in person. Today only 32% feel that way, with 35% preferring texting.

Second, Facebook has changed attitudes to privacy. The social network thrives through trust. After Facebook was launched, for the first time people felt comfortable sharing intimate details online, including their phone number, relationship status, likes and dislikes, location and more, because they felt they could control who had access to them. Users were vaguely aware that Facebook was starting to make a fortune mining this data and selling advertisers access to specific types of users, but they mostly did not object.

Opinions about privacy may be shifting again at Facebook's hands, this time in reverse. Public scandals about outside firms getting access to Facebook users' data, including last year's Cambridge Analytica fiasco, have shone a light on the firms' massive data collection. Around half of American adult users are not comfortable with Facebook compiling such detailed information about them, according to a survey by Pew Research Centre. Concerns about privacy and lax oversight probably played into the beating that Facebook's reputation took last year. According to the Reputation Institute, a consultancy, Facebook's standing among Americans fell sharply in 2018, and its score ranks significantly below other technology companies, including Google. A fresh scandal over Facebook spying on users' online activities in the name of research may further dent the company's image.

Third, Facebook has left a lasting mark on politics. The social-networking firm has become an invaluable tool for politicians seeking office, both through paid advertisements to reach voters and free content that spreads on the social network. "You'd be hard-pressed to find a politician who's been elected in the last ten years who didn't use Facebook," says David Kirkpatrick, author of "The Facebook Effect", a history of the social network. Two presidents, Barack Obama and Donald Trump, won election in no small part thanks to Facebook. In Mr Obama's case, Facebook helped him fundraise and drum up support. In 2016 Facebook's role was more controversial: false news spread wildly and Russians meddled with messages on social media, which may have helped Mr Trump gain an edge.

The rise of fake news and spread of filter bubbles, where people see their pre-conceptions reinforced online, have probably disillusioned many voters. Facebook has had a hand in spreading misinformation, terrorism and ethnic violence around the world. But it has also spurred civil engagement. Black Lives Matter, a campaign against police violence, began with a Facebook post and quickly spread through the social network. Much of the grassroots opposition to Mr Trump, from the women's marches to groups like Indivisible, use the platform to organise themselves. Many other campaigns and movements have attracted members through Facebook and Twitter. "They give ordinary people a voice. That's a net positive for society," says Mr Kirkpatrick.

Can the social-media giant stay as influential in the next 15 years as it has already been? At the risk of being wrong about Facebook again, that seems unlikely. This is partly because its impact has already been so extensive. But it is also because of growing unease with the platform. As with all new technologies, from the printed book to the telegraph, social media can be used both for good and bad. Critics of Facebook are increasingly vocal about the harms, pointing out that Facebook is addictive, harmful for democracy and too powerful in making decisions about what content people see. "Big tobacco" is what the bosses of several top tech companies have started calling the social network, and politicians are speaking openly about regulation.

Though it has just posted record quarterly profits, it seems unlikely that Americans are going to increase the time they spend on Facebook proper. Time on its core social network is declining, probably because users are questioning whether it is as enjoyable as it used to be. Adults in America spent 11.5% of their online time on Facebook's main platform, a fifth less than two years earlier, according to Brian Wieser of Pivotal Research. Instagram use is rising, but not enough to make up for the core social network's decline. As more people question whether social media are good for them, Facebook could loosen its grip on America. The relationship with Facebook continues, but the love affair is over.

This article appeared in the United States section of the print edition under the headline "Remembrance of posts past"

In search of lost time (and money)

America's government shutdown took a toll

Some Republicans would prefer a national emergency to a repeat performance

Print edition | United States Feb 2nd 2019

TERRIBLE TRAFFIC, packed Metro cars, full restaurants: Washington returned to work this week after the longest-ever government shutdown ended, at least for now. Despite vowing not to reopen government without the $5.7bn he demanded for his border wall, Donald Trump did just that, signing a spending bill that funds the government through February 15th and creates a bipartisan, bicameral commission to develop a border-security proposal.

Ann Coulter, a far-right commentator and supporter of Mr Trump, called him "the biggest wimp ever to serve as President of the United States." A headline on the Daily Caller, a conservative website, blared "TRUMP CAVES". Polls showed that more Americans blamed Mr Trump for the shutdown than blamed House Democrats—perhaps because, 11 days before it began, he boasted that he would be "proud to shut down the government" if Congress failed to give him exactly what he wanted.

When it was over, the non-partisan Congressional Budget Office (CBO) released a report on the shutdown's economic effects. It estimated that American GDP was $3bn lower in the last quarter of 2018 and will be $8bn lower in the first quarter of 2019 than it would have been without the shutdown. That pain was not evenly distributed; federal workers and businesses that rely on them felt the effects more strongly than the economy as a whole. Though much of that activity should eventually be recovered, the CBO forecast that around $3bn—or 0.02% of projected annual GDP—has been permanently lost.

Businesses that could not receive permits or loans because the relevant agency was closed probably delayed hiring and investment. Unpaid workers who had to take out loans will see their future spending constrained by debt servicing. A lack of published economic data increased economic uncertainty, while funding gaps probably began "to reduce the credibility of the federal government," making it harder to attract talent and more expensive to make contracts with private business. And though the 800,000 furloughed or unpaid federal workers will receive back wages, private-sector workers that depend on government—suppliers, contractors, restaurants near government offices and the like—may not.

Nor is America out of the woods. Mr Trump threatened to force another shutdown if the commission fails to come up with a recommendation that he likes. Bills to prevent the effects of a shutdown through "automatic continuing resolutions"—meaning that funding will continue at current levels if lawmakers fail to agree on spending levels—have been floated in both houses of Congress, by members of both parties. Mr Trump also threatened to declare a national emergency, a prospect some congressional Republicans find more appealing than another shutdown.

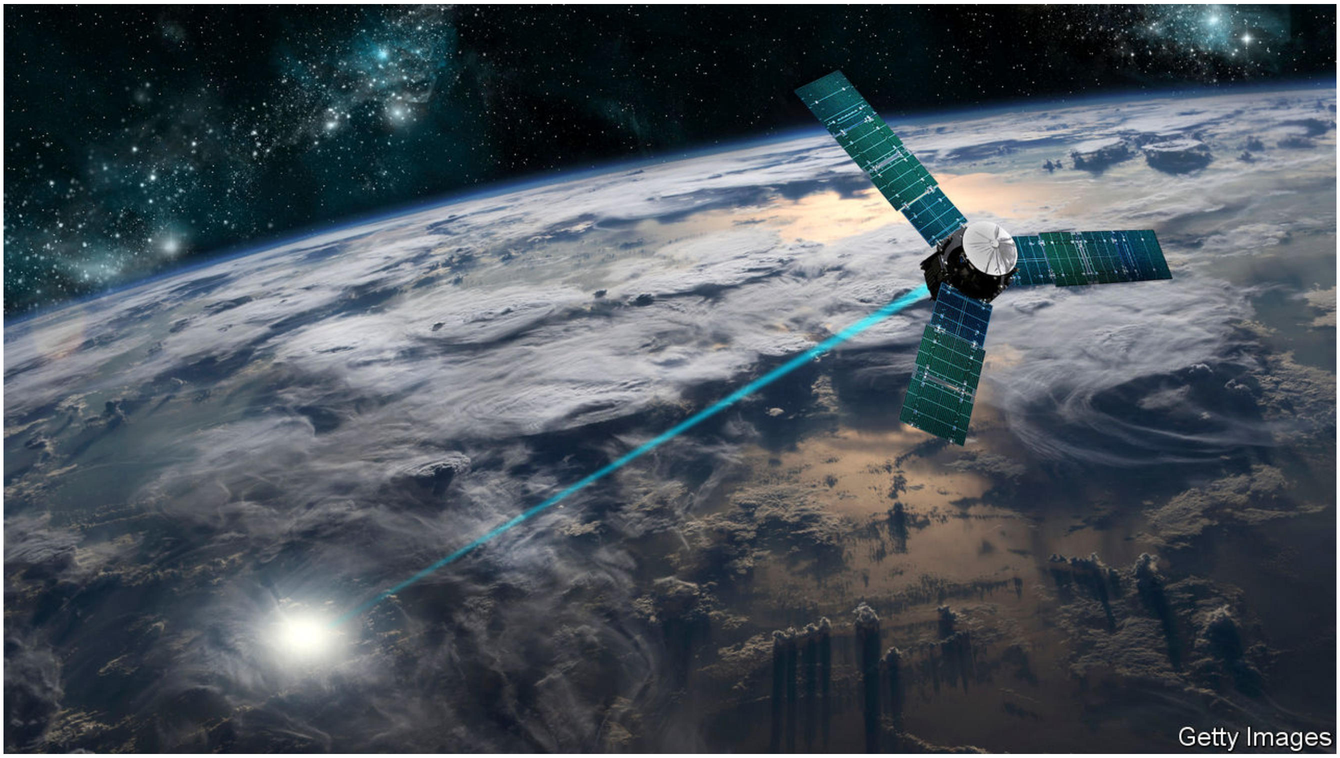
This article appeared in the United States section of the print edition under the headline "In search of lost time (and money)"

Laser tag

The Pentagon wants satellites with laser beams attached to their heads

Missile-interceptors in space could protect America, but at a galactic cost

Print edition | United States Feb 2nd 2019



LASER WEAPONS orbiting in space and warplanes that shoot down rockets sound like the doodlings of a teenage boy. Both appear in the Trump administration's missile-defence review, published on January 17th. It lays out a celestial vision of homeland defence that looks cosmically expensive and technologically dubious.

America does not skimp on shooting missiles out of the sky. Its 2018 budget allocated $19.3bn to the task—roughly equivalent to the entire defence budget of Canada or Turkey. Since 2001 it has splashed out over $130bn. Some of that is spent on ship-based Aegis and land-based Patriot and Terminal High Altitude Area Defence (THAAD) systems, which are aimed at short or medium-range missiles. Intercontinental ballistic missiles (ICBMs) fly higher and faster.

For those, America has built a sprawling "ground-based midcourse defence" (GMD) directed at North Korea and Iran. At $67bn and rising, it is the Pentagon's fourth-most-expensive weapon system. Launches are spotted by infrared satellites and a radar network stretching from Cape Cod to Japan, and then—in theory—struck by one of 44 interceptors in Alaska and California.

Though GMD was declared ready in 2004, it was not tested against an ICBM-type target until 2017 and then under generous conditions. Using four interceptors against one warhead is assumed to give a 97% chance of a hit. That sounds promising. But if merely a dozen missiles were volleyed at America, not only would it soak up more than $3bn of interceptors but a single warhead would still have a 30% chance of getting acquainted with an American city. The average revolver offers better odds for a game of Russian roulette.

The Trump administration has been adding interceptors, beefing up radars and conducting new tests. But the latest missile-defence review, the first in nine years, makes some more radical proposals.

One is to shoot down missiles in their "boost phase" as they take off, when they are slower and harder to disguise, rather than above the atmosphere as GMD aims to do. Since the boost phase lasts for only a few minutes, that requires spotting launches and pouncing quickly. The suggestion is that fighter jets like the F-35 or even drones could be "surged" towards enemy launchpads in a crisis, armed with new interceptor missiles or compact lasers. That carries obvious risks.

So the second strategy is to do more sensing and shooting from space. This fits with Mr Trump's galactic proclivities. In December he ordered the creation of a new Space Command to run military operations in space. A new Space Force and Space Development Agency are in the works.

The Pentagon is especially keen to put larger numbers of smaller and cheaper satellites into lower orbit for “birth to death tracking”: from detecting tell-tale plumes at launch to establishing whether an intercept is successful. Officials are also beginning a six-month study into the feasibility of putting the interceptors themselves, whether rockets or lasers, into space.

Few of these ideas are new. An airborne laser was successfully tested against missiles in 2010. The Obama administration poured hundreds of millions of dollars into space sensors. The vision of orbiting lasers harks back to the Reagan administration’s Strategic Defence Initiative, widely dubbed “Star Wars”.

In 2012 the National Research Council published a detailed and scathing judgment of such methods. Boost-phase defence, it said, “is not practical or cost effective under real-world conditions for the foreseeable future”. It pointed out that rocket motors burn out so quickly that interceptors would have to get unfeasibly close to the launch-pad.

Space-based interceptors might deal with that problem, but would require a preposterously large constellation of satellites costing hundreds of billions of dollars. The Pentagon insists that new, commercially available technology will bring down costs. Its task is to persuade Congress that the budget, at least, is not headed to infinity and beyond.

This article appeared in the United States section of the print edition under the headline ”Laser tag”

Pennsylvania Idol

A rustbelt town adapts a TV format for politics

Braddock needed a mayor, so it held an audition

Print edition | United States Feb 2nd 2019

THE CASTING call went out last month. Braddock, a small steel town ten miles from Pittsburgh, needed a new mayor. John Fetterman, who had held the post for 13 years, had stepped down to become Pennsylvania's lieutenant-governor. Interested candidates had five minutes each to wow the borough council in a special public session and convince them that they should be the next mayor. Only five applicants, who included a former chef and a wig-seller, auditioned on January 29th. Chardae Jones, a 29-year-old business analyst sporting pink dreads, was the unanimous winner.

The town does not usually hold open auditions for vacant political posts. Its council has the power to appoint an interim mayor, but an attempt to do this last month derailed when questions emerged about the eligibility of the chosen candidates and the vetting process. So the council decided to open the contest to any resident of the borough who is registered to vote and has not been convicted of a felony.

Braddock has struggled for generations. The hardscrabble town where Andrew Carnegie opened his first steel mill and first Carnegie Library is a shadow of its former self. At its height in the 1920s the population exceeded 20,000. Today it is less than 1,800. Braddock Avenue, the main commercial artery, once had bustling shops, hotels and restaurants. Today it is a parade of empty lots and closed storefronts.

Braddock's mayor has few powers. The borough has been under state financial oversight since 1988. The council, not the mayor, operates the budget and hires borough employees. The mayor has public-safety responsibilities, but the police department is only part-time and its budget is tight.

The outgoing mayor, Mr Fetterman, a graduate of Harvard Kennedy School of government, did much to shine a spotlight on Braddock, including giving TED talks, appearing on "The Colbert Report", a comedy news programme, and hustling to attract businesses and investors. When he became mayor in 2006, the town didn't even have an ATM. He went on national television to beg Subway, a restaurant chain, to open. New restaurants eventually came (though still no Subway), but Braddock's renaissance is still some way off. Carnegie's mill, miraculously, is still in operation. Its chimneys dominate the skyline, but not the city's economy. It employs only 10% of the 5,000 workers it once did, and few of them live in Braddock.

The victor of Braddock's talent contest, Ms Jones, intends to continue much of Mr Fetterman's promotion, but warns that redevelopment means nothing if the community is not safe. She will have to audition again to keep her new job. She faces a primary, and then a more conventional election in November.

This article appeared in the United States section of the print edition under the headline "Pennsylvania Idol"

Get me Roger Stone

Is this man the missing link in the Mueller investigation?

Or is he an attention-seeking mythmaker? Or could he be both these things?

Print edition | United States Feb 2nd 2019

Eyevine

THE FIRST time Roger Stone talked to Donald Trump about running for president was in 1988. "We're sitting in the office. He's looking at the newspaper, which he did more then than now. And he says, Jesus Christ: George Bush and Mike Dukakis? How fuckin' pathetic is that? How fuckin' pathetic. He says, You ever shake hands with George Bush? I said No, what's it like. He said, Let me show you (dead-fish handshake). He said, And this Dukakis, what is he? 5'5"? I said, Maybe you should run. He says, I'll tell you this: I'm not interested in running. But if I did run, I'd win."

Mr Stone's role in Mr Trump's eventual victory has been a source of speculation ever since November 2016. On January 25th he was arrested at his home in Fort Lauderdale and indicted by Robert Mueller, the special counsel, on seven counts, including obstructing an official proceeding, witness-tampering and making false statements about his communication with WikiLeaks and the Trump campaign. At his arraignment Mr Stone—in Democratic blue suit, tie and uncharacteristically flabby pocket-square—pleaded not guilty to all seven counts. He left the courthouse through throngs of supporters and detractors waving signs that read: "DIRTY TRAITOR", LOCK HIM UP" and "ROGER STONE DID NOTHING WRONG". Across the street was a huge inflatable rat with a blond hairpiece.

Mueller-watchers had awaited Mr Stone's indictment eagerly. The investigation was set up to look at "links and/or co-ordination" between the Russian government and the Trump campaign. Many links have already been revealed in indictments, but co-ordination has proved more elusive. Mr Stone, who both worked on the campaign for a while and seemed to have advance knowledge of the emails stolen from the Democratic National Committee by Russian military intelligence (the GRU) looked as if he might be the missing link.

CNN was so sure Mr Stone's indictment was coming that the network had a camera team outside Mr Stone's house when the FBI turned up to arrest him. On a similar hunch, *The Economist* had lunch with him in December in Fort Lauderdale. Asked then if he was worried about the special counsel's investigation into links between Russia and Mr Trump's campaign, he scoffed: "Worry? I don't worry. I make other people worry."

Mr Stone's reputation as the kind of political operative imagined by screenwriters owes much to his own mythmaking. For a race he worked on early in his career, in his home state of Connecticut, he and other volunteers paced the platforms at a commuter railway station, passing out flyers with hot coffee in the mornings and freshly mixed martinis when the passengers returned in the evenings. His break came when working for Richard Nixon, a politician Mr Stone admires so much that he has the 37th president's face tattooed between his shoulder blades. ("Man with Richard Nixon tattoo turns out to be a criminal," was the headline on Popdust, a gossip website, after the indictment.) In his book about Nixon he writes, "I was drawn to Richard Nixon not because of his philosophy; he had none. It was his resilience and his indestructibility that attracted me." Mr Stone says that Nixon was "exceptionally kind", that he called him on his birthday, remembered his wife's and dogs' names and sent letters when his parents died.

After tasting success of a sort with Nixon, Mr Stone worked on Ronald Reagan's ill-starred 1976 presidential campaign. The next year he was elected president of Young Republicans in a campaign managed by Paul Manafort, convicted by Mr Mueller's team for felonies too numerous to list in a paper that prizes concision. When Reagan won at the second attempt, Mr Stone set up a lobbying firm, Black, Manafort and Stone, that became infamous for its work for Ferdinand Marcos in the Philippines, Mobutu Sese Seko in Zaire and Jonas Savimbi in Angola, among others. The two men parted ways after selling the company in the 1990s. They were reunited on the Trump campaign, which Mr Manafort briefly ran while Mr Stone flitted about, laying claim to an influence over the candidate and tactics that was never spelled out.

The indictment fills in some gaps. It alleges that in June and July of 2016, after his official role with the campaign had ended, Mr Stone "informed senior Trump campaign officials that he had information indicating [WikiLeaks] had documents whose release would be damaging to the Clinton campaign." WikiLeaks released its first batch of emails on July 22nd. Four days later Mr Trump had nearly erased Hillary Clinton's lead. After the release, says the indictment, "a senior Trump Campaign official" was directed "to contact STONE about any additional releases and what other damaging information [WikiLeaks] had regarding the Clinton campaign. STONE thereafter told the Trump campaign about potential future releases of damaging material by [WikiLeaks]."

Mr Mueller names neither the senior campaign official nor the person who "directed" him or her to contact Mr Stone. According to emails published by the *New York Times*, Mr Stone and Stephen Bannon, the campaign's chief executive, exchanged emails about WikiLeaks in early October. Over lunch Mr Stone is acerbic about Mr Bannon. "I have trouble dealing with people who are slovenly," says Mr Stone, a renowned clothes horse (he dressed down for lunch, wearing a white Oxford shirt and flat-fronted trousers, but did drop the name of his favourite Japanese tailor). "If you want to know what Steve Bannon had for lunch, just look at the front of his shirt."

The indictment further alleges that Mr Stone made several other false statements regarding the nature of his communication with intermediaries in direct contact with Julian Assange, the head of WikiLeaks, and with Mr Trump's campaign. The witness-tampering charge stems from his alleged attempts to prevent one of those intermediaries from contradicting his testimony. Mr Stone advised the witness to "Stonewall it. Plead the fifth," and later, "I'm not talking to the FBI and if your [sic] smart you won't either." When the intermediary proved less tractable than he desired, Mr Stone called him "a rat. A stoolie. You backstab your friends—run your mouth my lawyers are dying Rip you to shreds [sic]." He also threatened the witness's therapy dog, Bianca, and suggested that he "Prepare to die".

Over lunch in December, Mr Stone offered a lawyerly, expansive defence of his conduct. "There's no evidence, or proof, and no one can honestly say that I had advance notice of the source, or the content or the exact release date of the WikiLeaks material either stolen—or I should say, allegedly stolen and allegedly hacked." The word "exact" in that sentence is doing a great deal of work. Otherwise, says Mr Stone, "I am not guilty of any other crime in connection with the 2016 election," and besides, "I'm not really sure receiving material from WikiLeaks would have been a crime had I done so." Not everyone would be so sanguine: campaign-finance law bars foreign nationals from contributing—and campaigns from soliciting from them—money or any "thing of value" to an American political campaign.

Casa Bianca

Mr Stone says that his subsequent testimony before the House Intelligence Committee, another possible source of legal trouble for him, was "completely accurate and truthful", and that "any discrepancy in my testimony would be immaterial." The indictment alleges otherwise. The committee asked Mr Stone whether he had any documents concerning "discussions you have had with third parties about" Mr Assange. Mr Stone replied that he did not. The indictment alleges that in fact he had multiple emails and texts about Mr Assange, including one to a Trump supporter from October 3rd 2016 that read, "Spoke to my friend in London last night [presumably Mr Assange, who lives at the Ecuadorean embassy there]. The payload is still coming." Four days later WikiLeaks released thousands of emails stolen from John Podesta, Mrs Clinton's campaign chairman.

Mr Trump's spokesman said the indictment has "nothing to do with the president", and called Mr Stone "somebody who has been a consultant for dozens of Republican presidents and candidates". That is true, but it conceals the duration and depth of the relationship between Messrs Trump and Stone. They have been close since Mr Stone solicited donations from Donald and his father, Fred, for Reagan's 1980 campaign. In 1988 Mr Stone oversaw the creation of a Draft Trump for President Committee, and arranged for supporters to hold "Trump for President" signs at a speech Mr Trump gave in New Hampshire. Mr Stone recalls that the speech was about how "our NATO partners are ripping us off…and our trading partners are fucking us."

After he was released on bail, Mr Stone spent the weekend talking to any briefly stationary television camera. To a local news station in Florida he boasted, grinning, "There are four phases of fame: Who is Roger Stone? Get me Roger Stone. Get me a Roger Stone-type. Who is Roger Stone? I guess I'm in phase two at the moment." Outside the Florida courthouse where he first appeared he vowed not to testify against Mr Trump; two days later he said he would consider co-operating with Mr Mueller, whose case against him he described as "thin as piss on a rock". He decried the "Gestapo tactics" of his arrest, though that may have been because federal agents—who were on furlough because of the government shutdown but reportedly volunteered for the job—feared he would destroy evidence. He admitted to having made errors in his testimony but said they were "inconsequential within the scope of this investigation."

Asked whether he thought Mr Stone did what was he has been accused of doing, a former colleague was circumspect: "I don't know, but I think he would have liked to. He always had a way of putting himself at the centre of things, and in this case he may have talked himself into a jail sentence.”

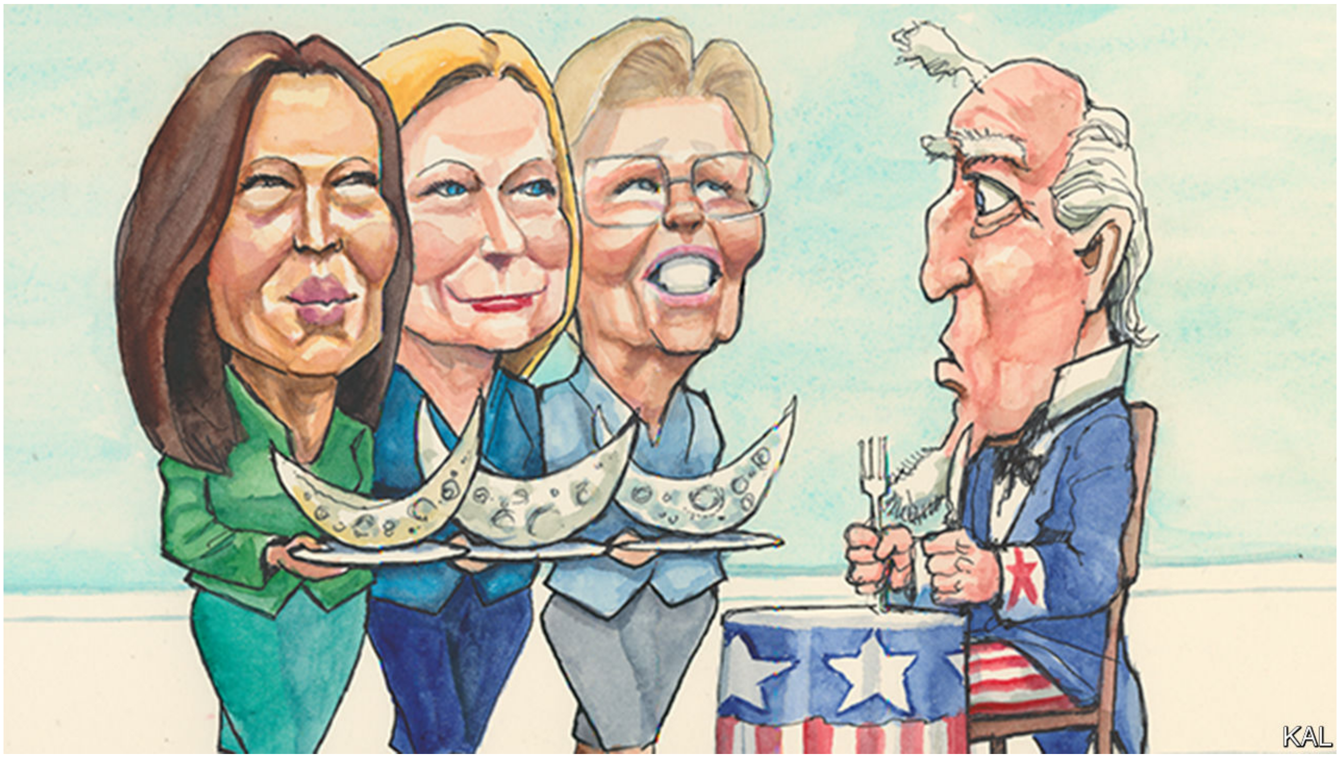
This article appeared in the United States section of the print edition under the headline ”Get me Roger Stone”

Lexington

The Democratic primary is already the most left-wing in decades

This looks like a bad strategy for beating Donald Trump

Print edition | United States Feb 2nd 2019



MODERATE DEMOCRATS have had a good few months. They dominated the Democratic primaries ahead of the mid-term elections, duly delivered a Democratic majority in the House of Representatives, and have been quietly getting their way there, too. For all the hoopla over Alexandria Ocasio-Cortez, the House agenda looks pragmatic, with a focus on fiscal prudence, infrastructure development and not impeaching President Donald Trump. House Democrats think this approach will keep on board the centrist voters they won last year. That looks like a more promising way to get rid of Mr Trump. So why are the early Democratic runners for next year's presidential election flocking to the left?

In 2016 Hillary Clinton said Senator Bernie Sanders's promise of universal state-provided health care could "never, ever come to pass". Most Democratic candidates in competitive mid-terms races also rejected it. Yet all three heavyweights who have so far declared for 2020—the senators Kirsten Gillibrand, Kamala Harris and Elizabeth Warren—are for it. So are several big names expected to announce shortly, including Senator Cory Booker and Mr Sanders himself. Only Ms Warren and Mr Sanders among them have a record of taking populist positions. The rest have leapt to them. Indeed the uniformity of their proposals is striking.

Most offer some version of Mr Sanders's free college pledge. All are for giving a federal job to whomever wants one, as first suggested by Mr Booker. These proposals are not necessarily crazy; the health-care system is a mess. But the idea that they could form a realistic agenda for a governing system choked by partisanship is absurd. The light-headed fashion in which the early runners are airing their proposals adds to that impression. Slammed on social media for having promised only two years of free college, Julián Castro—once Barack Obama's centrist housing secretary—shot back that he'd push for four, then. Pressed for her view of private medical insurance, Ms Harris said she'd scrap it. She later tried to walk that back. Yet what was she—what are they all—thinking of?

Ms Ocasio-Cortez, for one. Inspired by the demise of the centralised party structure and the rise of social media, the left-wing activist world she represents has rarely been more vibrant or intimidating to the Democratic establishment. Some compare it to the supercharged activism that pushed the Democrats leftward in the 1930s and 1960s. The alacrity with which Ms Harris and Ms Warren praised Ms Ocasio-Cortez's signature policy, the Green New Deal, supports that. (So does the fact that a 29-year-old freshman congresswoman is considered to have a signature policy.)

That is one of two structural changes behind the new populism. The other is the growing importance of online fundraising, which most Democratic consultants think requires bold left-wing pledges, especially in a crowded primary field, in which cash-hungry populists will compete to be the boldest. That contest promises, in turn, to make online fundraising even more important to those involved, because it will make Wall Street donors less generous. Ms Warren's proposed wealth tax on households worth over $50m has already given them something to hate. Still, the effect of these structural factors can be overstated.

As the mid-terms indicate, the activists are not in step with most Democratic voters, who appear more focused on opposing Mr Trump than on remaking the health-care system. Historical comparisons underline this. The leftward lurches of the 1930s and 1960s were also spurred by events, in the form of the Great Depression and the civil-rights struggle, which convinced millions of the need for radical change. There is little evidence that most Democratic voters think today's more complicated socioeconomic inequities warrant the big expansion of the state that the populist candidates are promising. Even in fairly liberal states such as Colorado, voters have rejected proposals for a single-payer health-care scheme. Mr Sanders's better-than-expected run in 2016 said more about dissatisfaction with Mrs Clinton than the power of his ideas. This also suggests the consultants may be wrong to demand hard-left pledges for the purpose of fundraising. Of the three past masters of online fundraising, Mr Obama, Beto O'Rourke and Mr Sanders, only the last is an outright left-winger.

The disruptive effect of Mr Trump offers more fundamental explanations for the Democrats' lurch to the left. Activists think his ideological nonconformity and unpopularity afford them an opportunity to shift the Overton window to the left. Establishment figures such as Mr Booker and Ms Harris still seem mesmerised by his ability to make headline-grabbing pronouncements with which Mrs Clinton could not compete for attention. This seems to underappreciate his subsequent weakness. Over half of voters—roughly the portion the Democratic candidate would need—say they will definitely not vote for him. It is not obvious why such voters, sick of Mr Trump's antics, would warm to a Democrat offering a different set of implausible promises. "If we try to out-crazy the policy announcements of a troubled president, we will do nothing to restore confidence," warns Senator Chris Coons of Delaware.

Trumpish or anti-Trump

Trying to improve on Mrs Clinton may be a better strategy—and her proposals were the least of her problems. Voters rejected her because they didn't like or identify with her, not because her jobs plan was small-bore. The new populists' reluctance to grapple with that hints at a lack of confidence in their own ability to win voters' trust. It is surely no coincidence that they represent the main cohort of hated Washington insiders in the contest. More outsiderish candidates—perhaps including Mr O'Rourke, who, like Mr Obama before him, is not primarily associated with Washington despite his time in Congress—may be better at talking to voters without promising them the moon. But there is no sign of them yet. For now the race is dominated by senators offering the moon on a plate, in Swiss cheese, pepper jack, or any other flavour.

This article appeared in the United States section of the print edition under the headline "Populists on parade"

El Salvador's presidential election
In search of a saviour

In search of a saviour

A charismatic populist aims for El Salvador's presidency

Will the forthcoming election bring change to a troubled country?

Print edition | The Americas Feb 2nd 2019

AFP

THE PLAZAS in San Salvador's historical centre were once decrepit and dangerous. Now renovated, they bustle. In Barrios Square children splash in colourful fountains. Crowds throng the surrounding pedestrianised streets, socialising long after sundown. This small part of El Salvador's capital offers an enticing glimpse of what the country could become.

The credit for this transformation belongs to San Salvador's recently departed mayor. "Nayib Bukele created all these spaces," says Bryan López of Aliens Force Krew, Central America's breakdancing champions, who are wowing onlookers with a display of handstands and backflips. Now Mr Bukele is plotting a bigger renovation. Polls tip him to win the first round of a presidential election on February 3rd.

The rise of Mr Bukele has been unorthodox. Rallies and interviews are rare but tweets are plentiful from the 37-year-old former businessman, in a campaign relying heavily on social media. He has more Facebook followers than the president of Colombia, a country with seven times the population of El Salvador, but he has avoided presidential debates and the scrutiny they bring. Mr Bukele worked without a salary as mayor, but received around $1m from family businesses in circumstances that prompted the courts to seek an investigation. If victorious, he would become the first president in El Salvador's young democracy not to belong to one of two main political parties.

His electoral pledges are not limited to nicer squares, though he vows to refurbish historical centres in 50 towns across the country. He has promised new ideas to "dismantle the neoliberal model" and lift the poor. Salvadoran institutions are slightly less rickety than those in Guatemala, where the president is attempting to destroy a UN-backed anti-corruption body, or in Nicaragua, where thugs have killed hundreds of people protesting against Daniel Ortega, its despotic president. But many fear that a populist like Mr Bukele may neglect rather than strengthen them.

Salvadorans are keen for a change. Jobs that pay a good wage are elusive. The murder rate fell by half between 2015 and 2018, but El Salvador remains Latin America's most violent country after Venezuela. For the poorest, the only paths to comfort are crime or departure. By one estimate, around 1.5% of Salvadorans leave the country each year.

The dominant political parties have not solved much. The FMLN and ARENA, which were born out of two sides in a disastrous civil war that ended in 1992, offer remarkably similar policies. Mr Bukele's critics insist that he, too, would bring only superficial change to the county. He "represents the worst of the same", says Carlos Calleja, his nearest opponent, representing the right-leaning ARENA.

In a break from the past, however, this is the first election in El Salvador where voters' anger at corruption has taken centre-stage. Past presidents have used budgetary tricks to divert nearly $1bn in funds to their office. The last three to leave office were investigated for misusing much of it to enrich themselves and their friends. The current president, Salvador Sánchez Cerén, has also directed $147m to his office this way. No one knows how it was spent. Both Mr Bukele and Mr Calleja pledge to do away with such tricks.

Mr Bukele says he wants a Salvadoran version of the graft-busting commission under attack in Guatemala. But GANA, the party he is using as a vehicle for his candidacy, is notoriously corrupt. It controls only an eighth of the seats in congress, at least until elections in 2021, which might hinder Mr Bukele's policy ambitions. Fuzzy funding promises might, too. Tax exemptions for 100,000 of the poorest families will be paid for by "the relentless fight against corruption". Some 20,000 scholarships at foreign universities for young people will materialise after El Salvador seeks "strategic alliances" around the world. His pricey plazas plunged San Salvador into onerous debt.

Mr Calleja presents himself as "the true outsider" in the race. He hopes to keep Mr Bukele's vote share below 50% and force a run-off vote in March. Unlike Mr Bukele, he has no political experience. He cites his work with the Clinton Foundation, teaching farmers to grow better crops, as proof that he can find technocratic solutions to his country's problems. He vows to bring more foreign investment to El Salvador, which gets less than Nicaragua despite an economy twice its neighbour's size.

Mr Calleja's chances look slim. His party's time in government is not recalled fondly. Salvadorans are desperate to entrust the task of remaking their country to somebody new. It is the slick Mr Bukele who seems to offer them the blankest canvas on which to project their dreams.

This article appeared in the The Americas section of the print edition under the headline "In search of a saviour"

Fatal rupture

Brazil's worst ever dam disaster follows years of regulatory capture

The government's special treatment of mining comes at a cost

Print edition | The Americas Feb 2nd 2019


PA/SIPA

WHEN HE SAW the river of sludge roaring down the valley, José Ferreira da Silva did not fear for his son, a welder. He was working for Vale, a Brazilian mining giant, near a tailings dam at its iron-ore mine at Brumadinho. "The company always said it was safe, and we believed them," he says. The dam's collapse on January 25th, unleashing 12m cubic metres of mining waste, is Brazil's worst industrial accident. As the sludge hardened and the death toll rose—the final tally may surpass 350 people—Mr Ferreira's hopes for his missing son faded, but not his anger.

Brazil is going through a grim reckoning. Miners and the government have long enjoyed cosy ties but many wonder: at what cost? Mining accounts for around 5% of GDP, according to Vale. It also employs hundreds of thousands of people and is backed by powerful politicians. That includes the new president, Jair Bolsonaro, who campaigned on promises to open up more of the Amazon forest for prospecting. The latest tragedy comes only three years after a similar collapse of a dam jointly owned by Vale at Mariana, 100 miles (160km) away, where 19 people died.

Tailings dams are cheap and risky. The upstream sort have been banned in Chile and are rare in America and Europe. Their widespread use in Brazil is one way the government helps mining firms to put profit over protection, says Carlos Martinez at the Federal University of Itajubá. Miners are favoured because they often shoulder the responsibilities of governments in remote places, building schools and hospitals, for example. In Minas Gerais (literally, "General Mines"), the state where Brumadinho is located, Vale often dominates local economies. Once state-owned, but privatised in 1997, it is the biggest employer of Brumadinho's 40,000 residents, and pays 60% of the town's taxes.

Regulatory capture is one result, says Bruno Milanez at the Federal University of Juiz da Fora. Understaffed and underfunded, the National Mining Agency visited only a quarter of Brazil's 790 tailings dams in 2017, leaving mining firms to hire contractors to carry out safety inspections.

Mr Bolsonaro's government now promises a crackdown. Courts have frozen 10bn reais ($2.7bn) of Vale's assets to pay for damages. The firm's shares have plunged (see article). Police arrested three employees and two contractors responsible for recent safety studies. The cabinet met to discuss the fate of the remaining high-risk dams. Yet the public outcry after the Mariana disaster led to similar lawsuits and promises. Several mining executives say that stricter oversight must be accompanied by cultural change in the industry to protect human life.

"It's not about whether or not to mine," says Maria Dalce Ricas of the Minas Gerais Association for the Defence of the Environment. "It's how to mine, and where." A worker's cafeteria should not, for instance, have been built below a tailings dam, as was the case at Brumadinho. Dozens were probably buried alive while eating lunch. The latest tragedy is compounded by the crippling of the livelihood of the town, where mining is unlikely to continue. “People worked at the mine so that they could feed their families,” said Mr Ferreira, “but mining destroyed Brumadinho.”

This article appeared in the The Americas section of the print edition under the headline ”Fatal rupture”

El Chapo's final chapter

A Mexican drug lord goes on trial

A court case offers vivid insight into Latin America's drug trade

Print edition | The Americas Feb 2nd 2019

Reuters

FOR TEN weeks the trial in New York of Joaquín Guzmán Loera, a Mexican drug lord known as "El Chapo", has revealed sordid tales of graft, girls and gore. If the jury believes them, the former head of the Sinaloa drug gang and the protagonist in a war that has killed 100,000 Mexicans faces a life sentence in an American jail.

Unless, of course, Mr Guzmán breaks out of prison for a third time. His second escape in 2015, from Mexico's most secure jail, brought him global fame and prompted his extradition to America. A former minion explained to jurors how he did it. A GPS-equipped watch, smuggled in to Mr Guzmán, allowed accomplices a mile away to tunnel precisely to his cell.

Other witnesses described his opulent, paranoid lifestyle. Over the years Mr Guzmán allegedly reaped $14bn. He moved between hideouts every 20 days and between his wife and mistresses more rapidly still. Panthers and crocodiles prowled his private zoo. He spied on so many phones that a flunkey had to write him summaries. And then there were the murders that Mr Guzmán ordered or committed. "I said to him, 'Why kill people?'," a former friend told the court. "He answered: 'Either your mum's going to cry or his mum's going to cry.'"

Insights into the drug trade abounded. When a police chief on Mr Guzmán's payroll told him American radars were tracking his cocaine-filled planes, he began using boats. Foes were bribed, allegedly including Genaro García Luna, secretary of security for President Felipe Calderón, whose drug war in 2006-2012 disproportionately arrested the Sinaloa gang's rivals. The most explosive tale came from a henchman who said he paid $100m to Enrique Peña Nieto, Mr Calderón's successor, in exchange for leaving Mr Guzmán be. Mr Peña and Mr Garcia deny the allegations.

Mr Guzmán did not testify. The place he most wants to have his story told is not inside a courtroom. In 2007 he tried unsuccessfully to have a Hollywood film made about his life. A meeting with Sean Penn, an actor, which he hoped would yield a deal, led to his final capture in 2016. On January 28th, as the prosecution rested its case, an unlikely guest joined the audience in court. Alejandro Edda plays Mr Guzmán in "Narcos: Mexico", a Netflix series released in November. When the on-screen El Chapo arrived, the real El Chapo's face lit up with glee.

This article appeared in the The Americas section of the print edition under the headline "El Chapo's final chapter"

The war in Afghanistan
Khyber possibility

Khyber possibility

America and the Taliban are edging towards a deal

But is it a cover for cutting and running?

Print edition | Asia Jan 31st 2019

COULD THERE be a ray of hope for Afghanistan? After 17 years of fighting, America and the Taliban may be ready to lay down their arms. The adversaries have agreed in principle on a framework for ending their war, says Zalmay Khalilzad, America's point man on Afghanistan.

The outline was forged in talks in Qatar that were originally scheduled to last two days but ended up being extended to six. It envisages America withdrawing troops in return for assurances that Afghanistan will never again become a haven for international terrorists. America also wants a ceasefire and the start of talks between the Taliban and the Afghan government, which the Taliban have resisted until now.

Osama bin Laden was living in Afghanistan when he plotted the 9/11 attacks on America. It was to overthrow his protectors in the Taliban and to search for him that America first dispatched troops to the country in 2001. Part of their mission ever since has been to hunt for terrorists. The other part—helping build a stable democracy—has been justified on the grounds that Afghanistan may otherwise become a base for terrorists again.

Although in 2001 the Taliban invoked Afghan traditions of hospitality in their refusal to hand over bin Laden, for at least the past decade they have promised that Afghan soil will not be used to launch attacks on other countries. They not only repeated those assurances in Qatar, Mr Khalilzad says, but also agreed to provide guarantees and an enforcement mechanism—though he has not revealed any details of those.

In exchange America seems to have acceded to the Taliban's main demand: that it withdraw its troops from the country. For years the insurgents have said the starting point for talks must be the end of what they call the American occupation. They do not believe America's assurance that it does not want a permanent military presence in the country. An American pull-out now appears to be on the table although, again, the timing and scale remain unclear.

The two other steps discussed in Qatar are a ceasefire and talks between the Taliban and the government of Ashraf Ghani, Afghanistan's president. The Taliban have thus far refused a truce, except for three days last year during a Muslim holiday.

This has been dictated both by uncompromising ideology and by pragmatism. Commanders fear it may be difficult to motivate fighters again if they lay down their weapons for a long spell. The Taliban have also long refused to speak to the elected Afghan government, which they claim is an American puppet.

Mr Khalilzad presents all four main elements of the deal—the exclusion of international terrorists, an American withdrawal, a ceasefire and talks between the Taliban and the government—as an indivisible package. "Nothing is agreed until everything is agreed," he says, "and 'everything' must include an intra-Afghan dialogue and comprehensive ceasefire."

The Taliban are less clear. They have triumphantly briefed their supporters about the progress towards a withdrawal, but have been more coy about the ceasefire and talks. American officials say that the Taliban have requested more time to confer among themselves on these. Their negotiators have gone home to do just that. Talks will resume later in February.

After years of gloom, any progress is welcome. Afghanistan's war has claimed more than 24,000 civilian lives since 2009. Mr Ghani admitted last week that 45,000 members of his security forces had died since 2014. The war and a series of other conflicts that preceded it have blighted a beautiful country, leaving it one of the poorest in the world. The framework is "historic", says Graeme Smith of the International Crisis Group, a think-tank. "This is closer than we have ever been so far to some kind of settlement process."

But the framework glosses over many of the thorniest issues and, despite the desire for peace, there are concerns about motivations on both sides. Donald Trump, America's president, has long indicated that he would like to pull American troops out of Afghanistan. That could cause Mr Khalilzad to embrace a deal that is not so much a hard-fought compromise as a figleaf to cover America's retreat. The Taliban, for their part, may make promises they have no intention of keeping, on the assumption that America will be reluctant to return once it has withdrawn.

Mr Khalilzad's framework focuses on questions that stem from 9/11. Yet Afghanistan has been at war for 40 years. Resolving deeper disputes, about how Afghanistan should be governed, will depend on Afghan-to-Afghan talks. Among the chief concerns for many are whether and how the Taliban will take part in Afghanistan's fledgling democracy. Are they prepared to sit down with factions that they battled in the 1990s? Do they want to seize power themselves? Will they continue to murder girls for going to school?

The Taliban have a strong hand and it is getting stronger. Although the war is at something of stalemate, that is thanks only to America's presence. The government's casualties, America's generals admit, are unsustainable. A hasty withdrawal would leave the government vulnerable, even if talks with the Taliban are under way. A lasting settlement will probably not come from a blockbuster deal. Instead it is likely to involve gradual and incremental steps. That would require Mr Trump to deploy a virtue he is not known for: patience.

This article appeared in the Asia section of the print edition under the headline "Khyber possibility"

Hafuway there

What does Naomi Osaka reveal about Japan's racial attitudes?

The tennis champion must soon choose whether to remain Japanese

Print edition | Asia Feb 2nd 2019


Eyevine

WHEN NAOMI OSAKA won the Australian Open on January 26th and became the world's top-ranked female tennis player, the inhabitants of her mother's home town of Nemuro, on Japan's northernmost island, Hokkaido, celebrated. Congratulatory banners adorned the city hall. Townsfolk flocked to see the display of autographed rackets, clothing and other tennis paraphernalia inside. In interviews her grandfather praised her performance.

That may not seem strange, but in Japan people are typically considered Japanese only if they have two Japanese parents, speak fluent Japanese, look the part and "act Japanese". Ms Osaka grew up in America and is only *hafu* (half) Japanese; her father is Haitian. She is more comfortable speaking English than Japanese (or Creole). Her grandfather at first disowned her mother when she told him she was seeing a foreign man.

For some, Japan's embrace of Ms Osaka is hypocritical: everyone loves a winner. That view seemed to be vindicated when Nissin, a noodle-maker, ran an advert featuring Ms Osaka in which her skin and hair were lightened. (After complaints, the firm withdrew it.) Although Japanese television has long featured mixed-race celebrities, they serve as novelties. Life for non-famous *hafu* remains tough, with bullying in schools commonplace.

Japan may be becoming more tolerant of those who are different, however. Ms Osaka has been more warmly embraced than past half-Japanese winners of beauty pageants, for instance. "Having someone like Naomi Osaka represent Japan on the international stage would not have been possible a few decades ago," says Megumi Nishikura, a *hafu* herself and a co-director of the film "Hafu".

To some degree it is a question of numbers: 3.4% of married Japanese have a foreign spouse and three times more foreigners live and work in the country today than a decade ago. Yet the fact that the Nissin advert made it into production is "a clear indicator of the challenges that remain", says Ms Nishikura. Since Japan does not technically allow dual citizenship for those over 22, Ms Osaka will in theory have to choose in October whether she feels Japanese enough to renounce her American citizenship and continue to play as Japanese.

This article appeared in the Asia section of the print edition under the headline "Hafuway there"

Not going quietly

Jihadists bomb a church in the Philippines

The attack follows a vote to enhance autonomy in Muslim areas

Print edition | Asia Feb 2nd 2019

THE FIRST blast came during mass on January 27th in the cathedral of Jolo, an island at the southern extreme of the Philippines. The second detonated as soldiers were rushing to the scene and the terrified congregation was fleeing. Together they killed at least 20 people and wounded scores more.

The bombings also dented hopes that a new era of peace had arrived in the heartland of the Muslim minority in the otherwise Christian country. Filipino followers of Islamic State set off the bombs just six days after mainly Muslim areas in the south of the country had approved by plebiscite a scheme to enhance the region's autonomy. The vote, held as part of a peace agreement with a larger Muslim group, was intended to end 50 years of separatist rebellion. The presumption is that extremists were hoping to derail this process, or at least demonstrate that they were not mollified by it.

Rodrigo Duterte, the president, blamed the attack on Abu Sayyaf, a loose grouping of bands of armed Muslim Filipinos notorious for moneymaking crimes such as kidnapping for ransom. Some factions within Abu Sayyaf have pledged allegiance to Islamic State. The latter's statements claiming responsibility for the attack said only that its followers had struck a "crusader temple", without reference to politics. But it is probably no coincidence that the bombing came so soon after the plebiscite, in which 87% of the 2m voters of the largely Muslim areas of the south voted in favour of the creation of the "Bangsamoro Autonomous Region" (see map).

The Economist

Much of the island of Mindanao and surrounding, smaller islands already enjoy a form of autonomy, including the power to levy local taxes and to set up sharia courts. That is the result of a peace deal with the Moro National Liberation Front, the main separatist group, in 1996. But a splinter group called the Moro Islamic Liberation Front (MILF) fought on until 2014, when it struck a deal with the central government to increase the authority of the autonomous one. It will now receive fixed transfers from the central government, as well as retaining a greater share of tax revenue from the region. The president will no longer have the power to suspend the regional governor. The governor, meanwhile, will have the power to appoint the head of the local police force. The new deal is a "peacock" compared with the "chicken" of the existing system of autonomy, the MILF insists. A second plebiscite, on expanding the autonomous region, will be held on February 6th.

The political settlement is meant to do more than end a war that has killed tens of thousands of people. The MILF and the government alike hope peace in Mindanao will allow the economy of the resource-rich region to develop, reducing poverty and so soothing Muslim disaffection in a virtuous cycle. Generations of armed, unemployed Muslims have grown up knowing nothing but lawlessness and war. They have been easily recruited by groups like Abu Sayyaf, with promises of either earthly riches (obtained through kidnapping, robbery and extortion) or an eternity in paradise for battling the enemies of Islam.

Talk of jihad against the Christian central government reached its zenith in 2017, when armed followers of Islamic State occupied the centre of the city of Marawi in Mindanao. Government forces eventually succeeded in dislodging the occupiers, but the battle took weeks and destroyed much of the city.

The army has been trying to mop up the remnants of the force that seized Marawi. But even though Abu Sayyaf is thought to number only a few hundred fighters, the government has not managed to eradicate it despite nearly 25 years of trying. It hopes that greater peace and prosperity will help to drain the pool from which the jihadists recruit. In the meantime, the jihadists are bound to mount further attacks. But the plebiscite showed that the tide of Filipino Muslim sentiment is running against the men of violence—even though it may take time to sweep them away.

This article appeared in the Asia section of the print edition under the headline "Not going quietly"

Blasphemy laws

Pakistan's Supreme Court upholds Asia Bibi's acquittal

A Christian woman who spent years on death row has been released, at last

Print edition | Asia Feb 2nd 2019


AFP

THE FIRST time Pakistan's Supreme Court ordered Asia Bibi released, in October, the country erupted in protest. The Christian woman had been sentenced to death for blasphemy in the lower courts after being accused by Muslim neighbours of insulting the prophet Muhammad after they balked at sharing a jug of water with an infidel. Zealots from a group called Tehreek-e-Labbaik Pakistan took to the streets, demanding Ms Asia's execution no matter what the courts said. The government, intimidated by the protests, agreed to keep Ms Asia in the country while the TLP requested a review of the ruling. But when the court rejected that request this week, upholding her acquittal, the government was better prepared. The leader of the TLP, Khadim Rizvi, has been under arrest since November. Some 3,000 other TLP activists have also been detained. Unsurprisingly, the protests that greeted the new ruling have been muted.

This article appeared in the Asia section of the print edition under the headline "Religion in Pakistan"

Sex and the subcommittee

Female politicians in Australia complain of discrimination

Fewer than a fifth of the Liberal Party's members in the lower house are women

Print edition | Asia Jan 31st 2019

IN NOVEMBER ONE of the rising stars of Australia's governing coalition, Julia Banks, shocked her colleagues by quitting the Liberal Party to become an independent. She was sick, she said, of her party's "cultural and gender bias, bullying and intimidation". The announcement was a practical blow, further reducing the ranks of a government that was already a minority. But mainly it was an embarrassment, adding credence to the increasingly common complaint that the party is a slough of sexism. In January a second prominent Liberal, Kelly O'Dwyer, announced plans to resign. Last year she had complained that voters see her colleagues as "homophobic, anti-women climate-change deniers".

Less than a fifth of Liberal members of the lower house are women—a smaller proportion than 20 years ago. Conditions for the few who remain are rotten. Allegations of harassment have abounded since a moderate prime minister, Malcolm Turnbull, was overthrown in a right-wing coup in August. His redoubtable deputy, Julie Bishop, lost the leadership contest that followed, and several women complained of strong-arming by the putschists. Ms Bishop quit as foreign minister and returned to the backbenches, calling their behaviour "appalling". There is speculation that she too may resign before the general election due in May.

The Liberals have an inglorious record on these issues. During their most recent stint in opposition, several in their ranks subjected Australia's first and only female prime minister, Julia Gillard, to a torrent of abuse with sexist undertones. Ms Gillard, who is not married but lives with her partner, should "make an honest woman of herself", railed Tony Abbott, the Liberal leader at the time. He later gave a speech in front of posters that labelled Ms Gillard a "witch" and a Green senator's "bitch".

No party is spotless, however. Sarah Hanson-Young, another Green senator, is suing an independent opponent who directed her to "stop shagging men" during a recent debate on women's safety. Complaints of toxic masculinity hang over state and local government, too. Labor's leader in New South Wales resigned last year over allegations that he sexually harassed a journalist at a Christmas party. The mayor of Melbourne was toppled when two colleagues accused him of groping. (Both men deny the claims.)

Some politicians believe sexism can be curbed through a new code of parliamentary conduct. A better solution might be to draw more women into politics to start with. In the 1990s the Labor party introduced quotas guaranteeing that women would be selected as candidates in a steadily rising share of left-leaning seats. Almost half its MPs are now female, a nearly fivefold increase since this system was adopted. Labor's deputy leader, Tanya Plibersek, says this has altered attitudes in her party: "When you have a critical mass, it's a better workplace for every woman."

The Liberals have been slow to acknowledge their shortcomings. Some argue that verbal attacks are part of politics and female lawmakers should toughen up. Women in the party say their complaints are met with eye-rolling or accusations of "hysteria". The leadership rejects quotas on the basis that politicians should be chosen on merit. That is subjective, however, especially for new candidates. Women complain that good female ones are often rejected. "Look at some of the men who have been pre-selected," scoffs one conservative. "Don't tell me it's about merit."

The Liberals have adopted a target to have equal numbers of male and female MPs by 2025. But unlike Labor's quotas, this goal is not binding. Few observers think it will be reached. Many of the Liberals' incumbent women hold marginal seats, which will be lost if the party is trounced in the impending election. So far, the Liberals have selected only six female candidates to contest safe conservative seats, by the count of William Bowe, a political analyst. At that rate, the party may emerge from the election even more male-dominated than it was to start with.

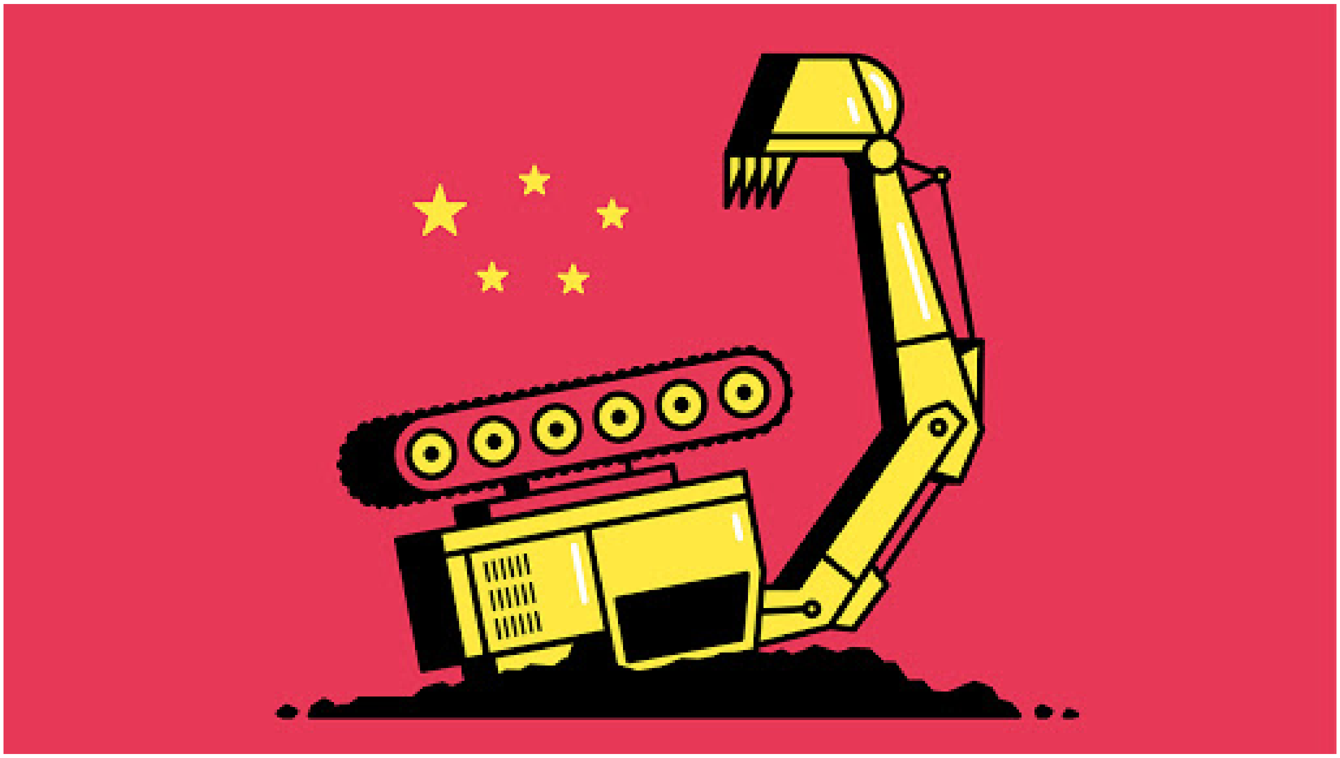
This article appeared in the Asia section of the print edition under the headline "Sex and the subcommittee"

Banyan

Chinese investment in infrastructure is often a diplomatic trap

The Belt-and-Road Initiative creates more than economic ties

Print edition | Asia Feb 2nd 2019



FOR MONTHS Mahathir Mohamad has been plucking up courage to declare that, when it comes to Chinese investment in infrastructure, his is the Malaysia that can say no. At a projected cost of $20bn, the East Coast Rail Link, planned to run down peninsular Malaysia's eastern seaboard before cutting west, is a big deal. In fact it is the second-biggest of all the projects of the Belt and Road Initiative (BRI), China's grand scheme to improve infrastructure across scores of countries, to tie East, West and all other compass points together.

For Dr Mahathir's government, the link is a white elephant: the east coast is much less populated than the west. No process of competitive tenders took place when Dr Mahathir's predecessor as prime minister, Najib Razak, awarded the construction and financing to Chinese state companies and banks. Mr Najib now faces charges over hundreds of millions of dollars missing from 1MDB, a state investment vehicle. The Malaysian government says it is investigating whether the rail link and lesser projects might have been awarded in an attempt to secure a Chinese bailout of 1MDB.

Either way, to Malaysians deals such as the East Coast Rail Link are lopsided. The project is financed almost entirely by Chinese loans. Chinese workers, not Malaysians, are hired to do the construction work. The returns are questionable, but the bills are not. Malaysia's government debt has been shooting up. Chinese officials describe BRI as all about openness, mutual respect and "win-win" outcomes. Malaysia's predicament gives the lie to that.

Yet Malaysia is clearly nervous about offending China by cancelling the deal. A minister recently announced the project was off; Dr Mahathir explained that Malaysia could not afford it. A day later, however, he reversed himself, saying no final decision had been made. There are more than fiscal considerations at stake.

Despite China's denials, all the concrete-pouring is a giant act of international political engineering. Bruno Maçães, a former Portuguese foreign minister and writer on BRI, argues that its spillovers into politics and society "are not a bug in the project, but its most fundamental feature". Under way is a return of sorts to earlier, celestial concepts of power and civilisation under which China sat at the heart of things. Moral, not legal, precepts governed relations among states. They included dependence, generosity, gratitude and reciprocity—but also retribution. In the case of Malaysia, ruling-coalition politicians say the Chinese government is exceptionally annoyed. It may punish Malaysia by importing less palm oil and curbing Chinese tourism (the number of visitors is already down for Chinese new year). It is even bringing race to bear, by trying to drive a wedge between the Malaysian government and Chinese-Malaysian businessfolk, many of whom fear that China's anger will harm their commercial interests.

Meanwhile, others are watching closely. A report last year by the Centre for Global Development listed 23 countries involved in BRI that were at “significant” risk of debt distress. One of them, Myanmar, wants to cut the size of a port and economic zone in Rakhine state, as well as shelve for good a controversial dam on the headwaters of the Irrawaddy. Another, Pakistan, the biggest recipient of BRI projects, is facing a balance-of-payments crisis and has begged China for easier terms. Hawks making the running in the administration of President Donald Trump depict China as out to bankrupt weak governments, all the better to erode their sovereignty and dictate terms: “debt-trap diplomacy”.

That view is certainly overstated. Opportunism, rather than centrally directed purpose, defines many of China’s belt-and-road activities. Besides, there are risks for China. In Malaysia, Myanmar, Sri Lanka and, most recently, the Maldives, democratic forces came to power in part out of revulsion over autocrats cosying up to China. In Pakistan, Chinese diplomats have been murdered by Baloch separatists who see Chinese development as a threat to their lands. And though the Chinese builder of Sri Lanka’s empty Hambantota port took control of it on a 99-year lease when the government struggled to pay interest, how China benefits from the dud project is far from clear (India has, in effect, a veto over the port’s use by the Chinese navy). Still, Malaysia’s decision is important to others. If a fairly prosperous, robust country cannot stand up to China, then poorer, weaker nations certainly won’t be able to.

This article appeared in the Asia section of the print edition under the headline ”Belt and goad”

Baijiu
Spirit of the pits

Spirit of the pits

Can baijiu, China's sorghum firewater, go global?

An ancient liquor tries to follow vodka and tequila

Print edition | China Feb 2nd 2019


Bloomberg

DISTILLERS AT Kweichow Moutai, the world's most valuable alcoholic-drinks firm, like to tell an old story about their company's first big break. It relates how, in 1915, Chinese officials chose to exhibit Moutai's sorghum-based spirit at an exposition in San Francisco. When the doors opened the snooty American audience sneered at the delegation's plain earthenware jars. Fearing disaster, or perhaps simply by accident, a Chinese delegate smashed one on the floor, releasing its aroma to the crowd. The scent and the commotion attracted the judges, who eventually awarded it a top prize.

The tale is told with relish to visitors in Maotai, the pretty riverside town in the south-western province of Guizhou that gave the company its name (the spelling of Kweichow Moutai is based on old-style romanisation). The medal the liquor won in San Francisco hangs in a corporate museum, next to a video-wall showing a re-enactment of the incident. That was the day, explains the exhibit, that the brand "went global". Down a hill, in the heart of the town, is a plaza named "1915 Square" that hums with visitors. At its centre is a giant gold-painted monument in the shape of a cracked liquor jar.

That the company should take such pride in this bygone foreign endorsement is odd, given how much it has to celebrate at home. Moutai has long called itself the "national liquor"—though last year it gave up a years-long battle to trademark this description. Feted by Communist leaders who often serve it to visiting dignitaries, Moutai is among the most expensive of the brands of baijiu (literally meaning white, or clear, alcohol) that are commonly bought to celebrate the Chinese new year, which this year begins on February 5th. The festival is a frenzy of baijiu imbibing and gift-giving among family and friends.

The liquor—a broad family of grain-based spirits selling for anything between a few dollars and a few thousand dollars per bottle—is the most-drunk spirit on earth. But this is only by dint of its popularity in China. Each year drinkers there spend about three times more on baijiu than they do on beer and roughly 15 times more than on wine. The 10bn litres produced each year is more than twice the annual global production of vodka, the next most popular spirit. It would fill a bath for every person in Britain. In 2017 Moutai's market capitalisation reached $71.5bn, overtaking that of Diageo, a British drinks giant.

Over the years Europeans and Americans have grown to love vodka, a once-obscure Russian gut-rot, and tequila, a Mexican drink made from spiky plants. But Chinese liquor firms have made few inroads globally. About 95% of Moutai's sales are in China. So it is remarkable that the company tries to suggest that it has had a century of success abroad. Only recently have it and some of China's thousands of other baijiu-makers begun stepping up efforts to develop foreign markets.

This will be a challenge. To unaccustomed palates, baijiu can be an assault on the senses. The primary ingredient is sorghum, or sometimes rice. In contrast with the making of whisky or beer, the grains are usually fermented while solid. This requires them to be mixed with a yeast-filled agent and then heaped in mounds, packed in buried jars or sometimes sealed pits. When the solid mixture is suitably stinky it is distilled by heating in a still that operates like a steamer (see picture), to produce high-alcohol liquid. Production of the simplest type can be completed in a week or two. More complex ones require multiple fermentations and distillations that can take up to nine months. In either case, the spirit is eventually aged in ceramic jars as tall as a human being.

What results is a startling variety of products, many with an alcohol content above 50%. At its most drinkable, it is sweet, aromatic and has a vodka's crispness. At its most pungent it can be a punchy mix of mushrooms, liquorice and old socks. Connoisseurs divide the drink by flavour into four categories: rice, light, strong and sauce. But it is rarely consumed for its subtleties. It is more a social lubricant, usually drunk at mealtimes with family, colleagues or clients. It is downed in shots rather than sips. Endless toasting can turn banquets into tests of endurance.

In the workshop of a small, independent baijiu distillery in Maotai, shirtless men rake out hot piles of sorghum that they have tipped from steaming wheelbarrows. Zhao Liyong, the owner, hops perilously around the lip of an empty fermentation pit, a brick-lined hole that looks about six feet deep. He still makes the drink the way his grandfather did. Later, over a plate of pork intestines, his tongue loosened by a bottle of his own liquor, Mr Zhao lists some of his product's magical properties: it can treat ulcers, soothe colds and turn enemies into friends, he insists. After cups have been raised a few more times, your correspondent struggles to think of a toast to match Mr Zhao's, that "you will come to love China, love baijiu, and love me."

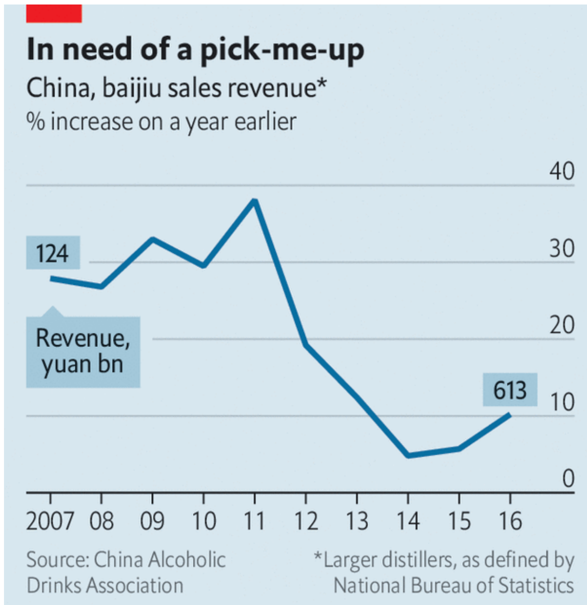
Foreigners' ignorance of the drink is perplexing when one considers the world's familiarity with Chinese food. It does not help that Westerners generally do not drink spirits neat. Making good use of baijiu in a cocktail tends to require more imagination and ingredients than are found in many bars and homes. Its high alcohol content makes it expensive in countries that tax booze highly. Visitors who have lived in China commonly return home with bad stories about baijiu, which often have less to do with the liquid itself—though its hangovers are legendary—than the way it has been foisted on them at raucous events. Hosts delight in challenging reluctant guests to drink, and demanding they do so at the same down-in-one pace. The Chinese equivalent of "cheers" is *ganbei*, meaning "empty [your] cup".

There may be historical explanations for the West's lack of interest. Derek Sandhaus, the author of "Baijiu: The Essential Guide to Chinese Spirits", says America's taste for Chinese food first took off at the time of Prohibition. He thinks this coincidence denied Chinese liquor culture a chance to ride on the coat-tails of the new cuisine. That many small Chinese restaurants and takeaways in America forgo alcohol licences is a present-day obstacle, too. Mexican foodsellers have more incentive to shoulder the hassle and expense of licensing because they are confident that they can cash in on sweet poisons such as margaritas. This has lately made it easier for Latin American drinks-makers to introduce obscurer spirits, such as mezcal, a hipster cousin of tequila, or pisco.

But for a long time China's big baijiu-makers were not that interested in foreign sales. Since China began opening its economy to the outside world in the late 1970s, the distillers have mostly been preoccupied with meeting domestic demand (baijiu production roughly tripled in the ten years to 2013). Those that do have foreign ambitions, as in other industries, are not always up to the task. Many are state-owned (Moutai is publicly listed, but Guizhou's government has a big stake) and conservative in their marketing.

Over the past few years, however, attitudes have been changing. In addition to exporting their best-known brands, baijiu-makers have been creating new drinks specifically to be sold abroad. In 2016 Red Star, the maker of Erguotou, a cheap baijiu ubiquitous in Beijing, launched a spirit in Europe called Nuwa. Last year Luzhou Laojiao, a storied distiller in Sichuan, a south-western province, released a baijiu in America named Ming River (it is a joint venture in which Mr Sandhaus holds a share). In June Moutai began promoting one of its cheaper brands in New Zealand, as the base for a cocktail it calls the Dancing Kiwi. Olive Chen from Waba, a China-based group of drinks-makers and distributors, says New Zealand's small size and Western culture makes it a good place to test the drink's potential for other foreign markets.

All of this is in part a response to ructions at home. Giving expensive bottles of baijiu has long served as a quiet method of bribing people. After he took over as China's leader in 2012, Xi Jinping launched a campaign against corruption and profligacy in government. Almost overnight his efforts deprived baijiu-makers of their best buyers: state-owned firms and government agencies. For many distillers, revenue growth slumped (see chart).



The Economist

The drama has made them less complacent, prompting a rethink of their export strategies, and much else. In China they are working harder to sell more baijiu to consumers instead of businesses, a task that includes making sure it is well stocked in bars as well as restaurants. They are also wondering how to hedge against worries that young Chinese, and women especially, are not as keen on the stuff as their fathers (one youngster calls baijiu "something your dad drinks"; another says it is "just for drunks"). Minnie Yu, an analyst for Nielsen, a research firm, says distillers are trying to attract younger people with lower-strength versions in smaller bottles.

Baijiu companies are aware that they increasingly have to compete in their home market with Western drinks such as gin, whisky and wine. Many have concluded, perhaps correctly, that making their brands look and feel international to Chinese drinkers will help them hold their own against these fashionable foreign tipples. This strategy, rather than the chance of big profits in America, may explain why Wuliangye, another baijiu-maker, has been splashing out on advertising space in New York's Times Square. Paul Mathew, a baijiu enthusiast who runs Demon, Wise and Partners, a cocktail bar in London, says Chinese firms regularly seek his advice on the British drinks market. But he says their goal is often just to get footage of a foreign bartender making cocktails with their spirit, which they can circulate on social media in China to show that their brand is taken seriously by foreigners. Many distillers see benefit in looking like they are tapping an overseas market—one that never forgot the fragrance from that broken jar.

This article appeared in the China section of the print edition under the headline "Spirit of the pits"

Chaguan

A swine-fever epidemic like China's would enrage farmers elsewhere

Millions of Chinese pig-rearers face ruin, in silence

Print edition | China Feb 2nd 2019

UNTIL NOW links between social-realist cinema and "Peppa Pig", a sweet British-made animated television series for children, have been hard to spot. Then came "What is Peppa?", a beautifully crafted film about China's rural-urban divide, family ties and the sadness of old age that has accumulated hundreds of millions of online views over the past few days.

Officially, the six-minute short is an advertising trailer for a children's feature film made for the China market, "Peppa Pig Celebrates Chinese New Year". It is timed to cash in on the festival: day one of a pig-year in the Chinese zodiac falls on February 5th. Yet many grown-ups felt a pang of recognition as they watched the trailer's bittersweet, live-action depiction of Li Yubao, a gruff-but-loving Chinese villager striving to please his city-dwelling grandson, notably by puzzling out the toddler's request for a Peppa-themed gift. Filmed in the village of Waijinggou, in the dusty, hardscrabble hills that encircle northern Beijing, the short film is rather honest about modern inequalities. The mystery of Peppa's identity is solved by a village woman who worked in Beijing as a nanny. When grandfather and toddler meet, the child's eyes show fear at this wild-haired, over-loud old man, as well as excitement.

Still, the film leaves a lot out. A true work of social realism, if set in a farming village in February 2019, would acknowledge a reality that Chinese officials and state media are trying to downplay. Rural China is in the grip of a long-feared catastrophe, an epidemic of African Swine Fever (ASF). China's first case was confirmed on August 3rd 2018. It could ruin millions of pig-rearing smallholders in places just like Waijinggou. As of January 25th the Food and Agriculture Organisation, a UN agency, had confirmed 104 outbreaks of ASF in China and the culling of 916,000 pigs. Though the disease poses no threat to humans, there is no cure for infected swine and no vaccine against it. Vincent Martin, the agency's envoy to China, says eradication "may not be feasible in the short term", especially if wild pigs act as a reservoir for the virus. Russia offers ominous clues to the future. There an 11-year fight to control ASF has caused backyard pork production to fall by almost half, while large commercial farms which can afford strict biosecurity controls actually increased production. Such a shift would transform rural China, where almost half a billion pigs are produced each year, about 40% of them on small farms with fewer than 30 sows.

Transparency is a work in progress. Just a dozen years ago Chinese government vets talking to foreign colleagues sometimes refused to speak the names of illnesses aloud, coyly lamenting the arrival of "disease X" in "province Y". Today China tells the UN about outbreaks and quarantine zones in which the transport of live pigs is banned and markets are closed. It has announced new bans on feeding pigs with food waste. But China is also intent on minimising the crisis. With new-year cooks busy planning pork-heavy feasts, China's agriculture ministry assured the public on January 16th that ASF is having a "limited impact" on markets.

Dirk Pfeiffer, a vet and infectious-diseases expert at City University of Hong Kong, credits China with working hard to contain ASF. He notes that even rich European countries struggle with it. Still, he worries about why China's outbreaks are scattered as dots across the map rather than in clusters, as might be expected. This suggests either that the disease is being controlled with unusual success, or that outbreaks are being underreported.

Whether swine fever smoulders or blazes across China's farm-country, it has already exposed the striking political weakness and isolation of the country's small farmers. In Europe, where farmers wield outsize political clout, the spread of ASF is blamed on government bungling, bringing calls for ministerial resignations. From Romania to Poland, Belgium and Estonia, pig farmers demanding compensation and stricter controls on wild boar have variously obstructed government vets, blocked motorways with tractors and threatened to dump animal dung on parliament. Governments have hastened to appease them. "I am one of you," a Polish minister told protesters pleadingly, citing his pig-farming past. To reassure farmers, Denmark is building a fence to stop wild boar crossing from Germany. On January 25th France said that it would mobilise troops to kill wild pigs. European farmers are used to deference. They often enjoy geographically concentrated voting power. Voters see them as defenders of cherished traditions. Tractors are a handy prop: governments fear sending riot police to attack anything that routinely appears in children's books.

Some farmers are more equal than others

Chinese breeders mount protests, too, for instance when corrupt officials steal land. But though ASF threatens many with financial calamity, this is not causing visible unrest. In part that is because the government works to stop citizens from banding together. And when it comes to public opinion, Chinese farmers are often on their own. Chaguan visited a farmer surnamed He, in the coastal province of Fujian. The 57-year-old grumbles about "hassle" from health inspectors. "We're not that afraid of swine fever, we're afraid the government's management is getting too strict," Mr He says, hosing manure from pens holding about 150 pigs. His three-year-old grandson scampers nearby, bells tinkling on ankle bracelets. Mr He makes a profit of up to 30 yuan ($4.46) per kilo on his pigs, not enough to pay for biosecurity measures ordered by officials. He sees no end to the ASF crisis. "Doesn't seem like there's much we can do." He is not puzzled that his children do not want his farm: the government "subsidises big farms, not small ones".

A bleak truth lurks in "What is Peppa?". Many Chinese feel for that film's hero, rattling around his half-empty village. They also understand why such places are abandoned. Tellingly, the trailer's emotional climax involves the grandfather relishing the big city with his family. For many small farmers in this country in a hurry, swine fever will hasten an end that was already in sight.

This article appeared in the China section of the print edition under the headline "The politics of pigs"

Drugs in Africa
Heroin highways

Down the smack track

Africa is heroin's new highway to the West

The trade is poisoning politics and fuelling addiction on the continent

Print edition | Middle East and Africa Feb 2nd 2019


Reuters

ALIZEA SMIT sits on a plastic crate in front of her fruit and vegetable stand in Wynberg, Cape Town. It is a convenient spot. There is brisk custom for her oranges and avocados. And her heroin dealer is on the corner, just a few metres away. Ms Smit (not her real name) has used the drug for six years, buying three or four pellets a day at 30 rand ($2.21) each. If she does not sell enough fresh produce to feed her habit, she works as a prostitute in the evening. "Heroin is the worst," she says. "It's the first drug I've taken that you can't escape."

Until recently heroin addicts were rare in Africa. In the 1980s and 1990s users could be found largely in tourist spots, such as Zanzibar, or in enclaves of white hipsterdom in cities like Johannesburg. Since 2006, however, heroin consumption has increased faster in Africa than in any other continent, according to the UN Office on Drugs and Crime (UNODC). The trade in the drug is having ruinous effects, not just on public health, but on politics, too.

The rise of heroin in Africa partly reflects a surge in global supply. As the Taliban has consolidated its hold on parts of Afghanistan, where 85% of the world's heroin is made, more of the country has been given over to poppies. In 2017 opium production increased by 65% to 10,500 tonnes, the highest recorded by the UNODC since it began collecting data in 2000.

Not only is there more heroin being produced, but a rising share of the crop is being trafficked via Africa. The so-called Balkan route, encompassing Iran, Turkey and south-east Europe, has been the main way of getting heroin to the West. But over the past decade moving drugs along it has become harder, a side-effect of Turkey tightening its borders in response to the war in Syria and European countries' attempts to keep out refugees. As a result, more of the harvests are being dispatched along the "southern route" (see map).

The Economist

On this route, sometimes called the "smack track", heroin is taken from Afghanistan to Pakistan's Makran coast, where shipments are put on dhows, traditional Arabian boats with triangular sails. (Some heroin is also smuggled via containers in larger ships.) Throughout the year, save for the monsoon season, dhows sail south-west through the Indian Ocean before anchoring off Somalia, Kenya, Tanzania and Mozambique. Smaller boats collect the contraband, taking it to beaches and coves, or to commercial harbours. From there heroin is taken by land to South Africa and shipped or flown to Europe or America, according to a report by Simone Haysom, Peter Gastrow and Mark Shaw of the Global Initiative against Transnational Organised Crime. Although it is longer than the Balkan route, the high margins on drug-smuggling more than compensate.

Authorities have largely failed to curb the traffic. Since 2010 there have been seizures in the Arabian Sea by an American-led multinational naval force. But it is mainly a counter-terrorist outfit, not a drug-busting one. It seizes heroin on the basis that drug sales help finance the Taliban but it does not have a mandate to arrest smugglers. As for seizures on the African mainland, these have been "extremely low", notes Shanaka Jayasekara of the UNODC. Police may not even try as the authorities and their political patrons are often in league with traffickers.

The corrosive effect that the heroin trade is having on politics is most evident in Mozambique. Though data are hard to verify, heroin may be Mozambique's largest or second-largest export (after coal), reckons Joseph Hanlon of the London School of Economics.

In Mozambique trafficking is controlled by powerful families and covertly regulated by Frelimo, the ex-Marxist ruling party. In a hotel in Nampula, in the north of the country, an employee of a drug kingpin explains the deal between smugglers and the state. In exchange for political donations and personal kickbacks, Frelimo grants traffickers protection from arrest. The party also issues permits allowing smugglers to import and export goods without detection at the port of Nacala. In one alleged case, a trafficker imported hundreds of motorbikes using the Frelimo imprimatur, all of which had heroin packed into their petrol tanks.

No arrests of major figures for drug-trafficking have taken place in Mozambique. Seizures by police are all but unheard of; South African criminal-intelligence officials complain that their Mozambican counterparts block their investigations. For their part, donors to Mozambique have been reluctant to bring it up; development honchos pay little attention to crime. This is short-sighted. A report published in November by Ms Haysom suggests that conflict related to heroin and other illicit trades is helping fuel the insurgency in the far north of the country, near huge deposits of natural gas.

The drug trade is harming South Africa, too, which is used as a base for onward shipment because of its good infrastructure and weak currency (which makes services like those of lawyers cheap). Competition for control of the heroin market among gang bosses has contributed to a spike in murders in Cape Town.

South Africa is also where the public-health effects of the heroin trade are starkest. Since intermediaries are typically paid in drugs, as the wholesale trade grows, more heroin leaks out into the domestic retail market. A ready army of dealers then push heroin on consumers.

Ms Smit's pusher, a 35-year-old Tanzanian migrant by the name of Juma, describes how his patch works. New users are offered “starter packs” and repeat users are rewarded for loyalty: a free pellet worth R30 for every five they buy. He pays R500 for a “booster pack”, from which he nets a R250 profit, after paying gangs a “tax” for protection. Though dealing is risky, Juma says it is better than his life in Zanzibar, where he was paid the equivalent of $2 a day for repairing telephone poles. That was not enough to support his wife and two children, so he emigrated to South Africa. “Shit, it’s a tough life, boss,” he sighs.

Data on South African heroin users are patchy. There are more than 1,000 people receiving treatment, up from almost none two decades ago, but this is a fraction of users. One estimate of injecting users puts the number at 75,000, or 0.2% of adults. Yet solo injecting is just one way heroin is consumed. Many smoke it in a toxic cocktail of washing powder, sleeping tablets and methamphetamines. A few indulge in “bluetoothing”, where they share the hit by withdrawing, then injecting, the blood of a fellow user into their own veins. In a country where HIV remains common, this is mind-bogglingly risky.

For Craven Engel, a pastor who runs Camp Joy, a rehabilitation centre near Cape Town for gang members who take drugs, there is no doubt that heroin is now “the fashionable drug”. Over the past five years it has overtaken methamphetamine as the drug of choice, he says. Recovering addicts agree. For many of them, taking heroin was a way of expunging violent memories of fighting for drug turf. “I needed the drug to alleviate my conscience,” explains a member of a gang. So long as the southern route thrives, the demand for opium to salve the soul is unlikely to ease.

This article appeared in the Middle East and Africa section of the print edition under the headline ”Heroin highways”

A nasty side effect

Outdated drug policies leave millions of Africans in agony

The war on drugs has hurt patients who need painkillers

Print edition | Middle East and Africa Feb 2nd 2019

ANNA HAS just hit puberty and she can barely move. She has late-stage cancer and a tumour protrudes from her neck. As a nurse walks in, Anna (not her real name) slowly covers her face with a veil. She is dying in agony in Dantec, one of Senegal's main hospitals. But the doctors don't have enough morphine to give her.

In west Africa there are just 52 palliative-care centres such as hospices for about 360m people. Many of these do not have enough drugs. In Senegal the average patient who needs it gets 13mg of morphine a year, compared with 55,704mg in America. Across sub-Saharan Africa nine-tenths of cancer sufferers in moderate or severe pain die without the relief granted by opioids.

Providing palliative care without morphine is like "driving a car without fuel", says Emmanuel Luyirika, of the Kampala-based African Palliative Care Association in Uganda. It is also unnecessary, because opioids are cheap. Providing pain relief for their populations can cost governments as little as $2-16 per person each year, according to a study commissioned by the *Lancet*.

The morphine shortage stems from bad policies. In the 1980s and 1990s, as part of its "war on drugs", America cut aid and imposed sanctions on countries that were not tough enough on trafficking. It listed Nigeria as unco-operative from 1994 to 1998 (during a criminal dictatorship), suspended military aid and blocked loans.

There is little threat of being penalised today. But taboos about opioid use, restrictions on prescriptions and import barriers are still in place across much of Africa, says Barbara Goedde at the Global Commission on Drug Policy. In 2012, although some 200,000 Nigerians died of AIDS-related causes, often in severe pain, the country imported no morphine and said there was no need for it.

Yet much of this pain can be eased. Consider Uganda. Four-fifths of its districts have at least one palliative-care service. Over 200 hospitals have in-patient palliative-care units. In 2015 the Economist Intelligence Unit, a sister company of *The Economist*, ranked palliative-care systems on measures including training and access to drugs. Uganda scored higher than richer countries such as Malaysia and Hungary.

There are several reasons for Uganda's success. The first is its adoption of oral morphine, a cheap and effective painkiller. This was brought to the country in 1993 by Hospice Africa, a non-profit outfit. For 17 years its staff mixed the solution "at the kitchen sink", says Anne Merriman, the British doctor behind it. She met scepticism at first; some senior doctors said she was promoting euthanasia. Morphine still runs short; only 11% of need is met but its use has become normal. One cancer patient in Kampala keeps his bottle by the stove, next to the hot chocolate.

The second reason for Uganda's success is that nurses are allowed to prescribe morphine. That is crucial because there is just one doctor for every 11,000 people. And the third reason is government support. Officials see morphine as a useful painkiller rather than a shameful recreational drug. Since 2011 the government and Hospice Africa have produced oral morphine in a public-private partnership. Patients get it free. The solution, dyed to show different strengths, is too diluted to interest addicts.

Esther Akongo lives with her sister in a gloomy single-room house in Kampala. Both have cancer. Since getting morphine, says Ms Akongo, she can at last get a good night's sleep. But the happiest times are the regular trips to the hospice, where she can talk to other patients. Morphine brings respite; friendship brings joy.

This article appeared in the Middle East and Africa section of the print edition under the headline "Of puritans and pain"

Above the law

Nigeria's president sacks the chief justice weeks before an election

Critics say it is to remove a judge who may have ruled against him

Print edition | Middle East and Africa Feb 2nd 2019

THE WHEELS of justice turn slowly in Nigeria. On the rare occasions when corruption cases are brought against prominent people, petitions can take years to resolve. It was therefore unusual that on January 25th President Muhammadu Buhari suspended Nigeria's Chief Justice, Walter Onnoghen, a mere 15 days after allegations of impropriety were lodged against the most senior judge in the country. This was the first time that Nigeria's head of state had sacked a chief justice since 1975, when the country was under military rule.

Mr Buhari's move was not merely unusual. It was also unlawful. Nigeria's constitution seeks to balance the executive, legislative and judicial branches of government; a power play by one part against a second needs the consent of the third. Mr Buhari did not seek support from the Senate, where he lacks the two-thirds majority needed to oust the chief justice, so his act is widely viewed as being against the law.

It has also injected a dose of fury into a previously placid election campaign. Earlier this week Nigerian lawyers took to the streets of Abuja, the capital, in protest (see picture). Some stopped work for two days. Atiku Abubakar, Mr Buhari's main rival in the presidential race that takes place on February 16th, has called the move "a brazen act of dictatorship". On January 26th America, Britain and the EU issued statements expressing concern.

Few observers doubt that Mr Onnoghen has a case to answer. Under Nigerian law, officials have to disclose their assets every four years and upon taking a new job. He has not done so since his promotion in March 2017. Nigeria's judiciary, like many of the country's institutions, is widely seen as corrupt. Yet due process has not been followed, notes Aminu Gamawa, a member of Nigeria's bar association.

There are probably two reasons why Mr Buhari sacked him, critics say. Both are political. First, the Supreme Court is due to hear appeals lodged by the All Progressives Congress (APC), Mr Buhari's party, against decisions by the Independent National Electoral Commission, which barred it from running candidates in two of Nigeria's 36 states. Mr Onnoghen is viewed by the APC as being close to Mr Abubakar's People's Democratic Party. Second, the chief justice would have to preside over any litigation arising from a disputed election result. This matters in a country with a history of electoral shenanigans, preceded and followed by deadly violence.

On January 29th the Senate asked Mr Buhari to reinstate Mr Onnoghen. But the president shows no sign of backing down. He has already sworn in a new chief justice, Ibrahim Tanko Muhammad. (Technically Mr Tanko is the "acting" chief justice, but temporary appointments have a way of becoming permanent.)

It is not obvious that Mr Buhari would need to cheat to win re-election. His anti-corruption tirades appeal to voters. His opponent, Mr Abubakar, though he likens himself to Bill Gates, Steve Jobs and Lee Kuan Yew, is seen as less tough on graft. Yet Mr Buhari seems to think that the benefits of removing the top judge are worth the costs. Thus he has reminded Nigerians that since his election in 2015 he has done little to strengthen institutions, which is what Nigeria needs most of all.

This article appeared in the Middle East and Africa section of the print edition under the headline "Above the law"

Default settings

Lebanon's caretaker government has edged it towards economic crisis

Its economy is growing slowly and is overburdened by debt

Print edition | Middle East and Africa Feb 2nd 2019

PITY THE finance minister who must instil confidence in Lebanon, which has the fifth-highest public-debt burden in the world, at 150% of GDP. But Ali Hassan Khalil did a staggeringly poor job of it when he told a local newspaper his country was ready to default. "It's true that the ministry is preparing a plan for financial correction, including a restructuring of public debt," he said in an interview published on January 10th. Within a day its bonds fell to a record low. Mr Khalil soon clarified that he meant rescheduling, not restructuring. For ratings agencies the distinction is moot. On January 21st Moody's downgraded Lebanon's bonds even deeper into junk.

In a normal country, one banker mused, Mr Khalil's comments might be a sackable offence. Lebanon is not a normal country. Nine months after the first parliamentary election in nine years, nobody has formed a government. The prime minister-designate, Saad Hariri, is stuck in a dispute with six Sunni MPs aligned with Hizbullah, the powerful Shia militia-cum-party. Parliament is frozen. There is no budget for 2019. Even if Mr Hariri wanted to fire his finance minister, doing so would lead to weeks of haggling over a replacement.

This is hardly Lebanon's worst political jam. From 2005 to 2017 parliament could not pass a budget. But it comes at a time of looming economic crisis as well. Since 2010 GDP growth has averaged less than 2% a year. Inflation hit 7.6% in 2018, its highest in five years. The purchasing managers' index fell from 46.7 to 46.2 in December. A figure below 50 suggests a contraction; Lebanon has not crossed above that threshold since 2013. The chamber of commerce says about 2,200 firms closed last year. New construction has slowed and an estimated $9bn worth of properties are empty.

With politics in disarray, the central bank drives economic policy. It borrows billions from commercial banks to prop up the Lebanese pound against the dollar. Foreign-currency deposits must grow by 6-7% annually if it is to defend the peg, reckons the IMF. In the 11 months to November 2018, the last month for which data are available, banks' holdings of foreign currency increased by just 4%. Not all of that is new money, either. Customers seem to have converted 3.9trn pounds ($2.6bn) to dollar accounts. The central bank has ordered firms like Western Union to stop paying out money transfers in dollars.

Optimists wave this away with breezy talk of Lebanon's "resilience" and hope that wealthy Gulf patrons will come to the rescue. Qatar stepped in after Mr Khalil's blunder and promised to buy $500m in Lebanese bonds, which helped stabilise the market. Not to be outdone by his Gulf rival, the Saudi finance minister pledged to "support Lebanon all the way", though he offered no details. But half a billion is a pittance for a country with $33bn in outstanding dollar bonds. Resilience does not pay creditors.

In January the economics ministry released a study from McKinsey, a consultancy, with advice on fixing the economy. Though some of its ideas are unrealistic, a few are common sense. Tourism and agriculture have room to grow. Lebanon's well-educated population could export services or create tech startups. The country also stands to gain from reconstruction in war-ravaged Syria.

But all the suggestions rest on the government fixing infrastructure, such as unreliable electricity and some of the world's worst internet connections. Foreign donors offered to help at a conference in Paris last year, pledging $11bn in mostly concessional loans. But the money will not flow until Lebanon has a government. Ministers warn that donors are ready to take their cash elsewhere. That would be another blow to investor confidence—though at least that would be one debt Mr Khalil would not have to worry about.

Correction (March 13th 2019): The original version of this article said that Lebanon had $49bn in outstanding dollar bonds. In fact, it had $33bn. We also said that the finance ministry released a study on the economy by McKinsey, a consultancy. It was the ministry of economics that released the study.

This article appeared in the Middle East and Africa section of the print edition under the headline "Default settings"

Pilgrims in the Gulf

The Pope's historic visit to the Arabian peninsula

It will shine a light on the ways in which the UAE is growing more liberal—and where it is not

Print edition | Middle East and Africa Feb 2nd 2019

CHRISTIAN PILGRIMS are not often seen in the Arabian peninsula, where Islam was born. But they are flocking to one of its emirates, Abu Dhabi, for its first papal mass on February 5th. More than 100,000 are preparing to pack the Zayed stadium, adorned with a big cross, to celebrate the Eucharist with Pope Francis. Hotels are full of pilgrims chanting hosannas. Some hold standards bearing the Christian dove of peace tweaked with wings the colours of the United Arab Emirates (UAE) flag. The pope is "a symbol of peace, tolerance and the promotion of brotherhood", says Muhammad bin Zayed, the crown prince, de facto ruler and papal host.

Such hospitality is remarkable for the region. Further north in Syria and Iraq jihadists have uprooted ancient Christian communities and torched their churches. Neighbouring Saudi Arabia still bans churches and Christmas trees. "Two religions shall not co-exist in the Arabian peninsula," snap the Koran-bashers, quoting a saying of the Prophet.

Prince Muhammad, by contrast, has turned his emirate into an oasis of inter-faith dialogue. Grand muftis and prelates hug for the cameras. Under his tenure, the UAE has offered fleeing Arab Christians a haven. It has a new cathedral, 16 new churches and some 700 congregations. Remarkably, in 2013 the UAE ranked third among countries with the fastest-growing Christian populations. At home and abroad, the prince is also promoting a strand of Islam that encourages its followers to obey their rulers. It opposes the political Islamism—notably the Muslim Brotherhood—which harnesses religion as a force for social and political change. This is sponsored by the UAE's Gulf rival, Qatar.

Pope Francis appears to prefer Prince Muhammad's strand of the faith. In an interview in 2016 he warned against the export of an "overly Western model of democracy" to the Middle East. Unlike his predecessor, Benedict XVI (who upset Muslims with a quote about the Prophet Muhammad's propagation of the faith by the sword), Pope Francis has reached out to Muslims who seem to be tolerant. A quarter of all his papal visits have been to Muslim-majority countries, but he has rarely spoken out against their autocrats.

Some Catholics question whether the pope is right to take sides in intra-Muslim tussles. Others ask whether a peacemaker should be visiting just one party to a regional conflict (the UAE and not Qatar). In other instances he has visited both sides, such as when he went to Israel and Palestinian areas.

In a region of despots, Prince Muhammad is one of the more feared. Although tolerant of religious minorities, he withholds political freedoms from the Muslim majority, particularly Islamists, who he fears might overthrow him. Parties are banned.

Those who ask questions are jailed. Migrants—Christians included—have no prospect of citizenship. They remain foreigners no matter how many generations are born in the UAE. “If the pope really cared about humanity, he would speak about human rights,” says Muhammad Saqer al-Zaabi, an Emirati Islamist, exiled in London.

The prince has bankrolled a regional campaign against Islamists, supporting the overthrow in 2013 of Egypt’s democratically elected Islamist president, Muhammad Morsi. He also meddles in civil wars, whether in Libya or Somalia. For almost four years, he and Muhammad bin Salman, the crown prince of Saudi Arabia, have bombed and besieged Yemen, after its government was pushed out by Houthi rebels. The war has killed tens of thousands, driven millions to the brink of starvation and drawn accusations of war crimes. “It’s a horrible state and the pope’s visit lends credibility to that government,” says Khaled Abou el Fadl of the University of California in Los Angeles. “I’m worried about the moral message he’s sending.”

This article appeared in the Middle East and Africa section of the print edition under the headline ”Pilgrims in the Gulf”

Defence
The paper Euro-army

The paper Euro-army

France and Germany are pushing rival models for defence co-operation

Neither is very ambitious

Print edition | Europe Feb 2nd 2019

ALPHABET SOUP was not on the menu when EU defence ministers met in Bucharest on January 30th. But it was on the agenda. As Europeans scramble to reduce their military dependence on America, they are making acronyms great again. Embryonic schemes include PESCO (Permanent Structured Co-operation), EDF (a European Defence Fund) and E2I (a European Intervention Initiative). Alas, Europeans still seem better at producing bureaucracy than battalions.

Ambition is not lacking. Last year Emmanuel Macron and Angela Merkel caused a ruckus when they endorsed a "European army", to the horror of British Eurosceptics and American Atlanticists. On January 10th Ursula von der Leyen, the German defence minister, went one better. "Europe's army", she declared, "is already taking shape." On January 22nd the Aachen treaty between France and Germany promised to develop the "efficiency, coherence and credibility of Europe in the military field".

Nor is money the problem. European members of NATO have added more than $50bn to their collective annual expenditure since 2015, the year after Russia invaded Ukraine. That is equivalent to tacking on a military power the size of Britain or France. Donald Trump ought to take note.

What Europeans cannot agree on is precisely how these swelling capabilities should be joined up and used. Duelling visions of Europe's military future have given rise to a proliferation of schemes. Seasoned diplomats with decades of experience in European defence policy admit that even they are occasionally baffled.

Start with PESCO, a collection of 34 EU defence projects launched with great fanfare in December 2017. Its members agreed "to do things together, spend together, invest together, buy together, act together", as Federica Mogherini, the EU's foreign-policy chief, put it. The plan would be lubricated with cash from the European Commission. But where Germany saw PESCO as an opportunity to put wind back into the sails of the European project, France was irked that inclusivity had trumped ambition.

And so, even as PESCO was being finalised, in a two-hour address at the Sorbonne in September 2017, Mr Macron demanded something meatier: a "common intervention force, a common defence budget and a common doctrine for action". Nine states signed up to the resulting E2I in June 2018. Notably, it stood independent of the EU and so welcomed Denmark, which opts out of the EU's common security and defence policy, and Britain, leaving completely.

Germany, quietly seething, saw the effort as a half-baked French attempt to drag others into its African wars while diluting the EU's role. It signed up anyway, wary of upsetting a wobbly Franco-German axis any further. "Germans couldn't say no," says Claudia Major of the German Institute for International and Security Affairs, "but they hated it." Italy, the EU's third military power, was less emollient. Its newly elected populist government simply refused to join at all.

In truth, both schemes have been misunderstood. PESCO is not a standing army or alliance. It is a way to reduce duplication, join up national defence industries and set standards for everything from battlefield medicine to military radios. Nor is E2I a roving strike force, as its grandiose name suggests, but a framework for Europe's ambitious armed forces (its members account for four-fifths of EU military spending) to act together in future crises. Its members discuss scenarios from the Caribbean to the Baltic, rather than just France's African stomping grounds.

In theory, PESCO and E2I can not only support one another but also plug into NATO. In practice, things may be more complicated. Ms Major warns that smaller states, like the Baltics, will be spread thin. She suggests that some may favour France's glitzier initiative out of the Elysée Palace over its dowdier EU cousin.

The bigger problem is the gap between the lofty rhetoric of political leaders and the essential modesty of these defence drives. The EU has always accepted that it should focus on crisis management (fighting the likes of pirates and traffickers) rather than collective defence (fighting Russians). For all the big talk, that remains so.

Not that Europeans are sitting on their guns. European forces are involved in everything from anti-piracy patrols off Somalia to training for soldiers in the Central African Republic. The EU's mission in Mali involves over 620 people from 22 countries; it has trained nearly 12,000 Malian troops. That is impressive. But there is a disconnect between political rhetoric, which hints at fears of American abandonment, actual policy, which makes no pretence of filling such a vacuum, and practical action, which is even further behind.

A recent study by Britain's IISS and Germany's DGAP think-tanks found that the EU would struggle to meet most of the ambitions implied by its own common security and defence policy, itself a modest document. It would be out of its depth altogether if it faced simultaneous crises or if Britain, which makes up a quarter of the bloc's defence spending, stayed away. Bigger fights, such as the air campaign against Libya in 2011, are out of the question.

Furthermore, although some PESCO projects are innovative and important, like anti-mine drones and plans to share overseas bases, others are more dubious. A proposed spy school will be run by Greece and Cyprus; both have extensive ties to Russia.

Instead of working through clunky institutions, many Europeans are simply cutting smaller deals. Last year Britain bolstered bilateral defence ties to France, Poland, Germany and Norway. To the north, Sweden, Finland and Norway are integrating their air and naval forces. In the south, Estonia has chipped into France's war in Mali. A genuine European army seems a long way off.

This article appeared in the Europe section of the print edition under the headline "The paper Euro-army"

Disputing Putin

How the Baltic states resist Russia

After decades of being force-fed lies from Moscow, they are all but immune

Print edition | Europe Feb 2nd 2019

Arno Mikkor/Nato CCDCOE

IN THE early 1990s the president of newly independent Estonia gave a speech in Hamburg. In it, he disparaged the Soviet occupation of the Baltic states. A little-known Russian official was so outraged that he stormed out. It was Vladimir Putin.

This story, recounted in Neil Taylor's new history of Estonia, is instructive. Mr Putin has called the break-up of the Soviet Union the "greatest geopolitical catastrophe of the [20th] century". To Estonians, Latvians and Lithuanians, that label applies better to the Soviet Union itself. Discussions of history often start with the phrase "Stalin murdered my grandparents." The sense that their giant neighbour does not truly respect their independence—let alone their membership of the EU and NATO since 2004—pervades Baltic politics to this day.

Given how tiny the Baltic states are, and how vast and threatening the Russian military exercises near their borders, you might expect them to be gloomy. Especially when the president of their main ally, America, seems to view alliances as encumbrances. Yet the mood is oddly upbeat.

Despite Donald Trump's doubts, the NATO mission in the Baltics is effective. A multinational NATO battalion in each country is small enough not to provoke Russia but big enough to deter it. "It's brilliant," says a Latvian spook. Some 19 out of 29 NATO members have people on the ground. If Mr Putin were to invade, he would have to kill citizens from most of them, making a NATO response inevitable. That is probably too big a risk even for him.

Despite Mr Trump's isolationist rhetoric, military co-operation with America has improved during his presidency, thanks to a bigger Pentagon budget and the ardent support of lawmakers who visit the Baltics, says a Lithuanian official. The Americans help with intelligence and live-firing ranges for tanks. All the Baltics would like to see more American troops on their soil. Noting that Poland has offered to host a big American base and call it "Fort Trump", the Lithuanian official wryly suggests that the Balts should offer to host forward operating bases and name them after Melania, Ivanka and Donald junior.

All three Baltic states spend around 2% of GDP on defence—the NATO target that Mr Trump often berates allies for not meeting. Since Russia grabbed Crimea, Lithuania has brought back conscription (Estonia has it, too). Training includes guerrilla tactics.

Russia continually tests NATO's defences. Sometimes it does this by buzzing warplanes briefly into Estonian airspace to see how quickly the defenders respond. More often it does it digitally, with a veneer of deniability. Attacks are routed via compromised computers that can be anywhere. Lights on a big screen at the Estonian Information System Authority, a government body, show them pinging in from all around the world. Lithuania suffered 50,000 hacks in 2017. "It's constant," says an official.

Yet since a massive cyber-attack on Estonia in 2007, cyber-defences have stiffened. Twelve years ago hackers temporarily crippled banks, media outlets and government offices after Estonia had the temerity to move a much-hated statue of a Red Army soldier to a less prominent site in Tallinn, the capital. Since then, all three states have poured resources into thwarting digital skulduggery. Estonia hosts a NATO cyber-security centre. Separately, the state recruits tech-savvy reservists to spot vulnerabilities. Baltic governments are confident that the Russians have not hacked their voting systems, but they remain vigilant. Estonia holds a parliamentary election in March; Lithuania, a presidential one in May. All three countries will take part in EU elections this spring; all are wary of Muscovite meddling.

An even bigger worry is information war. Russian trolls and fake newsmongers are determined to undermine NATO, the EU and Baltic democracy. They exaggerate problems, such as discrimination against Russian-speakers. They invent outrages, such as the rape by German NATO soldiers of a non-existent Lithuanian orphan. They stir up disputes, for example over immigration. Lithuania's president, Dalia Grybauskaite, recently warned that "militant illiteracy and aggressive populism" posed a threat to her country.

One problem is that Russian minorities in the Baltics tend to watch Russian television, which bubbles with propaganda. But ethnic natives do not, and after decades of hearing lies from Moscow, "we're vaccinated," says Eeva Eek-Pajuste of the International Centre for Defence and Security, a think-tank in Tallinn. Most disbelieve anything that sounds Putinny. Visitors to Narva, where a river separates Estonia from Russia, can see visual evidence of the dif-ference in political culture. The EU donated a big dollop of money for a walkway on both sides. The one on the Russian side is only a fraction as long.

This article appeared in the Europe section of the print edition under the headline "How the Baltics resist Russia"

Justice in the dock

Catalonia's separatist leaders go on trial

Proceedings will last for months

Print edition | Europe Feb 2nd 2019

FOR UP TO 15 months nine Catalan separatist leaders have been in jail. On February 4th they and three others are due to start what will be the first of many days in the Supreme Court as the oral phase of their trial on charges of rebellion and misuse of public funds gets under way. The charges, which could potentially result in sentences of up to 25 years in jail, arise from an unconstitutional referendum and illegal declaration of independence in one of Spain's largest and richest regions in October 2017. For supporters of Catalan independence, it is a political trial. For many Spaniards it is retribution for a conspiracy to break up their country. It is also a test of the impartiality of the country's judiciary.

The investigating judge, Pablo Llarena, contends that the defendants, most of whom were members of Catalonia's regional government, pursued for several years a plan to achieve independence "whatever the cost". He points to "violent episodes" in the final weeks of the campaign, especially a demonstration in which police and court officials searching a Catalan government office in Barcelona were barred from leaving for hours, while their vehicles were trashed.

In the aftermath of the referendum, which Spanish police tried but failed to prevent, Spain's government imposed direct rule in Catalonia. It called a fresh regional election in which the separatists again won a narrow majority of seats, though with only 47.5% of the vote.

The referendum certainly took place in an atmosphere of intimidation. In approving laws to authorise the referendum and set up a new state, Catalonia's parliament violated Spain's constitution and its own statute of home rule. Quim Torra, the current Catalan president, recently urged Catalans to pursue "the Slovenian way" to independence, which involved a ten-day conflict and some 80 deaths. Yet many lawyers question whether all this amounts to sufficient violence to justify the charge of rebellion, designed for military coups.

It is an "unfair, irregular trial" in which the defendants' rights have been violated, says Alfred Bosch, a member of the current Catalan government. He notes that courts in Germany, Scotland and Belgium granted bail to other defendants, including Carles Puigdemont, the former regional president, who fled abroad, before Mr Llarena dropped extradition proceedings. The Socialist government of Pedro Sánchez, which took office in June, is uncomfortable with the pre-trial detention of the defendants. But it insists that this is a judicial matter in which it cannot interfere.

The Catalan independence bid has unleashed a conservative reaction in the rest of Spain. In a regional election in Andalucia in December, Vox, a previously insignificant far-right party, won 11% of the vote. Vox is using a quirk in Spain's legal system to join the state's case against the separatists as a private party, which will allow it to cross-examine the defendants. This is a propaganda gift for the separatists, who claim, unfairly, that Spain's judiciary is a holdover from Franco's dictatorship.

Mr Sánchez hopes to defuse the Catalan conflict. He wants the separatist parties to vote for his budget, which includes a dollop of extra money for Catalonia. Some may do so: there are growing fissures within Catalan separatism, especially between Mr Puigdemont and Oriol Junqueras, his former deputy, who is the leading defendant but who does not back a further unilateral independence bid.

The trial will keep the divisive Catalan issue alive during European and regional elections in May. A verdict may not come until the autumn. If the defendants are found guilty, Spain's politicians will have to decide whether to pardon them. That would be unpopular. But letting them moulder in jail will be seen abroad as a blot on Spain's democracy.

This article appeared in the Europe section of the print edition under the headline "Justice in the dock"

The marten menace

What's cute, furry and can disable a particle accelerator?

A critter that loves to chew cables

Print edition | Europe Feb 2nd 2019

THE HEAVY snowfall in central Europe so far this year is making life hard for stone martens. A weasel-like animal, half a metre long with brown fur and a white blaze on its chest, the stone marten has tiny paws too small to keep it suspended on soft snow. It thus has an endearing habit of walking along cross-country ski tracks, where the snow is packed harder. It also has a less endearing habit: gnawing on rubber. Specifically, it likes to crawl into car-engine cavities and chew on the wiring.

As a result, in Germany, car insurance that covers *Marderbisse* (marten bites) is a must. According to GDV, an insurers' group, martens were the fourth-leading cause of non-collision auto damage in Germany in 2017. They chewed through €72m ($79m) worth of cables, up from €66m the year before and €28m in 2005.

The rise in marten damage may simply be the consequence of more martens. The population has grown in recent decades, and they are colonising areas from which they had disappeared, such as the eastern Netherlands. Another reason may be declining fear of humans, who create lots of warm, dry spaces like attics that make perfect marten dens.

"They are one of these animals that have become part of the suburban ecosystem," says Kees Moeliker, director of the Rotterdam Museum of Natural History. He keeps a collection of animals that have died in unusual interactions with humans, including the most dramatic case of marten damage ever. In 2016 one hopped onto an electric transformer at the Large Hadron Collider (LHC) in Switzerland, short-circuiting it and briefly knocking out the particle accelerator. Earlier that year the LHC lost power when a cable was chewed through by an animal which, though rather charred, appears to have been a marten.

What explains the martens' suicidal tastes? Some biologists note that electrical insulation manufactured in east Asia sometimes contains fish oil. Others think the culprits may be mostly young martens that do not know what is edible; damage tends to peak in spring, when the young are born. Asked for his theory, Mr Moeliker laughs. "This is something we will probably never know, what's in the head of the marten," he says.

This article appeared in the Europe section of the print edition under the headline "The marten menace"

From protest to party

The gilets jaunes are forming not one but two political parties

Neither of which has coherent policies

Print edition | Europe Feb 2nd 2019

THREE MONTHS ago, Jacline Mouraud, a hypnotherapist from Brittany, opened her laptop, pressed record and offloaded her grievances. Her *coup de gueule* (angry rant) video against the rising fuel prices, posted on Facebook and YouTube, went viral. It also helped launch the *gilets jaunes* (yellow jackets) protest movement, which forced France's president, Emmanuel Macron, into his first political climb-down when he cancelled a fuel-tax increase. This week, buoyed by the popularity of the movement, Ms Mouraud decided to shift her protest from the streets to the ballot box, and launched a *gilets jaunes* political party. Hers is the second such effort to transform a leaderless movement into an organised political force.

Ms Mouraud's version, called The Emerging, has its sights on French municipal elections in 2020. Its guiding principle, she said, is to "remake politics around the heart and empathy" rather than "the rule of money". With a paradoxical nod to En Marche, the movement founded by Mr Macron to launch his presidential election bid in 2017, her party, she says, will be "neither on the left, nor the right". Among her ideas is a higher top income-tax rate and fewer perks for parliamentarians. After 11 weeks of demonstrations in cities across France, which have often ended in clashes with riot police, it was time, Ms Mouraud declared, to move from protest to proposal.

This initiative came only days after another *gilet jaune*, Ingrid Levavasseur, launched her own party, the Citizen-Led Rally (RIC). A 31-year-old nursing assistant from Normandy, Ms Levavasseur, like her Breton counterpart, has become another familiar face on French television. She says her party will be ready to fight elections in May to the European Parliament, and has already named the first ten candidates on her party list. RIC also happens to be the French acronym for "citizen-led referendums", which have become a popular demand from the *gilets jaunes* movement since it widened out from fuel-tax revolt. Ms Levavasseur is less clear about her policies, insisting that they will emerge from the grassroots. But she shares with Ms Mouraud a desire, as she puts it, to "put the human" back into politics.

The transformation into a political force of a disparate protest movement, whose members are linked through social media and have widely diverging aims, is likely to be, as Ms Levavasseur conceded, "quite complicated". Just days after she launched the party, her campaign director, Hayk Shahinyan, resigned, citing "doubts" about the venture (and concern about a *gilet jaune* who had his eye damaged in a clash with the police). He was followed by one of the candidates on her party list, who had received threats on social media.

Hard-core activists, who seek the overthrow of Mr Macron and have no desire to end the weekly protests, have accused Ms Levavasseur of treason. After it emerged that she voted for Mr Macron in 2017, if only to keep out the nationalist Marine Le

Pen, she was accused of being a stooge. “A vote for the *gilets jaunes* is a vote for Macron,” declared Eric Drouet, a lorry driver who runs the most popular *gilets jaunes* Facebook group, “Angry France”.

For now, Ms Levavasseur says that her party’s role is one of co-ordinating different initiatives rather than a quest for a political monopoly on the movement. But even that will be tricky. Political sympathies among the *gilets jaunes* reach from far-left anarchists to the ultra-right. Ms Levavasseur’s fairly moderate left-leaning instincts are at odds with others’. In a TV debate with Ms Levavasseur, Benjamin Cauchy, a *gilet jaune* from Toulouse, said that he has been talking to politicians on the right about ways for the movement to “reclaim” an existing political party.

Established political parties do not see it quite that way round. Jean-Luc Mélenchon, on the far left, as well as Ms Le Pen have been furiously courting the *gilets jaunes*. Protesters on the roundabouts, declared Ms Le Pen, are “often our voters”. That may be true. But many *gilets jaunes* see Mr Mélenchon and Ms Le Pen, with their seats in the National Assembly, as part of the system and therefore part of the problem. A recent poll suggested that, if there were a single *gilet jaune* list at the European elections, it would get 13%, denting both Ms Le Pen’s score (17.5%) and Mr Mélenchon’s (8%). With enfeebled Socialists (5%) and Republicans (11.5%), that leaves just one party that would widen its lead thanks to a *gilets jaunes* party: En Marche (22.5%), the party founded by Mr Macron, whom the movement so detests.

This article appeared in the Europe section of the print edition under the headline ”From protest to party”

Turkey's oddest ghost town

Castles full of air

The latest casualty of Erdogan's economy

Print edition | Europe Feb 2nd 2019

HUNDREDS OF identical mini French chateaux stand empty in various states of completion at the Burj al Babas housing development in northern Turkey after its developer, the Sarot Group, filed for bankruptcy last year. If it is ever completed, the development will boast more than 700 identical chateaux as well as shops, restaurants and meeting halls.

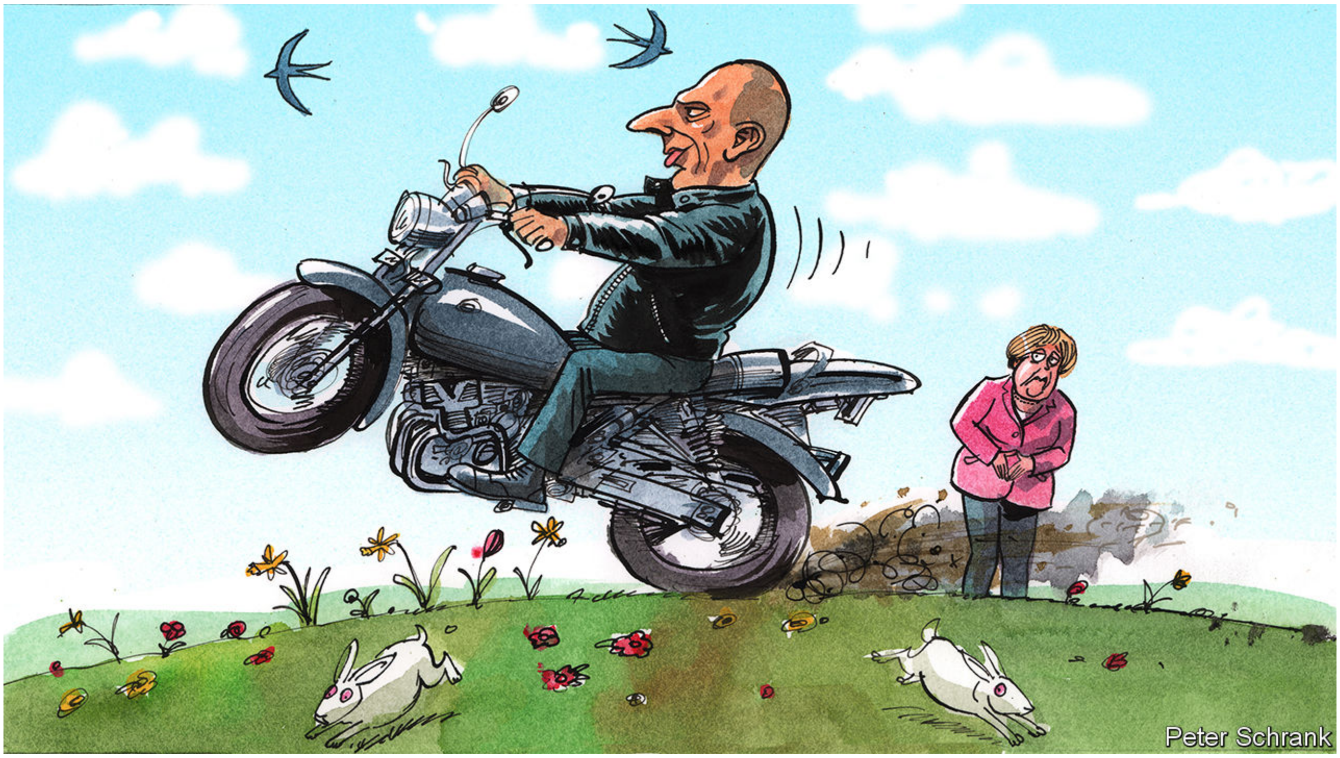
This article appeared in the Europe section of the print edition under the headline "A Turkish ghost town"

Charlemagne

What Yanis Varoufakis did next

A maverick leftist sallies into transnational European politics

Print edition | Europe Feb 2nd 2019



IN A WARM office in Berlin's trendy Kreuzberg district, Charlemagne is trying to persuade Yanis Varoufakis that he is a politician. "It's a necessity. I really dislike running and asking people for votes," protests the Greek economist when asked about European Spring, his new transnational political party. Does he think of himself as a politician? "No. The moment I do, shoot me." Apparently inadvertently, Mr Varoufakis won his seat in the Greek parliament in 2015, became finance minister, took on the European economic establishment and failed. After six months, he discarded the chains of office in pique. "If you want to be a manager, you can work for Goldman Sachs," he sighs.

Not a politician? That evening, in an old warehouse in Berlin's east, Mr Varoufakis takes to the stage before a young, bookish, international audience at the launch of European Spring's manifesto for May's elections to the European Parliament. Perched on the edge of his seat, he seems every bit the vote-wrangler. His right hand clasps the microphone, the left one depicts trillions of euros: slicing and restructuring debts, swishing from side to side to illustrate giant German surpluses, fingers flickering to imitate the vicissitudes of lily-livered social democrats.

It is easy to mock Mr Varoufakis. As Greek finance minister, he hectored Eurocrats for their desiccated economic orthodoxies—sometimes reasonably (he correctly pointed out that Greece will never repay all of its debts), sometimes outlandishly (covertly planning a parallel Greek payments system). He was ridiculed for a photo-shoot in *Paris Match*, a French celebrity magazine, which showed him dining stylishly on his roof-terrace beneath the Acropolis. To many critics, his career is one unending book tour: tomes excoriating the international economic establishment fly off the shelves every time he bashes elites in the media.

Mr Varoufakis's European ambitions do not exactly disprove the stereotype. He is running in the impending Greek parliamentary election and in the European Parliament elections—for Germany. This is provocative in a country where Mr Varoufakis has long been demonised. "If we wanted to reform the Roman empire we would start in Rome, not in southern Egypt," he argues. At the rally in Berlin he indulges in Utopianism, imagining the first press conference on the Monday morning of a European Spring-led Europe. The proposals to be announced on that glorious day: €2.5trn in green investments from the European Investment Bank (EIB) over five years, a guarantee from the European Central Bank that it will prop up the prices of EIB bonds in secondary markets and the mutualisation of (good) European debt to lower interest rates.

All of this sends orthodox eyeballs skywards. Yet one does not have to agree with everything the Greek politician says to find some aspects of his efforts welcome. European Spring, the electoral wing of a trans-European political movement called (rather irritatingly) DiEM25, wants to help Europeanise the European elections. The parliament in Strasbourg is a supra-national body passing supra-national European legislation, but elections to it are fought on national lines by national parties. Europe's media, trade unions and civic organisations are mostly national. Few political figures are known across borders. In the words of Elly Schlein, a young Italian European Spring candidate: "The EU is a round table where politicians have their backs to each other, facing domestic political concerns instead." In other words, most of the EU's debates do not take place at the level where European power is exercised. European Spring thinks that needs to be corrected.

Moreover, it may breathe some life into the old, tribal European politics. Traditional party groups in the European Parliament are moribund. Only last week it was alleged that Elmar Brok, a walrus-like Christian Democrat from Germany, had been charging constituents to visit the parliament and made €18,000 a year from the wheeze. He denies the accusations. You do not have to agree with the European Spring's proposals—which include a universal citizen's income, totally open borders and relaxed fiscal policies—to welcome the possible arrival of new, fresh legislators like Ms Schlein in Strasbourg. "If you try to take over an existing political party, you will be taken over by it," warns Mr Varoufakis. "They are bureaucratic machines wedded to the nation-state with an institutional aversion to ideas."

European Spring is at best a fringe outfit. Even Mr Varoufakis reckons it is unlikely to win more than a handful of seats, and he is not known for understatement. So its effects on the debate in Strasbourg and Brussels are likely to be limited. But at a time when pro-Europeans seem ever more confined to the technocratic centre of politics, it is welcome to find a transnational party making the case for openness from a different perspective. Europe will only be open in the future if openness has defenders on the right, centre and left of politics. Many on the left—Jeremy Corbyn in Britain, Jean-Luc Mélenchon in France, Sarah Wagenknecht in Germany—are turning towards leftist tribalism, Euroscepticism and anti-immigration politics in an attempt to win over disaffected voters. But European Spring embraces none of those things. Mr Varoufakis stresses that the group has liberal strains, and that he has long dealt with figures outside his own ideological camp (he is in close contact with Norman Lamont, a British Conservative former finance minister). European Spring activists talk about bringing together French and Polish workers to defuse national conflicts between the two, encouraging young European volunteers to help refugees in hostels near the "Jungle" refugee camp in Calais and taking on the Italian government in cities like Naples.

Times are tough for Europe's liberals. Their tunes no longer sound so good in a post-crisis age, and they are struggling to find new ones. They will undoubtedly disagree with much that Mr Varoufakis and his comrades say. But they are at least fellow fighters in an increasingly difficult struggle against the drift to a Europe of closed societies and economies.

This article appeared in the Europe section of the print edition under the headline "Varoufakis Sans Frontières"

Brexit and Parliament
Theresa's temporary triumph

Brexit and Parliament

Theresa May's temporary triumph

The prime minister wins parliamentary support to renegotiate the Brexit deal. Yet she is unlikely to secure any substantive changes

Print edition | Britain Jan 31st 2019


Luca D'Urbino

IT HAS BEEN a rare good week for Theresa May. In a series of votes on January 29th she secured backing from almost all her Conservative MPs and her Northern Irish Democratic Unionist allies for a motion asking her to go to Brussels to seek changes to her Brexit deal. She also defeated two amendments that could have seen Parliament seize control of the Brexit process. She comprehensively out-debated the Labour Party's leader, Jeremy Corbyn, and even got him to drop his refusal to talk to her about how to get a new Brexit deal through the House of Commons, which resoundingly rejected the first version two weeks ago.

Two developments underlay her success. The first was an amendment by Sir Graham Brady, a leading Tory backbencher, that backed her Brexit deal so long as the much-disliked Irish "backstop", an insurance policy to avert a hard border in Ireland by keeping the United Kingdom in a customs union with the European Union, is replaced by what it coyly called "alternative arrangements". The second was a plan hatched by Tories from both the Remain and Leave wings of the party, dubbed the Malthouse compromise after the junior minister who dreamt it up, for a different backstop and for a longer transition period even if no withdrawal agreement is ratified. Although the Malthouse compromise seems unrealistic and Sir Graham's plan lacks specifics, the combination was enough for the Brady amendment to win by 317 votes to 301.

A third crucial element was Mrs May's promise to allow MPs another lot of votes on Brexit on February 14th. This was enough to head off (for now) amendments by Yvette Cooper, a Labour MP, and Dominic Grieve, a Tory, to rip up normal parliamentary procedure and pass their own bills designed to stop a no-deal Brexit and explore other options instead. Twenty-five Labour MPs defied their party whip to sink the Cooper amendment; they may yet come round to backing a revised deal. For Mrs May, the only fly in the ointment was the passage of another amendment, from Dame Caroline Spelman, a Tory, to reject a no-deal Brexit; but this has no legal force.

The prime minister's triumph will prove short-lived, however. Even as the Brady amendment was being voted through, the EU was insisting that the Brexit withdrawal agreement, which includes the Irish backstop, would not be reopened. EU leaders are exasperated that Mrs May now supports a plan that jettisons a central part of the deal which she had previously insisted was the only one available.

Brussels is the more unwilling to reopen negotiations because Mrs May still refuses to change any of her negotiating red lines. As Kenneth Clarke, a veteran Tory MP, pointed out, the logical outcome now would be a permanent customs union with regulatory alignment, but Mrs May still rules this out. Moreover, if the withdrawal agreement were reopened, the EU thinks other issues such as fisheries, the budget or Gibraltar would be raised by leaders who believe they have already given Britain too many concessions. And the European Parliament, whose assent is needed for any deal, might well reject a deal that radically alters the current one.

Above all, the EU is not prepared to throw Ireland, which insists on keeping the backstop in order to avoid a hard border, under the bus. The interests of a member come above those of a leaver. It argues that the backstop is an inevitable outcome of Britain's desire to leave the customs union and single market. Stopping a hard border is also seen as vital to protect the Good Friday Agreement that ended decades of sectarian "Troubles" in Northern Ireland.

Claims that some untried new technology can avoid all checks and controls on the Irish border are still viewed in Brussels as magical thinking. Indeed, Brexiteers' insistence on removing the backstop is treated as evidence of doubts that their own magic would work. The repeated lurches in Britain's approaches to Brexit seem only to strengthen the case for keeping the backstop as an insurance policy.

Tick, tock

This does not mean that the EU will do nothing to help Mrs May. It has already offered clarifications to make clear that it does not want the backstop to be used and that, if it were, it would be only temporary. These could be given greater legal force, perhaps through an interpretative declaration or a codicil, or even tweaks to the wording of the withdrawal agreement itself. And Brussels is already hinting that, if more time is needed beyond March 29th, the date set for Brexit, it is ready to entertain the notion.

With less than two months left, it is increasingly clear that more time will indeed be necessary. Parliament must pass a detailed withdrawal act as well as other big pieces of legislation and hundreds of statutory instruments before Brexit can happen. Only limited progress has been made in rolling over existing EU free-trade agreements that Britain will lose on its departure. Yet when Mrs May was repeatedly asked in the Commons by Ms Cooper if she would seek the EU's agreement to push back the deadline, she refused to answer.

This plays into the other big concern of the week, which is the growing risk of a Brexit with no deal at all. The response of British business to the Commons votes was glum. The failure of Ms Cooper's amendment means that leaving with no deal is still on the table as the default option, even if a majority of MPs have voted not to support it. Sabine Weyand, deputy to Michel Barnier, the EU's Brexit negotiator, declared this week that the risk of no deal was now very high.

The markets seem more sanguine. The pound has risen in value since Mrs May's deal was rejected by MPs. But many analysts think traders are underestimating the chances of a no-deal Brexit. Paul Hardy, Brexit director at DLA Piper, a law firm, reckons the EU is better prepared for no deal than Britain. He adds, however, that a big concern in Brussels will be to avoid the blame should a no-deal Brexit transpire.

It is this potential game of blame-shifting that makes the chance of no deal so worrying. Several Tory MPs and even some cabinet ministers have said they would fight any deliberate decision to go for a no-deal Brexit, if need be by resigning the party whip. EU leaders, too, will do whatever they can to avoid such an outcome, which would seriously damage not just Britain but the entire EU, and most notably Ireland. But if the clock runs down and both sides start blaming each other for being too intransigent, no deal could still happen by accident. To prevent it may take defter diplomacy and greater flexibility than either Mrs May or the EU has shown during the past two years.

This article appeared in the Britain section of the print edition under the headline "Theresa's temporary triumph"

¡Hasta la victoria Corbynista!

Latin America provides a canvas for Jeremy Corbyn's worldview

Why is the British left obsessed with Latin America?

Print edition | Britain Feb 2nd 2019

REX/Shutterstock

AN EVENT FEATURING Ivanka Trump, the king of Spain and Jeremy Corbyn sounds like a fever dream. But for one curious afternoon in December the trio came together in Mexico City for the inauguration of Andrés Manuel López Obrador. While a Brexit-induced political crisis raged in Britain, the Labour leader was in Mexico to watch the new president—who calls Mr Corbyn his "eternal friend"—being sworn in.

Latin America looms large in Mr Corbyn's political imagination. He spent his formative years gallivanting round South America and speaks fluent, London-accented Spanish. His wife is from Mexico (and his ex-wife from Chile). While fending off a leadership coup in the summer of 2016, Mr Corbyn took time to attend an event hosted by the Cuba Solidarity Campaign, of which he is a long-term supporter. It is a fixation shared by his close allies. John McDonnell, the shadow chancellor, and Diane Abbott, the shadow home secretary, were among several senior Corbynites who signed a letter this week dismissing the "US attempt at regime change" under way in Venezuela.

An obsession with all things Latin has long been common in the Labour movement, points out Grace Livingstone of Cambridge University. The Cuban revolution represented a socialism that did not stem from the dour bureaucrats of the Soviet Union (even if Havana did eventually fall in line behind Moscow). Salvador Allende's election in Chile in 1970 was seen as a triumph for democratic socialism; his removal in a coup is still taken as evidence that the forces of capital would smash an embryonic Corbyn-led government. "There are powerful forces…that want to oppose those who want to bring about economic and social justice," Mr Corbyn told *La Jornada*, a Mexican newspaper, last year.

Activists hail radical leaders such as Evo Morales in Bolivia as bulwarks against neoliberalism and decry any attempt to rein in the government of Venezuela, whose economy has collapsed as its left-wing leaders have turned to autocracy. Where Latin American governments have succeeded, it is an example of socialism in action; where they have failed, it is a demonstration of nefarious American imperialism.

The obsession can backfire. Mr Corbyn's support for the late Hugo Chávez looks even more ill-judged now that Venezuela has fallen deeper into anarchy. Footage of a chat between Mr Corbyn and Chávez's successor, Nicolás Maduro, on the latter's radio talk-show, "En contacto con Maduro", does not help.

Whether British voters care is another matter; few share his interest in Latin American politics. But Mr Corbyn's rise means that Latin America may start paying more attention to the British left. On the eve of his inauguration, Mr López Obrador said he wanted “with all my heart, with all my soul” to see his British friend become prime minister. Should Mr Corbyn make it to Downing Street, a transatlantic invitation will be in the post and another fever dream can begin.

This article appeared in the Britain section of the print edition under the headline ”¡Hasta la victoria Corbynista!”

Dealing with no deal

No-deal planning accelerates, at least for firms that can afford it

Many are putting contingency plans into action. Others cannot spare the cash

Print edition | Britain Feb 2nd 2019

LESS THAN two months before Brexit day it is still unclear what kind of exit deal Britain will end up with—or even whether it will get one. The votes in Parliament on January 29th offered little reassurance. If anything, argued Carolyn Fairbairn, head of the Confederation of British Industry, a lobby group, they will persuade companies to accelerate their preparations for a no-deal exit. Tom Enders, the boss of Airbus, spoke for many firms when he recently branded the government's handling of Brexit a "disgrace". Businesspeople are furious. But they must also be pragmatic. And so as March 29th approaches, their no-deal plans are being put into effect.

Strategically sensitive industries such as banking and pharmaceuticals were advised by regulators to implement no-deal plans some time ago, says Mats Persson, head of the Brexit team at EY, a consultancy. Banks have already moved staff to subsidiaries on the continent to secure "passporting rights" and continue operations within the European Union. On January 30th the High Court approved a plan by Barclays to move €190bn ($218bn) in assets from London to Dublin. In December the government asked drug companies to add at least six weeks' worth of supply to their usual stock as a precaution.

Other industries have held out longer. Many retailers, including some big supermarkets, triggered their contingency plans at the beginning of January. A week after Parliament rejected the government's Brexit plan on January 15th, P&O said it would re-flag its cross-Channel ferries (including the *Spirit of Britain*) to Cyprus. Sony, a Japanese electronics giant, announced that it was moving its European headquarters from London to Amsterdam.

Companies preparing for no deal tend to have the same priorities. The first, says Mr Persson, is to set up a new entity on the continent, to qualify, like the banks, for the required permits to continue to trade in the EU and to enjoy the same tax regimes if Britain leaves without a deal.

Second, some firms are preparing to move production, distribution and warehousing. Take Goodfish, a medium-sized manufacturer of plastic injection mouldings, which ships a third of its products to the EU. Greg McDonald, its boss, has registered the company in Slovakia and is ready to transfer some production there in the event of no deal. Art Logistics, which ships fine art between Britain and the continent, has made plans for a Dutch company to provide trucks and drivers if its own fleet of seven specially modified vans is grounded without EU travel permits.

Many businesses are stockpiling. Consumer-products firms, such as Dixons Carphone, and clothes retailers like Burberry, are stacking up inventory to keep the shelves full after no deal. The Chartered Institute for Procurement and Supply says that

December saw the second-sharpest rise in the stocking of finished goods since its survey began in 1992. In the manufacturing industry, the value of loans rose by 8% in the year to December, which analysts see as a sign of stockpiling.

In some areas it is already too late. Refrigerated space ran out in September. And some products cannot be stockpiled. In a joint letter to MPs on January 28th, some of the country's largest supermarkets and fast-food outlets warned that perishable items such as lettuces and tomatoes, which come mainly from the EU during the British spring, would be missing from shelves. Carmakers' "just in time" supply chains make it impossible to store the hundreds of thousands of parts that enter the country every day. Rather, the likes of Toyota, BMW and Jaguar Land Rover have rescheduled planned maintenance shutdowns for the weeks after Brexit day. BMW will live off just two days' worth of "buffer" stocks before closing down production of the Mini for four weeks and the Rolls-Royce for two.

Companies are also re-examining their supply chains. Haulage companies are honing plans to avoid the pinch points of Dover and Folkestone. CEVA, a big logistics firm headquartered in the Netherlands, has reserved several freight planes with charter companies and is preparing new routes for roll-on, roll-off ferries to ports like Liverpool, to avoid the south coast.

Needs must. But no-deal planning is expensive, and many of Britain's 5.7m small and medium companies are loth to invest in something that may never happen. In a recent poll by the Institute of Directors, which mainly represents smaller firms, 40% said they would not do anything until "the new relationship between the UK and the EU is completely clear." They are in for a long wait.

Correction (February 5th 2019): *The original version of this article said the government asked drug companies to add at least six months' worth of supply to their usual stock; it asked them to add six weeks' worth. This has been corrected.*

This article appeared in the Britain section of the print edition under the headline "Dealing with no deal"

Off the buses

Manchester's mayor considers taking back control of buses

Passengers approve. But who runs the routes may matter less than how congested the roads are

Print edition | Britain Feb 2nd 2019

THERE IS ONE thing in particular that Mancunians love to moan about: their buses. The number 43, which trundles down what is thought to be Europe's busiest route, is far from loved. Onboard, one student riding from the university to the railway station complains that it takes three times as long in rush hour. "They are always changing the route—never for the better," says a nurse working at a nearby hospital. At least it is easier to find a seat these days, they say—as riders are switching to faster modes of transport.

Andy Burnham, the mayor, is keen to find a way to reverse this gradual decline in passenger numbers in his city (see chart). On January 25th the ten councils that make up his Greater Manchester Combined Authority (GMCA) approved an increase in council tax to fund a detailed study into the options for bus reform. One strategy Mr Burnham is considering is to "re-regulate" bus services, taking the routes back under public control. If he does so, the city will be the first to use a new law that gives mayors the power to franchise bus services.

In the past decade bus travel has gone into steep decline outside the capital. Since 2009 the number of bus journeys in Manchester has fallen by 14%. Austerity has played a role. Councils in England and Wales have slashed bus subsidies by 45% since 2010, resulting in 3,347 routes being cut back or closed.

The Economist

Re-regulation could help reverse some of that decline, argues Pascale Robinson of Better Buses for Greater Manchester, a campaign group. Passenger numbers have fallen by 40% in Manchester since bus routes there were handed to private operators in 1986. Meanwhile in London, where franchising continued, patronage has doubled. Letting GMCA manage the system could lure riders back by co-ordinating bus schedules and offering through-ticketing for routes operated by different firms.

That argument is popular among passengers. But re-regulation is no magic bullet, argues David Brown, chief executive of Go-Ahead, a bus firm. Passenger numbers are now falling at a faster rate in central London than in the regions. Belfast, where the bus market was never deregulated, has seen falls in usage much like Manchester's. Nor would re-regulation deal with changes in demand for bus travel, Mr Brown argues. Although the number of journeys by bus to work has remained remarkably stable, those for activities such as shopping and socialising have fallen. The decline of the high street and the rise of home delivery have made many journeys unnecessary.

The key to luring people away from travelling by car or taxi is to speed up buses, says David Begg of Plymouth University. Growing traffic jams, caused in part by a proliferation of delivery vans and Ubers, are slowing them down. The average delay caused by congestion in Britain's cities has increased by 14% in the past three decades, according to TomTom, a maker of satnavs. Manchester is badly affected: the 43 bus now takes nearly 80% longer to cover its route in rush hour than it did 30 years ago. The average speed of Stagecoach's buses fell by 4.9% in 2014-16; one route which took just nine minutes seven years ago now takes 27, according to the company.

Giving buses their own lane, or priority over other traffic, could help, says Giles Fearnley of First Bus, a big operator in Manchester. Vantage, a bus-priority scheme linking Leigh, Mr Burnham's former parliamentary seat, to Manchester, has seen weekly passenger numbers rise by nearly 140% since it opened in 2016. Other policies to make car use less attractive, such as pricier parking or congestion charges, could also nudge folk onto buses. But since a local referendum in 2008 rejected a congestion charge, Manchester's politicians have shown little interest in the idea. With 70% of Mancunians getting to work by car each day, it is easy to see why.

This article appeared in the Britain section of the print edition under the headline "Off the buses"

Low-rent plan

Rent controls are back in vogue. Can they make London affordable?

Proposals for rent control appeared in Labour's manifesto for the general election in 2017

Print edition | Britain Feb 2nd 2019

WITH AN ELECTION to win in 2020 Sadiq Khan, London's mayor, is sniffing around for popular policies. He has chosen to woo renters. On January 23rd he announced that he would develop a "blueprint for stabilising or controlling private rents in the capital". One in four Londoners rents privately. On average they send over 40% of their monthly pre-tax income the landlord's way, a far higher share than in the rest of the country. Mr Khan's policy is likely to prove popular: more than two-thirds of Londoners are in favour of rent controls. But would it be effective?

The mayor is riding the crest of a rent-control wave. Four years ago some German cities introduced controls in areas where rents were deemed too high. In 2017 Scotland gave local councils the power to limit rent increases on certain private tenancies. In November a plan to control rents in California was put to voters in a referendum (it failed). Proposals for rent control appeared in the most recent manifesto of the Labour Party, to which Mr Khan belongs.

The mayor does not have the power to control rents in London, so changes to legislation would be required. Unfortunately for him, the ruling Conservative Party is not keen on rent controls. And understandably so. The age of rent control in Britain, which lasted from 1915 to 1989, was not a glorious one. Some properties had their rents fixed in cash terms from 1939 to 1957, resulting in a real-terms fall of 60%. As landlords' returns dwindled they skimped on repairs and upgrades. Many pulled out of the market. The decision in the late 1980s to liberalise rents breathed life back into the market. In the past 30 years investment in dwellings has risen smartly.

A case can be made that putting limits on rent rises in the capital now would not cause as much damage as it did in the past. With Brexit uncertainty mounting, London's private rents have been flat in nominal terms for a year (and have fallen in real terms). For as long as that trend continues any cap would not be tested.

The details of Mr Khan's policy are not yet clear, but he is unlikely to propose the bluntest sort of rent control, in which clipboard-wielding officials march from property to property and tell landlords how much they are allowed to charge. Labour's nationwide plans offer some clues as to what the mayor might propose to do in London. The party appears to favour allowing landlords to charge whatever they like when a tenancy is newly listed. But landlords would then face tough rules as to how much they could raise rents once a tenancy was under way.

That approach might seem more defensible. A landlord has a degree of market power over a sitting tenant because it is a big hassle for a tenant to move out (it is also a bother for a landlord to lose a tenant, but usually less so). Stopping unscrupulous landlords from levying above-market rent rises on vulnerable tenants is appealing. Yet the problem does not seem widespread. Evidence is sparse but data from 2015 suggest that half of renewing tenants were given the same rent on their new contract.

Were the cap more aggressive, the impact on the market would be larger. Labour envisages increases in line with inflation. Before the Brexit-related slowdown, rents in London rose only slightly faster than prices. But were a wedge to open between market rents and what was permitted, more incumbent tenants would stay put. Landlords, meanwhile, would want them to leave, so might provide a worse service. When possible they might sell up. A recent study of limits on rent increases and evictions in San Francisco found that the policies decreased the supply of rental housing, causing a 5% city-wide rent increase.

There are other ways to help renters. Many have seen their housing costs jump as a result of recent changes to welfare—most notably, a cash-terms freeze on housing benefit that has been in place since 2016. Building more houses would help, too. In 2016-17 Mr Khan exceeded his target for overall housing completions, yet fell well short of the one for "affordable" (ie, state-subsidised) dwellings. Pledges to control rent get the headlines, but the unsexy policies matter a lot more.

This article appeared in the Britain section of the print edition under the headline "Low-rent plan"

A doctor in your pocket

The NHS hopes video consultations are a sign of things to come

But will new technology make GPs more efficient or merely increase demand for their services?

Print edition | Britain Feb 2nd 2019

RESIDENTS OF LONDON, bits of Birmingham and north-west Surrey no longer need to ring up first thing in the morning to nab an appointment with their family doctor. They have access to new digital GP services allowing them to book video consultations with clinicians at short notice. For the moment, video calls represent a tiny fraction of the 307m GP consultations each year. But that is unlikely to remain the case for long. NHS England plans a new GPs' contract giving all patients the right to online and video consultations by 2021.

If all goes to plan, the shift to digital services will go far beyond video consultations. The basic mechanics of primary care are remarkably similar to when the NHS was created in 1948, with GPs the first destination for the ill and gatekeepers to the rest of the service. NHS officials hope that the introduction of digital services will upend the primary-care system by diverting people who do not need care and, where appropriate, treating patients at home.

There are two existing models. Just over a year ago Babylon, a digital-health company, launched GP at Hand, the first online GP service available on the NHS, in London. Around 40,000 patients have deregistered from their previous GP practice to sign up. The service aims to provide video consultations within two hours, and handles prescriptions, tests and inpatient appointments at five London sites if needed. Other GPs grumble that Babylon is stealing their young and healthy patients, funding for whom has historically subsidised the care of older, infirm folk. The new contract is expected to remove some of the financial perks GP at Hand takes advantage of, such as extra funding for patients who work but do not live in London.

The other model is less disruptive. In January Push Doctor, another digital-health firm, signed a deal to provide online services, including video consultations, to 13 GP practices in Birmingham, covering 88,000 people. Last year Livi, a Swedish company, struck a deal with 40 practices in Surrey. In such cases patients will have access to digital services without having to register with a new provider. Livi, part of Europe's biggest digital-health firm, is in talks with dozens more providers, says Luke Buhl-Nielsen, who is in charge of its British operations. Other firms work with GPs to provide services like online triaging and symptom checkers.

Providers of both varieties are busy adding new capabilities to their apps, which is where health wonks hope the big gains will be made. GP at Hand already uses artificial intelligence to assess symptoms via a chatbot (though a recent study in the *Lancet* questioned its effectiveness). The apps can also flag up reminders for the management of long-term conditions and even provide cognitive-behaviour therapy for mental-health conditions, as Livi offers in Sweden. They could provide organisational benefits, too. A shortage of GPs may be eased, since the apps allow doctors to work across the country from one location.

The limited evidence that exists suggests that video consultations are as good as face-to-face meetings for addressing lots of problems, although there is less proof of their ability to reduce workloads, says Harry Evans of the King's Fund, a think-tank. At the moment the faff of visiting a GP helps to ration services. Some worry that greater convenience may result in doctors spending yet more time dealing with the "worried well". In health care, improvements in technology have a funny habit of raising costs.

This article appeared in the Britain section of the print edition under the headline "A doctor in your pocket"

Salmond, hooked

Alex Salmond's sex charges rock the SNP

Scotland's former first minister faces 14 charges, including attempted rape

Print edition | Britain Jan 31st 2019

EPA

EVEN AS IT enters its 12th year in government the Scottish National Party remains popular. Despite the trials of office and the efforts of opposition parties to sink the nationalist project, the SNP has sailed serenely on, polling around 40% while the Conservatives and Labour scrap it out in the 20s. At around the same point in its life-cycle the New Labour government, that other election-winning behemoth, was sometimes slipping into third behind the Lib Dems.

But the SNP's smooth progress has hit an iceberg. On January 24th Alex Salmond, the party's 64-year-old former leader, who from 2007 to 2014 was Scotland's first minister, was charged with nine sexual assaults, two attempted rapes, two indecent assaults and one breach of the peace. He denies them all.

Mr Salmond is the most important figure in the SNP's history. He took the party into government and led it to an unexpectedly close 55%-45% defeat in the independence referendum of 2014. His successor as leader and first minister, Nicola Sturgeon, has long described him as her mentor and friend.

That relationship now looks wrecked. When two female civil servants made allegations against Mr Salmond last year, the Scottish government began an investigation, after which the police were called in. Mr Salmond is said to feel betrayed by his protégée; Ms Sturgeon's aides accuse his team of smearing her.

The wider consequences could be significant. Ms Sturgeon insists her timetable for calling another independence referendum is unchanged, and that she will set out her plans before Brexit, due on March 29th. But it is hard to see how the SNP could mount an independence campaign with the charges against Mr Salmond in the air. Much depends on the outcome of his case.

Further, Ms Sturgeon is herself in hot water. She had five private conversations with Mr Salmond during her government's investigation, including two at her home. It took her two months to report them to civil servants. An inquiry is considering whether she breached the ministerial code. More may follow.

The next election to the Holyrood parliament is due in May 2021. Few have been predicting a change at the top. The SNP has avoided the ideological extremes of the two big British parties and kept its dignity amid the Brexit chaos that reigns elsewhere. Yet the party's reputation for competence has taken a knock. Its claim to an uncommon level of unity has been blown apart. Its progressive credentials—Ms Sturgeon has promoted women and policies like expanded childcare—are under a shadow. Whatever the result of the Salmond case, some voters may reach a new verdict on the SNP.

This article appeared in the Britain section of the print edition under the headline "Salmond, hooked"

Bagehot

Jeremy Corbyn is having a bad Brexit

The issue is driving a wedge between Labour's leader and his activists

Print edition | Britain Feb 2nd 2019

THERESA MAY'S slow progress through the great mangle of Brexit has been so gruesome that it has distracted attention from another political flattening: that of Jeremy Corbyn. The leader of the opposition put in another fumbling performance in the House of Commons this week in proposing that the government should be forced to put off Britain's departure from the European Union if it doesn't reach a deal. But lacklustre rhetoric and a feeble grasp of detail mark only the beginning of his problems.

The Labour Party is even more divided over Brexit than the Conservatives. Most Labour members disagree with their party's official support for leaving, whereas most Tory party members support their party's position. Mr Corbyn is much farther away from his party's centre of gravity than Theresa May is from hers. He is a long-standing Eurosceptic who believes that the EU is a capitalist club that stands in the way of building his socialist Jerusalem. He voted against Britain's membership in 1975, opposed the single market in the 1980s and only pretended to campaign for Remain in the referendum of 2016. He is surrounded by an inner circle of Eurosceptic advisers who do their best to steer a Europhile party in a Eurosceptic direction.

Mr Corbyn has tried to manage these contradictions by resorting to grand banalities. He has claimed that Labour supports a "jobs-first Brexit" that will magically provide all the benefits of Brexit with none of the costs. He has headed off calls for a second referendum by saying that he wants a general election instead. That strategy is wearing thin. With Brexit less than two months away, Mr Corbyn is being forced to make real and urgent decisions. This week he lent his support to Yvette Cooper's amendment requiring the government to delay Brexit if Parliament hasn't agreed on a deal by a certain date (the measure failed, in part because Mr Corbyn's backing was so late and his advocacy so feeble).

Brexit is driving a wedge between Mr Corbyn and his activist fans. Most activists are even more Europhile than the membership in general, particularly the young idealists who flooded into the party from 2015 onwards. Corbynmania is not dead: many activists claim that they forgive their idol his unfortunate views on Europe. But it is hard not to lose some of your enthusiasm when you disagree with your leader on the most important issue of the day. For example, 79% of party members support having another vote on Brexit, whereas Mr Corbyn has done everything in his power to prevent that from happening. Party membership is drifting down and polls show Labour failing to overtake the floundering Tories.

Brexit is wreaking havoc with Mr Corbyn's plan to turn Labour into a mass movement as well as a parliamentary party. The lefties demonstrating on the streets these days are calling for Britain to remain in the EU, not for the abolition of capitalism. Brexit is also dividing the left. Mr Corbyn rose to power by uniting the broad left against the Blairite right. The 69-year-old looked as if he was a prophet of a progressive future while the middle-aged Blairites looked as if they were locked in a neo-liberal past. Now he is splitting the left between Europhobes and Europhiles (even his long-term ally and shadow chancellor, John McDonnell, is distancing himself from Mr Corbyn's Euroscepticism) and allowing Blairites such as Ms Cooper to rebrand themselves as champions of an open future.

Above all, Brexit is forcing Mr Corbyn to fight on uncongenial terrain. He takes every opportunity he can to change the topic back to his old favourites: the evils of greedy bosses and the ravages of austerity. The only time he comes alive in prime minister's questions is when he is talking about victims of the government's cuts. But his words keep falling on deaf ears.

Mr Corbyn's response is to shout louder. He is convinced that Brexit is not a "productive antagonism" for the left, as one aide puts it, and that the best way to deal with it is to shift the subject back to the antagonisms that have defined his career. History has other plans. Growing psephological evidence suggests that Brexit is profoundly reshaping British political allegiances. Voters are increasingly defining themselves by where they stand on Brexit rather than by where they stand on old-fashioned politics. Geoff Evans and Florian Scheffner note that only 6% of Britons do not identify with either Leave or Remain, whereas 22% do not identify with a party. Tim Bale, another academic, notes that 61% of Labour members think Brexit is the biggest issue facing the country, versus just 9% who plump for the next-biggest, health and the environment.

The turn of the screw

Mr Corbyn's contortions over Brexit are forcing his supporters to rethink their idea that he is a man of principle. He seems almost Clintonian in his willingness to triangulate on all things Brexitrelated, embracing vague formulae so he can appease both Leavers and Remainers, and indulging in procedural prevarication in order to avoid making difficult decisions. At the same time, his manifold confusions over Brexit, in interviews and at the dispatch box, are reinforcing his critics' worries that he is not up to the job of taking real decisions. He often seems to be confused about basic questions such as what a customs union means, let alone the details of complicated negotiations.

The biggest danger for Mr Corbyn is that he will be defined by history as a handmaiden of Brexit if he doesn't get off the fence and try to prevent it. One prominent Labour Remainer says that he and his friends will do everything in their power to brand Mr Corbyn as a latter-day Ramsay MacDonald, the Labour prime minister who was expelled from his party after he agreed to lead the Conservative-dominated National Government in 1931. Given Mr Corbyn's irritating habit, throughout his long life in politics, of demonising anybody to his right in the party as a traitor to the true cause, it would be a delicious irony if he went down in history as Ramsay MacCorbyn, the enabler of the most dastardly Tory project since Thatcherism. Brexit has done stranger things.

This article appeared in the Britain section of the print edition under the headline "Through the mangle"

Demography
A school for small families

A school for small families

Thanks to education, global fertility could fall faster than expected

The world's population in 2100 could be no higher than it is today

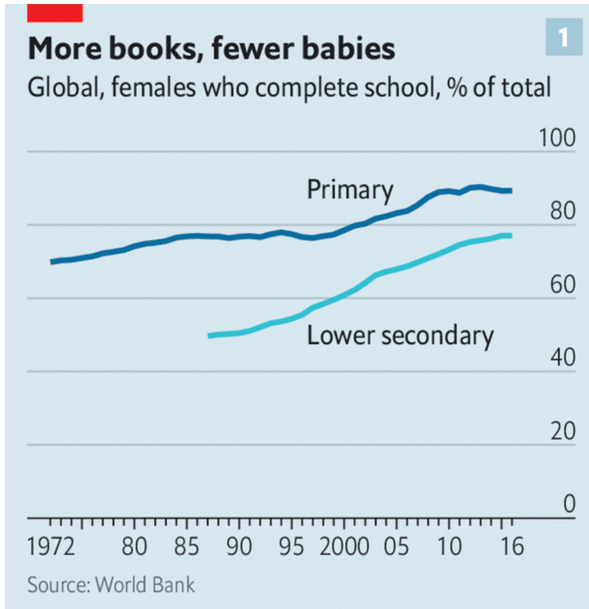
Print edition | International Feb 2nd 2019

THE AVERAGE woman in Niger has seven children. The average South Korean has barely one. The future size of the world's population depends largely on how quickly child-bearing habits in places like Niger become more like those in South Korea. If women in high-fertility countries keep having lots of babies, the number of people will keep swelling. The sooner they curb their fecundity, the sooner it will peak and start falling.

The UN projects that fertility will fall gradually and that lifespans will increase, so the world's population will rise from 7.7bn today to 11.2bn by 2100. (This is its best estimate; the UN says it is 95% confident that the true figure will lie between 9.6bn and 13.2bn.) Opinions are divided over the effects of such growth. For some, a more crowded planet will be an environmental disaster. For others, those billions of extra brains will help humanity devise ever more cunning solutions to its problems.

But what if the projection is wrong? Some demographers argue that the UN underestimates how fast fertility will decline. It has already tumbled dramatically. Data from before the Industrial Revolution are spotty but evidence from countries that kept good records, such as America, suggests that a typical woman had seven or more children. By 1960 the global fertility rate had fallen to five. Today it is 2.4. This is only just above the "replacement rate" of 2.1, at which the population remains stable, with each generation replacing itself but no more. (The rate is more than two because not every baby grows up to be able to have children.)

Nearly all rich countries have sub-replacement fertility rates: the OECD average is 1.7. Middle-income countries are close, at 2.3. Only in poor countries is fertility still high enough to fuel rapid population growth. In sub-Saharan Africa it is 4.8; in "heavily indebted poor countries" (as the World Bank calls them) it is 4.9. Pre-industrial fertility rates persist only in the poorest parts of the poorest countries.

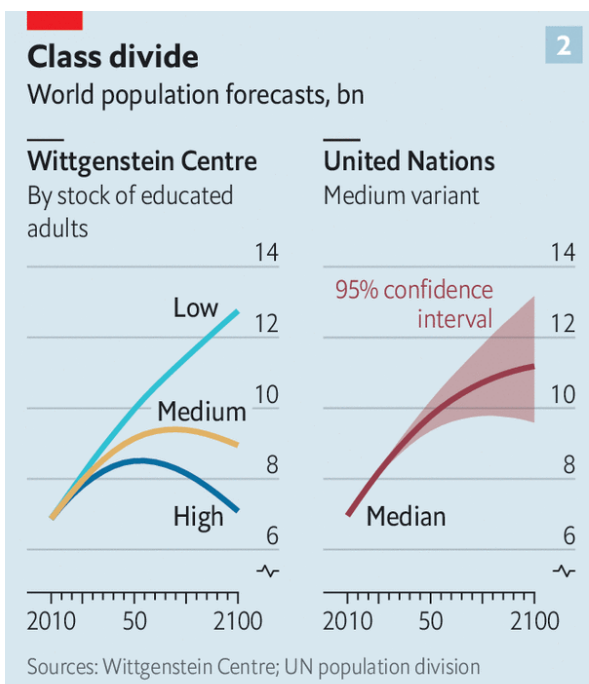


The Economist

The decline in fertility in Africa was recently smaller than expected. If this is a long-term trend rather than a blip, then the world's future population will be much larger than today's. But Wolfgang Lutz, a demographer at the International Institute for Applied Systems Analysis in Austria, argues that it is indeed a blip. It happened because spending on education stalled during the 1990s. Many women born around 1980 received less education than the previous generation. The UN extrapolates from past trends, so the stalling in Africa makes its model predict higher fertility far into the future. However, the decline in education has reversed. The long-term trend is for ever more women to complete a basic education (see chart 1). After a lag (since schooling starts several years before puberty), this should allow fertility to resume its downward slide.

Educated guesses

Models that take education into account produce wildly different projections. Mr Lutz and his team have produced a range. If progress in education and other social indicators stalls, the global population will be 12bn by 2100. If current progress continues, it will peak at 9.4bn in 2075 and then fall to 8.9bn by 2100. If progress is a bit brisker, the world's population will peak at around 9bn and decline back to 7bn—today's level—by 2100 (see chart 2). These estimates are based on three scenarios devised by climate-change wonks. Both the medium and optimistic ones are significantly lower than the UN's 95% confidence range. To assess whether this is plausible, it is important to understand why some women have lots of children and others very few. A good way to start is to ask them.



The Economist

Oumou Nyero lives in Torodi, a rustic district in Niger. She has had eight children, one of whom died. Though tragic, this is not unusual in rural Niger, where nearly one child in six dies before the age of five. Ms Nyero is 43 and assumes that her child-bearing days are over, unless God wills it. She is Muslim, conservative and veiled. Yet she is happy to discuss procreation, smiling and giggling as she does so. Giving birth eight times was not easy. Asked if any of her children were twins, Ms Nyero grins, raises her forefinger and says: "No. One. One. One. One." At every "one" she waves her finger around and puffs out her face to emphasise how hard it was.

She is intensely proud of her brood—three surviving boys and four girls, aged between two and 21, and delighted that there are so many of them. "It is very, very important to have children," she says, sitting on a wicker chair in the shade of a dusty tree.

Ms Nyero's view is typical for someone in her circumstances, and perfectly rational. Her family are poor and rural. Her husband is a small farmer, one of the most precarious jobs in the world. She works for five hours a day selling millet snacks by the side of the road. Having lots of children is an investment that pays off quickly. From a young age, her brood can help in the fields, gather wood, fetch water and do all kinds of odd jobs to eke out the family budget. A local proverb sums it up: "A child comes with two hands and only one mouth."

Having a large family is also an insurance policy. Some may die, others may turn out to be feckless. "It is better to have many children, because you cannot tell if you will need them or not," says Ms Nyero. In the absence of a public safety-net, "children will take care of you in old age."

There are intangible benefits, too. For a woman, "it raises your value if you have more [children]," says Ms Nyero. "If you have many, even the friends of your children pay you respect." By contrast, a failure to breed carries a social stigma. In rural Niger, a woman is not considered an adult unless she has children, observes Alison Heller of the University of Maryland, the author of "Fistula Politics: Birthing Injuries and the Quest for Continence in Niger". In parts of the country, women whose children all die are known as *wabi*, meaning a tree whose fruit falls off without ripening.

Married men in Niger say they want, on average, 12 children. Asked if her husband would like more, Ms Nyero says: "Yes, of course." She adds: "If he had money, he would marry more wives and have more children. But he hasn't got money. So, he has to stick to one wife."

Ms Nyero adds with a chuckle that she pities childless people, such as the correspondent from *The Economist* interviewing her. Her approach to child-rearing is loving, fatalistic and far removed from the "helicopter parenting" so common in rich countries. Asked where her two-year-old son is, she grins nonchalantly and looks around the yard. "He was around playing here, but he has wandered off into the fields," she shrugs.

Non-productive cost-centres

For people in rich countries, the economics of child-rearing are different. Rather than start earning at the age of five, the little darlings consume huge amounts of time, resources and parental attention for at least the first 18 years, and possibly far longer. Instead of putting them to work in the fields, their parents try to cram them with education, hoping they will get into a good university and eventually land a good job. All this is costly, so they can afford to do it only once or twice.

Chung Yeon-jeong lives in Seoul, the bustling capital of South Korea. She works as a translator for a small pharmaceutical company, but is currently on maternity leave. She is still 34, the age at which she had her one child, a boy, and one at which women in Niger are quite likely to be grandmothers. (The median age at which to have one's first baby in Niger is 18.)

She is vastly richer than Ms Nyero, but finds even one child a financial strain. She moved in with her parents elsewhere in the country for five months after the birth, because she and her husband could not afford an apartment big enough for three in Seoul, where the average home costs $640,000. "We lived in a small studio flat, which was just about fine for the two of us, but it would have been miserable raising a child there," she says. Raising seven children in a mudbrick home with no running water, as Ms Nyero does, is hard to imagine.

Whereas people who are hungry think only of food, those with full fridges crave less tangible things: a fulfilling career, a spouse who is also a soulmate, quality time with each individual child. Ms Nyero never so much as mentions any of these first-world luxuries. For Ms Chung they are important—but also hard to combine with having lots of children.

Having her parents to help was great, she says, but in other ways it was a tough time. Her husband worked in Seoul and came to see them only at weekends. "The idea was that he would spend time with our son or with me when he came, but sometimes he'd just sit in his room and work, so I didn't get to spend any time with him, or even have any time to myself, because I had to look after the baby."

Ms Chung has now moved back to Seoul. Her husband has found a new job with a broadcasting company that lets him get home at a reasonable hour every night. This is unusual in South Korea, where male white-collar workers are expected to put in punishing hours and then go drinking with colleagues. The husbands of Ms Chung's friends are rarely home before midnight.

The pressure on South Korean mothers is unusually intense. Their bosses often assume that they will quit. Employers are legally obliged to offer 12 months of maternity leave, but often find ways to avoid it, complains Ms Chung. The average Korean husband does far less child care or housework than his Western peer.

Moreover, the competition to get one's children into the right university is ferocious. Families spend a fortune on cram schools, despite attempts by the government to restrict them. Mothers spend hours nagging their children to study and preparing snacks so they can stay longer in the library. Ms Chung wants her son to have the best education possible, which will be horribly expensive. She would like more children but doubts that would be compatible with her desire to go back to work. Also, if she had several kids she could not afford to educate them properly, she says.

Some young South Korean women go further, and say that even one child is too many. "I look at my mother and how she's sacrificed everything and people don't even notice. I don't want my life to be like that," says a 22-year-old student in Seoul.

South Korea is an extreme example, but women in other rich countries make the same basic calculation. Instead of starting to have babies shortly after they reach puberty, as women have done throughout history, they postpone motherhood until they have spent years in education and then established themselves in a career. If they have children, they typically have only one or two, because giving them the best start in life is expensive. They assume, with good cause, that none of their offspring will die young.

Women in middle-income countries (ie, most women) behave a lot like women in rich countries, which is why their fertility rate is but a whisker above the replacement level. In China, the norm of having just one child has become so ingrained since the one-child policy was introduced in 1979 that even after its progressive relaxation in recent years, the birth rate has continued to fall. Officially, the fertility rate is 1.6, but some demographers suspect it is actually lower. In India, which is far poorer, the rate is nonetheless only 2.3.

Stuck in the middle with two

It is unlikely that the trend towards lower fertility will reverse. "Once having one or two children becomes the norm, it stays the norm," write Darrell Bricker and John Ibbitson in "Empty Planet: The Shock of Global Population Decline". "Couples no longer see having children as a duty...to their families or their god. Rather, they choose to raise a child as an act of personal fulfilment. And they are quickly fulfilled."

The big question-mark hangs over women in poor, high-fertility countries. By 2025 only 1% will live in places where the fertility rate is above 5.0; however, a hefty 32% will live in places where it is between 2.1 and 5.0, predicts the UN. Some people argue that having big families is part of the culture of such places and unlikely to change. Many locals would agree, and their religious leaders would add that God wants them to multiply. But a similar "cultural" preference for large families once prevailed almost everywhere and has changed beyond recognition. So there is no reason to assume that it is immutable.

Others assume that the important factor is the availability of contraception. However, using household surveys in Africa, Mr Lutz found that less than a tenth of women who researchers thought might need birth control cited cost or lack of access as reasons for not using it. The main reasons were lack of knowledge, misplaced fear of health risks and opposition to family planning. None of these things can be changed by handing out free condoms. All require a change of mindset. (Or, in some cases, contraception that a woman can use without her husband knowing.)

Several factors correlate strongly with smaller families. One, as mentioned, is income. Another is urbanisation. Probably the most important, however, is educating girls. The more years they spend in school, the fewer babies they have.

This is hard to disentangle from the other two—richer countries tend to be more urban and to educate girls better. And it is theoretically possible that causality could flow the other way—women who get pregnant as teenagers may be forced to drop out of school. But this effect is likely to be small. When researchers look only at the education that girls receive before they become sexually mature, they still find that more years in school means fewer babies later in life. That suggests that learning reduces fertility, not the other way round.

A truckload of academic studies supports this argument. Education reduces fertility by giving women other options. It increases their chances of finding paid work. It reduces their economic dependence on their husbands, making it easier to refuse to have more children even if he wants them. It equips them with the mental tools and self-confidence to question traditional norms, such as having as many children as possible. It makes it more likely that they will understand, and use, contraception. It transforms their ambitions for their own children—and thus the number that they choose to have.

Education also takes a long time. A woman who studies until she is 25 and then spends ten years building a career has just a few years left to get pregnant before she no longer can. Technology may someday remove this constraint, but for now it is hard to have eight children unless, like Ms Nyero, you start early.


Francesco Ciccolella

The difference that education makes is especially notable in countries where fertility has only just started to fall. In Ethiopia, for example, a household survey in 2005 found that the fertility rate for women with no formal schooling was 6.1; for women with secondary education or more, it was only 2.0. Educating girls better is one of the few goals that nearly every government agrees is important. So it would be surprising if the girls of the future were worse educated than today's. The proportion worldwide who complete primary school has risen from 76% in 1997 to 90%. The last mile may be the hardest, but there is no doubt what parents and voters want.

A transition that took 200 years in the West, from seven children to two, can now take place astonishingly fast. When rural folk move to the city, it can happen in a single generation. Consider Dorothy Achieng, a 29-year-old receptionist at an accountancy firm in Nairobi. Her mother had eight children, one of whom died. Dorothy has two. Whereas her mother could barely read and put her older children to work on a small family farm, Ms Achieng hopes to keep hers in school.

Ms Achieng is typical of those who move from the countryside to the city. The rural fertility rate in Kenya is 4.5; the urban one, 3.1. Most of Ms Achieng's friends, like her, have far fewer children than their parents did. No one she knows has seven or eight children.

Although she lives in a slum and has no running water in her modest two-room flat, Ms Achieng is part of the aspiring middle class. Indeed, on her salary of just $200 a month, she pays for a private school that costs $50 per child, per term. It is a strain, but she thinks it is worth it. She does not plan to have more children. If she did, she says, she could not "give them the best".

Asked what they want to be when they grow up, her two boys stop whizzing around her flat in pursuit of a remote controlled car. "A doctor," says Crispian, who is nine. Lennox-Lewis, aged seven, chimes in: "And I want to be a lawyer."

This article appeared in the International section of the print edition under the headline "A school for small families"

COFCO International
Feeding the dragon

Feeding the dragon

A Chinese state-backed giant's rapid rise in global trading of food

Four-year-old COFCO International is already rivalling Western giants

Print edition | Business Feb 2nd 2019

THE WORLD of grain trading is a gerontocracy. The four giant firms that dominate global agricultural flows—ADM, Bunge, Cargill and Louis Dreyfus, collectively known as the ABCDs—were all founded over a century ago. Their age is an edge: their unique networks of silos, ports, ships and farmer relationships, built over decades, make them indispensable middlemen. But a toddler from China is threatening to put a pitchfork in the works. COFCO International (CIL), the overseas trading arm of China's state-owned food and oil giant, wants to "become a true global agribusiness", says Chi Jingtao, its chairman. It is barely four years old.

Mr Chi's aims are not only commercial but strategic. China does not have enough arable land to feed its 1.4bn people. As a rising middle class consumes more meat, that gap worsens, for animal feed is mostly made of grain. One solution from the government has been to buy farmland abroad. Chinese firms have done so in more than 30 countries—China is the largest foreign owner of agricultural land in Australia, for example. But the government soon realised that export bans could render its acquisitions useless, and host countries tightened rules on foreign investment.

Instead, China's leadership is seeking to establish a position in global trading of foodstuffs by building China's own champion, CIL, founded in 2014 as an offshoot of state-owned COFCO Group. In that same year China abandoned its official goal of being self-sufficient in soyabeans, indicating that it was prepared to rely on global suppliers for some staples. CIL's main task is to help China source crops directly from overseas farmers. COFCO had done that as the main Chinese importer of global foodstuffs. But managing the domestic market was its focus, whereas CIL's remit is global. There are profits to be made, too, from taking a margin on food imports that have soared 12-fold since 2000, to $117bn in 2017.

CIL's first steps were awkward; it began by buying Nidera of the Netherlands and Hong Kong-based Noble Agri, two traders with a strong presence in South America, for inflated prices. It then neglected to integrate them, and both kept undercutting each other. Then a $200m unauthorised trading loss was found on Nidera's biofuel desk, followed by a $150m hole in the accounts of its Latin American division. Rivals "thought it hilarious" that the Chinese newbie seemed so clueless, says Jonathan Kingsman, a commodities expert and former Cargill employee.

No one is laughing now. CIL already earns $34bn in revenue—four-fifths that of Louis Dreyfus, the smallest ABCD. It shifts 105m tons of grain, oilseeds and sugar a year, a volume roughly equal to America's entire production of soyabeans. CIL wants to be far more than China's procurement platform. Already China accounts for less than half of its sales.

CIL is selling to more than 50 countries, focusing on Europe, the Black Sea and Latin America. Like the ABCDs, it has invested in massive silos, transport links and processing facilities. It is the fourth-largest soya exporter in Brazil. Latin America remains its most important region for sourcing, but it is also creating export routes from North America and the Black Sea.

Grain drain

The speed of its turnaround has caught the industry off guard. In the first half of 2018, CIL reportedly made trading losses of $122m because of wrong-way bets on agricultural markets. It also went through painful staff cuts and a long shutdown at a key port and processing plant. But "the company is probably in much better shape than it seems from the outside", says Sönke Lorenz of BCG, a consultancy. The trade war has further convinced China of the merchant's vital role. Last July, China responded to American tariffs on its goods by slapping high duties on American soyabeans, making it too expensive to buy them. This forced China to find a new source for one-third of its $40bn yearly needs—totalling 33m tonnes or four times what all of Southeast Asia consumes. CIL did much of the work by finding new suppliers in Brazil.

Mr Chi claims that 2019 should be a pivotal year. Last year, after integrating Noble and Nidera in 2017, CIL also had to deal with operational problems from the mergers, fallout from the trade war between America and China and severe droughts in Argentina. But the firm is at last in a position "to embrace growth and development", the chairman argues. He notes that CIL achieved profitability last year "for the first time in history" (it does not disclose figures). It will invest in sourcing more grain directly from the world's breadbaskets, including Russia, Argentina and North America, and it will search for new customers in Europe, the Middle East and South-East Asia, including state-owned entities such as wheat boards, local traders and food processors. CIL's strategy, summarises Mr Chi, "is to leverage our strong presence in China to grow our global business".

The first element is already under way. In December the firm appointed Dong Wei, a 25-year veteran of COFCO Group, as chief executive. Mr Dong is an expert in the procurement and processing of soyabeans—a good fit for CIL. "His arrival will facilitate the integration of our domestic and international business," explains Mr Chi.

What worries CIL's big rivals is that the firm's efforts to dominate direct access to China's vast market of consumers for grain—both for strategic and business reasons—could have the side-effect of locking them out. For now, they have a prized direct relationship with COFCO Group and with other Chinese food manufacturers. "CIL could become an unavoidable middleman," says Jean-François Lambert, a consultant and former head of commodity finance at HSBC, a bank.

The ABCDs can take comfort that their position is still robust. In the markets that count, such as America and Russia, much of the infrastructure used to store, process and ship grain belongs to the established firms. "It's very difficult, if not impossible, to become an ABCD without purchasing an ABCD," argues Jay O'Neil of Kansas State University. That may be true in the short term. Two members of the club are private, and ADM, the largest of their two listed peers, is nearly twice as big as CIL, so would be hard to swallow. Bunge, an American firm that is the weakest of the bunch, may be a good target, but America's Committee on Foreign Investment in the United States would probably block a Chinese bid.

Still, CIL could seek to form alliances with peers to penetrate specific markets. Mr Lambert also suspects the firm could seek to buy a chunk of Louis Dreyfus. (Its owner took a large loan to buy out other shareholders late last year).

CIL must also contend with the fact that its entry into the bulk-commodity trade comes when the activity is hardly profitable. Digitalisation and competition have destroyed margins. The savviest traders are shifting towards value-added products: Cargill makes most of its money from making animal feed and proteins; ADM has carved a niche in food ingredients such as sweeteners and colouring. CIL needs to master the basic activities first. "This is a young company", Valmor Schaffer, CIL's Brazil chief, said in November. "At this moment we have other priorities."

That highlights a dilemma for the firm. CIL's primary objective remains "feeding the dragon", as Mr Lorenz puts it, so it may be ready to accept far lower profits than peers. If the going gets tough, it could also tap the government for cheap back-up capital, insiders suspect.

But the company cannot entirely disregard its bottom line. While state-owned entities own most of CIL, minority shareholders include Singapore's Temasek, the World Bank's private investment arm and Standard Chartered, a British bank. These took a stake in 2014, when the trader bought Nidera, and all expect a good return. Such pressure is unlikely to abate. Mr Chi says CIL could seek to raise more capital to fund its expansion: "Going public is a direction CIL is going to take." When that might happen is a decision for shareholders to make, but an IPO would entail more scrutiny of the company's results.

CIL's game may be a longer one. Trading is an information war: superior insights on global production, prices, inventories and shipping capacity are the sinews of merchants' profit. Incumbents know this. Cargill in 2017 invested in a startup that analyses satellite images to forecast crop yields. As CIL tightens its grip over China's food market, the world's largest, its edge could become unmatchable. "Everything starts and ends with Chinese demand," says a former ABCD executive. "Understand what the biggest national buyer is doing, and you control the trading game."

This article appeared in the Business section of the print edition under the headline "Feeding the dragon"

Weighing on Huawei

America unseals its indictment against Huawei

The Chinese giant is accused of rewarding trade-secret pilferers on its staff

Print edition | Business Jan 31st 2019

IN A CIVIL lawsuit in 2017 an employee of Huawei, a Chinese telecoms giant, was found to have swiped one of the arms of Tappy, a phone-testing robot owned by T-Mobile, an American wireless carrier, and with it the smart proprietary technology in its fingertip. A jury in Seattle ordered Huawei to pay compensation of $4.8m to T-Mobile. The court found, however, “neither damage, unjust enrichment nor wilful and malicious conduct by Huawei”.

This week the Chinese company reminded the world of that verdict in its public response to a sweeping set of fresh allegations against it by America’s Department of Justice. The charges include obstruction of justice—and technology theft, as Tappy becomes the subject of a new criminal case. Huawei was also accused of defrauding four big banks (one of which is known to be HSBC) into clearing transactions that violated international sanctions on Iran. This was why Canadian police arrested Meng Wanzhou, the company’s chief financial officer, on December 1st, on behalf of the American authorities. On January 28th they made a formal request for her extradition. Canada’s Department of Justice now has 30 days to consider whether to formally commence the extradition process.

Huawei said that it had not committed “any of the asserted violations” and repeated that it was “not aware of any wrongdoing by Ms Meng”. Among the charges unsealed thus far, Tappy is the only direct evidence of intellectual-property theft. And none suggests that America has any concrete evidence to confirm its gravest suspicions: that Chinese spooks use Huawei gear to listen in, or that it has ties to the People’s Liberation Army (for which its founder and chief executive, Ren Zhengfei, once worked as an engineer), as has long been rumoured.

The fact that events over a decade old are only now being used to bring charges has also raised some eyebrows. They include the questioning of Mr Ren by FBI agents in 2007, in which he is alleged to have misled investigators by saying that Huawei did not conduct activity that violated American export laws. In a statement on Monday the FBI made the leap from trade-secret theft to telecom-infrastructure threat, stating that “the prosperity that drives [America’s] economic security is inherently linked to our national security”. China’s foreign ministry predictably railed against America’s “strong political motives and manipulations”.

The indictments are explosive. Huawei is alleged to have awarded bonuses to staff based on the value of information they filched from competitors, as revealed in internal emails written in 2013, obtained by the FBI. Speculation swirled that prosecutors might have secretly indicted Mr Ren as well; America’s acting attorney-general, Matthew Whitaker, said Huawei’s criminal activity went “all the way to the top of the company”. In one of the indictments, some defendants’ names have been blacked out.

And if America is able to prove a simple case of trade-secret theft and bank fraud, Huawei will have plenty to fret about. A bipartisan bill introduced in Congress a few weeks ago would, if passed, systematically ban the sale of American tech to any Chinese firm found to have violated export-control laws or sanctions. When ZTE, a Chinese peer, was hit with such a ban last April, only a surprise reprieve from President Donald Trump three months later saved it from collapse. In October Fujian Jinhua, a state-owned chipmaker, was hit with an export ban for posing a "significant risk" to American national security; it is soon expected to suspend all operations.

The threat of a similar ban is Huawei's greatest fear. "Any relief for the Chinese national champion will likely come at a steep price," writes Dan Wang of Gavekal Dragonomics, a research firm. Huawei could perhaps dodge such a ban by paying a fat fine and allowing Americans to monitor it from the inside (a demand to which ZTE yielded last year). The big American suppliers that sell so much of their gear to Huawei, including Qualcomm, Intel and Seagate, would also rather see it more leniently treated. But for now, at least, America seems determined to press on, not settle.

Correction (31st January 2019): *This article has been changed to make clear that Canada's Department of Justice has 30 days to consider whether to commence the extradition process. It originally stated that Canada has 30 days to respond.*

This article appeared in the Business section of the print edition under the headline "Weighing on Huawei"

Bartleby

The two tribes of working life

Those who love networking and those who want to be left alone

Print edition | Business Jan 31st 2019

PERHAPS THEY are two of the most welcome words in the English language: "Meeting cancelled". When they cropped up in Bartleby's message the other day, he experienced a brief moment of elation. In truth, the meeting turned out only to be postponed for two weeks, but procrastination is an underappreciated pleasure.

Workers, and possibly all people, can be divided into two groups. Those who like to be involved in everything and can be dubbed "FOMOs" because they suffer from a "fear of missing out". And then there are those who would ideally want to be left to get on with their own particular work, without distraction—the "JOMOs" (joy of missing out).

When *The Economist* moved offices in London in 2017, the new building came with a set of meeting spaces. As was inevitable, there are a lot more meetings. It is hard to walk by these gatherings without wondering who these people are and what they are doing. (It mostly seems to involve them gazing earnestly at a projection of a computer screen). Never once has Bartleby, who was born under the sign of JOMO, wanted to join one of the groups.

Readers will instantly know their tribe. If the boss announces a new project, do you immediately volunteer, thinking this will be a great chance to prove your skills? If so, you are a FOMO. Or do you foresee the hassle involved, the likely failure of the project, and the weekend emails from all the FOMOs wanting to spend less time with their families? Then you are a certified JOMO.

Another test is technology. FOMOs are early adopters, snapping up the latest gadgets and sending documents to colleagues via the latest file-sharing programme. JOMOs tend to believe that any tech upgrade will be initially troublesome and wonder why on earth their colleagues can't send the document as a PDF.

FOMOs relish the chance to take part in a videoconference call so that they can share fully in the dynamics of the meeting and not miss any clues about the participants' long-term agenda. JOMOs deeply resent the video element, which prevents them from checking their emails or playing solitaire while Ted drones on about budgets for 20 minutes.

Networking events are the kind of thing that gets FOMOs excited as a chance to exchange ideas and make contacts. When JOMOs hear the word "networking", they reach for their noise-cancelling headphones. For them, being made to attend an industry cocktail party is rather like being obliged to attend the wedding of someone they barely know; an extended session of social purgatory.

Similarly, FOMOs see a breakfast meeting as a chance to start the day on a positive note. They would hate to turn one down in case they lost business, or the chance of career advancement. JOMOs resent setting their alarm earlier and would rather breakfast at their kitchen table, grumbling about the news headlines to their spouse. If it is a work meeting, then hold it during working hours.

As for business travel, FOMOs can't wait to experience the delight of overseas conferences and visiting new places. It will all look good on their curriculum vitae. JOMOs know that such travel involves cramped airline seats, jet lag and a long shuffle through immigration. The final destination tends not to be some exotic location but an identikit conference centre or hotel that they forget five minutes after they have departed.

JOMOs recognise that they have to attend some meetings and go on trips to get their work done. But they regard such things as a penance not a privilege. Something useful may come out of it, but best not to get their hopes up.

It might seem obvious that employers should look to hire FOMOs, not their opposites. After all, in a company full of JOMOS, sales might suffer and there would be little innovation. But while FOMOs are racing from meeting to networking event, you need a few JOMOs to be doing actual work. If FOMOs are like dogs, barking excitedly and chasing their own tails, JOMOS are more feline. They will spring into action if a mouse is in the vicinity but, in the meantime, they are content to sit by the fire.

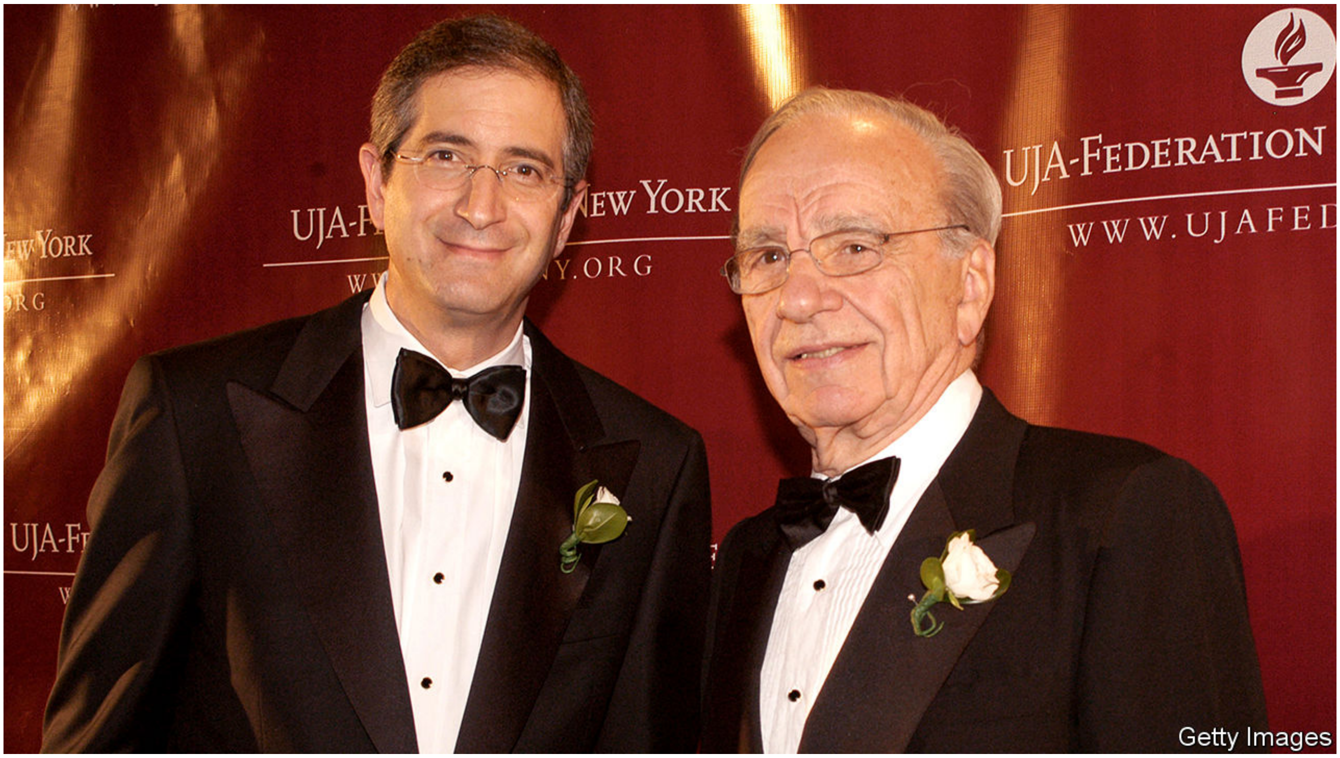
The other reason why depending on FOMOs is dangerous is that they are naturally restless. JOMOS will be loyal, for fear of ending up with a worse employer. But FOMOs may think that working for one company means they are missing out on better conditions at another. That is the point of most networking, after all.

Dish of the day

Has Comcast bet against technology?

Sceptics of its Sky deal abound, but its boss has often wrongfooted critics

Print edition | Business Feb 2nd 2019



IN FORGING HIS media empire Rupert Murdoch never worried much about whether he was spending too much money. He thought it mattered more what businesses he was building. Such as, in 1989, a cash-haemorrhaging satellite broadcaster in Britain called Sky Television. Decades later Brian Roberts, chief executive of Comcast, an American pay-TV giant, proved Mr Murdoch right again. In October he completed a deal to buy Sky, a successor to Sky Television, for £30.6bn ($40bn).

Mr Roberts is also testing the wisdom of profligate spending with his deal. In buying Sky he is taking Comcast into Britain, Italy and Germany, adding 24m customers and $20bn a year in revenue (including Sky, Comcast has a total of 54m customers and $110bn in annual revenues). Critics say he massively overpaid for an antiquated technology at a time when internet video is the future. Four months on Mr Roberts has not articulated a grand strategy for the purchase. Comcast's shares are trading at over 10% below what even some bears think is their fair value.

Investors may be discounting Mr Roberts too steeply. He has a similar record to Mr Murdoch of striking expensive deals that later look astute. First, he made a modest regional cable business he took over from his father, Ralph, into a media behemoth. In 2002 Comcast took over AT&T's broadband business and improved its margins. Then came his acquisition of NBCUniversal, a TV network and film studio, at a valuation of $30bn, which some analysts found laughably high. Now it could not be had for twice that price.

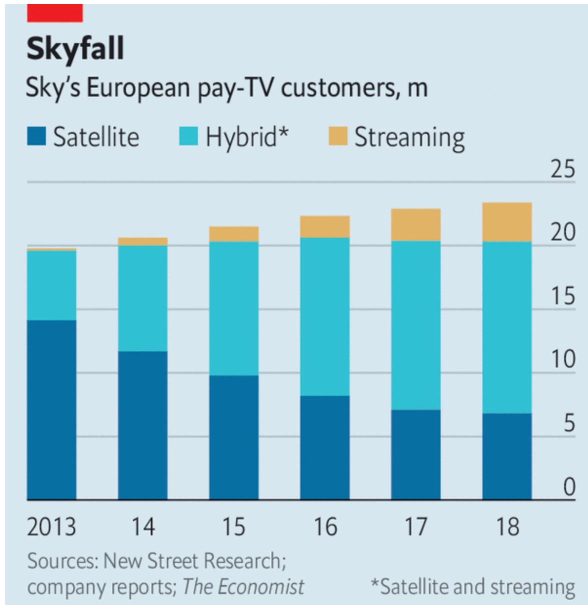
Mr Roberts has bought Sky for a hefty premium over what Sky's management team recently deemed it to be worth: in December 2016 they agreed to sell to Mr Murdoch's Fox, a minority stakeholder, for £10.75 a share. Comcast paid £17.28, about 10% more than the final bid from Fox (which was backed by Disney, which is acquiring much of Fox). Yet Mr Roberts has become even more confident that his purchase of Sky is a good decision. "I believe we have more long-term opportunities than we originally conceived," he says.

The bears think Mr Roberts is wrong for several reasons. The most obvious is the continuing ascent of Netflix, which gives customers in Europe a cheaper option for TV and films; in Britain, for example, Netflix has about as many customers—close to 10m—as Sky has satellite customers. Yet unlike in America, Europe's pay-TV market has room to grow even as Netflix expands. Just one in three homes in Sky's markets has pay-TV, compared with nearly 80% in America. Italy and Germany are growth markets. Pay-TV is also much less expensive in Europe. New Street Research, a research firm, predicts Sky will add 2.6m of the 78m available homes by 2023.

Another reason for wariness is that Sky could lose much of its best content, making it harder to add pay-TV customers. That is because AT&T, owner of HBO and Warner Bros, and Disney could pull their films and TV shows by 2021 as they launch their own mini-Netflixes—or because Comcast is a competitor. But that understates the value to those firms of Sky's distribution platform, argues Claire Enders of Enders Analysis in London. From it they can sell their new services to 24m customers.

Comcast also has leverage for its negotiations with Disney in the shape of its 30% stake in Hulu, an internet-video service with 25m subscribers. Disney will own 60% of Hulu after its Fox deal closes, and may want Comcast out. If Sky loses valuable content licences, it will invest more in original European productions to attract subscribers. It can also count on content from Comcast's subsidiary, NBCUniversal.

As for Sky's main technology, to some analysts Comcast's purchase resembles AT&T's acquisition in 2015 of DirecTV, a satellite provider in America (also formerly owned by Mr Murdoch) that has lost nearly 2m of its 21m customers in less than two years. Sky has been losing satellite customers in Britain (see chart). Craig Moffett of MoffettNathanson, a research firm in New York, argues that Sky will be a write-off within a decade. He says that it represents a massive bet against advancing technology.



The Economist

But that understates Sky's investments in tech beyond the satellite kind, and its diversification under Jeremy Darroch, its boss, and James Murdoch, its former chairman. Sky is a leading seller of broadband in Britain, despite having to pay BT, a competitor, for the "last mile" of connection to the home. Its business is estimated to have gross margins of 50%. Sky also built Now TV, an internet-video service that gives users customised options. NBCUniversal will incorporate technology from Now TV into an ad-supported video service that Comcast will distribute free of charge to its pay-TV customers in America and Europe.

Last but not least, Comcast-watchers worry about football. Sky has top-flight football rights, such as the Premier League in Britain, a huge draw for customers. But these are put up for sale every three years, and would become more expensive if a new competitor, like Amazon or Facebook, bid. Yet the tech giants have yet to show real interest in sports rights, and it may be years before they can reliably deliver live events to millions of viewers concurrently. Britain is short on high-speed fibre connections. Mr Darroch says if he tried to deliver Sky Sports entirely over Britain's broadband infrastructure, "it would simply crash".

It would be a more exciting gamble if Comcast took on Netflix directly in its markets. But Comcast wins in more boring ways. Chasing Netflix is "a fool's game", says Barry Diller, boss of IAC/InterActiveCorp, a media and internet firm in New York. Mr Roberts is ambitious, Mr Diller adds, but he is no fool.

This article appeared in the Business section of the print edition under the headline "Dish of the day"

An oligarch surrenders

America lifts sanctions on Oleg Deripaska's business empire

But the Kremlin has little to celebrate

Print edition | Business Feb 2nd 2019

AT FIRST GLANCE, the American government's decision to lift sanctions on Oleg Deripaska's business empire looks questionable. He is a Russian oligarch close to the Kremlin and a former business partner of Donald Trump's erstwhile campaign manager, Paul Manafort. Shares in EN+, Mr Deripaska's holding firm, soared this week after a deal with America's Treasury department that saw Mr Deripaska reduce his ownership stake below 50% in exchange for the sanctions relief. Given Mr Trump's alleged fondness for Russia, many in America smelled a rat.

But what unfolded may be less a tale of wrongdoing than of incompetence. Richard Nephew, a former State Department sanctions specialist, compares the debacle to the children's rhyme about the old lady who swallowed a fly—officials tried to solve a problem but compounded it. It began with the new Trump administration's perceived softness on Russia, which spurred a Republican-controlled Congress to pass the Countering America's Adversaries Through Sanctions (CAATSA) act in 2017, mandating the Treasury department to make a list of potential Russian targets.

For political reasons the Trump administration resisted the order and in 2018 published little more than a copy of the billionaires list from the Russian edition of *Forbes*, a magazine. Facing criticism, the treasury secretary, Steven Mnuchin, sanctioned seven Russian businessmen and their firms several months later, most prominently Mr Deripaska, and his listed aluminium giant Rusal and the EN+ conglomerate that controlled it. Shares in EN+ and Rusal fell; so did the Russian rouble.

Yet Russia is more integrated into the global economy than other countries America has sanctioned. Hitting Rusal, a huge aluminium producer, roiled aluminum markets, disrupted supply chains, and strengthened Rusal's Chinese competitors. The economic shocks touched American and European firms which relied upon Rusal's aluminium, as well as EN+'s downstream assets in the West.

Officials in America, Europe and Russia began scrambling for a way out. The Treasury issued a series of exemptions that in effect kept the sanctions on Rusal and EN+ from going into force. Mr Deripaska orchestrated a lobbying campaign in Washington. EN+'s British chairman, Lord Gregory Barker of Battle, began shuttling between Mr Deripaska and the Treasury's Office of Foreign Assets Control to try and negotiate a plan.

The deal they cut has been touted by the Treasury as providing "unprecedented transparency". It seems robust. Mr Deripaska will reduce his stake in EN+ from 70% to under 45%, will control just 35% of voting rights, and will not have access to dividends. VTB, a state-run Russian bank, will take on a large block of the shares, but has been forced to surrender voting rights for them to an independent director. Smaller chunks of shares will go to Glencore, a commodity trader, and Mr Deripaska's charitable foundation; all stakes held by Deripaska-controlled entities or his relatives will also forfeit voting rights.

In all, two-thirds of the board will be controlled by independent directors; half of the board will come from America and Britain. Mr Deripaska himself will remain under sanctions. In the case of foul play, the Treasury can reimpose penalties on the companies. The deal has drawn support from European governments and prominent Russia hawks in Washington.

Critics contend that focusing on the 50% ownership threshold is overly legalistic. Although wresting control of the board from Mr Deripaska will limit his influence, it will not eliminate it, especially if senior management appointed under his leadership remains loyal. Nonetheless, for the Kremlin, the deal is hardly cause to celebrate. America forced a Russian oligarch to surrender control of a nationally significant company—an unsettling precedent. What is more, lifting one set of sanctions may make Congress and the Treasury eager to demonstrate their tough-on-Russia bonafides by slapping on another.

This article appeared in the Business section of the print edition under the headline "An oligarch's surrender"

Rough ride

Harley-Davidson brought low by tariffs and demographics

Sales keep plunging in the home market

Print edition | Business Feb 2nd 2019

A TOUR OF the modernist building of the Harley-Davidson museum in Milwaukee helps to explain why the midwestern maker of motorcycles has iconic status, but also why it is struggling. Nearly all the visitors are white, middle-aged men, some clad in leather and heavily tattooed, others dressed conservatively. Harley is the quintessential baby-boomer brand but its customers are slowing down.

The firm has been losing sales at home for eight consecutive quarters with the latest being no exception. Sales in America plunged by a tenth in the three months ending at the end of December compared with the same period a year earlier, it said this week. The total cost of tariffs (those imposed specifically on its bikes by the European Union and China, and also those levied by America on imports of steel and aluminium, its main materials), together with restructuring costs, wiped out its profits.

The 116-year-old business has been through tough times before. It almost went under in 1981 when America was in recession and Japanese makers of motorcycles dumped unsold inventory onto the American market at extremely low prices. Then a group of employees bought the company, persuaded the government to impose tariffs on Japanese bikes, improved the quality of its wares and returned to the heavy retro look of the 1940s. That did the trick for baby boomers who flocked in droves to the expensive toys cleverly marketed as a symbol of freedom, individualism and adventure on America's scenic roads.

The Economist

Now tariffs are the enemy: the company expects their cost to rise to $120m this year. Matt Levatich, Harley's boss, stoked President Donald Trump's ire when he announced in June his plans to move production of motorcycles destined for the European market out of America to avoid new EU duties. Some attribute recent poor sales to Mr Trump's tweet in August supporting a boycott of the firm. But, "most Harley enthusiasts don't care," says Steven Levin, a surgeon from Chicago who has owned a succession of Harleys since college.

Harley's other challenge is to win over millennials, women and non-white buyers. Last year Mr Levatich unveiled a five-year plan centred on the introduction of 16 new motorcycle models such as Livewire electric bikes, and increasing Harley's appeal in international markets.

Dealers are counting on the new models to be more affordable, and attractive to a wider audience. Harley may suffer from the quality of its older wares. Sales of used bikes are outpacing those of new ones by three to one (a decade ago it was the other way around). But while old bikes, and Harley accessories and clothing sold in specialist shops and on Amazon are selling well, they won't compensate for the damage done to the hogs by tariffs and youthful disinterest.

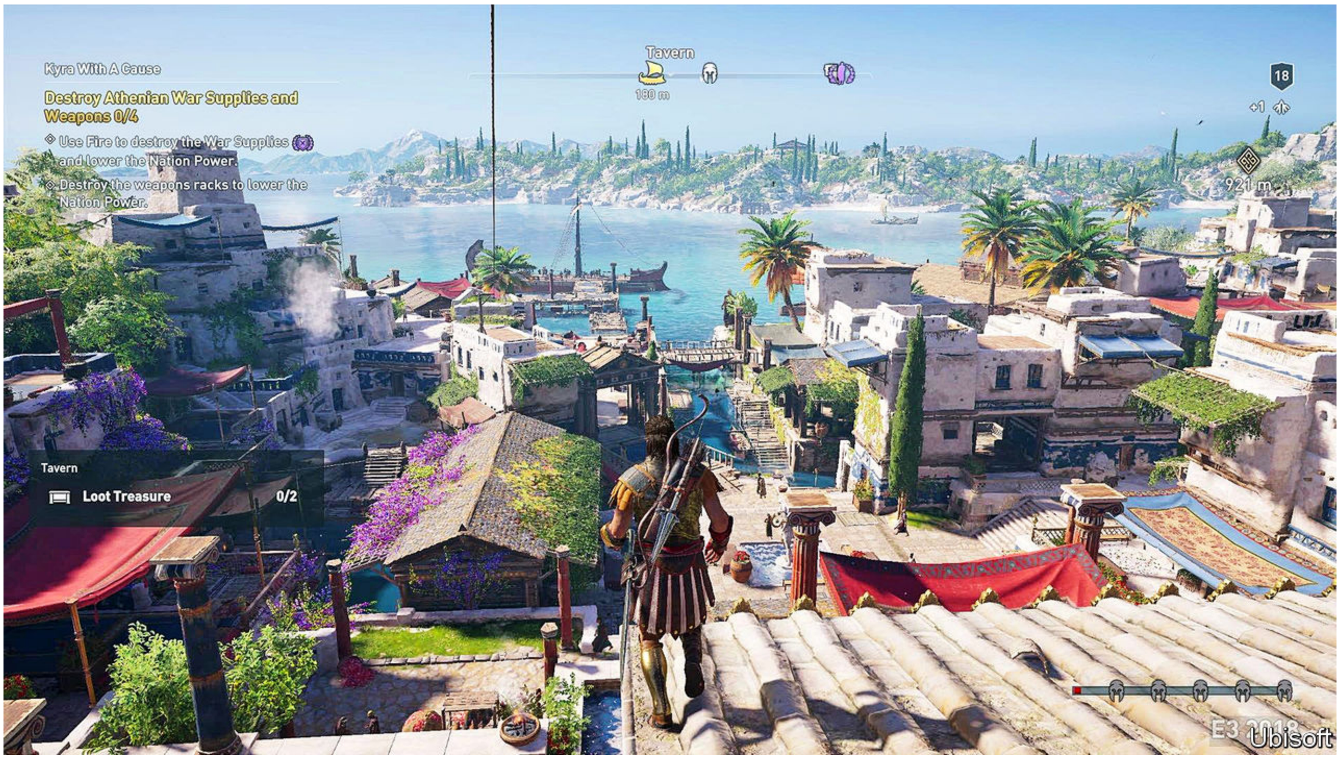
This article appeared in the Business section of the print edition under the headline "Rough ride"

Gameflix

Netflix, but for video games

If game streaming works, the market could expand even further

Print edition | Business Feb 2nd 2019



THE ABILITY to stream films and songs over the internet has upended the entertainment industry, but the $140bn market in video-gaming has resisted the revolution. That may soon change. A battle is brewing between big media and technology firms to see who—if anybody—can become the Netflix of video games.

In October Google began tests of a cloud-gaming service called "Project Stream", using a big-budget game, "Assassin's Creed Odyssey" (a still is pictured). The game was designed to run on dedicated consoles and beefy PCs. But with the computational heavy-lifting shifted to Google's data-centres, even a modest laptop could have the game's sumptuous take on the Peloponnesian War piped to it over the web.

Those initial trials are now finished. Microsoft, which makes the Xbox consoles, is due to start testing a similar service, Project xCloud, later this year. Amazon is also thought to be interested. The giants will be battling a string of competitors. Electronic Arts, a big games publisher, has plans for a streaming product of its own. Nvidia, a maker of video-gaming graphics chips, is testing a similar service. Sony, which makes the PlayStation consoles, already has a cloud-gaming offering called PlayStation Now, as do startups such as Loudplay and Shadow. Customers of Telecom Italia, an Italian internet provider, and Orange, a French one, can avail themselves too.

The hope is that cloudified games will be more appealing to consumers. The industry would simply be keeping up with their habits, says Kareem Choudhry, who runs Project XCloud at Microsoft. People are trained to expect entertainment to be portable, transferable between different devices, and instantly available.

Gaming also has high upfront costs relative to other media—games sell for $40-60 and consoles cost between $250 and $400. (Super-powered gaming PCs are even pricier.) With the cloud-gaming model those costs are replaced with a subscription fee. Sony, for instance, charges $19.99 a month, or $99.99 a year; in return gamers get access to more than 700 titles.

The economics of cloud gaming, indeed, could be more attractive to manufacturers. Consoles such as the Xbox One or the PlayStation 4 are expensive to design and often sold at a loss, with firms hoping to recoup the money on game sales. In a cloudified future, expensive loss-leaders would no longer be necessary.

Streaming appeals for other reasons too, says Piers Harding-Rolls of IHS Markitt, an analysis firm. The games industry is increasingly making money from users paying for digital goods bought in a game. "Fortnite Battle Royale", one of the most successful examples, is believed to have earned more than $1bn from in-app purchases since 2017. Since the marginal cost of generating such digital goods is zero, every sale is pure profit. That model rewards scale, which is what cheap cloud gaming could help deliver.

But the business will live or die on how well the technology works. Unlike a film, a video game is an interactive experience. The computer running it must react instantly to the user's input, or the game will feel sluggish. When hundreds of miles separate players from the devices crunching the numbers, that gets tricky. If the round trip from a player's device to a data-centre and back again takes more than a couple of dozen milliseconds, things start to break down, especially for the frantic action games that dominate the best-seller charts.

Another issue is that data-flow created by a game can change unpredictably. While music- and film-streaming services can "buffer"—fetching the next few minutes of content before it is needed, to guard against connection hiccups—video games cannot. Connections must be rock solid.

Earlier attempts at cloud gaming—notably by a company called OnLive, which was founded in 2003, shut down in 2012 and sold its assets to Sony in 2015—foundered on such problems. Firms today are convinced things have changed. Home broadband connections are faster than they were ten years ago, for one thing. Clever new video-compression technologies can mitigate some of the old problems, says Mr Choudhry. Firms such as Amazon and Google have the resources and technical expertise to pose a serious threat to incumbent firms like Microsoft and Sony.

It is too early to guess who will win the battle. Amazon and Google already have data-centres in dozens of countries, and putting hardware close to customers is the easiest way to minimise all-important latency. Microsoft combines its own cloud expertise with a long pedigree in games. There are dark horses, too: Javier Polo, the boss of PlayGiga, a Spanish firm that licenses game-streaming technology, points out that ISPs can put kit even closer to customers than the cloud firms, which might prove a useful advantage.

Change will not happen overnight. Microsoft and Sony have said that, for now at least, they view streaming as a complement to their conventional business models. Both are working on new consoles. The Xbox Two and PlayStation 5 are likely to launch in 2020. Whether an Xbox Three or PlayStation 6 ever make it to market is another question.

This article appeared in the Business section of the print edition under the headline "Gameflix"

Schumpeter

A Brazilian tragedy is a Deepwater Horizon moment. Sort of

Into the valley of death

Print edition | Business Feb 2nd 2019

FROM THE air, the iron-ore mines in Minas Gerais look like roughshod capitalism let loose. Mines are torn out of the landscape, and ramshackle mining towns exist perilously close by. Squeezed within the dense topography are tailings dams, pools of waste material extracted from the mine that sit behind pharaonic embankments reaching dozens of storeys high. On January 25th an 86-metre-tall one owned by Vale, the world's biggest iron-ore producer, breached, unleashing a wave of sludge that may have killed more than 350 people. They included hundreds of the company's own employees, many of them having lunch in the cafeteria, recklessly sited below.

Such a death toll would make this one of the worst tailings tragedies in history; worse for instance than Aberfan in Wales in 1966, or Buffalo Creek, West Virginia in 1972. Even more damaging for Vale, this is the second such disaster in which it is implicated in just over three years. For the world's mining industry, too, it is cause for soul-searching. Similar tailings dams, which exist in their thousands around the world, mock mining's mantra of "safety first". At a time when the industry is under increasing pressure to put roughshod capitalism back in its box and respect land, local peoples and the law, this is a problem it cannot ignore.

As hopes of rescue fade, the immediate question for Vale is what went wrong—not once, but twice. In 2015 Samarco, a company jointly owned by Vale and BHP, an Anglo-Australian mining giant, suffered a similar tailings-dam disaster, causing the deaths of 19 people and the worst environmental mishap in Brazilian history. In the aftermath, one of Vale's proudest boasts was about the safety of its own operations. As recently as September, a German-owned firm inspected the latest doomed mine near Brumadinho and gave it the all-clear. But it is an "upstream" dam, with a structure consisting of tailings on top of tailings, and the most vulnerable of all to failure. Experts say water seepage into the supporting dam face is the most common reason for them to burst. Days after the Brumadinho disaster, Fabio Schvartsman, Vale's chief executive, ordered the decommissioning of all ten of the firm's upstream tailings dams, halting production at the mines nearby, which will affect about a tenth of the company's 390m tonnes of annual iron-ore production.

This leads to a bigger question about Vale's future. Does the scale of the twin disasters threaten it with the sort of fines, lawsuits and damage to its reputation that BP, a British oil company, incurred after the Deepwater Horizon disaster in the Gulf of Mexico in 2010? The total bill for BP came to more than $60bn. There are four reasons to take potential Armageddon seriously. Since the disaster angry Brazilians have noted that, under Mr Schvartsman, Vale offered generous dividends and share buy-backs to investors, helping its share price double since he took over in 2017. They say some of the money should have been spent on safety instead.

If the authorities accept that line of reasoning, they could demand additional safety measures and shutdowns across Minas Gerais, where Vale mines about half of its iron ore. Second, it faces still undetermined damages for the Samarco disaster, which could rise as a result of the latest tragedy. Third, Brazil's top prosecutor has said she will pursue criminal charges against executives: three Vale employees and two contractors have been arrested. State authorities have quickly levelled fines against the company and frozen selected assets. Damages could soar. Fourth is morale. Vale's employees will mourn the loss of their colleagues, damaging motivation. Executives will be so worried about yet another accident that they lose their appetite for risk. The more listless the company, the more likely financial performance will suffer.

That said, this is crony-capitalist Brazil, not litigation-mad America. Though politicians argue that disasters in Brazil should be no less costly to big firms than those in the Gulf of Mexico, few would be willing to see Vale suffer the same drawn-out agony as BP. The firm says mining accounts for as much as 5% of Brazil's GDP. Vale's big shareholders are some of Brazil's top pension funds. It could compensate for shutdowns near Brumadinho by shifting production to the Amazon rainforest, where it has a more modern, safer mine. There are plenty of incentives for the new government of Jair Bolsonaro to be lenient, not least its pro-business bent. Initially Vale lost $19bn of its market capitalisation after the disaster, but then pared some losses. Its bond prices, though cheaper, are not indicating severe trouble ahead. Vale will probably soldier on.

Sludgefest

In corporate disasters such as this, rivals are usually quick to twist the knife. That happened to BP in 2010. But the industry should look at itself in the mirror. Mining firms claim to be obsessed with safety; in head offices, that can extend to absurdities like obliging visitors to hold on to handrails. Yet their record on tailings dams is abysmal. The more metals they mine, the more "very serious" accidents occur, involving deaths and large quantities of sludge. According to World Mine Tailings Failures (WMTF), a database, 13 have taken place in the decade to 2017, as many as between 1948 and 1977. WMTF experts say tailings dams fail at ten times the rate of reservoirs, mostly because of poor drainage. This indicates that the industry needs to tighten its engineering standards.

The reason firms continue to build upstream dams, such as the one at Brumadinho, is not because they are safe, but because they are cheap; they require the least amount of new material. Yet that is a false economy. Though markets reward mining firms for generating profits, not for spending heavily on safety measures, in the long run the risks are literally piling up. The world needs mining to continue, and these days, with big miners focusing on richer countries with high levels of scrutiny, that means taking corporate governance seriously, not just paying it lip service. To take it seriously means shutting down facilities that are dangerous.

This article appeared in the Business section of the print edition under the headline "Into the valley of death"

Global trade
Gaming the rules

E-commerce

A new initiative aims to modernise global trading rules

It will pit the world's big powers against each other

Print edition | Finance and economics Jan 31st 2019

"SATISFACTION GUARANTEED!" promises the seller of "The Law and Policy of the World Trade Organisation" (WTO). The magic of e-commerce means that the doorstopper can be exported from America to Tajikistan for a cool $35.95 (plus shipping). A new initiative on digital trade at the WTO strives to add to the laws and policies described within its pages. But far from increasing general satisfaction, this plan is controversial.

At first glance, it is hard to see why. On January 25th representatives of 76 WTO members gathered at the annual shindig in Davos announced plans to negotiate new rules covering "trade-related aspects of electronic commerce". Compared with the trade talks between America and China that restarted this week in Washington, this venture seems positively collegial. It makes sense: trade rules were written when cloud computing was the stuff of science fiction. What better way to demonstrate the value of the WTO, just as President Donald Trump is busy undermining it?

But a closer look reveals conflict. Though the 76 members account for 90% of global trade, they are a minority of WTO members. Many developing countries claim that tighter e-commerce rules would tie national regulators' hands and that the issue is a distraction from others they care about more, such as limiting rich countries' agricultural subsidies.

The plan is to sidestep such complaints, which have blocked agreement at the WTO for years. Instead of getting all members to sign up to a multilateral deal, a like-minded group will set rules among themselves. Hold-outs, like India and South Africa, will not be able to block progress if their demands are not met. The cost is the legitimacy that a broader group would generate—and the fact that non-signatories will free-ride on any deal, gaining from others' commitments, without having to make any themselves.

Further battles lie ahead. "Countries don't have a shared definition of what they're negotiating," complains Susan Aaronson of George Washington University. The WTO defines e-commerce as the "production, distribution, marketing, sale or delivery of goods and services by electronic means." That is broad.

An agreement could include regulations covering spam emails or rules helping digital purchases zip through customs. It could reach deep into members' domestic regulations to cover cybersecurity or the protection of personal data. It could prevent barriers to cross-border data flows, or ban requirements to store citizens' data on local servers. Every two years WTO members renew a promise not to tax digitally provided goods, such as films from Netflix. A new deal could make that permanent.

American negotiators would like all of the above. Their technology firms benefit from data flowing freely, which helps them train algorithms and generate sales. Data-localisation is expensive, and could weaken security by giving hackers more targets. And, obviously, they would rather their digital sales were not taxed.

This powerful lobby group's ambitions have already been enshrined in deals away from the WTO. The United States-Mexico-Canada Agreement (USMCA), which America's Congress is supposed to ratify later this year, bans customs duties on digital products. So does the Trans-Pacific Partnership (TPP), which was negotiated by 12 countries, including America, and revived by the others when Mr Trump pulled America out. The TPP bars governments from forcing companies to hand over their source code, and the USMCA goes further by including algorithms, too. Both ban data-localisation requirements.

Many worry that American technology companies are using trade rules to neuter national regulators. In theory, there are exceptions to the rules regarding data localisation and technology transfer. But critics fear that governments will be wary of invoking those exceptions, and that arbiters at the WTO will side with companies.

It will be hard to get European negotiators on board with some of this. European law treats privacy as a fundamental human right, and the free flow of data as secondary; the Americans (and Japanese) start from the premise that data should flow and only then consider exceptions on privacy grounds. Still, a recent deal between the European Union and Japan suggests the differences may not be insurmountable.

The biggest fight will be with China. Its government views data as an issue of sovereignty, and trade in data as a national-security matter. Chinese representatives reportedly tried to narrow the scope of the talks, threatening not to participate. They joined in the end, presumably deciding that it would be better to have influence over any new rules rather than see standards that could become global set without them. Other countries see little value in rules that enshrine China's draconian approach to data, but also know the value of having a country of China's size involved.

American administrations have tried to resolve these differences in the past. The Transatlantic Trade and Investment Partnership, a proposed deal between America and the EU, was supposed to cover the two sides' differing approaches to data. Together with the TPP, it was meant to draw China into a less hostile regulatory pattern.

Americans are once again working with other countries to pull in China. In December Roberto Azevêdo, the WTO's head, described American efforts on e-commerce as "very active". But negotiators may be short of bargaining power. Plurilateral negotiations on narrow topics at least mean that China cannot block all discussion. But they also remove the opportunities to bargain unrelated concessions against each other, which is how trade negotiators reach consensus. This initiative could be the success the beleaguered WTO desperately needs. Or it could be another demonstration of its weakness.

This article appeared in the Finance and economics section of the print edition under the headline "Gaming the rules"

Lagging behind

Italy's slump reflects trouble both at home and abroad

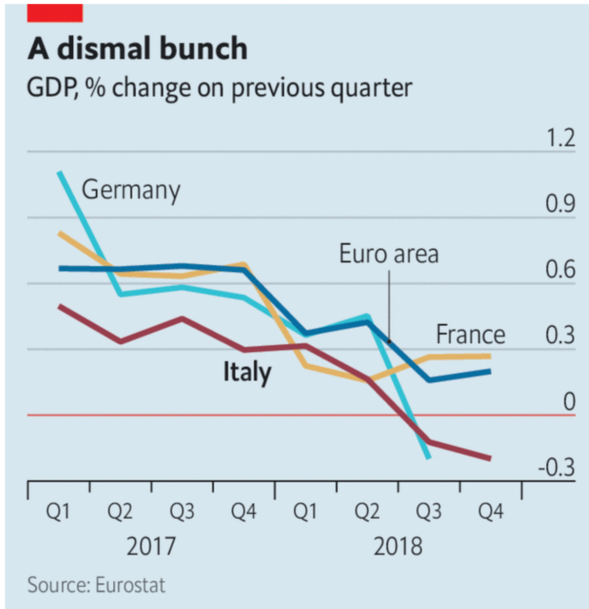
The weak economy complicates a fraught fiscal position

Print edition | Finance and economics Feb 2nd 2019

ITALY BOASTS no glittering economic record. GDP growth has trailed the euro-area average every year since 1999. Despite a decent showing in 2016-17, the economy has yet to regain fully the output lost during the global crisis a decade ago and a domestic banking scare a few years later.

Now even its modest recovery seems to have gone into reverse. Figures published on January 31st showed that Italy slipped into recession in the second half of 2018. The economy shrank by 0.2% in the final quarter of 2018, its second consecutive contraction (see chart). The causes are both domestic and external. They seem likely to depress the economy this year, too, and to worsen an already fraught fiscal position.

The euro zone—notably Germany—has lost momentum as global trade has slowed. Italy has not been immune. Exports rose by nearly 6% in 2017, but Loredana Federico of UniCredit, a bank, reckons they probably grew by just 1% last year. Giada Giani of Citigroup, another lender, argues that the fate of Italy's economy is tied to that of Germany's, in part because of integrated manufacturing supply chains. Declining industrial production in Germany is likely to have spread south. (Germany's GDP fell more sharply than Italy's in the third quarter of 2018, though some of that dip was caused by a temporary halt to car production because of new emissions standards.)



The Economist

Italy's recession is also partly home-grown. In September 2018 its populist government unveiled budget plans for 2019 that defied the European Union's fiscal rules. As the row with Brussels worsened, government borrowing costs rose sharply. Tensions were eventually defused in December, when the government agreed to run a smaller deficit, largely by dint of postponing its plans to increase spending. Though the spread between Italy's government-bond yields and those of safe-haven Germany has fallen from its peak, it is still higher than it was a year ago.

The instability has had an economic cost. A survey of lenders by the European Central Bank (ECB) found that in the fourth quarter of 2018 Italian banks became more fussy about whom they lent to, even as credit standards in other large euro-zone countries eased. That could reflect rising funding costs. The Bank of Italy, the national central bank, expects that rises in sovereign-bond yields will push Italian companies' borrowing costs up by a percentage point over the next three years. Olivier Blanchard and Jeromin Zettelmeyer of the Peterson Institute for International Economics, a think-tank, estimated in October that such financial-market effects would probably offset the boost from the government's fiscal measures.

These domestic and external forces have similar economic effects, notes Nicola Nobile of Oxford Economics, a consultancy. They shake businesses' and households' confidence, leading them to delay spending. Measures of sentiment have weakened. The Bank of Italy notes that the share of firms expecting to increase investment in 2019 has fallen. Economists have marked down their forecasts for GDP growth in 2019. The IMF expects growth of 0.6% in 2019, down from its forecast of 1% in October. Mr Nobile and Ms Giani have plumped for a more gloomy 0.2-0.3%.

ECB-watchers think that the bank may extend its targeted long-term refinancing operations. The scheme, which offers banks cheap funding in return for lending to firms and households, could help ease credit conditions in Italy. Beyond that, policy options are limited. The ECB will inject further stimulus only in the event of a wider slowdown, rather than one confined to Italy. And anyway, any easing might be too little to counter Italy's deeper slump.

Italy's government now finds itself hemmed in. Economic weakness worsens its fiscal position. Public debt, already 132% of GDP, could rise further. The budget deficit will probably exceed the government's target of 2% of GDP. That worse fiscal position could, in turn, make it harder for the government to stimulate the economy. If the European Commission decides Italy has broken its fiscal rules, any further spending will cause another row. And last year's episode showed that big spending plans can be self-defeating if financial markets are spooked. Italy's government would need to convince both Brussels and investors that extra spending would help the economy grow. Until then Italy will stagger on.

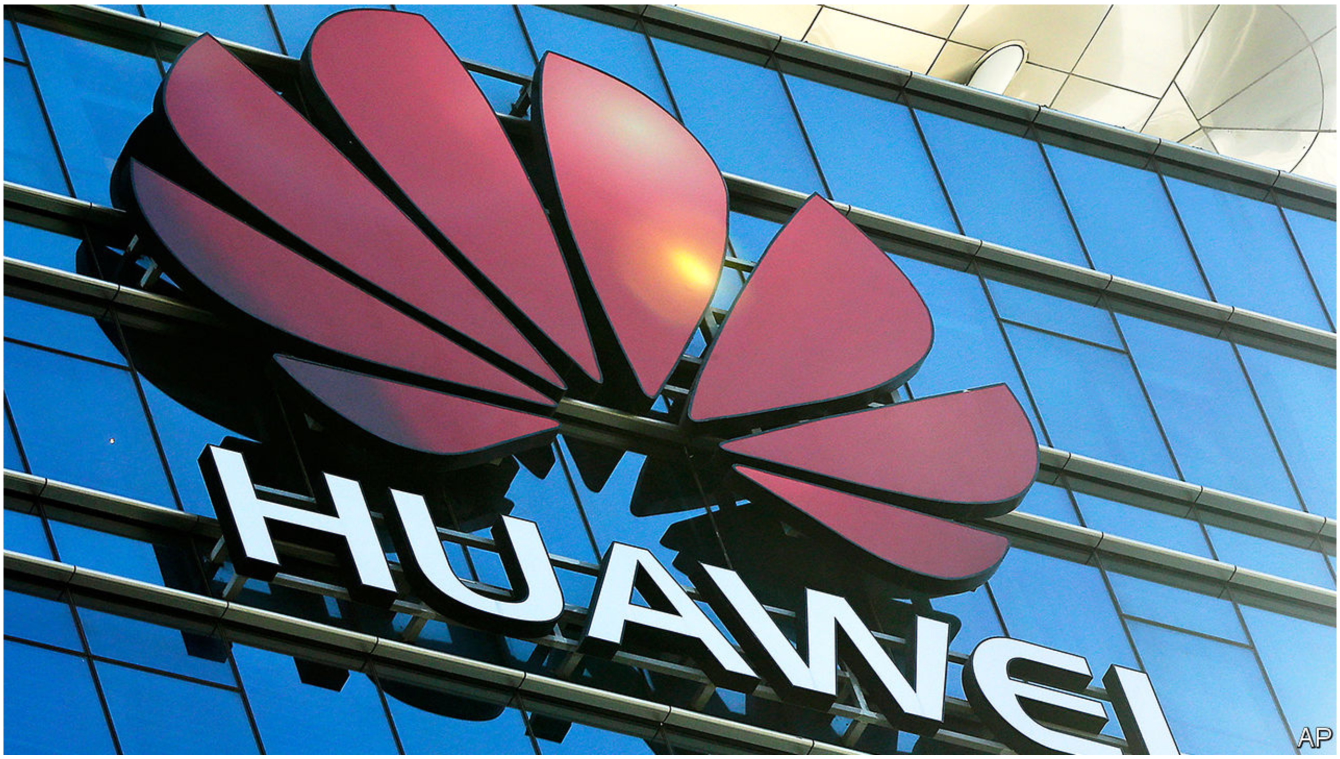
This article appeared in the Finance and economics section of the print edition under the headline "Growing fears"

Dirty money

Illicit financial flows are hard to stop

They are even harder to measure

Print edition | Finance and economics Jan 31st 2019



WHEN FOREIGN aid enters developing countries, it is welcomed with handshakes and ribbon-cutting. Private money, by contrast, is sometimes smuggled across borders or siphoned into offshore bank accounts. Everyone agrees that such “illicit financial flows” are a problem. A report published on January 28th by Global Financial Integrity (GFI), a campaign group, estimates that illicit flows to and from developing countries are worth more than a fifth of their total trade with the rich world.

Governments have pledged to plug the leaks, including as part of the UN’s Sustainable Development Goals. If only they could reach agreement on what they are talking about. A few rich countries, notably America, complain that illicit flows are not properly defined. Statisticians are still puzzling over how they can be accurately measured.

Obviously, gun-running and drug-trafficking should count; in 2011 the UN estimated that financial flows linked to transnational organised crime were worth 1.5% of global GDP. Bribes, and the proceeds of unregistered trade in legal goods, such as cigarettes, probably should, too. But broader definitions also fold in tax avoidance, which may not be illegal. The result is hopelessly vague, diverting attention from dirty money to smear legitimate businesses, argues Maya Forstater of the Centre for Global Development, a think-tank in Washington. Tax activists retort that the line between lawful and unlawful acts is often blurry. Developing countries lack resources to pursue complex legal cases, so big firms find it easier to get away with avoidance that should count as evasion.

Measuring illicit flows is even more fraught. One method exploits discrepancies in trade data. The exports that Ghana reports to France, say, should match the imports that France reports from Ghana. In practice, that is rarely the case. Traders may understate the value of exports, or overstate the value of imports, as a way of slipping money out of a country. They may also fiddle paperwork to dodge border taxes. Big inconsistencies hint at wrongdoing.

GFI combines this method with balance-of-payments data. In 2015 the High Level Panel on Illicit Financial Flows from Africa, a group chaired by Thabo Mbeki, a former South African president, used a similar approach to conclude that a net $50bn leaks out of the continent each year.

Both figures have been questioned. Some trade discrepancies are indeed caused by fraud, which is why misreporting is less of a problem where corruption is lower or accounting standards are higher. Yet they may also result from errors, quirks or transit trade. One UNCTAD report concluded that almost all South Africa’s gold leaves the country unreported, only for tax officials to point out that most of it was recorded, just in a different format.

A recent report by the World Customs Organisation concludes that existing methods are simply too unreliable to measure the scale of illicit flows. And anyway, trade data capture only one type of malfeasance (smugglers fly completely under the radar). Some experts take a different tack. Alex Cobham of the Tax Justice Network and Petr Jansky of Charles University, Prague, propose two indicators: one based on mismatches between where multinationals report their profits and where their real activity occurs, and another that is a measure of undeclared offshore assets.

Perhaps it would be simpler to abandon the catch-all term "illicit financial flows". But its very vagueness is the reason it caught on. Rich countries like talking about corruption, which they blame on poor-country elites. Poor countries like talking about tax avoidance, which they blame on foreign multinationals. Loose language keeps everyone happy.

Except the unfortunate statisticians. A team of them from the UN is due to publish some first thoughts this year; it may be several years before an indicator is agreed on. In the meantime, it would be a shame if disagreements distract from action. Beefing up customs authorities, establishing public registries of beneficial ownership and exchanging more information between countries about the taxes citizens and companies pay could all reduce skulduggery—however it is measured.

This article appeared in the Finance and economics section of the print edition under the headline "Leaky borders"

Letter and spirit

Conflicts in the credit-derivatives market threaten to undermine it

A ruling on the exact meaning of a complex contract surprises markets

Print edition | Finance and economics Feb 2nd 2019

SHAKESPEARE WAS a fan of the quibble. His plots often hinge on the gap between word and intended meaning. Macbeth was supposed to be invincible because he could be harmed by "none of woman born"—but his killer, Macduff, was delivered by Caesarean section. In "The Merchant of Venice" Portia saves Antonio by arguing that though he agreed to forfeit a pound of flesh to Shylock if he defaulted on a loan, he did not agree to lose blood.

Traders in credit-derivative markets are keen on quibbles, too. Credit-default swaps (CDSs) are insurance-like derivatives designed to compensate lenders when a company goes bust. A simple enough aim, you might think, but there are plenty of devilish details. A company can go bust in many ways: it can close and have its assets sold off, or restructure its debt and keep operating. And CDS contracts pay out the difference between a bond's face value and the price of the cheapest bond available, even though the underlying characteristics of a company's various bonds can differ widely.

In 2018 GSO, a branch of Blackstone, the world's largest private-equity firm, came under fire for offering cheap financing to Hovnanian, an American house-builder, on condition that Hovnanian would default on a payment to a subsidiary, triggering the CDS contracts. Financing took the form of a long-term, low-coupon bond that traded well below face value, meaning the CDS would pay out handsomely when valued against that bond—even though Hovnanian's other bonds were trading close to face value. (Blackstone says that its arrangement with Hovnanian was fully compliant with the rules of this market.)

Later that year traders started trying, so far without success, to get CDS contracts on Rallye, the parent company of Casino, a French supermarket, to pay out because an obscure covenant on one of its bonds required shareholder equity to exceed €1.2bn ($1.4bn), a condition it no longer met.

Last week, however, quibblers were given pause by an arbitration ruling that appeared to break with the convention of sticking to the letter of contracts, rather than trying to divine their intentions. The case arose when $600m-worth of CDS contracts plunged in value. Traders realised that the entity they were written on, VodafoneZiggo, a Dutch telecoms company, had been wound down. Its bonds had been transferred to a new entity, rendering its CDSs potentially worthless.

This would not have mattered if market supervisors had been informed within 90 days. But investors did not notice for almost a year. So they turned instead to a clause saying that the CDS could be transferred to a new entity if it had assumed "all of the obligations" of the old one.

CDS documents usually capitalise the word “obligation”, a cue that the writer is referring to the entity’s bonds. But in one place it was written in lower-case, implying that it referred to any obligations, for example tax liabilities, that the old VodafoneZiggo entity might still have. An ad hoc committee of lawyers from ten banks and five fund managers was convened to hear the dispute. It ruled that the ongoing obligations were “immaterial”, and that the CDS should be transferred. Markets were astonished: its value shot back up.

The decision matched the spirit of the CDS. But deviating from the letter of the contract raises broader issues. The perception that the value of a CDS might be determined by an unaccountable committee could undermine the CDS market. It is already shrinking: according to the Bank for International Settlements, the notional value insured by CDSs has fallen from $61.2trn in 2007 to $9.4trn in 2017. This is partly because of welcome regulatory changes, such as netting of contracts. But it has also reduced liquidity.

If the market vanishes, it would be a loss. CDSs allow banks to lend to a wider range of firms, since they can hedge their credit exposure. They allow pension funds, which are often required to protect their capital, to invest in higher-yielding bonds. Quibbles about contracts always exist; the fight over who resolves them will go on.

This article appeared in the Finance and economics section of the print edition under the headline ”Letter and spirit”

Buttonwood

Value investing is long on virtue but has been short on reward

Value indices can seem like dumping grounds for problem industries

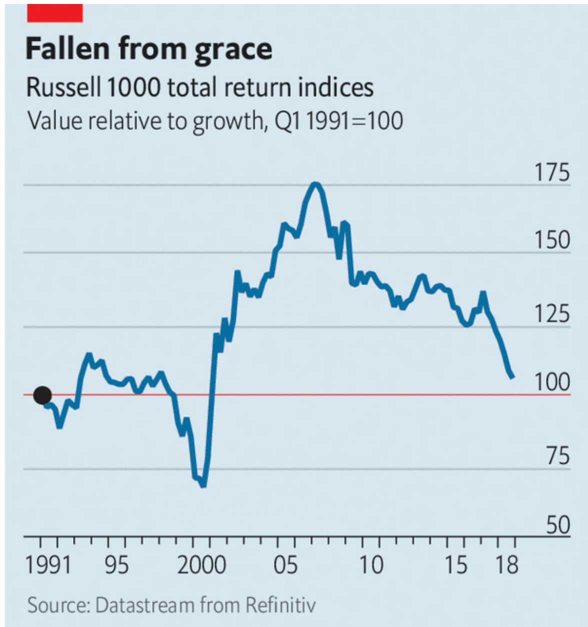
Print edition | Finance and economics Feb 2nd 2019

Alamy

IN A COMEDY sketch from the 1980s, Rowan Atkinson plays the devil as a cross between a package-holiday guide and a louche English bureaucrat. Dressed in a smoking jacket, he welcomes the damned to Hell and, consulting his clipboard, sorts them into groups. Lawyers? Join the thieves and murderers over there. The French? Come down here with the Germans. Atheists? You must be feeling pretty silly. And finally, Christians? I'm sorry, your faith was an error.

Even if they are not confronted by hard evidence, everyone is occasionally troubled by the thought that their beliefs are misplaced. A bad run of stockmarket returns is such a test of faith. Investors who favour "value" stocks—those with a low price relative to the book value of a firm's assets—have had to wrestle more than most with doubt. If you buy value, and are patient, your reward should be superior returns. But for much of the past decade, value has seemed a damned strategy (see chart).

Is redemption at hand? Value stocks fell less hard than others at the end of last year and have bounced in the early weeks of this year. Even so, don't expect too many sudden converts to the value religion. Look in the basket of low price-to-book stocks and you find it heavy with troubled carmakers, banks and energy firms. Few are enticed by this lot. Only the faithful can bear the discomfort that is part of value investing. If you seek its promise, it is hard to avoid the suffering that goes with it.



The Economist

The value approach favours stocks with a low price relative to intrinsic worth. It is founded on the idea that though prices will vary with investors' moods, a stock's true value is lasting. It is anchored by the worth of a company's assets—its buildings, machinery and so on. A slew of academic studies, notably a canonical paper by Eugene Fama and Kenneth French published in 1992, have identified a value premium. Value stocks—those with a low price-to-book ratio—do better over the long haul than "growth" stocks—those with a high price-to-book. This may be a reward for business-cycle risk: asset-heavy firms suffer in downturns, when those assets lie idle. Or it may be because of investor errors—overpaying for faddish growth stocks while neglecting dowdy value stocks.

It has been such a long wait for value to come good that it is natural for doubts to emerge. One is about the merit of book as a gauge of intrinsic value. It is useful in appraising the sort of businesses that are based on machine technology. Much of their value is in fixed assets. But it is a harsh judge of digital firms, whose value is tied up in intangibles, such as patents, brands, processes and general know-how. Accounting rules distort the value lens. Factories and office buildings count as a capital asset on a firm's books; most intangible assets do not. This is why many value investors do not rely solely on book. They also look at a firm's cashflow, net debt, governance and, yes, even its earnings growth.

A broader view of this kind mitigates a second nagging doubt—about the sectoral bias that emerges when stocks are sorted by price-to-book. A value strategy ought (or used) to mean favouring cheap stocks over dear ones. But it now almost boils down to banks versus tech. Pure value baskets are groaning with financial firms; growth indices are crammed with asset-light technology firms. So if tech firms do well and banks suffer, "value gets killed", in the words of one value-fund manager.

Value indices seem more and more like a dumping grounds for problem industries: banks (a narrow margin between short- and long-term interest rates); carmakers (trade wars; emissions scandals; electric vehicles) and energy firms (peak oil demand). Yet for believers in value, that is precisely the point. You buy problem stocks while they are a problem, because that is when they are cheap, says Andrew Lapthorne of Société Générale, a French bank. The problem need not go away for value stocks to rally. It need only become less acute.

Value is an austere church, with its own liturgy, sacraments and martyrs. But just as you find traces of religiosity in the most committed atheist, every investor is at some level a value investor. The agnostic who says it is impossible to time the market will discover a price level at which he refuses to buy. And though growth is supposed to be the antithesis of value, few growth investors ever express a wish to buy the priciest stocks they can find. All investors suffer doubt. When judgment is due, they hope they have ended up in the right place.

This article appeared in the Finance and economics section of the print edition under the headline "Heaven can wait"

Three’s company

An overbanked region sees some welcome consolidation

But how far will it go?

Print edition | Finance and economics Feb 2nd 2019

WHEN YOU have 60 banks in a country of just 9.5m people, there is much to be said for merging three at a time. On January 29th Abu Dhabi Commercial Bank (ADCB), the third-biggest bank by assets in the United Arab Emirates (UAE), agreed to buy eighth-ranked Union National Bank in an all-share deal. The enlarged ADCB will then swallow Al Hilal Bank, a smaller, Islamic bank. All three are controlled by Abu Dhabi’s government, which will own 60.2% of the new entity.

The deal is the latest of several tie-ups, actual or mooted, among banks in the Gulf. On January 24th Kuwait Finance House, that country’s second-biggest bank, announced “tentative” agreement on takeover terms with Ahli United Bank, of Bahrain. Saudi British Bank and Alawwal Bank are joining forces to form Saudi Arabia’s third-largest lender. The kingdom’s number one, National Commercial Bank, is talking to Riyad Bank, the current number four. And in 2017 First Gulf Bank and National Bank of Abu Dhabi combined to create First Abu Dhabi Bank (FAB), the UAE’s market leader.

Analysts at Moody’s, a rating agency, argue that banks are being pushed into merging by slower economic growth and muted demand for credit, the product of lower oil prices in recent years, and tighter funding conditions. Higher American interest rates have forced banks in the Gulf, where most currencies are pegged to the dollar, to offer more. ADCB’s cost of funds was 2.36% in the last quarter of 2018, up from 1.54% a year earlier, though it managed to maintain its net interest margin at just under 3%. And rising regulatory demands and the costs of digitisation—burdens for banks everywhere—are easier to bear if you are big.

The Gulf’s banking markets are overcrowded anyway. Oman, Moody’s notes, has 20 banks for 4.6m people. Bahrain has around 30 for a mere 1.5m. In the UAE, although there are lots of tiddlers, the top three lenders account for more than half of assets: FAB boasts 26% and post-merger ADCB 15%. The big fish have lower costs, relative to income, and the gap is widening.

However, Mohamed Damak of S&P Global Ratings, another agency, believes that ownership structures could limit mergers. Many banks are controlled by governments or rich families. Both could be reluctant partners. Abu Dhabi’s new deal has faced no such obstacle, because the government controls all three parties. The state was also on both sides in the merger that created FAB. The union of Saudi British Bank and Alawwal, says Mr Damak, is made easier by the fact that the main shareholders of both—HSBC and Royal Bank of Scotland—are big Western banks.

In cramped markets mergers make sense. Abu Dhabi’s three-way deal combines ADCB’s relative strength in corporate banking and serving expatriates, Union National Bank’s in retail banking for locals and Al Hilal’s Islamic franchise. The trio expect to cut their combined costs by 13% in two to three years. Such arithmetic ought to convince more banks to join forces.

This article appeared in the Finance and economics section of the print edition under the headline "Three's company"

Banco Popular

Puerto Rico's biggest bank came out of Hurricane Maria stronger

Even as people leave the island, Popular's customer base has swelled

Print edition | Finance and economics Feb 2nd 2019

PUERTO RICO was never the most financially stable of places. After years of trouble its government defaulted in 2016. Then, in 2017, Hurricane Maria roared in. The island took close to a year to restore electricity fully, and financial restructuring continues. Manufacturers decamped during the power cuts; many did not return. Banco Popular, the biggest financial institution, which had already been buffeted by a wave of bad loans, was hit by another. Its failure would have been no surprise.

Prepare to be astonished, then: Popular is in pretty decent shape. Part of that is due to the island's tentative recovery. Sales of cement and cars have been strong; tourism is starting to pick up. But even so, Popular's performance is striking. The KBW index, a broad measure of American banking stocks, has fallen by 16% in the past year; Popular's shares are up by a third. Over the past five years the KBW index rose by 46%; Popular's shares doubled.

Earnings, published on January 23rd, were up 77% in 2018, after stripping out some large one-time items. Return on assets on the same basis was 1.04%, strong for a bank, and return on equity a passable 9%. Non-performing loans have fallen to 2.3% of total loans, from 9.6% in 2009. The bank's core capital ratio (common equity as a share of risk-adjusted assets) is so high, at 17%, that the bank could be considered over-capitalised. Few investors are complaining, though. Buy-backs doubled this year, dividends rose by 20% and its solid balance-sheet has allowed it to refinance debt yielding as much as 8% with debt yielding 6%, despite a broader trend of rising interest rates.

Large American banks came out of the crisis protected from failure but blocked from acquisitions and encouraged to shrink. Popular—no tiddler, with $48bn in assets—is not only free of those restraints but benefits from them. It sold some operations after the crisis to raise capital and increase efficiency: branches in Chicago and Los Angeles, and half of a data-processing firm. But it also made acquisitions. As the first jitters were starting in 2007, it bought Citibank's Puerto Rican retail network. It picked up two Puerto Rican banks that had gone into receivership: Westernbank in 2010 and Doral in 2015. In 2018, when regulators were pressing Wells Fargo to reduce assets, Popular bought from it a long-coveted car-hire company.

The Wells deal has already exceeded profit expectations. Together, the acquisitions have boosted Popular's market share to 54% of the island's deposits and 46% of loans. Normally that would look like over-concentration, but right now solvency and stability are more urgent concerns.

And Popular banked a great deal of credit during Hurricane Maria. Twelve hours after the storm had blown over, the bank's main data centre had been restarted on emergency generators. Many mobile-phone towers and phone lines remained down for months, making branches hard to operate. But people and businesses were desperate for cash to buy and sell fuel, food and other staples. Popular's response—an extraordinary one for extraordinary times—was to download data onto encrypted laptops early every morning and send it out with employees who would stand by tellers and authorise withdrawals.

That response may explain the most telling fact about Popular's performance: although Puerto Rico's population has declined since Maria, the bank's customer base has grown. Much of what bankers do is abstract and technical. Just as important, though less tangible, is the trust earned by keeping going when others do not.

This article appeared in the Finance and economics section of the print edition under the headline "At the end of a storm"

Free exchange

Hyperinflations can end quickly, given the right sort of regime change

For long-suffering Venezuelans, that cannot come too soon

Print edition | Finance and economics Jan 31st 2019

BANKNOTES USED as toilet paper. Wheelbarrows of cash exchanged for a loaf of bread. Prices in supermarkets revised upwards each hour. These vignettes of hyperinflation would be funny if they did not cause such hardship. This is now Venezuela's situation, in what may be the final days of the ill-starred regime of Nicolás Maduro. An estimate by Steve Hanke of Johns Hopkins University put the country's inflation rate last year at 100,000%, with prices doubling roughly once a month. The IMF reckons that in 2019 it may reach 10,000,000%.

Hyperinflations are not an exclusively modern problem. Rome suffered one under the emperor Diocletian. But the spread of fiat currencies, backed by the credibility of a government rather than a physical commodity such as gold, has made them more common. They came in devastating bursts over the past century: in the aftermath of the first and second world wars, during the post-Soviet transition from communism to capitalism, and more recently in misgoverned poor countries, mostly in Africa and Latin America. They are not cases of garden-variety inflation run amok. Rather, they demonstrate a catastrophic breakdown in a state's capacity to govern. In a narrow sense, they are a monetary phenomenon, with printing presses running nonstop. Yet the important question for economists, and for those trying to end them, is why the presses ran out of control in the first place.

The culprit, nearly always, is a politically unmanageable fiscal burden. Huge budget deficits can erode confidence in a state's fiscal discipline, causing the currency to weaken. Heavy government borrowing and a worsening exchange rate, which raises the cost of imports, fuel inflation. Most governments in such circumstances avert looming crisis by reining in borrowing and money growth. Indeed, periods of high inflation are not that unusual, according to Stanley Fischer, a former vice-chairman of the Federal Reserve, Ratna Sahay of the IMF and Carlos Végh of the World Bank. During the post-war period, they note, a fifth of a sample of 133 countries experienced inflation in excess of 100% at some point. But most avoided hyperinflation. Indeed, a country with annual inflation of 100-200% was more than twice as likely to see inflation decline the following year as it was to see it rise.

But sometimes the situation deteriorates. Politicians may be unable to impose the necessary reforms without losing the backing of the interest groups keeping them in power. Excessive spending continues, increasingly funded by seigniorage—spending power captured by the government thanks to the gap between the face value of new banknotes and the cost of printing them. As the bills mount, so does inflation.

Hyperinflation often occurs against the backdrop of war or other social chaos. Germany's Weimar government, beset by political unrest and burdened with war debts and reparations, stumbled into economic oblivion. But it can begin in more prosaic circumstances. In the 1970s Bolivia enjoyed a commodity-driven boom under the rule of a military leader, Hugo Banzer, during which it borrowed heavily from abroad. Banzer was pushed from power in 1978. During the ensuing upheaval, global economic conditions turned; interest rates soared and resource prices tumbled. The left-leaning government that came to power in 1982 inherited annual inflation of 300%, a shrinking economy and the loss of access to foreign creditors. But as Jeffrey Sachs of Columbia University documented in an analysis published in 1987, Bolivia's new leadership had won support by promising to increase social spending. Attempts to limit spending or raise taxes enraged interest groups on which the government depended. The reliance on seigniorage continued, and inflation rose to 60,000%.

Economists once thought that high inflation should prove damnably persistent, as expectations of soaring prices became embedded. Yet in a seminal paper in 1981 Tom Sargent, a Nobel prizewinner, argued otherwise. Rather, expectations of high inflation reflect candid assessments of government policy: people anticipate high inflation when politicians are unserious about reform. A credible policy shift, he notes, can change expectations quickly and at little or no cost. He examined four great inflations in the 1920s and showed that once a credible policy "regime change" occurred, hyperinflation ended in weeks.

Stop the presses

More recent experience confirms that hyperinflation can end quickly under the right conditions. That usually means a sustainable fiscal consolidation, a credible pledge to stop funding the government via seigniorage and a commitment to a new monetary framework, most often via an exchange-rate peg. New political leadership often helps, as does external financial support. A new government took over in Bolivia in 1985, after three years of raging inflation. It raised taxes, slashed public investment, froze public salaries and stopped paying interest on its debt, thus restoring fiscal balance. And it stabilised the exchange rate against the dollar, with help from the IMF. The programme started in earnest late in August 1985; by early September a five-digit inflation rate had flipped to deflation.

Not every case concludes so neatly. Countries with histories of high inflation can stagger on with it, rather than tumbling into hyperinflation. It then proves frustratingly difficult to escape. This was the situation in Argentina and Brazil in the 1980s and 1990s, as repeated attempts at stabilisation failed to solve the problem conclusively. After extended periods of ineffectual leadership, people may become jaded about reform campaigns, and shock and awe may be required if they are to to be taken seriously. Venezuela, despite a long record of double-digit inflation rates, may dodge this fate; inflation there has rocketed only in the past few years amid an impressive display of fiscal incontinence. For its people, the sooner regime change comes, the better.

This article appeared in the Finance and economics section of the print edition under the headline "Money down"

Scientific ethics
No dumping, please

Scientific ethics

Recent events highlight an unpleasant scientific practice: ethics dumping

Rich-world scientists conduct questionable experiments in poor countries

Print edition | Science and technology Feb 2nd 2019

THE ANNOUNCEMENT in November of the editing of the genomes of two embryos that are now baby girls, by He Jiankui, a Chinese DNA-sequencing expert—brought much righteous, and rightful, condemnation. But it also brought a lot of tut-tutting from the outside world about how this sort of thing was to be expected in a place like China, where regulations, whatever they may say on paper, are laxly enforced. Dig deeper, though, and what happened starts to look more intriguing than just the story of a lone maverick having gone off the rails in a place with lax regulation. It may instead be an example of a phenomenon called ethics dumping.

Ethics dumping is the carrying out by researchers from one country (usually rich, and with strict regulations) in another (usually less well off, and with laxer laws) of an experiment that would not be permitted at home, or of one that might be permitted, but in a way that would be frowned on. The most worrisome cases involve medical research, in which health, and possibly lives, are at stake. But other investigations—anthropological ones, for example—may also be carried out in a more cavalier fashion abroad. As science becomes more international the risk of ethics dumping, both intentional and unintentional, has risen. The suggestion in this case is that Dr He was encouraged and assisted in his project by a researcher at an American university.

The scientist in question is Michael Deem of Rice University in Houston, Texas. Dr Deem was Dr He's PhD supervisor between 2007 and 2010, and has continued to collaborate with him. The two are co-authors of at least eight published papers and several as-yet-unpublished manuscripts. Dr Deem also appears (along with nine others, all Chinese, including Dr He) on the author list of a paper, "Birth of twins after genome editing for HIV resistance", which Dr He submitted to *Nature* before his announcement of his work at a meeting in Hong Kong. *Nature*'s editors rejected the paper (and will not, as is normal procedure in the case of rejection, confirm that they actually received it).

According to a Chinese scientist involved in the genetically modified embryo project, which used a technique known as CRISPR-Cas9 to disable the gene for CCR5, a protein that HIV attaches itself to when entering a cell, Dr Deem participated as a member of the project team in the procedures in which potential volunteers gave their consent. Dr Deem will not comment. But a statement from his lawyers said, "Michael Deem has done theoretical work on CRISPR in bacteria in the past, and he wrote a review article on the physics of CRISPR-Cas. But Dr Deem has not designed, carried out, or executed studies or experiments related to CRISPR-Cas9 gene editing—something very different. He did not authorise submission of manuscripts related to CCR5 or PCSK9 [an unrelated protein involved in cholesterol transport] with any journal, and he was not the lead, last, or corresponding author on any such manuscript. And Dr Deem was not in China, and he did not otherwise participate, when the parents of the reported CCR5-edited children provided informed consent."

In America, in effect, the implantation of genetically modified embryos into a woman's womb is forbidden. Such an experimental medical procedure would require permission from the country's Food and Drug Administration, and such permission would not be forthcoming. Carrying on regardless would be a federal crime and one that, according to Hank Greely, a lawyer and bioethicist at Stanford University, might attract a fine of as much as $100,000, and a year in jail.

For an American to support the execution of such work in another country is, though, a different matter. That would not be illegal under American law—though it would still violate federal rules if Dr Deem participated in the project without the approval of his university, which is investigating his role in the affair. Rice says it "had no knowledge of the work", and, to its best knowledge, "none of the clinical work was performed in the United States." It would not comment on the ongoing investigation. Neither Dr Deem nor his lawyers would comment on the specific suggestion that he had committed ethics dumping.

Trust. And verify

Across the Atlantic from America, the Commission of the European Union (EU) has sponsored a three-year, €2.7m investigation into ethics dumping. TRUST, as it is called, has been a collaboration between researchers from Europe, Africa and Asia, which came to an end last year. It scrutinised past examples of ethics dumping and sought ways of stopping similar things happening in the future. As Doris Schroeder of the University of Central Lancashire, in England, who led the TRUST project, observes, "sometimes it's because of the lack of awareness [of the laws in other nations]. Sometimes it's about having double standards. We've certainly seen cases where there was a definite attempt to avoid legislation in European countries."

Zhai Xiaomei, the executive director of the Centre for Bioethics at the Chinese Academy of Medical Sciences, in Beijing, who is also deputy director of the health ministry's ethics committee, welcomes what TRUST has done. "China's weak ethics governance has made it an attractive destination for the export of unethical practices from the developed world," she says. One high-profile case in China concerns Sergio Canavero, an Italian neurosurgeon who resigned from the University of Turin in 2015 because of fierce opposition to his plan to perform head transplants on human beings. Knowing that no country in Europe or North America would approve such procedures, Dr Canavero went to China, which he says "is quite different from the West" and "has a different ethics".

There, he collaborated with Ren Xiaoping, an orthopaedic surgeon at Harbin Medical University, on dogs, monkeys and human cadavers, and planned, last year, to graft the head of a patient paralysed from the neck down onto the body of a deceased donor—only to be stopped by China's health ministry at the last minute. "The proposed procedure is based on astonishingly thin scientific evidence," says Dr Zhai. "It's not only ethically indefensible but against the Chinese law." For his part Dr Canavero says, "we shouldn't have announced the plan before the two papers [on dogs and on human cadavers] came out."

A dozen similar cases in Asia and Africa fill "Ethics Dumping: Case Studies from North-South Research Collaboration", a book published by TRUST. Three notable examples are American-financed clinical trials that happened in India between 1998 and 2015. These were testing the efficacy of cheap cervical-screening methods. Such trials require control groups, which, in America, would be composed of women undergoing an established screening procedure. In the Indian trials, however, the controls—a total of 141,000 women—were not offered the pap smears that were supposed (though they were in practice often unavailable) to be the standard for screening in India at the time.

Nor need behaving badly abroad as a researcher be life-threatening to be unacceptable. Another case highlighted by TRUST involved the San, a group of people in southern Africa well known to (and well studied by) the outside world because of their hunter-gatherer way of life, click-laden languages and ancient rock art. In 2010 a paper published in *Nature* on the first San genome to be sequenced caused an outcry among some San. According to Roger Chennells, a human-rights lawyer at Stellenbosch University, in South Africa, they found the consent procedures inappropriate and some of the language used in the paper, such as "Bushmen", pejorative.

As part of the TRUST project, Mr Chennells and his colleagues helped groups of San develop the first code of ethics created by an indigenous group in Africa. It requires researchers wishing to study San culture, genes or heritage to submit proposals to a review panel set up by San communities. It also asks researchers to treat people with respect, and to consider how their work could benefit local health care, education and jobs.

Analysis of past transgressions has led TRUST's researchers to suggest a set of guidelines called the Global Code of Conduct for Research in Resource-Poor Settings. This aims to raise awareness of bad practices, and to identify potential offences. A cornerstone of the code is that ethics reviews be conducted in all participating countries—those where the work will be carried out as well as those paying for it. According to Dr Schroeder, two European funding agencies—the commission itself, and the European & Developing Countries Clinical Trials Partnership, a joint effort by the EU, Norway, Switzerland and a group of drug companies—have already accepted the code. Meanwhile, in America, Kiran Musunuru, a gene-editing expert at the University of Pennsylvania, who was one of the first to look at Dr He's data last year, suggests the creation of an international register for research involving the genetic modification of human embryos, with registration being a condition for subsequent publication.

The latest twist in the CRISPR-babies saga itself is that Dr Deem was supposed to take up a position this month as Dean of the College of Engineering at the City University of Hong Kong. The offer was made before news of the birth of genetically modified babies broke. Dr Deem's possible involvement in the affair has led the City University to put the contract on hold—at least until the investigation at Rice comes to a conclusion. The City University's press office would not say whether the university would terminate the contract if Dr Deem is found to have been involved in the project, and neither Dr Deem nor his lawyers would comment on the matter. But, as one senior faculty member of the City University, who spoke on condition of anonymity, puts it, if the accusations being made turn out to be true, then "Dr Deem has committed a grave error of judgment and violated international norms. He is obviously not fit for such a senior academic position. We don't want ethics dumping here."

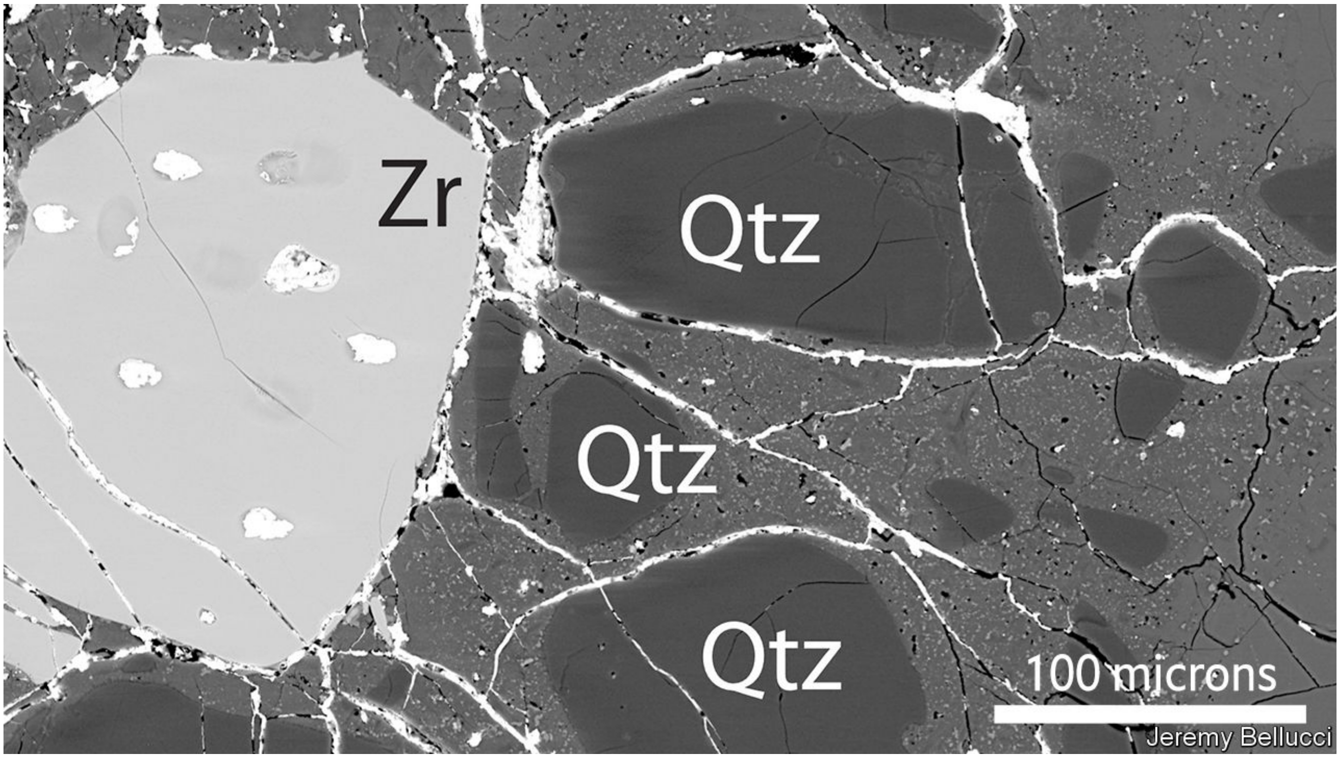
This article appeared in the Science and technology section of the print edition under the headline "No dumping, please"

Astrogeology

A rock from the Moon has a tiny piece of Earth inside it

It arrived there 4bn years ago

Print edition | Science and technology Feb 2nd 2019



THIS IS A cross-section through a grain from a well-travelled rock. It was brought to Earth from the Fra Mauro highlands of the Moon in 1971, by the crew of Apollo 14. Four billion years before that, though, it had made the journey in the opposite direction, according to an analysis by Jeremy Bellucci of the Swedish Museum of Natural History, published in *Earth and Planetary Science Letters*.

Fra Mauro is composed of ejecta from a celestial collision between an asteroid and the Moon, which excavated the biggest lunar impact basin, Mare Imbrium. Most of the samples returned by Apollo 14 are breccias created by this impact. Breccia is a type of rock formed by the higgledy-piggledy mixing of bits of other rock, and this two-gram grain was part of one such brecciated boulder.

Dr Bellucci's analysis of the minerals in the grain, particularly its zircon (Zr, in the picture) and quartz (Qtz), shows that they would have been unlikely to form in lunar conditions, but would easily have formed on Earth. The simplest explanation, therefore, is that Earth is where they came from.

Almost certainly, the grain arrived on the Moon as part of a larger rock blasted off Earth's surface by an impact similar to that which created Mare Imbrium. All this happened during a period of the solar system's history called the late heavy bombardment, which lasted from 4.1bn to 3.8bn years ago. The Moon then being only a third as far away from Earth as it is now, travelling to the one from the other would have been an easy journey. The grain was then shifted again, by the Imbrium impact, to form part of the geological splatter now called Fra Mauro.

Terrestrial material this old is rare, so finding some on the Moon has been a useful addition to geologists' collections. And this particular grain may not be unique. Apollo 14 brought back 42kg of rock. Other chips off the block of old Earth are probably hiding among them.

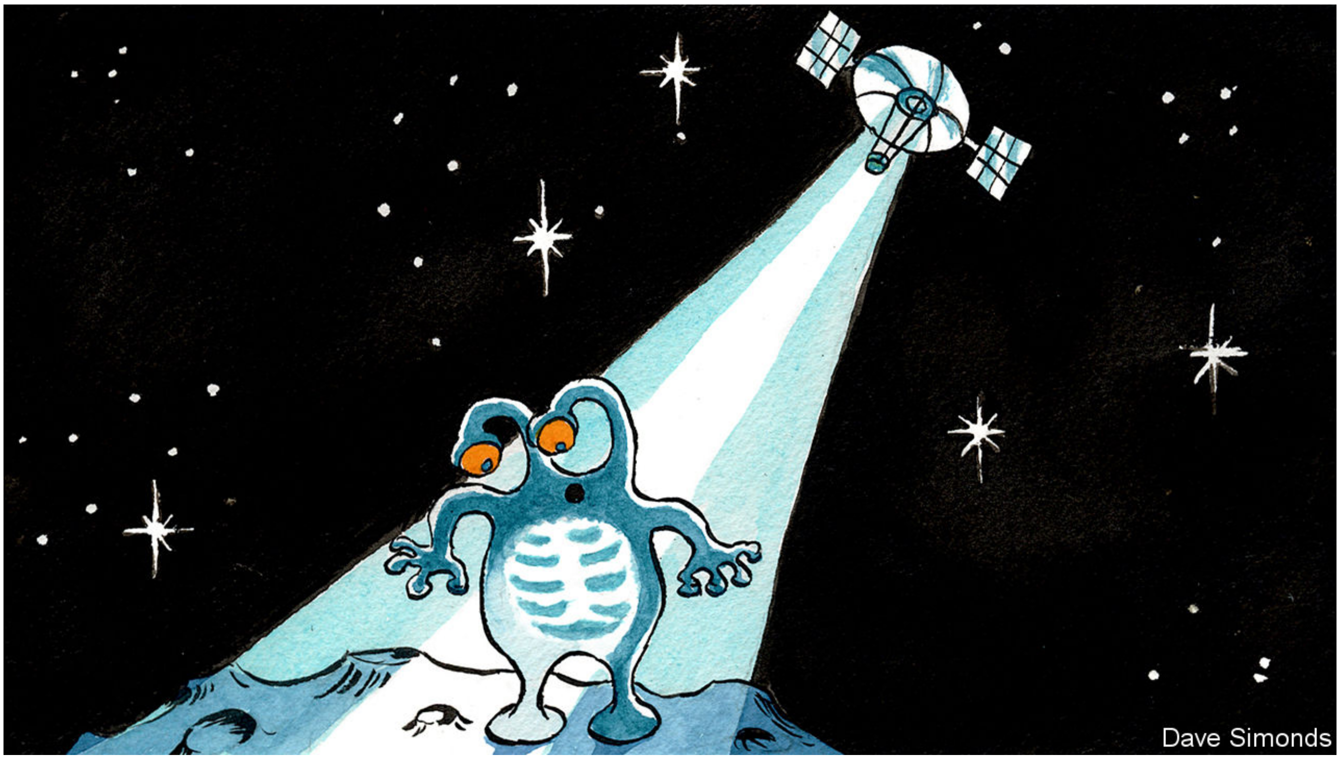
This article appeared in the Science and technology section of the print edition under the headline "There and back again"

Talking to aliens

Contacting extraterrestrials may be better done with X-rays than by radio

They penetrate better through outer space

Print edition | Science and technology Feb 2nd 2019



OPINION IS DIVIDED on whether *Homo sapiens* should announce its presence to the universe by broadcasting messages to any putative extraterrestrials who may be listening, or should keep schtum, for fear of attracting unwanted attention. But if attempts at contact are to be made at all, then they might as well be done properly.

Past efforts, including one in the 1970s to a star cluster 25,000 light-years away and another in 2017 to a planet a mere 12 light-years away, have used radio. Hang Shuang and his colleagues at the Nanjing University of Aeronautics and Astronautics, in China, think this approach foolish. Radio waves spread out quickly, and are also absorbed and scattered by interstellar dust. On top of this there are many sources of radio in the universe, which creates a confusing background. Instead, Mr Hang proposes using X-rays.

X-rays diverge more slowly than radio waves. They are also better at penetrating dust. And there is little X-ray background to confuse them with. They would therefore be suitable in principle for interstellar communication. Their value as communication tools on Earth, however, has not been obvious, so little research has been done on using them to carry messages. But not none, for Mr Hang and his colleagues have actually built a prototype of an X-ray transceiver that has a particular, specialised purpose. This is to eliminate the communications blackout which a spacecraft experiences during re-entry into Earth's atmosphere. The blackout is a result of the craft being surrounded by a plume of incandescent plasma generated by the heat of re-entry. Such a plasma is impenetrable by radio waves, but can be pierced by X-rays. Using their prototype, Mr Hang and his colleagues are able to encode messages into X-rays, transmit them through a vacuum, and then decode them at the other end.

A practical version of this system would not broadcast signals directly to Earth from the re-entering craft. Rather it would transmit them to a satellite that then relayed the message Earthward by more conventional means. The reason for the detour is that, though X-rays penetrate dust, they are absorbed by the sorts of gases that make up Earth's atmosphere. The re-entry transceiver works because the period of re-entry blackout happens high in the atmosphere, where the air is thin. A signal beamed through the thick air of the lower atmosphere would, by contrast, be absorbed.

XCOM, as Mr Hang dubs his putative X-ray Aldis lamp, would be a more powerful version of such a spacecraft transmitter. To avoid atmospheric absorption it would have to be put into space to operate. Ideally, it would sit on the far side of the Moon, shielded from interference from Earth.

By a lucky coincidence, the China National Space Administration, the country's space agency, has just demonstrated, with the landing of its lunar probe *Chang'e-4*, that it can position equipment on that part of Earth's natural satellite. Whether the agency's research interests stretch as far as the hunt for extraterrestrial intelligence remains to be seen. But XCOM would certainly be a novel approach to the question.

This article appeared in the Science and technology section of the print edition under the headline "A penetrating thought"

Public health

A newly revived vaccine may deal a death blow to typhoid fever

It languished for 20 years for lack of development money

Print edition | Science and technology Feb 2nd 2019

A BACTERIUM called *Salmonella typhi* travels from host to host in contaminated food and water. Thanks to better mains and drains its excursions have been curtailed in rich countries. But the disease that it causes—typhoid fever—is still common in places where modernity has not fully made its mark. In these parts between 11m and 20m people fall ill with typhoid every year. Of those 160,000, mostly children, die.

Typhoid fever can be treated with antibiotics, but this line of defence is starting to fail as extensively drug resistant (XDR) bugs are spreading rapidly and alarmingly in Pakistan. Existing vaccines provide only temporary protection to adults and do not work in children. What is needed is a new and better vaccine. And one is now at hand, courtesy of the Bill and Melinda Gates Foundation, a big charity.

The origins of this vaccine, which labours under the moniker of Typbar-TCV, can be traced back to work done 20 years ago by researchers at America's National Institutes of Health. It was only ever licensed to Bharat Biotech, based in Hyderabad, India, for local use. Nobody else thought it worthwhile developing. Now the Gates Foundation has plucked Typbar-TCV from obscurity and pushed it through the research and testing necessary for it to be used everywhere.

One of the first of those tests was conducted by the Oxford Vaccine Group (OVG), a research organisation in Britain, in 2017. Andrew Pollard, OVG's boss, recruited 100 adult volunteers, vaccinated them and then gave them a drink laced with live *S. typhi*. Britain was a good place to do this because typhoid is essentially extinct there, so participants had no existing immunity. Antibiotics were on hand to treat those who succumbed, but most did not. This and subsequent experiments have shown the vaccine to be almost 90% effective and, crucially, safe for use in children as young as six months.

Fever pitch

The Gates Foundation has just sent a supply of 200,000 doses of Typbar-TCV to Pakistan, to try and fight the outbreak of XDR typhoid there. In Sindh province (mostly in the capital, Karachi), there were 5,274 cases of XDR typhoid (of 8,188 cases overall) between November 1st 2016 and December 9th last year.

The new vaccine has also been warmly welcomed by GAVI, an international health organisation formerly known as the Global Alliance for Vaccines and Immunisation, which has promised to spend $85m on Typbar-TCV this year and next. GAVI was supposed to start vaccinations in Zimbabwe this week. The doses are already in the country. However, according to Seth

Berkley, GAVI's boss, strikes, protests and a deteriorating security situation have meant that the beginning of the campaign has been postponed until February 23rd.

Other places where the vaccine could be deployed include Bangladesh, Ghana, India, Nepal, Nigeria and Uganda. Besides being able to bring typhoid outbreaks in countries like these to a halt, vaccination may also help drive down the use of antibiotics, and thus the selection pressure that maintains XDR bacteria in the population. Anita Zaidi, head of the vaccine-development, surveillance, and enteric and diarrhoeal diseases programmes at the Gates Foundation, even wonders if it might be possible to eliminate typhoid entirely if enough people are vaccinated.

That is an aspiration. Typbar-TCV does, though, bring the immediate hope of saving many lives. What a shame it has arrived 20 years later than it might have done.

This article appeared in the Science and technology section of the print edition under the headline "Better late than never"

Panda evolution

The giant panda's unusual diet may be the result of human pressure

Civilisation's rise drove it into China's bamboo forests

Print edition | Science and technology Feb 2nd 2019

THE GIANT PANDA is beloved of conservationists. It is the mascot of the WWF (World Wide Fund for Nature, formerly the World Wildlife Fund) and, with its striking black-and-white pelage, is one of the most recognisable large animals in the world. It is also evolutionarily weird. It is a type of bear, and therefore a member of the order of mammals known, after their usual dietary habits, as the Carnivora. But it is an obligate herbivore.

And it is rare. Optimistic estimates put the global panda population at between 2,000 and 3,000 individuals—with all those not living in zoos occupying a few fragments of bamboo forest in central China. Pessimists reckon those numbers are on the high side. It is ironic, then, that this icon of the natural world might actually be an accidental consequence of human activity. Yet this is a plausible interpretation of results just published in a paper in *Current Biology*, by Wei Fuwen of the Institute of Zoology, in Beijing.

Pandas are not merely herbivores, they are monovores—eating bamboo to the exclusion of almost anything else. Dr Wei wondered when this transition to monovory happened. The answer was, far more recently than anyone had expected.

Past estimates of changes in pandas' diets have depended on studies of their skulls and genes. The jaws of 4m-year-old fossils suggest that the ancestors of modern pandas were already by then eating a lot of tough vegetable matter. Analysis of a gene called *Tas1r1*, responsible for the taste sensation called "umami", which detects glutamic acid, a common component of meat, tells a similar story. It indicates that selective pressures in favour of this gene started to relax about 4.2m years ago. By around 2m years ago, conventional theory has it, pandas had completed the transition to an all-bamboo diet. Dr Wei has, however, brought a third line of evidence to bear. This is the isotopic composition of the animals' bones and teeth.

You are what you eat

Hydrogen apart, the most common elements in food are carbon, oxygen and nitrogen. Each of these has several isotopes (atoms of the same element whose nuclei have different numbers of neutrons within, and therefore different atomic weights). The two principal isotopes of carbon, 12C and 13C, and of nitrogen, 14N and 15N, have different ratios in different plant species—and these ratios tend to be preserved in the tissues of animals that eat those plants. The isotopes of oxygen,16O and 18O, vary in ratio according to the local climate.

Dr Wei studied carbon and nitrogen isotopes in the bones of a dozen ancestral pandas, dating from between 11,000 and 5,000 years ago, and compared them with those of modern pandas. The ancient animals had a wider range of 15N/14N and

13C/12C ratios in their bones than did the modern ones. That suggests they had broader diets. Oxygen isotopes collected from fossil teeth told a similar story. The ancient pandas had more variable 18O/16O values, suggesting that they lived in more varied environments than do their modern kin.

Whether the fossil pandas in Dr Wei's study were still eating any meat remains unclear. What is clear, however, is that they were not yet the obligate bamboo feeders which they are today, and that they were making forest fringes, subtropical zones and open land their home, rather than dwelling solely in bamboo forests. The question is, what made them change?

Dr Wei does not speculate. But there is one obvious possible culprit: the spread of *Homo sapiens*. Early Chinese history is shrouded in myth, but organised states clearly existed by about 5,000 years ago. Growing human populations could easily have displaced the ancestors of modern pandas to fringe areas where there was little to eat but bamboo. And if bamboo is all there is to eat, then those that prefer to eat it will be at an evolutionary advantage. The modern, bamboo-eating panda—symbol of animals under pressure from man—may thus have been made the way it is by precisely such human pressures.

This article appeared in the Science and technology section of the print edition under the headline "By the hand of man created?"

Sport and politics
Believe, boys, believe

Believe, boys, believe

In Turkey, football is an outlet for dissent

But the government's influence is spreading—in the stands and on the pitch

Print edition | Books and arts Feb 2nd 2019

Getty Images

THE RITUAL begins before dusk, at one of the restaurants in Besiktas, a neighbourhood perched on Istanbul's European shore, with fish, *meze* and *raki*, or in a local square, with stuffed mussels from Ahmet's, meatballs grilled by a headscarved auntie, and canned beer. Always, there is music. Fans swathed in black and white, the colours of Besiktas football club, roar out its anthems. One decries the state of the world. Another speculates about the sexual habits of rival teams. A couple of men dance to the shrill, spellbinding tune of a Roma musician's *zurna* pipe and the beat of a large drum. Someone lights a red flare.

Soon crowds stream from the taverns and march southwards, along the Bosphorus, the waterway that cleaves the city between two continents. They advance past the Naval Museum and the sumptuous Dolmabahce Palace, from which the last Ottoman sultans observed the collapse of their empire, past the adjacent mosque where the call to prayer booms out, past honking cars and troubadours eulogising Mustafa Kemal Ataturk, modern Turkey's founding father, and into the stadium.

And then the true delirium begins. These days, many football matches in Europe have the air of a family picnic, interrupted only sporadically by a chant or applause. Besiktas fixtures resemble choreographed riots. The fans once set the world record (at 132 decibels, as ear-splitting as a fighter jet during take-off) for the loudest crowd at a game. Moments before the match starts they hush into silence, then begin to hum, first softly, then louder, like a colossal swarm of bees. At kick-off, the swarm erupts into song. The chanting persists until the final whistle. In a stadium with more than 40,000 seats, practically no one ever sits down.

Attend a Besiktas match, or almost any other in Turkey, lap up the revelry and the anthems, and you might think football has survived the country's descent into autocracy unscathed. It has not. As in most places, only more so, politics and football (and business) have always been intertwined in Turkey, never more tightly than in the tumultuous past decade. "Believe, boys, believe," bellow the denizens of Besiktas's northern stands. "Sunny days will come," answer their counterparts at the southern end of the stadium. Many are talking about more than just the game.

The man whose words inspired that song, Nazim Hikmet, was a Marxist poet who died in exile in 1963 after more than a decade behind bars. Besiktas fans have traditionally been attracted to leftist causes, and to dissent. The Carsi—as the most hardcore Besiktas supporters are known—draw the *a* in their name in the shape of the symbol for anarchism. They have turned protest into an art form. Using banners often stitched from bedsheets, they have protested against racism, the murder of an Armenian journalist by a teenage nationalist, dam construction in Turkey's south-east and nuclear power plants in the north. They even protest against themselves. "Carsi is against everything," proclaims one popular banner. "Carsi is against itself too," reads another.

Football fans, and especially the Carsi, were in the vanguard of anti-government protests in 2013, and bore the brunt of the resulting crackdown. During one demonstration, supporters clashed with police near the residence of Turkey's president, Recep Tayyip Erdogan. Months later, 35 were charged with forming a terrorist group and attempting to bring down the government. (They faced life sentences, but were acquitted after a lengthy trial.) The same year, the government outlawed the chanting of political slogans at games. Then the league launched a new electronic ticketing system (operated by a subsidiary of a firm once run by Mr Erdogan's son-in-law, Berat Albayrak, the finance minister), which made it easier to monitor offenders.

The new system has curbed hooliganism, which plagued Turkish football for decades. It has also helped throttle dissent. "They've turned us from fans into spectators, and then into customers," says Cem Yakiskan, a Carsi leader. Both inside the stadiums and in the country at large, the squeeze on free expression has sharpened since 2016, when an army faction backed by members of the Gulen movement, a powerful Islamic sect once allied to Mr Erdogan, staged a bloody coup attempt.

All the president's men

At a Besiktas game two years ago, a group of fans unfurled a banner in support of two teachers who went on hunger strike after being dismissed (along with 125,000 other government employees) in the wake of the abortive coup. The fans were detained on terror charges. Around the same time, the league fined a club from Diyarbakir, the heart of the south-east region where Kurds form a majority, for changing its name to Amedspor, after the city's Kurdish moniker. One of the team's players was recently banned from professional football and given a suspended 18-month sentence for "terrorist propaganda". He had criticised a military offensive against Kurdish separatists and expressed sympathy with its victims.

Along with Fenerbahce, Galatasaray and Trabzonspor, Besiktas is one of four clubs that have dominated Turkish football for as long as anyone can remember. Between them, they have won the league championship in all but one of the past 60 years. Success has been costly: expensive players have pushed the clubs deep into the red. Yet because football fans are voters, and because nearly every Turk is a fan, governments have had no qualms about saving the best-loved teams from bankruptcy. In January Turkey's banking association announced that it would restructure the debts of all the clubs in the top division.

Money has not always been the only thing at stake, however. In 2011 Aziz Yildirim, then Fenerbahce's chairman, was arrested on match-fixing charges, along with dozens of players, coaches and referees. He claimed to have been framed by the Gulenists. When the alliance between the government and the Gulenists crumbled, so did the case against Mr Yildirim. Convicted by one court in 2012, he was acquitted by another three years later. In 2016 policemen and lawyers involved in the probe were themselves arrested. The scandal is so mired in the country's noxious politics, writes John McManus in "Welcome to Hell?", an engaging book about football and Turkish society, that determining what actually happened may be impossible.

Now the government's influence is making the leap from the stands to the pitch. Lately the big four have been challenged by Istanbul Basaksehir, which joined the top league only a decade ago. It takes its name from a sprawling neighbourhood on the city's outskirts, home to the sort of conservative voters who form the backbone of Mr Erdogan's Justice and Development (AK) party. The chairman is a relative of Mr Erdogan's wife. The stadium was built by a firm with a knack for winning big government tenders.

Basaksehir has surprisingly deep pockets. Its squad includes Turkey's most recognisable player, Arda Turan, as well as several foreign stars. These assets have not translated into popularity: despite Mr Erdogan's exhortations for young AK voters to go to home games, the average attendance is under 4,000. The stands are empty. But the team is winning. With four months of the season to go, it is set fair to win the title.

For Basaksehir and its powerful backers, those sunny days seem to have come. To some Turkish fans, the game they love, which was once an arena for opposition politics, seems increasingly to have been tainted by authoritarianism.

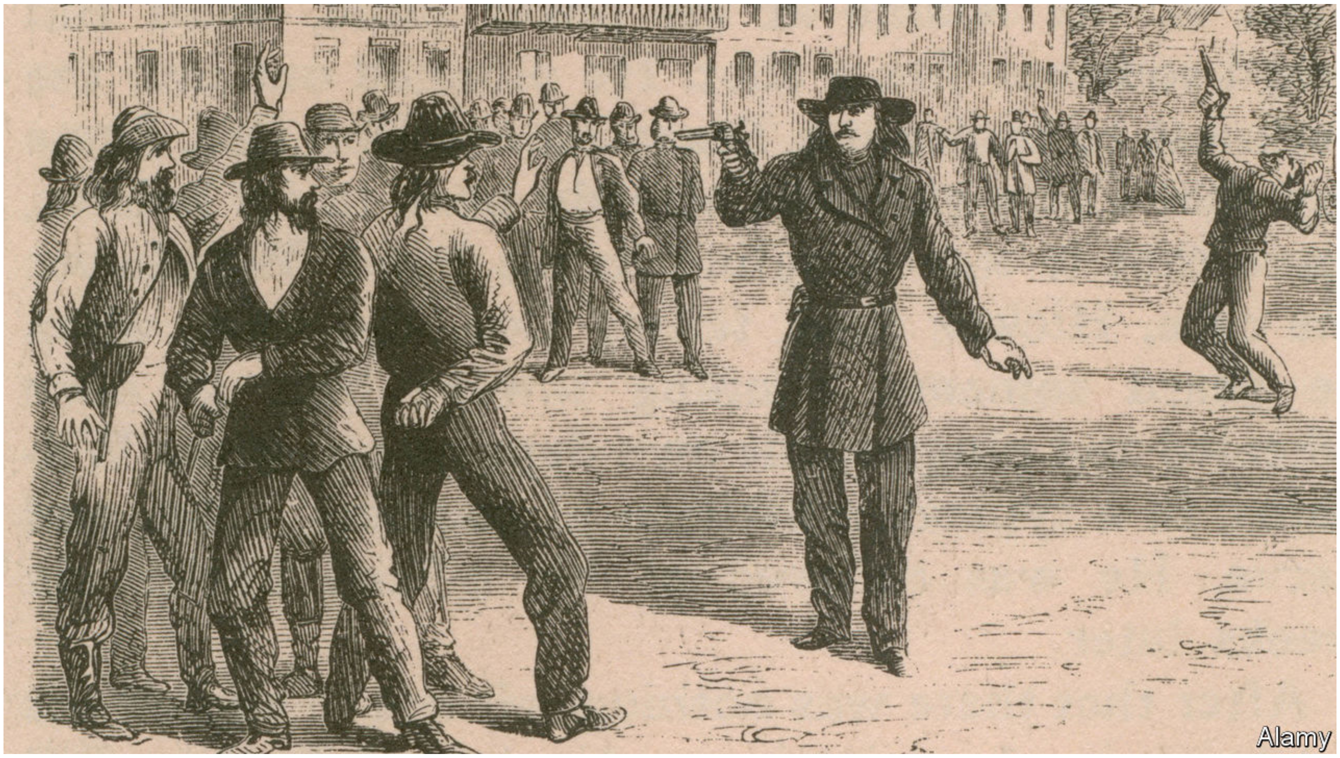
This article appeared in the Books and arts section of the print edition under the headline "Believe, boys, believe"

Agnes got his gun

The legend of Wild Bill Hickok

The gunslinger's wife was the first woman in America to own a circus

Print edition | Books and arts Feb 2nd 2019



Wild Bill: The True Story of the American Frontier's First Gunfighter. By Tom Clavin. *St. Martin's Press; 336 pages; $29.99 and £22.95.*

HE WAS STUNNING, or so Libbie Custer, the famous cavalryman's wife, remembered. Wild Bill Hickok, a gunslinger said to have once killed ten men in a single fight, was "a delight to look on...the careless swing of his body as he moved seemed perfectly in keeping with the man, the country, the time in which he lived."

Alas, the frontispiece of Tom Clavin's biography, "Wild Bill", belies this swooning description. Can the man with sleepy eyes and a moustache like a limp rodent be the Adonis recalled by Mrs Custer? Then again, her account was published 14 years after his death, and truth was a fungible commodity in the Wild West. Matters big and small were twisted and embellished. The myth of the frontier as a place of freedom and opportunity has, these days, been supplanted by a less romantic understanding that for many—notably Native Americans—it was rather less idyllic.

Mr Clavin, whose previous book explored the legend of Dodge City, takes a swipe at an earlier Hickok biography as a "somewhat mind-numbing saga of facts and disclaimers and rebuttals". Inevitably, though, in telling "the true story" of Hickok's life, he resorts to disclaimers and rebuttals himself. Hickok may or may not have been mauled by a bear. He was said to have founded the Pony Express (he didn't); he may or may not have had an affair with the besotted Libbie Custer. As the author says, the truth about some of these claims will never be known.

Hickok was anointed a Wild West celebrity by a profile in *Harper's New Monthly Magazine* in 1867. When the enthralled journalist asked permission to publish it, Hickok, then 29, agreed. "I am sort of public property," he said. The aura of the sharpshooter who could supposedly split a bullet on the edge of a dime at 20 paces was augmented by his style. His city garb included a Prince Albert coat, checked trousers, a wide-brimmed black hat and, sometimes, a cloak lined with scarlet silk.

In Mr Clavin's formulaic prose, men "wet their whistles" and prospectors are "busy as beavers". Still, when Hickok becomes marshal in the cow town of Abilene, Kansas, the pace tightens. The stage is set for his stumbling descent into early-morning drinking, gambling losses and cruelly deteriorating eyesight. (Glaucoma? An infection caused by syphilis? Another unknowable detail.)

In Abilene, Hickok meets the love of his life, Agnes Thatcher Lake, operator of the Hippo-Olympiad and Mammoth Circus, and the book's most interesting personality. A widow of 45 (Hickok was 11 years younger), she was the first woman in America to own a circus. The circus and Agnes move on, but her affair with Hickok proceeds by post. They reunite, marry and set off on a two-week honeymoon.

Fatefully, Hickok heads for the Black Hills to strike it rich at the gaming tables or gold fields. "Agnes Darling, if such should be we never meet again," he writes in 1876, "while firing my last shot, I will gently breathe the name of my wife..." A murderer's bullet ensured that they never did.

This article appeared in the Books and arts section of the print edition under the headline "Agnes got his gun"

All kinds of murderers

Sir Don McCullin's photos are an accusation

From war to landscapes, they are deeply political. But he insists they are not art

Print edition | Books and arts Feb 2nd 2019

WHEN PEOPLE are about to die, Sir Don McCullin observes, "they often look up", searching for "one last chance that maybe somebody can save [them]." Condemned prisoners glance skyward in Goya's paintings, he notes, as did some of the doomed souls he encountered on his assignments, such as in the killing fields of Lebanon in 1976. In the pictures from Beirut that appear in a new exhibition of Sir Don's work at Tate Britain in London, a woman wails for her murdered family. Gunmen crouch in a ruined ballroom.

Sometimes, rather than turning to the heavens, the victims looked to Sir Don for salvation instead. He remembers in particular a starving boy in Biafra, crawling across a muddy playground, covered in flies. Often his subjects stare into his lens: an exhausted mother in a Bangladeshi refugee camp; a Zambian AIDS orphan; a woman arrested at a protest in England against the bomb. They looked, but "all I've got around my neck is two Nikon cameras." He was doing a job, but you can't "hide behind the camera".

Sir Don couldn't hide, and neither can his viewers. Looking at him, his subjects seem also to be gazing through and beyond his black-and-white images. What, he asks, could he say to that starving boy? His work is an accusation—against the perpetrators of the cruelty he intimately chronicled, against his audience and against himself.

"My whole life has been built upon violence," Sir Don reflects. Born in London in 1935, he was evacuated to Lancashire during the war, billeted in a "hell-hole" with a bullying farmer. He took his first published photo in the aftermath of a deadly street fight; it shows a gang from Finsbury Park, his rough London neighbourhood, peering from the carcass of a bombed-out building. When the *Observer* ran it in 1959, the biggest thrill was seeing his father's surname in print: the older McCullin had died when Don was 13, which was when he gave up on God. Around that time, some policemen asked him where he got his camera ("they were always smacking you around"). More worried about what his mother might do to the bobbies than what they might do to him, he kept them away from the house while he fetched the receipt. "The old lady was quite ferocious really."

He began to learn his craft during national service in Egypt and Kenya, where he was deployed in a unit that processed aerial reconnaissance. He took himself to Berlin when the wall was being built in 1961, snapping American troops at Checkpoint Charlie (see picture below). Then he went to war, largely for the *Sunday Times*.

Finsbury Park, it turned out, was "child's play". "I've been with all kinds of murderers in my life," Sir Don says; "men killing people in front of me, just because they like killing people." Soon he eschewed the "flags and bugles and Napoleonic stuff", focusing instead on civilians, who always suffered most. As in his shot of a besuited young Catholic, taking on British troops in Londonderry with a stick in 1971 (see top picture), in his images of conflict there is often a sense of life interrupted. Bystanders peek from doorways. Relatives mourn.

It was a dangerous trade. In 1970 his camera took a bullet for him as he zigzagged through a Cambodian paddy field; a week later he was wounded by a mortar, crawling away to evade the Khmer Rouges. ("Did I do this?" he asks in momentary wonderment.) In 1972 he spent four days in a Ugandan prison, where every morning Idi Amin's lorries would take corpses to the Nile to feed to the crocodiles: "I thought I'd had it." Charles Glass, a foreign correspondent and friend, says Sir Don "will endure any amount of discomfort and suffering to get a picture." He complained, Mr Glass says, only when pettifogging officials barred the path to his destination.

Some wounds didn't heal. Feeling "more elated and more blessed" for surviving, he sensed he was becoming a war junkie. "Every two or three years," he recalls, "I'd have a kind of breakdown." Now, at 83, stories tumble out of him, like the one about a man with a blown-off face he took to hospital in Salvador in 1982, whose "eyes were screaming". Or about the company of marines he saw "chewed up" in Hue. "I think about it every bloody day," he says. "My head is overcrowded with memory."

He blames politicians: "90% of the things I went and photographed was because they bollocksed up." That goes equally for the struggling English towns that he documented between foreign jobs. His close-up portrait of a homeless Irishman in London's East End, wild hair framing a haunted visage, is as wrenching in its way as his battlefields. Cities are "where the real truth is," he reckons. Even his glowering English landscapes seem suffused with threat. For him, the Roman ruins he photographed in North Africa are imbued with the hardship of the slaves who built them.

So his output was always political but, he insists, "it never was art...It's not me." His resistance to that label stems partly from his background ("I never went to school very much"), and partly from a sense of guilt, even self-disgust. To convey the "stench and the smell of war", he had to "connive to bring [viewers] in and hold them", with a compositional skill that transmutes anguish into a chilling beauty. As a result, many of the photos he took for newspapers have come to seem as much archetypal as records of specific events; an existential inquiry into innocence and evil, suffering and endurance, as much as journalism. Their subjects seem both frozen in a dead past and admonishingly alive.

Sir Don invests as much effort in making the pictures as he did in taking them, constantly revisiting old negatives to refine his images. He made all the silver-gelatin prints in the Tate's show himself. Simon Baker, one of the curators, says he has a "very curious, unusual feeling of obligation" to his material, which Mr Baker sees as a way of "paying respect to the subject". Sir Don still does long, therapeutic stints in his dark room in Somerset, which he likens to being "alone in your mother's womb".

For all that devotion, he doubts that he has made any difference: "Looking back, it served no purpose, my life." He has "been preaching to the converted", he concludes, as he surveys, say, the depredations of Islamic State. "I just don't trust humanity." Then he mentions how, that morning, he passed up a chance to take "the greatest photo in the world". On a London street he saw a businessman drinking his coffee and squinting at his phone, while on the pavement beside him a homeless man huddled in a sleeping bag. But Sir Don didn't have his camera. "I felt naked."

This article appeared in the Books and arts section of the print edition under the headline "All kinds of murderers"

Johnson

Mistakes are the engine of language's evolution

An apron was once a napron, an adder a nadder

Print edition | Books and arts Feb 2nd 2019

"I BELIEVE THE children are our future," sang Whitney Houston, making an obvious fact of life sound like a bold claim. Children will of course not only inherit the world, but shape it. And in their linguistic mistakes, their parents can get a sense of how.

Take the child collecting different kinds of animals in a video game: "I got a new specie!", he cries. The source of the mistake is obvious. The child has heard the slightly rarefied word "species" and assumed it was the plural of something called a *specie*. Children do this kind of thing all the time as they learn language; generalising from things previously heard and rules previously mastered is the only way they can progress with such speed. In most cases, errors disappear on their own.

Yet tempting, *specie*-type mistakes happen not just among children, but their parents too. Some survive, and even thrive, until they displace an old form and become the new standard. Few English-speakers today know it, but there was once no such thing as a *pea*. People ate a mass of boiled pulses called *pease*. But just as with *specie*, at some point English people misanalysed *pease* as a plural, and the new singular *pea* was born. The same thing happened with *cherry*, from the Norman *cherise*, and *caper* (the edible kind), from the Latin *capparis*, both singular.

Another kind of confusion happens at the beginning of words. People once worked with a protective bit of clothing called a *napron*. But enough heard it as "an apron" that *apron* eventually supplanted *napron* completely. Other words beginning with vowels and preceded by "an" went through the same process: *nadder* became *adder* and *nauger*, *auger* (a tool for boring holes). In other instances, an *n* was added, not subtracted, by a mistake in the opposite direction: a *newt* was once a *ewt*, and a *nickname* was once an *eke-name*. (*Eke* is an old word for "also".) Not all such forms survived: while *neilond*, *nangry* and *nuncle* appear in older English texts, they never did replace *island*, *angry* and *uncle*.

Foreign borrowings are also a source of error-induced change. The French *la munition* was misunderstood by English-speakers with shaky French as *l'ammunition*, giving rise to the English word. English-speakers are not the only people who do this kind of thing, nor is French the only victim. The Arabic *al-*, meaning "the", has been taken as an integral part of words borrowed from that tongue. So European languages are filled with *alkali*, *algebra* and the like. It is as if English had swallowed *la munition* whole as "lamunition".

Sometimes borrowings are mangled not because their structure is misunderstood, but their meaning. A *chef de cuisine*, as it was originally adopted from French, was boss of the kitchen. *Chef* still means "boss" in French, but the English eventually took a chef to be a cook. *Pariah* trod a similarly improbable path: the word means "drummer" in Tamil, becoming the name of a downtrodden ethnic group which often performed ceremonial drumming. That "downtrodden" element of the meaning then became the only one in English.

The "pariah" example is instructive. This isn't so much a word born of a single clear-cut mistake, as one that emerged from a gradual transformation: from drummer to outcast drummers to outcast, each step is short and intelligible. Only to Tamils might the English sense of "pariah" seem wrong. In English, "outcast" really is its meaning.

Every word is changing a little bit, all the time. Look at a few lines of Middle English, and it is nigh impossible to find words that have not altered in spelling, pronunciation, meaning, grammar—or all four. Consider Old English, and those rare examples become nearly zero. Even Shakespeare requires some practice to understand fully.

Many of the tweaks that have made those bygone Englishes into modern English could be seen as an "error" of some sort. Some such changes were systematic: all words with the same vowel gradually being pronounced with a different one, say. Others have affected just one word at a time, and so tend to be too subtle to catch the eye.

The *naprons* of the world are notable, then, not because they are exceptions, but because they are instances of a common phenomenon—language change through "error"—that happened conspicuously enough to make a tidy example. But modern English is deformed Old English and degenerate Middle English. In other words, like any living language, it is "error" all the way down.

This article appeared in the Books and arts section of the print edition under the headline "The error of our ways"

Economic and financial indicators

Economic data, commodities and markets

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Print edition | Economic and financial indicators Feb 2nd 2019

Economic data

	Gross domestic product % change on year ago: latest		quarter*	2018†	Consumer prices % change on year ago: latest		2018†	Unemployment rate %	
United States	3.0	Q3	3.4	2.9	1.9	Dec	2.4	3.9	Dec
China	6.4	Q4	6.1	6.6	1.9	Dec	2.0	3.8	Q4§
Japan	nil	Q3	-2.5	1.0	0.3	Dec	1.0	2.5	Nov
Britain	1.5	Q3	2.5	1.3	2.1	Dec	2.3	4.0	Oct††
Canada	2.1	Q3	2.0	2.1	2.0	Dec	2.3	5.6	Dec
Euro area	1.6	Q3	0.6	1.9	1.6	Dec	1.7	7.9	Nov
Austria	2.2	Q3	-1.9	2.6	1.9	Dec	2.1	4.7	Nov
Belgium	1.2	Q4	1.2	1.4	2.0	Jan	2.3	5.6	Nov
France	0.9	Q4	1.1	1.6	1.6	Dec	2.1	8.9	Nov
Germany	1.2	Q3	-0.8	1.4	1.7	Dec	1.9	3.3	Nov‡
Greece	2.4	Q3	4.3	2.1	0.6	Dec	0.6	18.6	Oct
Italy	0.7	Q3	-0.5	0.9	1.1	Dec	1.2	10.5	Nov
Netherlands	2.4	Q3	0.6	2.5	2.0	Dec	1.6	4.4	Dec
Spain	2.5	Q3	2.2	2.5	1.2	Dec	1.7	14.7	Nov
Czech Republic	2.4	Q3	2.4	2.8	2.0	Dec	2.2	1.9	Nov‡
Denmark	2.4	Q3	2.9	1.0	0.8	Dec	0.8	3.9	Nov
Norway	1.1	Q3	2.3	1.7	3.5	Dec	2.7	3.8	Nov‡‡
Poland	5.7	Q3	7.0	5.1	1.1	Dec	1.7	5.8	Dec§
Russia	1.5	Q3	na	1.7	4.3	Dec	2.9	4.8	Dec§
Sweden	1.7	Q3	-0.9	2.3	2.0	Dec	2.0	6.0	Dec§
Switzerland	2.4	Q3	-0.9	2.6	0.7	Dec	0.9	2.4	Dec
Turkey	1.6	Q3	na	3.1	20.3	Dec	16.4	11.6	Oct§
Australia	2.8	Q3	1.0	3.0	1.8	Q4	2.0	5.0	Dec
Hong Kong	2.9	Q3	0.3	3.4	2.6	Dec	2.4	2.8	Dec‡‡
India	7.1	Q3	3.3	7.3	2.2	Dec	4.0	7.4	Dec
Indonesia	5.2	Q3	na	5.2	3.1	Dec	3.2	5.3	Q3§
Malaysia	4.4	Q3	na	4.7	0.2	Dec	0.8	3.3	Nov§
Pakistan	5.4	2018**	na	5.4	6.2	Dec	5.2	5.8	2018
Philippines	6.1	Q4	6.6	6.2	5.1	Dec	5.3	5.1	Q4§
Singapore	2.2	Q4	1.6	3.2	0.5	Dec	0.5	2.2	Q4
South Korea	3.2	Q4	3.9	2.5	1.3	Dec	1.6	3.4	Dec§
Taiwan	2.3	Q3	1.5	2.6	nil	Dec	1.4	3.7	Dec
Thailand	3.3	Q3	-0.1	4.1	0.4	Dec	1.2	1.0	Nov§
Argentina	-3.5	Q3	-2.7	-2.0	47.1	Dec	34.3	9.0	Q3§
Brazil	1.3	Q3	3.1	1.2	3.7	Dec	3.7	11.6	Nov§
Chile	2.8	Q3	1.1	4.0	2.6	Dec	2.4	6.8	Nov§‡‡
Colombia	2.6	Q3	0.9	2.6	3.2	Dec	3.2	8.8	Nov§
Mexico	1.8	Q4	1.2	2.2	4.8	Dec	4.9	3.6	Dec
Peru	2.3	Q3	-8.3	3.7	2.2	Dec	1.3	5.7	Dec§
Egypt	5.4	Q2	na	5.3	11.9	Dec	16.7	10.0	Q3§
Israel	2.9	Q3	2.3	3.2	0.8	Dec	0.8	4.1	Nov
Saudi Arabia	-0.9	2017	na	1.5	2.2	Dec	2.6	6.0	Q3
South Africa	1.1	Q3	2.2	0.8	4.5	Dec	4.6	27.5	Q3§

Source: Haver Analytics. *% change on previous quarter, annual rate. †The Economist Intelligence Unit estimate/forecast. §Not seasonally adjusted. ‡New series. **Year ending June. ††Latest 3 months. ‡‡3-month moving average.

The Economist

Economic data

	Current-account balance % of GDP, 2018†	Budget balance % of GDP, 2018†	Interest rates 10-yr gov't bonds latest,%		Interest rates change on year ago, bp	Currency units per $ Jan 30th	Currency units % change on year ago
United States	-2.5	-3.8	2.8		10.0	-	
China	0.2	-3.5	2.9	§§	-92.0	6.71	-5.5
Japan	3.7	-3.5	nil		-6.0	110	-0.7
Britain	-3.9	-1.3	1.3		-16.0	0.77	-7.8
Canada	-2.8	-2.2	1.9		-38.0	1.32	-6.8
Euro area	3.5	-0.7	0.2		-50.0	0.88	-8.0
Austria	2.1	-0.3	0.4		-38.0	0.88	-8.0
Belgium	0.5	-1.0	0.7		-20.0	0.88	-8.0
France	-0.8	-2.6	0.6		-30.0	0.88	-8.0
Germany	7.6	1.4	0.2		-50.0	0.88	-8.0
Greece	-1.9	-0.1	3.9		23.0	0.88	-8.0
Italy	2.6	-1.9	2.6		57.0	0.88	-8.0
Netherlands	10.3	1.2	0.3		-43.0	0.88	-8.0
Spain	1.0	-2.7	1.2		-18.0	0.88	-8.0
Czech Republic	0.8	1.1	1.8		-2.0	22.6	-9.7
Denmark	6.2	-0.4	0.3		-37.0	6.53	-8.1
Norway	8.0	7.0	1.8		-11.0	8.47	-9.0
Poland	-0.4	-0.9	2.8		-70.0	3.75	-10.7
Russia	6.6	2.7	8.4		96.0	65.9	-14.5
Sweden	2.2	0.9	0.4		-52.0	9.08	-13.2
Switzerland	9.6	0.9	-0.2		-30.0	1.00	-7.0
Turkey	-4.5	-1.9	14.9		292	5.26	-28.1
Australia	-2.4	-0.6	2.2		-62.0	1.39	-10.8
Hong Kong	3.0	2.0	1.9		-14.0	7.84	-0.3
India	-2.7	-3.6	7.5		11.0	71.2	-10.6
Indonesia	-2.8	-2.6	8.2		182	14,130	-4.9
Malaysia	2.3	-3.7	4.1		14.0	4.11	-5.1
Pakistan	-5.7	-5.4	13.3	†††	479	139	-20.3
Philippines	-2.8	-2.8	6.5		28.0	52.4	-1.8
Singapore	19.1	-0.5	2.2		-7.0	1.35	-3.0
South Korea	4.7	0.7	2.1		-72.0	1,116	-3.8
Taiwan	12.9	-0.7	0.9		-19.0	30.8	-4.9
Thailand	6.8	-3.0	2.2		-16.0	31.4	0.2
Argentina	-6.0	-5.5	11.3		562	37.6	-47.9
Brazil	-0.8	-7.1	7.1		-146	3.72	-14.5
Chile	-2.5	-2.0	4.2		-32.0	666	-8.9
Colombia	-3.2	-2.4	6.8		38.0	3,164	-10.1
Mexico	-1.6	-2.5	8.5		83.0	19.1	-2.4
Peru	-2.2	-2.4	5.6		64.0	3.35	-3.9
Egypt	-1.1	-9.5	na		nil	17.7	-0.1
Israel	1.7	-3.0	2.1		42.0	3.66	-6.6
Saudi Arabia	6.3	-5.0	na		nil	3.75	nil
South Africa	-3.1	-3.9	8.7		20.0	13.6	-11.9

Source: Haver Analytics. §§5-year yield. †††Dollar-denominated bonds.

Markets

In local currency	Index Jan 30th	% change on: one week	% change on: Dec 29th 2017
United States S&P 500	2,681.1	1.6	0.3
United States NAScomp	7,183.1	2.2	4.1
China Shanghai Comp	2,575.6	-0.2	-22.1
China Shenzhen Comp	1,283.7	-2.5	-32.4
Japan Nikkei 225	20,556.5	-0.2	-9.7
Japan Topix	1,550.8	0.2	-14.7
Britain FTSE 100	6,941.6	1.4	-9.7
Canada S&P TSX	15,484.6	1.8	-4.5
Euro area EURO STOXX 50	3,161.7	1.6	-9.8
France CAC 40	4,974.8	2.8	-6.4
Germany DAX*	11,181.7	1.0	-13.4
Italy FTSE/MIB	19,771.6	1.9	-9.5
Netherlands AEX	518.5	2.2	-4.8
Spain IBEX 35	9,071.5	-0.6	-9.7
Poland WIG	59,849.2	-1.5	-6.1
Russia RTS, $ terms	1,199.0	1.1	3.9
Switzerland SMI	8,965.7	0.1	-4.4
Turkey BIST	104,189.4	4.0	-9.7
Australia All Ord.	5,951.2	0.7	-3.5
Hong Kong Hang Seng	27,642.9	2.3	-7.6
India BSE	35,591.3	-1.4	4.5
Indonesia IDX	6,464.2	0.2	1.7
Malaysia KLSE	1,684.1	-0.2	-6.3
Pakistan KSE	40,607.1	1.4	0.3
Singapore STI	3,174.4	0.1	-6.7
South Korea KOSPI	2,206.2	3.7	-10.6
Taiwan TWI	9,932.3	0.9	-6.7
Thailand SET	1,632.6	0.9	-6.9
Argentina MERV	36,039.1	3.5	19.9
Brazil BVSP	96,996.2	0.5	27.0
Mexico IPC	43,621.4	-0.1	-11.6
Egypt EGX 30	14,093.4	4.3	-6.2
Israel TA-125	1,403.3	2.0	2.9
Saudi Arabia Tadawul	8,583.6	1.4	18.8
South Africa JSE AS	54,131.7	0.4	-9.0
World, dev'd MSCI	2,011.0	1.6	-4.4
Emerging markets MSCI	1,036.6	2.5	-10.5

US corporate bonds, spread over Treasuries

Basis points	latest	Dec 29th 2017
Investment grade	178	137
High-yield	499	404

Sources: Datastream from Refinitiv; Standard & Poor's Global Fixed Income Research.
*Total return index.

Commodities

The Economist commodity-price index 2005=100	Jan 22nd	Jan 29th*	% change on month	 year
Dollar Index				
All Items	138.4	138.4	1.8	-9.8
Food	146.9	146.0	1.3	-5.0
Industrials				
All	129.6	130.5	2.3	-14.9
Non-food agriculturals	122.6	123.3	3.5	-11.3
Metals	132.7	133.5	1.9	-16.2
Sterling Index				
All items	194.3	191.5	-1.4	-3.2
Euro Index				
All items	151.6	150.8	1.9	-1.9
Gold				
$ per oz	1,281.0	1,310.7	2.3	-2.2
West Texas Intermediate				
$ per barrel	53.0	53.3	17.4	-17.3

Sources: CME Group; Cotlook; Darmenn & Curl; Datastream from Refinitiv; FT; ICCO; ICO; ISO; Live Rice Index; LME; NZ Wool Services; Thompson Lloyd & Ewart; Urner Barry; WSJ. *Provisional.

The Economist

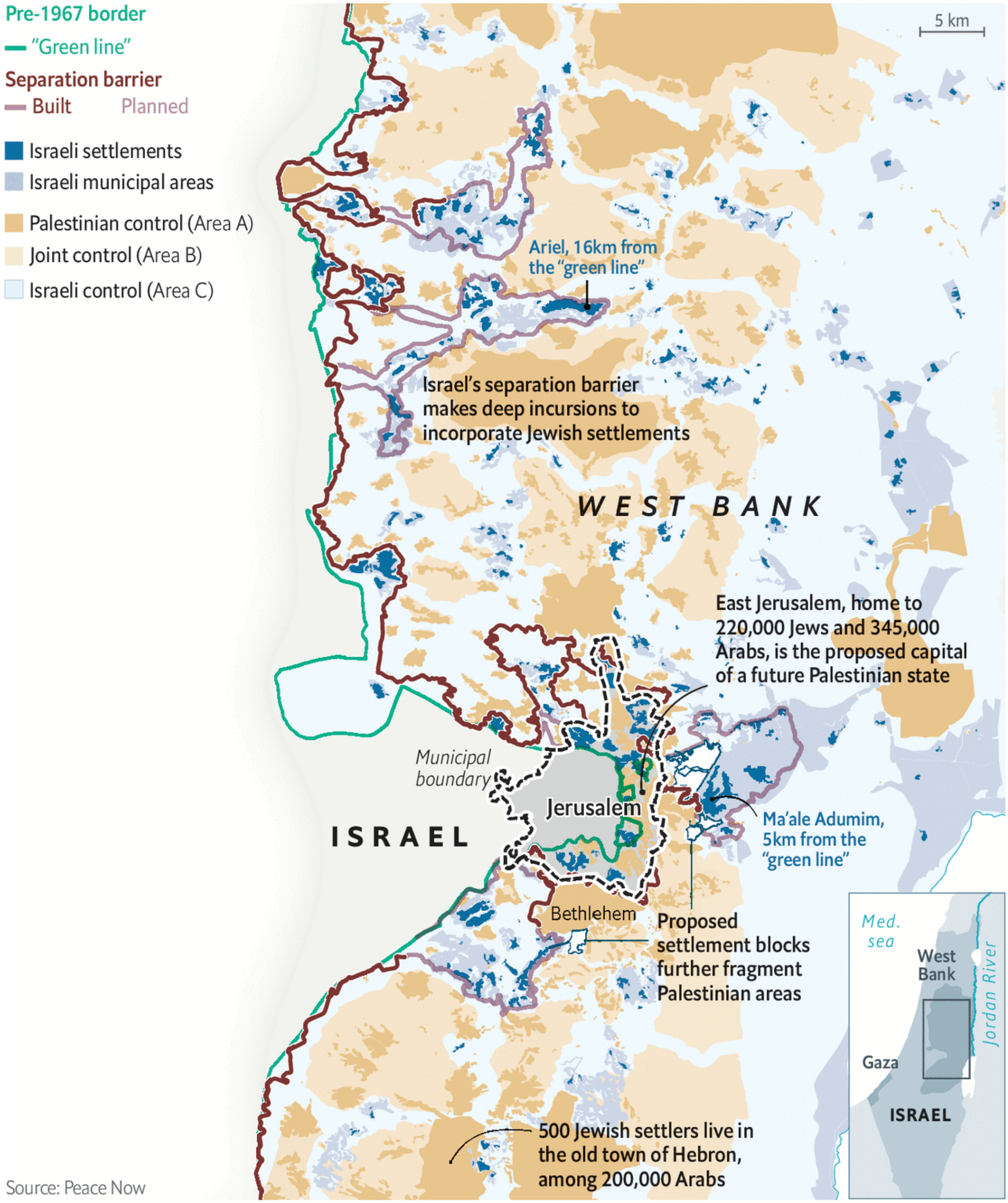
Future of the Holy Land
Facts on the ground

Future of the Holy Land

Israel's growing settlements force stark choices about its future

The country cannot remain Jewish and democratic while controlling the entire Holy Land

Print edition | Graphic detail Feb 2nd 2019



Source: Peace Now

The Economist

ISRAELI-PALESTINIAN peace talks are frozen. President Donald Trump's plan for the "deal of the century" has been put off. The subject is absent in campaigning for the Israeli election in April, which focuses on looming corruption charges against Binyamin Netanyahu, the prime minister.

The Oslo accords of 1993 created a crazy quilt of autonomous zones in the lands that Israel captured in 1967. They also kindled the hope of creating a Palestinian state in most of the West Bank and Gaza Strip, with its capital in East Jerusalem. After much bloodshed, though, most Israelis are wary of this "two-state solution". Today Palestinians are mostly shut off by security barriers, and divided. The Palestinian Authority in the West Bank refuses to negotiate with Israel but co-operates on security. Its Islamist rival, Hamas, which runs Gaza, dares not risk another war, for now.

Besides, the growth of Jewish settlements makes a two-state deal ever harder. Establishing a Palestinian state would probably require the removal of settlers in its territory. Israel had trouble enough evicting 8,000 Jews from Gaza in 2005. There are more than fifty times as many in the West Bank. Even excluding East Jerusalem, annexed by Israel, the number of Jews east of the “green line” (the pre-1967 border) has risen from 110,000 in 1993 to 425,000. New home approvals nearly quadrupled from 5,000 in 2015-16 to 19,000 in 2017-18, according to Peace Now, a pressure group.

Such “facts on the ground” follow a pattern: more intense building in East Jerusalem and close to the green line; less so deeper in the West Bank. In theory, a line could be drawn to incorporate the vast majority of settlers within Israel. The route of the existing and planned barriers would take in 77% of the West Bank’s settlers (or 85%, counting East Jerusalem). But this creates deep salients that break up Palestinian areas and cut them off from Jerusalem.

As Palestinians lose hope for a state of their own, some favour a “one-state” deal: a single state on all the land with equal rights for Jews and Arabs. Israel would have to give up its predominantly Jewish identity. That is because, between the Mediterranean and the Jordan river, the overall number of Arabs has caught up with that of Jews, and may soon exceed them.

This creates a “trilemma” for Israel. It cannot have at the same time a strong Jewish majority, all the land and a full democracy that does not discriminate against Arabs. In the end it must sacrifice either land in a two-state solution; or a Jewish majority in a big “binational” state; or the claim to being a proper democracy. It has tried to avoid such stark choices through messy partial withdrawals. But the more permanent its occupation becomes, the more it risks sliding towards apartheid.

Sources: Israel Central Bureau of Statistics; Palestinian Central Bureau of Statistics; Jerusalem Institute for Policy Research; Peace Now; Washington Institute for Near East Policy; *The Economist*

Get the data

This article appeared in the Graphic detail section of the print edition under the headline ”Facts on the ground”

Obituary

Frank Blaichman
Arms and the man

Arms and the man

Obituary: Frank Blaichman died on December 27th

One of the leaders of the Jewish Partisan Army in Poland was 96

Print edition | Obituary Feb 2nd 2019

THAT FIRST proper gun Frank Blaichman did not forget. It was a rifle with straw still on it, because a farmer had fetched it from its hiding place in a barn. Not new, but polished, heavy, and with ammunition. It made him shiver from his head to his knees. More followed. One, dug from the ground, looked fresh out of a magazine. He had been told there were enough "to arm a company". Well, not quite. There were six. But they changed everything.

Up to then, for two months, he had been hiding in the forest. There was a camp of 100 Jews who had escaped deportation from his town, Kamionka, south-east of Warsaw, in October 1942, living in bunkers dug in the earth. They would creep out for water or food, run back again. Enemies were all around. In his bunker at night he would tremble with fear that the deer running by were Germans. At 19, he felt he was dead and in his grave.

He had inner weapons, but they were all to do with disappearing. Since the Germans had arrived in 1939, he had honed them. Fluent Polish, picked up from customers in his grandmother's general store. The look of a gentile, to blend in. Good local knowledge, from the bartering he did for other Jews, of which gentile farms had honey or chickens, and which might be friendly enough (resisting the general poison in the air) to hide him for a day or so. An uncanny sense of direction, and cunning too, so that he could slip into woods, ravines and even haystacks if people were hunting him. "Skinny Frank" was his nickname round the town.

Yet hiding was not his nature. When the Germans started to round up Kamionka's Jews he refused to be deported with them. He already laughed at the travel restrictions for Jews, racing out of town on his bicycle to trade stuff, leaving his white Star of David arm-band at home. Meanwhile, his fury mounted. When he saw Hasidim rifle-butted as they dug ditches, or heard that Uncle Moishe had been shot on the spot for having fresh meat in his house, he felt like fighting. Most of his neighbours said it was God's will. He did not agree. So on the eve of the round-up he vaguely wished his family *Zeits geszunt*, "Be healthy!", and walked out with nothing but bread in his pockets.

So he had run away. But what could he fight with? That autumn 80 of his companions were slaughtered at their wretched campsite in the forest. It was not enough to bury them, say Kaddish and vanish. Jews had to defend themselves, and also avenge the dead. Even the pretence of a rifle—old farm forks with their outer teeth knocked out, slung on a shoulder-strap—made him feel stronger. With proper firearms, they would make an army of resistance.

What he realised more gradually was the sheer power of a gun over other people. The silent threat of force, which gave you whatever you asked for in the blink of an eye. On that great Night of the Weapons he'd gone to the farm with no idea what to say. But he had an old small-calibre pistol in his hand, no bullets, and the handle held on with a rubber band. Seeing it, the farmer immediately gathered all the rifles he had. In villages from which Jews were usually chased away, for fear of German reprisals if they were let in, they could now eat and drink confidently and try to make the point that they were not hoodlums, but gentlemen.

The guns' message to the organised legions of Jew-haters was starker. If any of those bandits killed a Jew, they would be killed in turn. Harassers of Jews at roadblocks were now met with gunfire. Nazi collaborators who pretended to be picking mushrooms in the forest, looking for Jews to betray to the Germans, were arrested, interrogated and shot. (He continued to take revenge after the war, working briefly for the new communist government to hunt them down.) As his group grew more efficient it attracted more recruits, including ex-soldiers, and more weapons: hand-grenades, mines, machineguns. The Jewish Partisan Army that resulted, split up into scattered roving units, could now carry out proper ambushes and sabotage. And he, at 21, was its youngest platoon commander, with a small moustache that made him look more of a soldier.

His inner weapons, though, were never put aside. He and his comrades still trusted no one. For months he kept his pistol, a Polish Vis, chained unholstered to his belt so that he could draw it in a second, until it went off accidentally and killed a friend. Various groups of gentile Polish partisans, who often helped out, offered to join forces with them but he, for one, refused. Anti-Semitism ran too deep in Poland, he wrote later. Any Pole could recognise a Jew among a thousand gentiles. Even once the war was won in the east, Jews could never be safe in that country. The place was one huge cemetery of Jewish life as it had been.

He therefore left in 1948, and three years later settled in New York. In America at least he could bring up his family peacefully with Torah and among Jews. There, where he worked as a builder, he joined the campaign to get a memorial to the Jewish partisans erected at Yad Vashem in Jerusalem. Everyone had to know that Jews fought too, in an organised and disciplined way.

When historians came calling, he went through his life with almost no emotion. Impassively, he told how relatives had vanished and how he had said goodbye. Two stories, though, he relished telling. One was the time his partisans went to disarm 2,000 Germans on a farm estate, shooting for hours, until they gave up for lack of reinforcements. The other was the time he shot a German officer at almost point-blank range, above the belt-clasp. He fell down like a tree. And his killer, 50 years later, allowed himself a smile.

This article appeared in the Obituary section of the print edition under the headline "Arms and the man"