# The Economist

ISRAEL

Lessons from Australia's wildfires

How GE hobbled Boeing

Why Ben Bernanke is wrong

A dispatch from Xinjiang

ANUARY 11TH-17TH 2020

# Masterstroke or madness?

LEBANON SAUDI ARABIA

- The world this week
- Leaders
- Letters
- **Briefing**
- **United States**
- The Americas
- Asia
- China
- Middle East and Africa
- Europe
- Britain
- International
- Business
- Finance and economics
- Science and technology
- Books and arts
- Economic and financial indicators
- Graphic detail
- Obituary

# The world this week

- Politics this week
- Business this week
- KAL's cartoon



**Politics this week** 

#### The world this weekJan 11th 2020 edition

America's assassination of Qassem Suleimani, **Iran's** most prominent general, in a drone strike at Baghdad's international airport threw the Middle East into crisis. Iran responded by firing more than 20 ballistic missiles at Iraqi military bases housing American troops. No deaths were reported. "Iran took and concluded proportionate measures in self-defence," tweeted Muhammad Javad Zarif, Iran's foreign minister. "We do not seek escalation or war." But analysts think Iran might covertly retaliate against America in the future. See article.

Millions of mourners took to the streets across Iran to mark General Suleimani's **funeral**. Before the burial in his home town of Kerman 50 people were killed in a stampede. See <u>article</u>.

Minutes after taking off from Tehran airport, and shortly after Iran fired its missiles, a **Ukrainian airliner** crashed killing all 176 people on board. It was not immediately clear what had brought down the plane, a Boeing 737.

**Turkey's** parliament voted to send troops to **Libya** to protect the UN-backed Government of National Accord, which has been fighting an insurgency led by Khalifa Haftar. General Haftar is backed by Egypt, Russia and the United Arab Emirates. The Turkish and Russian presidents, Recep Tayyip Erdogan and Vladimir Putin, called for a ceasefire. See <u>article</u>.

Al-Shabab, a Somali jihadist group, attacked an air base in **Kenya**, killing three Americans. It was the first time al-Shabab had attacked a facility housing American troops outside Somalia. See <u>article</u>.

#### **Facing justice**

Jury selection began for the criminal trial of **Harvey Weinstein** in Manhattan. The former movie mogul is pleading not guilty to charges, including rape, brought by two women, one of whom is unnamed. Mr Weinstein has reached a settlement with around 30 women that ends their civil lawsuits.

John Bolton, a former national security adviser to Donald Trump, said he would be willing to testify at the **impeachment trial** of the president. The House has delayed presenting the formal articles of impeachment to the Senate amid a dispute over procedure, including whether to call any witnesses at all. See <u>article</u>.

Most of **Puerto Rico** was left without power after an earthquake of magnitude 6.4 hit the American territory.

#### Protests, protests

In **India** a 24-hour general strike to highlight stagnating living conditions disrupted much of the country. This came amid demonstrations against the government's new citizenship law for persecuted minorities, which excludes Muslims. Students across India also took to the streets in protest at the attack by a mob of masked men, said to be Hindu nationalists, on Jawaharlal Nehru University in Delhi. See <u>article</u>.

China's central government replaced its most senior representative in **Hong Kong**, Wang Zhimin. His successor is Luo Huining, a senior but little

known official with no direct experience of the territory. It is believed that Mr Wang was blamed for filing overly optimistic reports that downplayed anti-Communist Party sentiment among Hong Kongers.

Almost 60 cases of pneumonia in the Chinese city of Wuhan were thought to be linked to a new strain of the virus that caused the **sars** epidemic in 2002-03. Unlike then, no one has yet died from the disease. The World Health Organisation is investigating.

**Indonesia's** president, Joko Widodo, visited Natuna Besar, an Indonesian island in the South China Sea. Last month **Chinese** fishing vessels supported by coast guard ships entered waters near the island, which are within Indonesia's exclusive economic zone but where China also claims rights. In the ensuing diplomatic spat Indonesia sent boats to patrol the area.

The death toll from flooding in **Jakarta** rose to 67. The Indonesian capital has been hit by the most powerful monsoon rains in years. See <u>article</u>.



The one and only

Juan Guaidó, the president of **Venezuela's** national assembly, was barred from entering parliament by security forces at the time it was due to decide whether to re-elect him to that post. Mr Guaidó is recognised as Venezuela's interim president by nearly 60 countries. The few parliamentarians whom the regime allowed to enter the building chose Luis Parra as the assembly's new president, but a larger group convened elsewhere and re-elected Mr Guaidó. See <u>article</u>.

More than 61,000 **Mexicans** have been "disappeared" since 2006, when the country began a war on drug gangs, according to a report by the government.

A **Brazilian** judge issued a provisional ruling for Netflix to take down a satirical film, called "The First Temptation of Christ", that portrays Jesus as gay. A group angered by the film had firebombed the offices of the YouTube comedy channel that created it.

#### Fertile ground

In **Austria** the Green party entered national government for the first time, as the junior partner in a new coalition headed by Sebastian Kurz, the leader of the right-of-centre Austrian People's Party. The Greens won 14% of the vote at a general election in September. See <u>article</u>.

There was a new government in **Spain**, too, as Pedro Sánchez, who has been leading an interim administration since the first of two inconclusive elections last year, at last won a vote of confidence. But the new coalition, between his Socialists and the left-wing Podemos party, is short of a majority. See <u>article</u>.

In **Croatia** Zoran Milanovic, a centre-left politician, unseated the incumbent conservative president in a second-round election run-off, a few days after the country assumed the rotating presidency of the EU.

Boris Johnson, **Britain's** prime minister, held his first meeting with Ursula von der Leyen, the new president of the European Commission, on Brexit. Mr Johnson's hopes of a positive start to talks were dashed when Ms von der Leyen said it would not be possible to deliver the trade deal Britain

wanted without extending the transition period. Mr Johnson won a recent election on a manifesto that pledged (in bold) not to extend talks beyond December 2020, and amended the Brexit bill to make this pledge law. See article.

**Prince Harry** and **Meghan Markle** stunned Buckingham Palace when they announced that they would step back from royal duties and divide their time between Britain and North America while seeking to become financially independent. Married couples often break away to set up their own nest, but the queen was not consulted and said to be "hurt" (translate: furious). See article.

Correction (January 12th 2020): A previous version of this article said that both of Harvey Weinstein's accusers in court were unnamed. Only one was.

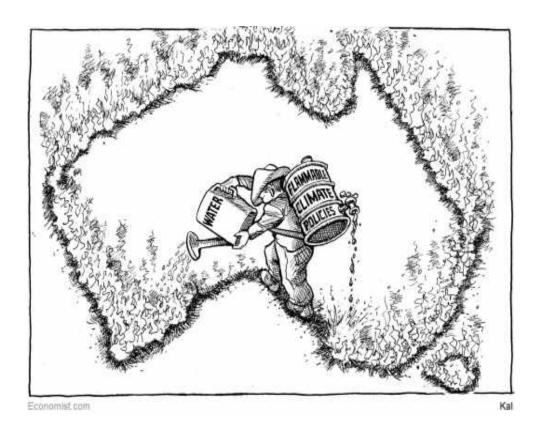
This article appeared in the The world this week section of the print edition under the headline "Politics this week"



**Business this week** 

#### The world this week Jan 9th 2020 edition

Increased tension in the Gulf region after America's killing of an Iranian general caused oil markets to gyrate. Brent crude spiked above \$70 a barrel, a level it last reached in September, when Iran attacked Saudi oil installations, before falling back. Saudi Arabia's state-backed oil-tanker firm reportedly suspended shipments through the Strait of Hormuz. The **price of gold**, a trusted haven for investors in times of uncertainty, leapt to its highest level in seven years, but also retreated as the crisis abated. See article.



KAL's cartoon

The world this week Jan 9th 2020 edition

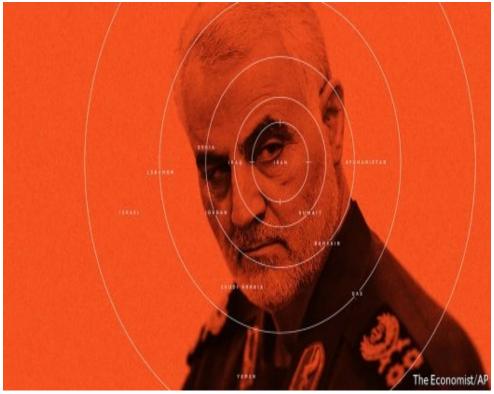
## Leaders

- America and Iran: Masterstroke or madness?
- Monetary policy: Why Ben Bernanke is wrong
- Forest fires: A blaze that will keep on burning
- France: Who rules?
- Han Chinese and Uighurs: Apartheid in Xinjiang

#### **Masterstroke or madness?**

# Donald Trump wants to curb Iran. Has he gone about it the right way?

He may have deterred conventional attacks, but goaded Iran to build a bomb faster



Jan 9th 2020

The killing of Qassem Suleimani by an American drone on January 3rd threatened to bring the United States and Iran closer to war than at any time since the hostage crisis in 1979. In a part of the world that has lost the power to shock, the audacious killing of Iran's most important general, ordered by President Donald Trump, sent Iran reeling. In public ceremonies millions of Iranians put aside their discontent with the regime to mark General Suleimani's death. Blood-curdling threats of destruction issued from the Middle East, echoed by warnings of mayhem from Western experts. And yet a retaliatory missile strike on two American bases in Iraq five days later killed nobody. It looked like a face-saving attempt by Iran to wind the crisis down.

If that were the end of it, Mr Trump would be right to say that his strike had worked, as he suggested on January 8th. Ridding the world of a baleful individual and forcing Iran to curb its aggression really would be worthwhile achievements. In the coming months, that may indeed be how things turn out. The trouble is that nobody, including Mr Trump, can count on it.

Two tests will define whether the killing of the general was a success—its effect on deterrence and on Iran's regional power. For the past year Mr Trump has stood by as Iran and its proxies attacked merchant shipping in the Strait of Hormuz, two American drones, oil facilities in Saudi Arabia and military bases in Iraq. Because it had concluded that there was no price to pay, Iran was becoming more brazen and belligerent. The beneficial effect of the drone strike on January 3rd is to re-establish the idea that America is willing to hit back. Iran's restraint on Tuesday this week signals that it does not want to face an aerial onslaught by America. Another Iranian missile strike is less likely today than it was just weeks ago.

And yet Iran's thirst for revenge is surely not slaked. Even if they avoid overt forms of aggression, the Revolutionary Guards are likely to pursue other tactics, including cyber-attacks, suicide-bombings by proxies, assassinations of American officials and an array of means they have honed over the years (see <a href="Briefing">Briefing</a>). These reprisals could take months to unfold. As the killing of General Suleimani recedes, Iran will once again begin to probe the willingness of America to use force. In an asymmetric world weak parties often retreat in the face of force, only to return. They have more patience and a greater tolerance of pain than a distant superpower does.

The second test is whether America's strike weakens Iran's grip on its neighbours. Iran has a network of militias, proxies and forward bases for its Quds Force, across an area that stretches from the Mediterranean to the Arabian Sea. This is about projecting Iranian power, regardless of the atrocities committed by its clients, such as Bashar al-Assad, who used nerve gas on his own people without a whisper of complaint from Iran.

General Suleimani's death deprives this grim network of its architect and orchestrator. It is too soon to judge the calibre of those who are taking his

place, but if the general was as exceptional as his reputation (see <u>Obituary</u>), then his loss will be felt. It may also deprive the Quds Force of funds. The Iranian state is desperately short of money. Ordinary Iranians have noticed that resources which are going on guns and mortars might be better spent on schools and hospitals.

But there are complications here, too. After the assassination, Iran is hellbent on pushing America out of the Middle East. It will start in Iraq, where it has mostly outmanoeuvred America. The government in Baghdad is dominated by Shia politicians in thrall to Iran. On January 5th Iraq's parliament passed a resolution calling on the government to start evicting foreign troops, including 5,000 or so American soldiers. The vote is not binding, many Iraqis resent Iranian influence, and American money and weapons are valuable to Iraq. Even so, it increasingly seems more a question of when, rather than if, the troops finally go.

Still more threatening is Iran's nuclear programme. Mr Trump pulled America out of the agreement with Iran, signed in 2015 with six world powers, which limited its ability to get a bomb. He argued that he would be able to negotiate a better deal which also took in Iran's non-nuclear regional activities—a proposal he repeated in his press conference this week. Last summer there was speculation that Iran was ready to talk. But that now seems out of the question, possibly for a long time. Indeed, on January 5th Iran said it would no longer abide by any restrictions on the enrichment of uranium. It has every reason to indulge in nuclear brinkmanship not only as a bargaining counter against America, but also because, were Iran to get the bomb, it would permanently oblige America to change its calculations about using military force against it.

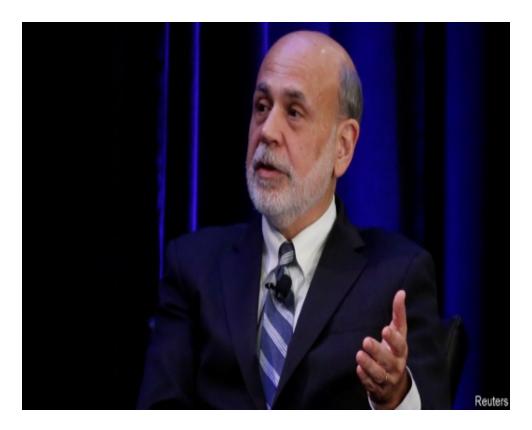
The lack of an American strategy for negotiation means that the general's killing has reduced America's Iran policy to extreme sanctions accompanied by an ill-defined threat of massive retaliation if the regime misbehaves. Yet, starving Iran into submission is unlikely to work—other regimes have resisted American pressure for longer. There is no path to the peace Mr Trump this week said he wanted. Indeed, because America's red lines are unclear, the danger of blundering into war remains.

Meanwhile, sanctions and deterrence will gradually become less potent, because they always do. If America wants its approach to be sustained, the price could well be repeated rounds of sanctions buttressed by sustained military counters to Iranian aggression—and an aerial campaign if Iran appears about to get the bomb. Is Mr Trump prepared for that? Are his successors?

#### The wrong place at the wrong time

Both Barack Obama and Mr Trump realised that turmoil in the Middle East consumes American resources and attention that would be better focused on Asia. Mr Obama tried to negotiate his way out of the region and failed. Mr Trump is trying to bully his way out instead, but he is likely to fail, too—because his strategy towards the regime in Tehran depends on America being present in the Middle East to contain Iran and maintain deterrence. The dramatic assassination of General Suleimani may look like a gamble that has paid off in the short term. Unfortunately, it has not solved America's Iran problem. 

■



Missing: helicopter Ben
Monetary policy will not be enough to fight the next recession

Ben Bernanke, a former Fed chief, is complacent

#### LeadersJan 11th 2020 edition

The biggest challenge economists face today is how to deal with downturns. America's expansion is the longest on record; a slowdown at some point is inevitable. The fear is that central banks will not have enough tools to fight the next recession. During and after the financial crisis they responded with a mixture of conventional interest-rate cuts and, when these reached their limit, with experimental measures, such as bond-buying ("quantitative easing", or of and making promises about future policy ("forward guidance"). The trouble is that today across the rich world short-term interest rates are still close to or below zero and cannot be cut much more, depriving central banks of their main lever if a recession strikes.

Fear not, argues Ben Bernanke, who led the Federal Reserve through the crisis. In a speech on January 4th he said that the lesson of the past decade

is that of and forward guidance can provide substantial stimulus—equivalent, he calculates, to rate cuts of about three percentage points. That provides at least half the firepower the Fed has typically used to fight recessions. So long as interest-rate cuts can provide the other half—ie, if rates can still fall two to three percentage points—monetary policy will retain its potency. As a result, Mr Bernanke says, calls for a bolder overhaul of the toolkit "seem premature".



How to block blazes
The lessons from Australia's fires

Other countries are vulnerable

#### LeadersJan 9th 2020 edition

One way of capturing the scale of the devastation that forest fires have inflicted on Australia is through figures. Some 11m hectares of the Lucky Country have gone up in smoke since September, almost the same area as Bulgaria. So far at least 26 people are known to have lost their lives, over 2,300 homes have been destroyed and over half a billion animals have been burned alive or choked to death. But numbers tell only part of the story (see article). A plume of smoke has drifted across the South Pacific ocean, reaching Buenos Aires. Australia's normally phlegmatic society has been shaken. Shane Warne, the most celebrated sportsman in a sports-mad nation, has gone so far as to raise money for the relief effort by auctioning off the baggy cap he wore as part of Australia's all-conquering cricket team.

You might think that Australia is particularly vulnerable to forest fires. But that would be a mistake. Many other countries share the same conditions that have set Australia ablaze, physically and politically, including similar terrain and a leadership that has yet to wake up fully to the new reality that climate change is creating. Worldwide, fire seasons are getting longer and more damaging. The areas at risk include America's west coast, the Mediterranean, southern Africa and swathes of Central Asia. If that sounds alarmist, remember that in 2018 California had the deadliest forest fires in its history, killing over 80 people and causing parts of Los Angeles to be evacuated, while over 100 people died in wildfires in Greece.



No surrender
Emmanuel Macron should not give in to the strikers paralysing
Paris

Governments should answer to voters, not shouters

#### LeadersJan 9th 2020 edition

To HOLIDAYMAKERS, Paris seems pleasantly uncrowded at the moment, so long as they have stout boots to walk around in. The French capital is quiet because strikers have virtually shut it down. Few commuter trains are running and the Metro is mostly out of commission outside peak hours—except for the automated No 1 and No 14 lines. Commuters are staying at home, as are shoppers. A stoppage called by transport workers is entering its second month. It has now lasted longer than the strike in 1995 that scuppered pension reforms proposed by the then prime minister, Alain Juppé. As the holiday season ends and Parisians desperately need to get to work, the strikers are hoping that President Emmanuel Macron will surrender, like his predecessors. He should not.

This round of strikes is aimed at the third and final plank in Mr Macron's ambitious overhaul of his country. The first plank was labour-market reform. This was also met by a wave of strikes, but they quickly fizzled out. The second plank, reforms to the systems for education and training, was less controversial, and not seriously opposed. Both of these changes will stand France in good stead. The employment reforms put a cap on previously unlimited awards for unfair dismissal, make it easier to shed unneeded workers and also easier to set up new businesses. They already seem to be bearing fruit, with job- and enterprise-creation both on the increase. The education reforms will take longer to prove themselves. The third plank is pension reform, and it is proving by far the most tricky (see article).



Apartheid, Chinese style
Dismantling China's Muslim gulag in Xinjiang is not enough

The Communist Party must undo decades of sowing ethnic division

#### LeadersJan 9th 2020 edition

Imagine A Place with nearly seven times more land than Britain, oil reserves as big as Iraq's and more coal than Germany. It produces one-fifth of the world's cotton. Yet this place is poor. Its income per person is about the same as Botswana's. And it is a time bomb. Its people mostly belong to two ethnic groups of similar size. One group has all the power and most of the wealth. Many of the other rot in a gulag, enduring compulsory "re-education" in how to think and speak like the richer lot.

Such is the far-western region of Xinjiang (see <u>article</u>). The dominant ethnic group are the Han Chinese, who are more than 90% of China's population and about 40% of Xinjiang's. The Communist Party has never trusted a Uighur to run Xinjiang. Han people dominate its economy, too, through

massive state-owned industrial and agricultural firms which answer to the government in Beijing, 2,000km (1,200 miles) to the east.

# Letters

• <u>Letters to the editor: On menopause, patents, hijabs, impeachment, hot-metal type</u>

### On menopause, patents, hijabs, impeachment, hot-metal type Letters to the editor

A selection of correspondence

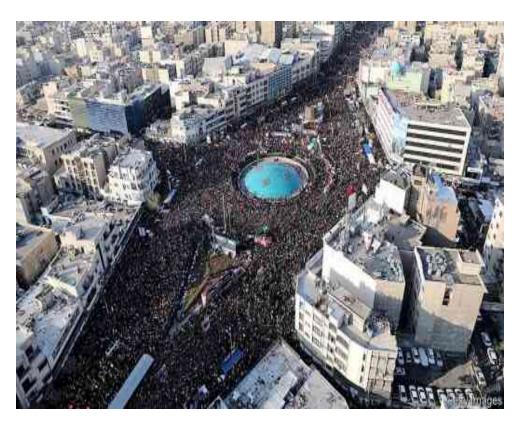
LettersJan 11th 2020 edition

Letters are welcome and should be sent to: letters@economist.com

**Treating menopause** 

# **Briefing**

• Conflict with Iran: After the assassination



After the assassination
How Iran can respond to the killing of Qassem Suleimani

Its options are constrained

#### BriefingJan 9th 2020 edition

The funeral rites of Qassem Suleimani surpassed that of Ruhollah Khomeini, the founding father of the Islamic Republic of Iran, in size, extent and fatalities. The casket bearing the slain commander of the Quds Force, the expeditionary arm of Iran's Islamic Revolutionary Guard Corps (IRGC), was paraded through eight cities, three in Iraq and five in Iran, drawing crowds reckoned in the millions. In the last, his home city of Kerman, more than 50 mourners were crushed in the throng.

General Suleimani, who co-ordinated the activity of Iranian-backed militias from Lebanon to Yemen, was killed shortly after getting off a plane at Baghdad airport early in the morning of January 3rd. According to Mike Pompeo, America's secretary of state, President Donald Trump ordered the

killing because the general was organising a plot which posed an imminent threat to American citizens.

#### **United States**

- School policy: The dignity of all the talents
- American education: Signs of progress
- Partisan insurgencies: From AOC to shining sea
- <u>Digital self-harm: The bully in the black mirror</u>
- Voting behaviour: From boom to ballot box
- Lexington: All disquiet on the foreign front



The dignity of all the talents
A battle over gifted education is brewing in America

The front line is the country's biggest school district

#### United StatesJan 9th 2020 edition

Stuyvesant high school is considered the crown jewel of the public schools in New York City. The magnet school is one of America's biggest feeders to Harvard; a list of alumni includes four Nobel laureates. It is also one of New York's most competitive schools, admitting pupils on the basis of a single, high-stakes exam and little else. To some, that seems the meritocratic ideal. To others, it yields alarming results. Of the 895 places available last year, only seven (or 0.8%) were offered to black pupils (in a district where 25% of pupils are black). Asian-Americans do far better in the entrance exam and are 73% of the school population—or four times their share of the pupil population in the district.

"You have to believe either that there are only seven black kids capable of doing the work of Stuyvesant or that there is something horribly wrong,"

says Richard Buery, a graduate of Stuyvesant who is now chief of policy and public affairs for  $\kappa_{\text{IPP}}$ , a network of charter schools.



American education
A Brooklyn school district tackles school segregation

Early signs indicate the potential benefits of changing the admissions process

#### United StatesJan 9th 2020 edition

New york city is famous for its diversity. Yet the 1.1m pupils in the city, who are mostly non-white, attend some of the most segregated schools in the country. They are even more segregated than schools in some southern cities such as Atlanta. Complacency has reigned for decades. But a school district in Brooklyn is showing early signs of success in a drive towards integration.

District 15 encompasses expensive brownstone houses in Park Slope, immigrant enclaves in Sunset Park and one of the country's largest public-housing projects in Red Hook. Despite that, it remained intensely segregated. The more affluent—and usually white—school-age children flocked to the district's "good schools". Last year, after a parents'

campaign, the district eliminated admission screens, which included test scores, attendance and behaviour records, for its 11 middle schools. Parents still rank their preferred schools, but now the district uses a lottery, with 52% of places at each school set aside for pupils who come from poor families, are still learning English or are homeless.



From AOC to shining sea
Justice Democrats want to be the left's Tea Party

They have some way to go

#### United StatesJan 9th 2020 edition

ELIOT ENGEL has unobtrusively represented southern Westchester County in the House of Representatives for 30 years, reliably voting with his fellow Democrats, ascending to a committee chairmanship (Foreign Affairs), making few waves and ruffling few feathers. Outside his district, he is probably best known for his pushbroom moustache and his shaking of every president's hand at the State of the Union, except for Donald Trump's. His constituents seem to like him: he was unopposed in 2018, and has not won less than 60% of the general-election vote since 2002. A consultant with his campaign says that Mr Engel "has a long and distinguished record of progressive achievement".

Justice Democrats (1D) disagree. Founded by alumni of Bernie Sanders's 2016 presidential campaign, 1D finds and helps primary challengers to

incumbents it deems insufficiently progressive. Against Mr Engel—whom it dislikes for voting for the Iraq war, financial deregulation and the 1994 crime bill, as well as excessive hawkishness on foreign policy—<sup>110</sup> is backing Jamaal Bowman, a thoughtful and charismatic school principal who supports a standard list of progressive initiatives, including the Green New Deal and Medicare for All. <sup>110</sup> members see their organisation as a leftwing version of the Tea Party: a vanguard of activists keeping the Democratic Party true to its values. Not everyone has such a favourable view.



The bully in the black mirror
Why more young Americans are cyber-bullying themselves

As adolescents' social lives have migrated online, so too has a digital manifestation of self-harm

#### United StatesJan 11th 2020 edition

O<sub>N A FRIDAY</sub> night in 2016, Natalie Natividad, a 15-year-old in Hebbronville, Texas, took a fatal overdose of pills after enduring months of cyber-bullying. Most of the alleged taunts—that she was ugly, that she should kill herself—came on After School, an app that allows classmates to discuss one another anonymously. Her suicide prompted an investigation. The app's operators tracked which accounts had sent the abuse, while officials interviewed teachers and students. "We just want some justice," said Natalie's sister shortly after the death. "Whoever is bullying, I hope that they stop."

There were no bullies to find. The inquiry revealed that Natalie had secretly sent the abusive messages to herself. Such anonymous "digital self-harm",

as researchers call it, is increasingly common. A study in 2019 found that nearly 9% of American adolescents have done it, up from around 6% in a previous study from 2016, according to an author of both studies, Sameer Hinduja, director of the Cyberbullying Research Centre and professor of criminology at Florida Atlantic University. Despite these numbers—and the fact that teenagers in 2020 spend much of their lives online—"People are uniformly shocked to learn that this problem exists," says Justin Patchin, another director of the centre and professor of criminal justice at the University of Wisconsin-Eau Claire.



Voting behaviour

Consumer confidence no longer translates into presidential popularity

That may not bode well for Donald Trump's re-election chances

#### United States Jan 9th 2020 edition

The economy is giving Americans plenty of reasons for cheer. The stockmarket has reached record highs. Job growth is strong. Despite fears of a recession in mid-2019, growth in GDP has held up. History suggests that incumbent presidents running when voters are happy about the economy almost always get re-elected. But new polling has confirmed that consumer sentiment has become less important to how voters evaluate recent presidents. This could spell trouble for Donald Trump at the ballot box in November.

Consumers are certainly confident about the economy. According to data collected for *The Economist* by YouGov, a pollster, nearly 30% of adults say their households are "better off financially than they were a year ago", compared with about 40% who say their family is faring as it was, and 20%

who say they are doing worse than they were a year ago. The past five months have seen a sharp rise in the share of adults reporting an improvement in their family's financial condition. Americans are more optimistic than they have been for at least the past three years (see chart).



Lexington
Deep mistrust of Donald Trump complicates his Iranian
gamble

More disquiet arises on America's foreign-policy front

#### United States Jan 9th 2020 edition

In his three years in the White House, President Donald Trump has relished taking risks in foreign policy. He ramped up the rhetoric on North Korea (boasting about the size of his nuclear button and mocking "Little Rocket Man"), launched multiple trade wars and threatened to walk out of NATO. Yet he has, in the end, often opted for relative safety. He preferred jaw-jaw to war-war with North Korea, agreed to a new NAFTA and now says that he wants "to become much more involved" in the Middle East.

That makes his decision to kill Qassem Suleimani, Iran's most powerful military leader, all the more striking. It was, by all accounts, the riskiest of the options presented to the president as tensions with Iran mounted—an action guaranteed to provoke revenge (which duly started with missile

attacks on American airbases in Iraq on January 8th) and which could lead to war. It looks like the biggest roll of the dice of Mr Trump's presidency. Circumstances both abroad and at home only amplify the gamble.

## The Americas

- Canada: Justin Trudeau's makeover
- Guatemala: New man, old problems
- Bello: Maduro v Guaidó, round two



A modest makeover

Justin Trudeau's less ambitious second term as Canada's prime
minister

Chastened and cash-strapped, but still in power

#### The Americas Jan 9th 2020 edition

Justin trudeau returned from his Christmas break in Costa Rica with a new look. Canada's prime minister has sprouted a salt-and-pepper stubble, making him look slightly less youthful. His makeover hints that he intends to govern differently in his second term, which began late last year. He has plenty of reasons to change his approach. The election on October 21st was a close shave. Mr Trudeau's Liberal Party won 1m fewer votes than it had four years before and lost its majority in Parliament. He now leads a minority government dependent for support on other parties, especially the left-wing New Democrats (NDP) and the Bloc Québécois, which advocates independence for Quebec. The Liberals won no seats in the western prairie provinces of Alberta and Saskatchewan.

Mr Trudeau interprets this setback as a rebuff to his governing style rather than to his policies. He was a global cheerleader for every progressive cause, from welcoming refugees to expanding transgender rights. This grated on some voters. Ethical lapses, especially demoting the justice minister after she refused to help a big engineering firm avoid prosecution for bribery, compounded the damage.



New man, old problems Guatemala's new president, Alejandro Giammattei, outlines his plans

He cares more about promoting growth than fighting corruption

#### The Americas Jan 9th 2020 edition

Alejandro Giammattel, who will become Guatemala's president on January 14th, did not have an easy ride to the top. The 63-year-old developed multiple sclerosis in his youth and walks with forearm crutches. His only previous government job was a brief stint a dozen years ago as head of the country's prisons, which ended in his own incarceration. He spent ten months in jail during the investigation of the killing of seven inmates. Charges were dropped. He has a 20-year record of losing elections to be president and mayor of Guatemala City, the capital. This time, more popular rivals were disqualified.

The country he is about to lead is also bruised. Crime is high, corruption is unchecked and hundreds of thousands of Guatemalans a year seek better

lives in the United States. Mr Giammattei's answer, etched in English on a Guatemala-blue bracelet that he wears, is "hope".



Bello
A crude attempt to stifle what's left of Venezuela's democracy

Nicolás Maduro's thugs block MPs from parliament

#### The Americas Jan 9th 2020 edition

On sunday January 5th Juan Guaidó found himself perched unsteadily atop the ornate wrought-iron railings outside Venezuela's national assembly, being pushed back by the riot shields of the National Guard. Since Mr Guaidó is the speaker of the assembly and was due to be re-elected to the post that day, the image said everything about the assault on the last vestiges of Venezuela's democracy by the regime of Nicolás Maduro, who rules as a dictator. It underlined that a year after Mr Guaidó proclaimed himself "interim president" of the country, on the grounds that Mr Maduro's election for a second term was fraudulent, he has legitimacy but no power. And it suggested that Mr Maduro has no interest in negotiating a solution for Venezuela's long agony.

In December 2015 the opposition triumphed in a legislative election, the last fair contest the country has seen. It won 112 of the 167 seats in the assembly, a two-thirds majority and thus enough to change the constitution and appoint new judicial and electoral authorities. Mr Maduro's regime went into action. The puppet supreme court barred three opposition legislators from taking their seats. In 2017 the regime set up a parallel "constituent assembly" of loyalists, which rubber-stamps its actions. The courts have stripped 29 opposition parliamentarians of their immunity. Two are in jail. Most of the rest are in exile, either abroad or in foreign embassies.

## Asia

- Australia's bushfires: Burning questions
- Indian politics: Cracking heads
- Health in the Philippines: Sick days
- Jakarta submerged: The incredible sinking city
- Education in Malaysia: Prawns and rocks



A burning question
Why was Australia's government so ill-prepared for the bushfires?

The hot dry season is getting longer and hotter than before

#### AsiaJan 11th 2020 edition

"A FEW BAGS and the cats" were all Brett Viewey could take when he fled his house in Kangaroo Valley, a small town in New South Wales. On January 4th he retreated to a bowling club in Nowra, a few hours south of Sydney, as a fire coursed towards his home. He is among tens of thousands of people who have moved out of the way of bushfires that are raging all across Australia, and especially in Victoria and New South Wales. So far the flames have burned across 11m hectares, larger than the area destroyed by recent fires in the Amazon and California combined. At least 26 people are dead and around 2,300 homes have been destroyed. And there are still several weeks of summer to go.

Fire-damaged towns have received Scott Morrison, the prime minister (pictured), with hostility. During a recent walk around Cobargo in New South Wales, angry locals called him an "idiot". When two people refused to shake his hand, he forcibly took theirs. At a press conference on January 5th Mr Morrison said that "blame doesn't help anybody" and that "overanalysis" is "not a productive exercise". But Australians want to know how this extraordinary fire season could have been better handled. The rest of the world dares to wonder if it will prompt any acceleration of the country's laggardly climate policies.



Cracking heads
An assault on students brings trouble for Narendra Modi

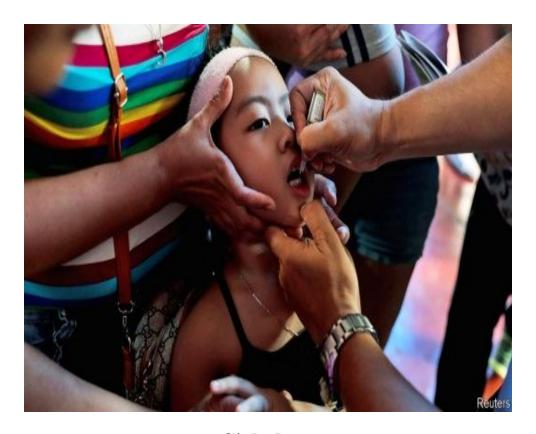
An attack on a university outrages Indians

#### AsiaJan 9th 2020 edition

Aishe Ghosh is no stranger to trouble. She heads the student union at Jawaharlal Nehru University (pnu), a prestigious state-run institution of which the leafy campus in Delhi has long been a seedbed of radical activism. Even so, Ms Ghosh (pictured) did not expect to be attacked by a mob of masked, clubwielding thugs on January 5th, and to end up in hospital with a broken hand, multiple contusions and 16 stitches in her scalp. Nor did she expect police to file charges against her, rather than the aggressors. And she certainly did not expect such instant national fame as to prompt Deepika Padukone, the reigning glamour queen of Bollywood, to join a subsequent student rally and whisper encouragement to her wounded comrade.

The trouble at JNU that landed 34 students and teachers in hospital had been brewing for some time. The Hindu-nationalist movement has long

demonised the university, which has a strong record of independent research, as a taxpayer-funded playground for long-haired "anti-nationals". Such attacks grew fiercer following the first national electoral triumph of Narendra Modi, India's prime minister, in 2014. Then, the appointment of a new university head who was determined to impose "discipline" and "patriotism" set the scene for running campus quarrels. Students, many of whom come from poor families and remote regions, have been on strike since October against a steep rise in residents' fees. Tension had grown between Ms Ghosh's faction, which is historically linked to the Communist party, and a group known by its abbreviation ABVP. This is the youth branch of India's main Hindu-nationalist organisation, the Rashtriya Swayamsevak Sangh or RSS, which also happens to be the parent group of Mr Modi's Bharatiya Janata Party (BJP).



Sick days
A rare outbreak of polio reflects the Philippines' poor health
care

Distributing vaccines to 7,000 islands is not easy

#### AsiaJan 9th 2020 edition

For Nineteen years the Philippines was free from polio. But in September the announcement came that two children living in provinces 900 miles apart had been paralysed by a vaccine-derived strain of the disease. The strain was also found in sewage and in a waterway. Foreign and domestic health authorities have since jumped into action. The next in a series of immunisation drives starts on January 20th on the southern island of Mindanao.

Oral polio vaccines, such as those used in the Philippines, contain a weakened form of the virus, which lingers in children's intestines for a short while after they ingest it. During that time the virus is excreted in faeces. In places where sewage is not properly managed, it can soon infect people

without immunity. As it spreads from one such person to another the virus from the vaccine mutates, gradually gaining strength. This may take many months or even years. Eventually it evolves into a form that is capable of causing harm.



The incredible sinking city
Flooding in Jakarta is the worst for over a decade

Indonesia's soggy capital is getting wetter every year

#### AsiaJan 9th 2020 edition

"It was like the end of the world," says Nurhayati, dabbing her eyes with the hem of her hijab. On December 31st swollen clouds emptied over Indonesia's capital, dumping 377 millimetres of rain in one day. That is the most since records began in 1886, according to the state weather agency. The river near Nurhayati's home in an eastern suburb of Jakarta burst its banks, overturning vehicles parked alongside. Within hours the water had risen nearly eight metres, engulfing one-storey houses. Nurhayati's neighbour, Pudji, says she had to wait for 22 hours before she could be rescued from her roof.

Heavy rains overwhelm Jakarta almost every year. But this flood was easily the worst for a decade. It submerged a dozen districts in greater Jakarta, many of which had never previously been inundated, and caused landslides.

At least 67 people are dead: some drowned, some died of hypothermia or were electrocuted. Nearly 400,000 people abandoned their homes and sought refuge in shelters.



The prawn behind the rock
Enthusiasm for an archaic script frightens Malaysia's
minorities

The clamour about Jawi has forced the education minister to step down

#### AsiaJan 9th 2020 edition

Squabbles superheated by race and religion have long plagued Malaysian politics. The latest one seems to have claimed the scalp of the country's education minister, Maszlee Malik, who resigned on January 2nd. The trouble started when the government announced that it would oblige all ten-year-olds to learn to write some Jawi. This is an Arabic-based script that was the main method of writing down Malay, the language of the majority, before reformers in the 20th century made the Roman alphabet standard.

Jawi is not much used nowadays, although it has hung around on stamps, banknotes and in some other places. Its preservation matters to ethnic Malays who worry that their heritage and culture are threatened by Malaysia's modern multiculturalism. Last year authorities in Pahang,

peninsular Malaysia's largest state, decreed that signs along roads and on businesses all had to carry both Jawi and Roman lettering.

# China

- Ethnic tension in Xinjiang: Never the twain shall meet
- Chaguan: Up the river



A report from Xinjiang
Many Han Chinese don't mind the gulag for their Uighur
neighbours

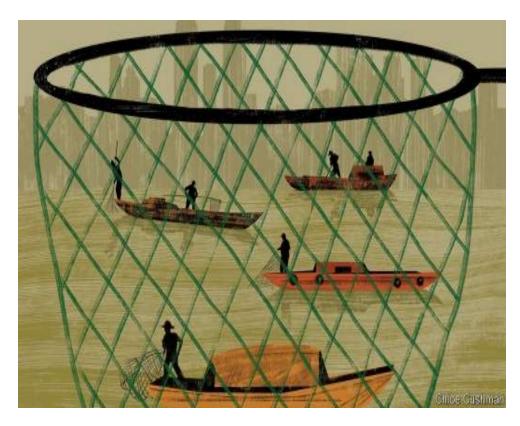
Yet it will aggravate ethnic strife for years to come

#### ChinaJan 9th 2020 edition

The district of Erdaoqiao in Urumqi, the capital of the far western region of Xinjiang, looks very similar to many urban areas of China. Its streets are filled with luxury cars competing for space with frantic food-delivery scooters. Many buildings are new, built with steel, glass and cookie-cutter uniformity.

No visible evidence remains of the riots here in July 2009, the country's bloodiest ethnic clashes in decades. They involved battles between Uighurs, the Turkic-speaking, predominantly Muslim group indigenous to Xinjiang, and ethnic-Han Chinese who make up more than 90% of China's population. The spark was a protest by Uighurs against the killing of two Uighur factory-workers by a mob in southern China. Of more than 200

people who were killed on the first day of the violence in Erdaoqiao and other areas of Urumqi, many were Han. Later, Han crowds gathered in the streets, hungry for revenge. The city stewed for days in a miasma of anger and fear.



Chaguan
To preserve the Yangzi's fish, officials are using a blunt method

They prefer to blame fishermen than their cherished mega-dams

#### ChinaJan 9th 2020 edition

For two thousand years the fishermen of China's great rivers have served the literati as symbols of hardships patiently endured. One of the country's best-known poems ponders an old man fishing alone on a boat, protected from the snow by a straw hat. Another describes a fisherman on an island in the Yangzi, indifferent to the vagaries of fate. Political suffering was not forgotten by the poets of old. A fictional fisherman tells a celebrated official, Qu Yuan, who is feeling suicidal because of state corruption, that a sage should adapt to worldly changes. Clear waters can wash an official's hat tassels, he sings mockingly as he rows away. Muddy waters can still serve for washing feet.

This cherished poetic heritage is not enough to save the fishermen of the Yangzi. There have been years of grim data about stocks being wiped out

from the country's main rivers. A new report by government scientists has declared one of the Yangzi's rarest species, the giant Chinese paddlefish, functionally extinct. Officials this month unveiled their remarkable solution. By the end of this year all fishing on the Yangzi and its major tributaries will be banned for ten years. This will cast 280,000 registered fishermen out of a job. More than 300 areas were closed on January 1st, shortly after local officials brought in mechanical diggers to smash boats and haul them away.

### Middle East and Africa

- African governance: Taxing times
- Isabel dos Santos: Her struggle
- Al-Shabab and Iran: Relationship rumours
- Turkey and Libya: Back to the Ottomans?
- Despots and mosques: Mine's bigger than yours



Taxing times

African governments are trying to collect more tax

They can no longer rely on aid or natural resources

#### Middle East and AfricaJan 9th 2020 edition

What is it like being a taxman in Africa? "A lot of sleepless nights," says Yankuba Darboe, the Gambia's top revenue official, describing the pressure to meet targets. Politicians across Africa are asking ever more of their tax collectors, with good reason. The biggest hole in public coffers is not money squandered or stolen, but that which is never collected in the first place.

Government revenues average about 17% of GDP in sub-Saharan Africa, according to the IMF. Nigeria has more than 300 times as many people as Luxembourg, but collects less tax. If Ethiopia shared out its tax revenues equally, each citizen would get around \$80 a year. The government of the Democratic Republic of Congo is so penurious that its annual health spending per person could not buy a copy of this newspaper.



Her struggle
A sticky patch for Isabel dos Santos, Angola's princess

The daughter of Angola's former strongman wants her seized assets back

#### Middle East and AfricaJan 9th 2020 edition

Isabel dos santos lives modestly these days. Or so the billionaire daughter of a former Angolan president, José Eduardo dos Santos, says. She arrived on foot to meet your correspondent at a smart hotel in London; and at the end of the interview she disappeared off towards a Tube station. It is a step down for a woman who once flew the rapper Nicki Minaj to Luanda, Angola's capital, at a cost of millions. But these days Africa's most prominent businesswoman has good reason to play it cool.

On December 31st an Angolan court ordered that all of Ms dos Santos's assets be frozen. They include her stakes in Unitel, Angola's biggest mobile phone company, and Fomento de Angola, a bank, as well as myriad smaller enterprises such as a supermarket, a cinema and a mall. The seizure is not the only calamity to afflict the dos Santos clan of late. In December Isabel's

half-brother, José Filomeno, appeared in court over allegations that he transferred \$500m out of Angola illegally. He claimed he could not afford a lawyer to defend himself. In October her half-sister, Welwitschia, was stripped of her parliamentary seat.



Al-Shabab and Iran
An attack on American forces in Kenya raises questions and concerns

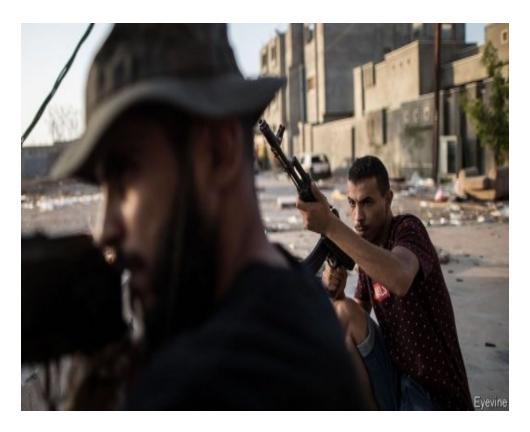
But talk of an alliance between al-Shabab and Iran is probably just that

#### Middle East and AfricaJan 11th 2020 edition

Tourists visiting Kenya's lovely Lamu archipelago are normally stirred from their slumber by pleasant sounds, such as gently lapping waves or the call to prayer drifting across the water. But on January 5th some were woken by the less melodious rattle and crump of distant battle. Across Manda Bay, on the mainland, fighters from al-Shabab, a Somali jihadist group, were engaged in an unusually daring assault on American forces stationed at a Kenyan airbase.

The attack, which lasted several hours, was startlingly effective. The lightly armed jihadists—probably no more than 15 of them—managed to kill three Americans (one soldier and two security contractors) and wreck six aircraft, some used by America's armed forces for snooping missions across the

Somali border. Never before had al-Shabab targeted a facility housing American troops outside Somalia.



Back to the Ottomans?
Turkey is set to send troops to Libya

But it will need to cut deals with Russia, as well as regional players

#### Middle East and AfricaJan 11th 2020 edition

From Weapons purchases to energy deals to Syria, the presidents of Russia and Turkey, Vladimir Putin and Recep Tayyip Erdogan, have had no shortage of things to ponder in the past couple of years. At a meeting in Istanbul on January 8th, they added another to the menu, chewing over the war in Libya, into which Turkey had just waded. When they emerged, the two strongmen called for a ceasefire starting on January 13th.

Days before Mr Putin's arrival, Mr Erdogan announced that Turkey had begun to send troops to Libya to shore up the country's government, which has faced an insurgency led by forces loyal to General Khalifa Haftar and backed by Egypt, the United Arab Emirates (UAE) and Russia. Mr Erdogan said Turkish soldiers would steer clear of combat and focus on coordination and training. Turkey's aim, he said, was "not to fight" but "to

support the legitimate government and avoid a humanitarian tragedy". Turkish officials have not specified the scale of the mission. The best guess is that Turkey will send at least a few warships and fighter jets, plus some ground forces.



Mine's bigger than yours Why Muslim leaders like building grand mosques

Sometimes the worse the tyrant, the more beautiful the mosque

#### Middle East and AfricaJan 9th 2020 edition

In the Early days of Islam, mosques were modest affairs. The first ones had neither domes nor minarets. The Prophet Muhammad used his courtyard as a prayer hall. But Arab autocrats now see things differently. Many hope to leave a legacy in stone in keeping with their proclaimed grandeur.

Take Abdelaziz Bouteflika, Algeria's longtime president, finally ousted last year. Just as he was wheeled from office, he beat Morocco for the crown of Africa's largest mosque with a megalith costing \$1bn that spans 40 hectares. It has all the charm of a vast Chinese airport with a traffic-control tower. Given that it was built by Chinese workers, that is almost what it is, minus a few archways.

# **Europe**

- France: Month two
- Spanish politics: Sánchez agonistes
- Austria: Three's a charm
- Recycling: Waste not
- Finland: Prescribing tablets
- Charlemagne: Stereovision



Month two
Big protests in Paris are Emmanuel Macron's severest test yet

Putin couldn't pass pension reform. Can France's president do better?

# EuropeJan 9th 2020 edition

The Boulevards of the French capital were filled once again this week with banners and balloons, demonstrators, riot police and tear gas. A transport strike against pension reform, which began on December 5th and continued throughout the Christmas holidays, has now entered its second month. This week lawyers, teachers, hospital workers and others joined the protests. Railway workers have now been on strike for longer than during the protests of 1995, which forced a previous government, under Alain Juppé, to shelve its own pension reform. On one day in December, more people took to the streets than at any other time under Emmanuel Macron's presidency.

How and when this conflict ends matters not only to the commuters struggling daily to reach the capital from remote Paris suburbs. It will also be the measure by which to judge Mr Macron's claim to be able, unlike his predecessors, to "transform" France.



Sánchez agonistes At last, a new government for Spain

It comes at a price

#### EuropeJan 9th 2020 edition

It took almost a year, two general elections and multiple political contortions. But at last on January 7th Pedro Sánchez, the Socialist caretaker prime minister, won a parliamentary vote to form a new government. It was by the narrowest of margins—167 votes to 165 with 18 abstentions—and it came at a price. The Socialists will govern in a potentially uneasy coalition with Podemos, a hard-left party, and will rely for their slender majority on Basque nationalists and four tiny regional parties. Mr Sánchez required, too, the abstention of Esquerra, the largest Catalan separatist party, granted in return for open-ended talks on the Catalan conflict, and also that of Bildu, the outfit of the Basque former terrorists of ETA.

Mainly for these reasons, the investiture debate was the most ill-tempered since democracy was restored in 1978. "This is a nightmare government,

the most radical of our democratic history," said Pablo Casado, the leader of the mainstream conservative People's Party (PP). It will face relentless opposition, presaging continued political turbulence.



Three's a charm
A new right-wing-Green coalition takes office in Austria

Sebastian Kurz picks up where he left off—this time with the Greens

### EuropeJan 9th 2020 edition

It was "the greatest comeback since Lazarus," said Werner Kogler. The leader of Austria's Green party was describing its recovery from electoral oblivion last year. Four months ago the Greens were not even represented in parliament, having been wiped out in 2017. But on January 7th they were sworn into office as junior partners to the right-wing Austrian People's Party (ovp), marking their first foray into national government. The new coalition also represents a resurgence of sorts for Sebastian Kurz, the young ovp leader now reinstated as chancellor of his third coalition. In 2017 Mr Kurz invited the far-right Freedom Party (FPO) into office, an experiment that collapsed last May amid a baroque scandal involving fake Russians and FPO corruption. In the ensuing election the OVP and Greens picked up the spoils, enabling a coalition few Austrians had thought possible.

The negotiations were oiled by an unexpected rapport between the two party leaders. Mr Kurz calls the unusual tie-up "the best of both worlds". But the extensive over fingerprints on the deal will leave some Greens wondering. On migration and integration, Mr Kurz's pet themes, the government will consider preventive detention for potentially violent asylum-seekers, ban headscarves for Muslim girls aged under 14 and block schemes to redistribute refugees. It will cut income and corporate taxes while aiming for balanced budgets.



Waste not
Why Lithuanians cash in on their trash

Avid recyclers are not necessarily eco-warriors; they need the money

# EuropeJan 11th 2020 edition

After the season for giving, 'tis the one for throwing away. Each year in late December and early January a massive amount of plastic packaging is discarded worldwide. In Britain alone households generate 30% more waste, an extra 3m tonnes, in the month over Christmas. Most is destined for landfill. Lithuania will do less damage than many, though. The country now recycles at a record level. Almost three-quarters (74%) of plastic packaging waste was recycled there in 2017, the highest proportion in Europe. The EU average was 42%, and the worst performers, including Finland and France, under 30%.

Much of Lithuania's success is due to a deposit refund scheme, introduced in 2016. Customers pay €0.10 extra when buying drinks containers. After use, these can be fed into reverse vending machines installed in shops,

which spit the deposit back out. The machines' contents are sent directly to recycling centres. By the end of 2017, 92% of all bottles and cans sold in Lithuania were being returned, close to triple the amount before the scheme began. The overall plastic packaging recycling rate increased by almost 20%.



Prescribing tablets
Finland turns to technology to help frail old people live at home

Digital home visits, pill-dispensing robots and more

# EuropeJan 9th 2020 edition

In a Grey office building on the outskirts of Helsinki, a chatty social worker is meeting six elderly people from around town for lunch—via tablets propped on their kitchen tables. For the next half-hour she talks to them about their day and reminds them to have something to drink, because dehydration is particularly dangerous for older people (making them more prone to falls, among other things). Glasses of milk and water are duly raised.

The virtual lunch group is part of Helsinki's remote-care programme for its elderly. While many countries with bulging elderly populations are building new care homes, Finland is not planning to do so and, instead, is looking after people in their own homes for longer—even those with dementia who live alone.



Charlemagne
Why stereotypes rule in Brussels

The EU's de facto capital has a dirty secret

#### EuropeJan 11th 2020 edition

The Brussels bubble is a cosmopolitan place. Its inhabitants are typically well travelled and fluent in a hat-trick of languages. Often, they will have a spouse from another country. Their children attend international schools, in which the playground squeals in a mishmash of French, English, Polish and more. It should be a place where national stereotypes wither, as familiarity breeds content. Instead, Eurocrats, diplomats and hangers-on revel in stereotyping that would make a 1970s sitcom writer blush.

Entire regions are condemned. Given half a chance, bubble-dwellers turn into mini Max Webers, pontificating on the essential differences between Catholic and Protestant Europe. Countries in "Club Med" are portrayed as debt-addicted wasters, while their counterparts in the north are condemned as moralistic misers. Objections from newer member-states are disregarded

as adolescent moaning. Good ideas put forward by the original gang of six members are dismissed as Euro-aristocrats lording it over newer arrivals. Officials from some countries are written off with barely a chance. One former EU official pooh-poohed the idea that stereotypes shape thinking in Brussels, before adding later that "everyone" likens the Dutch to female genitalia. The rise of the EU was supposed to iron out such crass distinctions. Instead, at the heart of the project, they stubbornly go on.

## **Britain**

- The Brexit timetable: It won't be that easy
- Britain's longest-running family firm: A right-royal shakeup
- The Labour leadership race: Under starters' orders
- Stormont Assembly: Time to take off the dust-covers?
- Infrastructure spending: Soft money, hard hats
- High-speed rail: Fast-tracked
- Same-sex divorces: Pride before a fall
- Bagehot: The politics of virtue



The Brexit timetable
Britain is almost out of the EU—but what next?

At home, Boris Johnson looks like a strong prime minister. But his position in the forthcoming negotiations with Brussels is weak

#### BritainJan 11th 2020 edition

The impact of Boris Johnson's election win was clear on January 7th when Parliament resumed consideration of the EU withdrawal bill. A huge Tory majority made the debate and votes perfunctory. The Lords may be less controllable than the Commons, but the bill will become law largely unamended so Brexit can happen on January 31st. Mr Johnson hopes then to drop the very word Brexit, arguing that trade talks will be technical stuff more suited to business than front pages.

In fact Brexit will still not be done on January 31st. Britain will move into an 11-month transition period when it must obey all the EU's rules and keep paying into its budget. And the future talks will cover not just trade but standards, security, data exchange, fisheries, financial services, research and

much else. Moreover, as Ursula von der Leyen, the commission president, made clear at her meeting with Mr Johnson at Downing Street on January 8th (pictured), they will be even more difficult than the withdrawal negotiations.



Britain's longest-running family firm Harry and Meghan go private

The House of Windsor starts a long-awaited restructure

#### BritainJan 9th 2020 edition

Partof Britain's royal family is to spin itself off from the rest of the firm. In what they described as a "carve out", Prince Harry and his wife Meghan Markle, aka the Duke and Duchess of Sussex, said on January 8th that they intend, in effect, to take their arm of the operation private, stepping back from duties as senior royals and working to become "financially independent" from the rest of the House of Windsor group.

It has been clear for some time that Harry and Meghan were not a natural fit with the group. Attempts to package them with the Duke and Duchess of Cambridge—aka Prince William and Kate Middleton—in a charitable foundation were unsuccessful. Although the brands were distinct—the first appealing to woke millennials, the second to more conventional customers—they proved rival rather than complementary.



The Labour leadership race Starmer, Long Bailey and the rest of the field

Two candidates are in the lead but there's all to play for

#### BritainJan 9th 2020 edition

Labour's 1983 election manifesto was called "the longest suicide note in history". Now Jeremy Corbyn is producing the longest death-rattle in history. On January 7th the party's national executive committee decided the terms of the contest to replace him. The next leader will be announced on April 4th. Candidates must secure the support of 22 MPS or MEPS to get on the ballot. They then need nomination by at least 33 constituency parties or three affiliated organisations of which two must be trade unions. Only then does their name go to the membership in a deciding postal vote. While this process works itself out, Mr Corbyn is the party's zombie leader and Britain has no serious opposition.

There are two front-runners in this slow race: Rebecca Long Bailey, the opposition business spokesman, and Sir Keir Starmer, the shadow Brexit

secretary. Ms Long Bailey is a continuity candidate who thinks her party lost the election because it presented good policies badly. She has got off to a faltering start, rousing general mirth by calling the man who led his party to its worst defeat since 1935 a "visionary" who deserved a mark of "ten out of ten". Her robotic delivery is already grating after only a week; her history as a suck-up who failed to criticise Mr Corbyn over anti-Semitism also dogs her. But as a self-proclaimed "proud socialist" she enjoys the support of party barons like Len McCluskey, head of the Unite trade union, and Jon Lansman, boss of Momentum.



Stormont Assembly
The prospects for reviving Northern Ireland's government

Why things are looking up at Stormont

#### BritainJan 9th 2020 edition

Northern Ireland's devolved government may be about to come back to life. Since the Stormont assembly closed three years ago, several attempts to resuscitate it have fizzled out with varying degrees of rancour, but now the two main parties, the Democratic Unionist Party (DUP) and Sinn Fein, are back at the negotiating table and this time it could be different.

Both parties are smarting from the general election results. Sinn Fein won seven Westminster seats, as it did in 2017, but its vote dropped sharply in several areas. The DUP lost two of its ten seats. Unusually for Northern Ireland, the moderates fared better than the extremists. The Alliance party, which took votes from the DUP, and the Social Democratic and Labour Party (SDLP), which took votes from Sinn Fein, represent more moderate tendencies among unionists and republicans respectively.



**Government spending The coming splurge on northern infrastructure** 

The government's plan to spend more money on infrastructure outside the south-east is right but risky

#### BritainJan 9th 2020 edition

The wart for a train at Haxby in North Yorkshire has been a long one. The station closed in 1930. Over the past 20 years, as the town has grown and traffic has clogged up the roads around York, various schemes have been proposed to reopen it. One even got the go-ahead in 2009 only to be put on hold again a year later. But since the general election, there has been a growing belief that the train will finally arrive.

Farther north, the former coal mining towns of Ashington and Blyth lost their railway links in the 1960s. On January 6th Grant Shapps, the transport secretary, popped up in Blyth announcing "we will get this line reopened". Blyth elected a Tory MP for the first time last month and in neighbouring Ashington, the Labour majority fell from over 10,000 to just 800.



High-speed rail Not just HS2, but HS3

HS2 may be wildly over-budget, but it is safe, and its successor may get funded too

#### BritainJan 9th 2020 edition

This week Boris Johnson urged his cabinet to slaughter "sacred cows"—big, expensive projects inherited from previous governments. By far the fattest of those legacy projects is hs2. The high-speed railway planned by Labour just over a decade ago between London and the north is behind schedule and way over budget. Dominic Cummings, the prime minister's chief adviser, has called it a disaster zone. hs2 was slated to cost £50bn (\$63bn); now the firm running the project puts its cost at £88bn.

It may get worse. Tony Berkeley, former deputy chairman of a review panel set up last summer and chaired by Douglas Oakervee, former chair of Hs2, has turned against the review because, he says, it is biased toward the project. In a dissenting report published on January 5th he said that the final

bill will be £108bn and it will generate just 60p of value for every pound spent.



Pride before a fall
Why lesbian couples are more likely to divorce than gay ones

The trials of same-sex marriage

#### BritainJan 9th 2020 edition

Sarahalways wanted to get married. She grew up with "girly girly" dreams of a big ceremony. In 2016, two years after the law changed to allow single-sex marriages, she walked down the aisle, wearing the big white dress she had longed for. "The wedding was perfect," she says. "It was a shame about the marriage."

She is one of a growing number of same-sex divorcees. By the end of 2018, 900 same-sex couples, of whom nearly three-quarters were female, had divorced.



Bagehot
Gertrude Himmelfarb and the politics of virtue

The great historian of Victorian Britain had a message for today's elite

#### BritainJan 11th 2020 edition

The last of the great Victorian intellectuals died on December 30th. Gertrude Himmelfarb wasn't a Victorian in the literal sense, either chronologically or geographically: she was born in Brooklyn, in 1922, the daughter of Jewish immigrants from Russia, and lived most of her life in Manhattan or Washington, DC. She was nevertheless a Victorian in spirit: she devoted her career to studying Victorian intellectuals—her favourite was Walter Bagehot—and shared that era's stern moral values. She was also a master of a very Victorian art form: the highbrow essay designed not for an academic clique but for the educated public.

Every great historian has a nagging obsession. Ms Himmelfarb's was what she called "the paradox of liberalism"—the idea that a preoccupation with individualism undermines the economic and social foundations which make

that preoccupation possible. She feared that what George Eliot described as "taking the world as an udder to feed our supreme selves" would end up dissolving social bonds and depleting cultural capital. This obsession led her to write, among many other works, a two-volume study of the Victorian idea of poverty. Her central conclusion was that the much-derided Victorians possessed a distinctive moral imagination: they cared enough about the poor to try to reform their conduct as well as to alleviate their immediate suffering.

# International

• The science of disgust: Overcoming the yuck factor



In good taste
What a museum of disgusting food reveals about human nature

Visitors receive a sick bag in lieu of a ticket

#### InternationalJan 9th 2020 edition

It is a hands-on, tongues-out experience. At the Museum of Disgusting Food in Malmö, in Sweden, all the world's great cuisines are represented. Each exhibit is considered a delicacy somewhere, but strikes many unaccustomed palates as revolting. Visitors are invited to handle a raw bull's penis and sip liquor with dead mice in it.

Nordic cuisine is well represented. The meat of the Greenland shark has toxically high levels of urea. It will make you woozy unless first left to rot and then hung to dry. Icelanders eat small cubes of *hakarl*, as they call it, from toothpicks. The late Anthony Bourdain, a globetrotting chef, called it "the single worst, most disgusting and terrible-tasting thing" he had ever eaten. Others have likened it to "chewing on a urine-soaked mattress".

# **Business**

- Business and war: A multinational desert
- Italian motorways: End of the road?
- The man in the flightcase: Carlos Ghosn speaks in Beirut
- Semiconductors: Memory loss and gain
- Bartleby: Lost in the Amazon jungle
- <u>Investing in Chinese technology: Less where that came from</u>
- Schumpeter: The last GE Man



A multinational desert
Western firms have little to lose from a Middle Eastern war

With the exception of a few highly exposed companies in a handful of industries

#### BusinessJan 9th 2020 edition

The MIDDLE EAST is not the world's only powder keg. But it vexes Western strategists more than other volatile places. Western investors likewise pay it close attention. The world's stockmarkets shuddered on January 3rd, after an American missile killed Qassem Suleimani, a top Iranian commander, in Iraq. They wobbled again this week, after Iran first threatened and then carried out an attack on American bases on Iraqi soil.

War anywhere is bad for business. A flare-up in the long conflict between the world's biggest economy and a proud power in a region whose deep reserves of oil grease the wheels of global commerce creates enough uncertainty to make bosses the world over uneasy. The inevitable spike in the price of oil, which gained nearly 5% after the American strike, hurts companies like airlines which use a lot of the stuff. Countries in and around the Persian Gulf are a market of 230m consumers. Neighbouring Egypt and Turkey, often singed by regional conflagrations, add a further 181m.



End of the road?
Autostrade risks losing its motorways

Italy is going after its biggest operator of toll roads and bridges

#### BusinessJan 9th 2020 edition

The benetton family became one of the biggest stars of Italian business by building a global fashion brand best known for colourful knitwear and a feisty social conscience, promoted with bold adverts featuring dying patients and death-row inmates. From humble origins with a second-hand knitting machine in the 1960s, the four Benetton siblings, Luciano, Carlo, Gilberto and Giuliana, diversified the business in an unlikely direction. Fashion now accounts for only a small chunk of their multi-billion-euro fortune. Motorways and roadside grub earn the bulk of their earnings these days, thanks to a large shareholding in Atlantia, whose subsidiary runs toll roads and bridges, and control of Autogrill, respectively.

It is a route that has tarnished the Benettons' starry image. The tragic collapse of the Morandi bridge killed 43 people in August 2018. The

structure in Genoa was managed by Autostrade per l'Italia (ASPI), Atlantia's road-and-bridge unit. Ever since, politicians have threatened to revoke ASPI'S motorway concession, which generates a third of Atlantia's profits. The threat became concrete when Giuseppe Conte's government passed a decree on December 31st which allows it to take away ASPI'S concession (set to expire in 2038) at any time and pay it much lower compensation. Parliament is likely to vote on the decree this month.



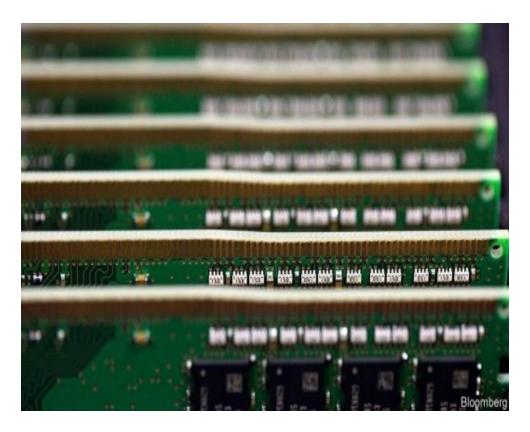
Ghosn in the flightcase Carlos Ghosn speaks in Beirut

The former boss of Renault and Nissan presented new details of his defence against charges of financial wrongdoing

#### BusinessJan 11th 2020 edition

On January 8TH Carlos Ghosn, ebullient and combative despite a year in custody and under house arrest, gave a press conference in Beirut, where he fled after skipping bail in Japan. The former boss of Renault and Nissan presented a characteristically flamboyant defence against charges of financial wrongdoing. He would not be drawn on the details of his audacious flight, said to involve boxes with air holes and a private jet.

## Dig deeper:



Memory loss and gain
A revival is under way in the chip business

The high-tech industry is as cyclical as any commodity

#### BusinessJan 9th 2020 edition

To see just how fast microchips are eating the world, look at the Consumer Electronics Show (ces), an annual gadget-fest held in Las Vegas. This year's event includes everything from ultra-high-definition televisions, "smart" light bulbs and powered exoskeletons to concept cars that can drive sideways and house robots designed to deliver toilet paper. Every one of these must-have consumer trinkets is a computer in disguise, with innards made from microprocessors, memory chips and circuit boards.

Yet the industry upon which all this is built has been having a torrid time of late. Future Horizons, a chip-industry analysis firm, reckons that global semiconductor sales shrank by about 12% in 2019, to \$410bn. Samsung Electronics, a South Korean company that is the world's biggest maker of memory chips, reported a 56% fall in quarterly operating profits in October,

dragged down by the poor performance of its chip division. Entire economies have been feeling the pain. Semiconductors account for a fifth of South Korea's exports, which have fallen for 12 months in a row, partly owing to the sector's weakness.



**Bartleby Lost in the Amazon jungle** 

A missed chance to scrutinise the retail giant

#### BusinessJan 9th 2020 edition

Amazon is an amazing company. Its founder, Jeff Bezos, started an online bookseller and turned it into a retailing giant. On the way, the company became a platform for third-party sellers, launched a highly successful electronic-book reader and created a cloud-computing service that allowed millions to store their data. There is a fascinating tale to be told about this transformation.

Unfortunately, a new book called "The Amazon Management System", by Ram Charan and Julia Yang, a pair of consultants, is not it. In part this is down to editing. The cover offers an early warning, with a reference to "Warren Buffet" (sic). As a rule, Bartleby mistrusts any business tome that misspells the name of the famous investor. As irritating, the authors never use one adjective when seven or eight will do. A typical sentence reads:

"Moreover, transparency of such ultra-detailed, end-to-end (cross-silo and cross-layer) real-time and inputs-oriented data and metrics makes the usual uphill battle for cross-functional collaboration much easier."



Less where that came from Life is getting harder for foreign VCs in China

They must contend with mature homegrown rivals and skittish American investors

#### Business Jan 9th 2020 edition

The first "demo day" in Beijing last November of Y Combinator (YC) hosted two dozen local startups vying for the attention of high-profile investors. It marked the entrance into China of Silicon Valley's most famous accelerator, which has helped launch the likes of Airbnb and Dropbox. Then, days later, YC abruptly announced it was pulling out of the country.

In a statement ye said that it was returning, under a new boss, to investing in startups from its Californian base. Its Chinese startups will be nurtured by MiraclePlus, ye China's new, fully localised incarnation. Yet in the context of a deepening Sino-American rift, the retreat looks ominous. "Under the current global environment, to realise our mission—By China, For China, Of China—we must have the ability to master our own destiny," wrote

MiraclePlus in a social-media post, citing Lu Qi, its boss, whom <sub>yc</sub> had hired to set up its Chinese arm in 2018. (Mr Lu declined to be interviewed for this article.)



# Schumpeter The last GE Man

Can a new boss salvage the reputation of Boeing—and of his mentor, Jack Welch?

#### BusinessJan 11th 2020 edition

Editor's note (January 9th 2020): After this article was published, American media reported intelligence assessments that Ukrainian International Airlines' Boeing passenger jet which crashed outside Tehran on January 8th had been brought down by Iranian anti-aircraft missiles, not mechanical failure.

If anyone doubts that David Calhoun, who becomes Boeing's new boss on January 13th, is taking on one of the world's most difficult jobs, think again. On January 8th the firm was caught up in a new tragedy: the deaths of 176 people aboard a Boeing 737-800 passenger jet bound for Ukraine that crashed shortly after take-off in Iran. The aircraft involved is different from the 737 MAX planes that went down in two air disasters, in October 2018

and last March, killing 346 people and plunging Boeing into crisis. All the same, getting to the bottom of the accident amid open hostility between Iran and America will be yet another headache for a new ceo fighting to save the skin of the world's biggest aerospace company.

# Finance and economics

- Ageing Europe: Old, rich and divided
- Governments and markets: In a fix
- Asset prices: Worth its weight
- Economic history: Capital in the 14th century
- Opening up economics: Beams and motes
- Buttonwood: Inessential oils
- Hedge funds: The country home of capital
- Free exchange: Mourning in America



Old, rich and divided
Demography could be yet another force for divergence within
the EU

It could worsen north-south and east-west divides

#### Finance and economics Jan 11th 2020 edition

For bulgarian bosses, recruitment is becoming a bit of a nightmare. Finding a lathe operator—competent or otherwise—takes more than six months, and may require forking out cash to a recruitment agency. Older, savvier machine operators are retiring, complains Julian Stephanov, who runs a manufacturing firm near Sofia, and too few young people have the right skills. One problem is a lack of training. Another is that Bulgaria's workforce has shrunk by 6% since 2008. Continued high emigration and low birth rates mean it is expected to fall by another third by 2050.

All across Europe, people are living longer and having fewer children. The same trends are, of course, seen in other rich countries, and many developing ones—but coping with them will be harder in Europe, because

of its half-formed union where workers can move freely and many countries share a currency, but where there is no common fiscal policy or strategy to deal with ageing.



In a fix
Why price controls are so uncontrollably persistent

New data from the World Bank show how much governments meddle in price-setting

#### Finance and economics Jan 9th 2020 edition

Prices, according to economists, are determined by supply and demand, acting like the twin blades of a pair of scissors. But that is not the whole story. In many times and places, prices have instead been set by the blunter blades of political pressure and government response.

One of the oldest surviving texts, the Hammurabi code, includes elaborate price and wage controls: 2.5 grains of silver per day for a rowing boat, six for a labourer. At the other end of history, on January 7th Argentina's government updated its list of *precios cuidados* (managed prices), setting guidelines for over 300 supermarket products, including lettuce, ultra-thin condoms and *mate*, a traditional tea-like drink. Via a mobile-phone app, consumers can report any products that are missing from the shelves or any

prices that are managed less tightly than the government would like. According to new data collected by the World Bank, 89% of developing economies meddle with the price of energy, 76% with the price of foodstuffs (bread in Benin, sugar in Congo, rice in Haiti) and 13% with the price of construction materials. Burkina Faso, for example, controls the prices of cement, sheet metal and reinforcing bars.



Worth its weight
The killing of Qassem Suleimani sends gold to a seven-year
high

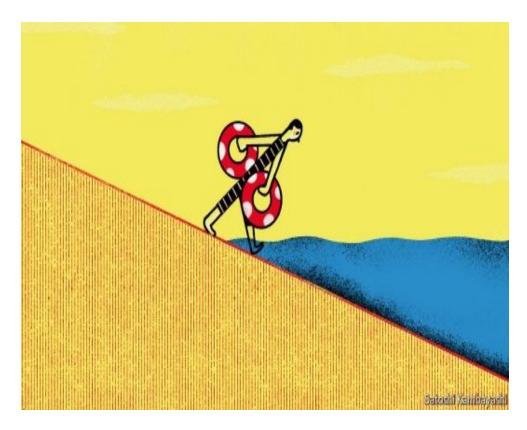
But the precious metal had already been on a long rally

#### Finance and economics Jan 9th 2020 edition

"Nobody really understands gold prices, and I don't pretend to understand them either," said Ben Bernanke, then chairman of the Federal Reserve, in 2013, after a turbulent few months in the market for the metal (it hit its all-time peak in 2011, at the height of the euro-zone crisis and following a downgrade of America's credit rating). Yet it is not hard to see why the metal hit its highest level since early that year—\$1,588 per ounce—on January 6th.

The jump followed the drone strike that killed Qassem Suleimani, leader of the Quds Force of Iran's Islamic Revolutionary Guard Corps, three days earlier. The rise of 2.9% over two trading days is similar to those after other Middle Eastern flare-ups. (Oil prices also leapt: Brent crude rose by 5%,

briefly topping \$70 a barrel.) Iran's attack on the Al-Asad airbase on January 8th caused a further 2% jump, to \$1,611 per ounce, before investors concluded that Iran was saving face, rather than escalating.



Capital in the 14th century
New research suggests that secular stagnation is centuries old

Central bankers' biggest problem may be ancient—and getting worse

#### Finance and economicsJan 9th 2020 edition

How low can interest rates go? It is a question that worries central bankers everywhere. Since the global financial crisis of 2007-08 rates have been pushed down to unprecedented levels in order to prop up growth. With central banks' interest rates near or below zero across much of the world, room for further cuts to combat the next downturn is limited. If America's Federal Reserve can manage to keep nominal rates at 2% or higher over the long term, it should be able to cope with the help of policies such as quantitative easing, mused Ben Bernanke, a former Fed chairman, at the conference of the American Economic Association (AEA) on January 4th. Alas, a working paper\* published by the Bank of England the previous day suggests that rates could have further to fall.

Most research on long-term trends in interest rates relies on data from the past century. But Paul Schmelzing of the Yale School of Management has gathered information on real interest rates (that is, corrected for inflation) covering 78% of advanced-economy going back to the early 14th century, when capitalism and free markets began to emerge. He found that real rates have declined by 0.006-0.016 percentage points a year since the late Middle Ages (see chart). That may not seem much, but it means real interest rates have fallen from an average of around 10% in the 15th century to just 0.4% in 2018.



Beams and motes
Economists are discussing their lack of diversity

But efforts to improve have stalled before

#### Finance and economicsJan 9th 2020 edition

Economists, who extol the virtues of healthy labour markets, like to think that they practise what they preach. Not so. At this year's conference of the American Economic Association (AEA) in San Diego, the profession's lack of diversity was high on the agenda. In a session titled "How Can Economics Solve its Race Problem?" Janet Yellen, now the AEA's president, summarised the situation as wasting talent and "deeply unfair".

It was the second year that barriers to entry into economics were so prominent at economists' biggest annual gathering. Early results of the pressure to improve were evident. As part of an effort led by Ben Bernanke, Ms Yellen's predecessor, a lawyer contracted by the AEA was present to hear any complaints about professional misconduct. Hotel suites were reserved

for those conducting job interviews, avoiding any need for candidates to si on beds.	t



**Buttonwood Jeremy Grantham on divesting from Big Oil** 

A contrarian investor on the hazards of owning fossil-fuel stocks

#### Finance and economicsJan 9th 2020 edition

Late last year Jeremy Grantham, an investor routinely described as "legendary", spoke about ESG (environmental, social and governance) investing at a conference in London. His presentation was slick; his accent floated somewhere in the mid-Atlantic (Mr Grantham is English but has lived in America for ages). "I love s and G," he began. "But E is about survival."

Three-letter abbreviations have been a constant in Mr Grantham's professional life. He is the G in GMO, which stands for Grantham, Mayo and van Otterloo, the fund-management group he co-founded. His firm has a distinctive philosophy: it favours companies with low share prices relative to measures of fundamental worth, such as cash flows or the value of assets.

Mr Grantham owes much of his public profile to his decrying of stockmarket bubbles.



The country home of capital Why so many of America's financial elite have left Greenwich

Higher state taxes and hedge funds' fading fortunes have taken their toll

#### Finance and economicsJan 9th 2020 edition

It is a small town with a big reputation. Greenwich, Connecticut, with a population of 60,000, has long been home to titans of finance and industry. A century ago Edmund C. Converse, the first president of Bankers Trust, Zalmon Gilbert Simmons, a mattress magnate, and two Rockefellers lived there. Among today's residents are Ray Dalio of Bridgewater, the world's most successful hedge fund, and Indra Nooyi, the former boss of Pepsi. It has one of America's greatest concentrations of wealth. As measured by the income of the top 1% of residents, Connecticut is America's richest state. The metro area (Bridgeport-Stamford-Norwalk) and county (Fairfield) containing Greenwich come second and fourth on the same measure.

You might think a decade in which rich Americans became richer would have been kind to Greenwich. Not so. The 2007-08 financial crisis and

hedge funds' fading fortunes depleted the state's coffers. In response it raised taxes, triggering an exodus that has lessons for the rest of America about the risks of relying on low taxes to lure wealthy residents. And as Americans cool on small-town living, Greenwich is a reminder that even the most privileged enclave is not immune to national trends.



Free exchange **Economists grapple with rising American mortality** 

Understanding "deaths of despair" will require fresh thinking

#### Finance and economicsJan 9th 2020 edition

Five years ago Anne Case and Angus Deaton of Princeton University introduced the world to the phenomenon of "deaths of despair". A growing share of middle-aged white Americans, especially those without college degrees, are dying from suicide and drug and alcohol use. At first it seemed possible to hope that the troubling rise in death rates would reverse as the economy recovered from the financial crisis. Instead, mortality has risen further—a standing indictment of American society. Several books on the subject, and discussions at the meeting of the American Economic Association (AEA) earlier this month in San Diego, do not quite provide an explanation. But they make significant contributions, while posing a substantial challenge to economics.

America's mortality crisis actually predates the financial crisis: mortality rates for white Americans without a degree have been rising since at least the early 1990s. But it seems to be worsening. Life expectancy in America fell for three consecutive years between 2014 and 2017 (the most recent year for which data are available). That has not happened since the 1910s, when Americans were brought low by war and Spanish flu. Rising death rates are caused in large part by the opioid epidemic, which began with prescription painkillers and expanded to street drugs such as heroin and fentanyl. But suicide and alcohol-related mortality have also risen precipitously. Opioids, reckon Ms Case and Mr Deaton, were fuel on a fire already burning.

# Science and technology

- New Zealand's wildlife: Here be giants
- Scientific publishing: A novel and promising finding
- Stellar evolution: Time for a Big Bang?
- Watering deserts: Out of thin air
- Scientific methods: Faecal canaries



Palaeontology
New Zealand was once a land of giants

Monster parrots and penguins roamed the islands

#### Science and technologyJan 9th 2020 edition

Squawkzilla, as he (or possibly she) has come to be known, is not the sort of parrot that would sit on your shoulder while you cooed "pretty polly". Instead, this huge flightless bird (weighing around 7kg and about a metre tall) would probably have pecked a chunk out of you with its massive beak. Although, as do most parrots, Squawkzilla would have fed on fruit and other vegetation, it is likely to have supplemented its diet with a bit of carnivory.

That much, at least, can be interpreted from its fossilised leg bone, which was found a decade ago in 19m-year-old sediment laid down in an ancient lake near St Bathans on New Zealand's South Island. Squawkzilla has been formally named *Heracles inexpectatus*, after a re-examination of the bone last year concluded it was not, as previously thought, from a huge eagle.



Scientific publishing
The sex of researchers affects the language of research papers

Male-authored articles are more self-promoting

# Science and technology Jan 9th 2020 edition

"Lean IN," advises Sheryl Sandberg, Facebook's chief operating officer, in a book of that name. Her advice to women—be more assertive to grab influence at work, rather than waiting for it to be offered—was met with scorn by some feminists. They say that women are not shying away from the higher rungs of the career ladder. Rather, they are being pushed off by unfair forces in the job market, or running into structural barriers as they climb.

A paper just out in the *BMJ*, a medical-research journal, however, offers some support for the idea that men promote themselves more, and that this helps their careers. Marc Lerchenmueller and Olav Sorenson, affiliated with Yale Business School, and Anupam Jena, of Harvard Medical School, examined the language in the titles and abstracts of over 100,000 clinical-

research articles. They separated those in which both the first and the last named authors were women from ones in which one or both were men. (The first name is often a more junior researcher who led the work, while the last name is usually a senior scholar who helped guide it.) Sure enough, articles with either a first or a last male author were more likely to describe their work in positive terms.



Stellar evolution

Might there soon be a supernova near Earth?

A giant star called Betelgeuse is behaving strangely

# Science and technology Jan 11th 2020 edition

The Great Collapsing Hrung Disaster of the Year 03758 is shrouded in mystery. All that is known about this event, mentioned in a footnote to "The Hitchhiker's Guide to the Galaxy", by Douglas Adams, is that the only survivor was the father of one of the story's main characters, Ford Prefect—and that it took place on one of the planets orbiting Betelgeuse.

Betelgeuse is a red supergiant star in Orion, a prominent constellation that spans the celestial equator. It is one of the brightest objects in the night sky, easily visible to the naked eye. It has around ten times the mass of the sun, and if it were at the centre of the solar system its outer edge would stretch beyond the orbit of Mars.



Watering deserts
New ways to pluck water from desert air

Where desalination is impossible, adsorption may be the answer

#### Science and technology Jan 11th 2020 edition

If you live in a desert, maintaining a supply of fresh water is a challenge. One answer is desalination, but that needs a source of brine from which to remove the salt—which in turn requires that your desert be near the sea. Even in inland deserts, though, moisture is often present in the air as water vapour. The problem is extracting this vapour effectively and cheaply. And that is what two groups of researchers—one at the University of Connecticut, the other at the University of California, Berkeley—hope they have managed to do.

The ease with which water can be won from air depends on that air's relative humidity. This is a measure of its current vapour content as a percentage of its maximum possible vapour content at its current temperature. A relative humidity of 100% means the air in question is

holding as much water vapour as it possibly can. A good way to get air to give up some of its moisture is therefore to cool it to the point where its relative humidity exceeds 100%.



Scientific methods

Dung beetles prefer human faeces to those of wild animals

A long-established experimental procedure turns out to be biased

# Science and technology Jan 9th 2020 edition

Ecosystems are complex things, and monitoring their health is hard. To track every species would be impossible, so ecologists commonly focus on those that, like canaries in coal mines, are thought to indicate when the system as a whole is beginning to suffer. Dung beetles are one such group, and have been relied on heavily for years to monitor the effects of things like logging, grazing and road-building.

When there are lots of species of dung beetles around, and faeces vanish quickly, an ecosystem is assumed to be in good shape. When their diversity drops and faeces hang about unconsumed, it suggests something is wrong. However, as Elizabeth Raine, a zoologist at Oxford University, has realised, the value of this assumption depends on how you go about sampling the

beetles. That is done by attracting them with their preferred foodstuff, faeces. And she thinks it is being done badly.

# **Books and arts**

- Democracy and its discontents: The ironies of revolution
- Negative thinking: Glass half-empty
- Autofiction: Love and longing
- The history of psychology: Mad in craft
- Beethoven's afterlife: Prisoner's dilemma



The ironies of revolution
A love affair with liberal democracy that soured

"The Light that Failed" explores how, in eastern Europe, disillusionment set in

#### Books and artsJan 9th 2020 edition

**The Light that Failed**. By Ivan Krastev and Stephen Holmes. *Pegasus Books*; 256 pages; \$26.95. Allen Lane; £20.

In a virial video for a song by Sergei Shnurov, a Russian rock star, a provincial young woman in a shabby Soviet-era apartment vies for the attention of a Westernised businessman she has befriended over Skype. He invites her to an art exhibition. She duly waxes and squeezes herself into tight jeans, emulating a model in a glossy magazine, and paints the soles of her shoes in red nail varnish to mimic the expensive Western originals. Alas, as she answers the door, the jeans treacherously split, the shoes stick to the floor—and the Russian Cinderella falls flat on her face.



Glass half-empty
It takes four good things to overcome one bad thing

So says a provocative study of the power of negative thinking

#### Books and artsJan 9th 2020 edition

**The Power of Bad.** By John Tierney and Roy F. Baumeister. *Penguin Press; 336 pages; \$28. Allen Lane; £20.* 

A POOR FIRST impression, it is widely acknowledged, counts for more than a good one. Memories that resurface suddenly tend to be unpleasant. Professional fearmongers draw a larger, more receptive audience than purveyors of restrained analysis. It is normal for people to dwell on a word of criticism for much longer than they luxuriate in a shower of praise.



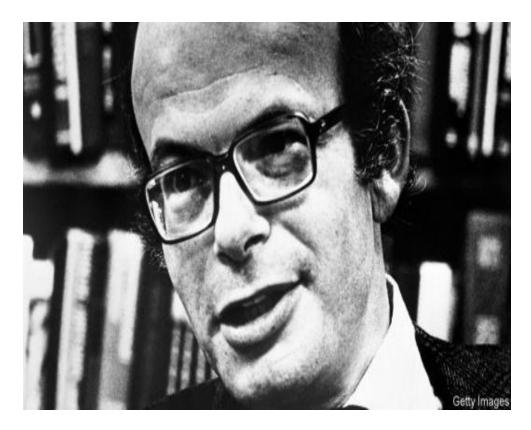
Love and longing
For Garth Greenwell, sex is the first step towards connection

His new book, "Cleanness", takes erotic intimacy very seriously indeed

#### Books and artsJan 9th 2020 edition

Cleanness. By Garth Greenwell. Farrar, Straus and Giroux; 240 pages; \$26. To be published in Britain in April by Picador; £14.99.

Walking in the boulevards of Sofia, smoking but not speaking, the young men in "Cleanness" are suffocated by their own attractions, a force that is "the opposite of air". As they meet in cafés and pour umpteen packets of sugar into their coffee, the monolithic concrete of the Soviet-style buildings around them seems to recede; the city opens up. Their yearnings inspire both excitement and dread. They feel, but do not articulate, pain, relief and shame.



Mad in craft
The psychologist who pretended to be insane

Susannah Cahalan grippingly explores an influential—but unreliable—experiment

## Books and artsJan 9th 2020 edition

The Great Pretender: The Undercover Mission that Changed our Understanding of Madness. By Susannah Cahalan. *Grand Central*; 400 pages; \$28. Canongate; £16.99.

In 1973 David Rosenhan, an American psychologist, published a paper entitled "On Being Sane in Insane Places". He had recruited seven volunteers to join him in feigning mental illness, to expose what he called the "undoubtedly counter-therapeutic" culture of his country's psychiatric hospitals. The readiness with which the group's sham symptoms were taken for the real thing seemed to show that even highly trained professionals could not accurately differentiate between the sick and the well.



Prisoner's dilemma
A bold American composer updates "Fidelio"

As Beethoven's 250th birthday approaches, criticism of his music is rare

#### Books and artsJan 9th 2020 edition

Beethoven's 250TH birthday is big business. Although there is no record of the exact date the composer was born, his baptism was recorded on December 17th 1770, and the long lead-up to its anniversary will be lucrative. Cities such as Bonn, his birthplace, and Vienna, where he spent much of his career, are preparing for a tourist deluge. All manner of "Beethoven 250" souvenirs are already in circulation, from the bizarre (replica invitations to his funeral) to the mundane (mugs, mouse mats, mass-produced red scarves of the kind he wore in a well-known portrait). Performances of his music, never infrequent, will be given in concert halls around the world. The first, famous four notes of his Fifth Symphony will be hard to avoid.

The only kind of commemoration that might be hard to come by is any note of meaningful critique. Beethoven, even more so than Bach or Mozart, is

the classical composer whose legacy remains most unassailable. You can question individual performances or interpretations, but the man himself, and his music, are sacrosanct. That is what makes the Pulitzer-winning American composer David Lang's new opera "prisoner of the state", which will receive its European premiere at the Barbican Centre in London on January 11th, both interesting and timely.

# **Economic and financial indicators**

• Economic data, commodities and markets

# Economic data, commodities and markets

# Economic and financial indicators Jan 9th 2020 edition

		Gross domestic product % change on year ago:				Consumer prices % change on year ago:			Unemployment rate	
	latest		quarter*	2019 <sup>†</sup>	latest		2019 <sup>†</sup>	96		
United States	2.1	Q3	2.1	2.3	2.1	Nov	1.8	3.5	Nov	
China	6.0	Q3	6.1	6.1	4.5	Dec	2.9	3.6	Q3 <sup>5</sup>	
apan	1.7	Q3	1.8	0.8	0.5	Nov	0.4	2.2	Nov	
Britain	1.1	Q3	1.7	1.3	1.5	Nov	1.8	3.8	Sep††	
Canada	1.7	Q3	1.3	1.7	2.2	Nov	1.9	5.9	Nov	
Euro area	1.2	Q3	0.9	1.2	1.3	Dec	1.2	7.5	Oct	
Austria	1.5	Q3	-0.7	1.6	1.1	Nov	1.4	4.6	Oct	
Belgium	1.6	Q3	1.7	1.3	0.8	Dec	1.3	5.6	Oct	
rance	1.4	Q3	1.1	1.3	1.4	Dec	1.3	8.5	Oct	
Germany	0.5	Q3	0.3	0.6	1.5	Dec	1.3	3.1	Oct	
Greece	2.7	Q3	2.3	2.2	0.2	Nov	0.5	16.8	Sep	
taly	0.3	Q3	0.2	0.2	0.5	Dec	0.7	9.7	Oct	
Netherlands	1.9	Q3	1.8	1.8	2.7	Dec	2.7	4.3	Nov	
Spain	1.9	Q3	1.6	2.1	0.8	Dec	0.8	14.2	Oct	
Zech Republic	3.4	Q3	1.5	2.6	3.1	Nov	2.8	2.2	Nov <sup>‡</sup>	
Denmark	2.3	Q3	1.5	2.1	0.7	Nov	0.8	3.7	Nov	
Norway	1.3	Q3	0.1	1.0	1.6	Nov	2.2	3.8	Oct#	
Poland	4.2	Q3	5.3	4.2	3.4	Dec	2.2	5.1	Nov <sup>§</sup>	
Russia	1.7	Q3	na	1.1	3.1	Dec	4.5	4.6	Nov <sup>§</sup>	
weden	1.7	Q3	1.1	1.2	1.8	Nov	1.8	6.8	Nov <sup>§</sup>	
Switzerland	1.1	Q3	1.6	0.8	0.2	Dec	0.4	2.3	Nov	
Turkey	0.9	Q3	na	0.1	11.8	Dec	15.5	13.8	Sep§	
Australia	1.7	Q3	1.8	1.7	1.7	Q3	1.5	5.2	Nov	
Hong Kong	-2.9	O3	-12.1	-0.6	3.0	Nov	3.0	3.2	Nov##	
ndia	4.5	03	4.5	4.9	5.5	Nov	3,4	7.7	Dec	
ndonesia	5.0	O3	na	5.1	2.7	Dec	3.0	5.3	O35	
Malaysia	4.4	O3	na	4.5	0.9	Nov	0.8	3.2	Oct <sup>§</sup>	
Pakistan	3.3	2019**	na	3.3	12.6	Dec	9.5	5.8	2018	
Philippines	6.2	Q3	6.6	5.7	2.5	Dec	2.4	4.5	Q4 <sup>§</sup>	
Singapore	0.8	Q4	0.1	0.6	0.6	Nov	0.5	2.3	Q3	
South Korea	2.0	Q3	1.7	1.8	0.7	Dec	0.4	3.1	Nov <sup>§</sup>	
Taiwan	3.0	Q3	2.4	2.6	1.1	Dec	0.5	3.7	Nov	
Thailand	2.4	Q3	0.4	2.4	0.9	Dec	0.7	1.1	Nov <sup>§</sup>	
Argentina	-1.7	Q3	3.8	-3.3	52.1	Nov <sup>‡</sup>	53.2	9.7	Q3 <sup>5</sup>	
Brazil	1.2	Q3	2.5	1.2	3.3	Nov	3.7	11.2	Nov5##	
Chile	3.3	Q3	3.0	1.5	3.0	Dec	2.3	6.9	Nov <sup>6‡‡</sup>	
Colombia	3.3	Q3	2.3	3.1	3.8	Dec	3.5	9.3	Nov <sup>§</sup>	
1exico	-0.3	Q3	0.1	nil	3.0	Nov	3.6	3.5	Nov	
Peru	3.0	Q3	2.9	2.3	1.9	Dec	2.1	6.3	Nov <sup>§</sup>	
Egypt	5.6	03	na	5.6	3.6	Nov	8.1	7.8	O35	
srael	4.0	Q3	4.0	3.4	0.3	Nov	0.9	3.9	Nov	
Saudi Arabia	2,4	2018	na	0.4	-0.1	Nov	-1.2	5.5	03	
South Africa	0.1	Q3	-0.6	0.6	3.6	Nov	4.2	29.1	Q3 <sup>5</sup>	

# Economic data 2 of 2

	Current-account	Budget	Interest ra			cy units
	balance	balance		nds change on	per\$	% change
	% of GDP, 2019 <sup>†</sup>	% of GDP, 2019 <sup>†</sup>	latest,%	year ago, bp	Jan 8th	on year ago
United States	-2.4	-4.6	1.9	-86.0		
China	1.5	-4.3	2.8 55	-9.0	6.94	-1.1
Japan	3.1	-2.9	nil	-8.0	109	nil
Britain	-4.3	-2.0	0.8	-54.0	0.76	4.0
Canada	-2.2	-0.9	1.6	-34.0	1.30	2.3
Euro area	3.2	-1.0	-0.2	-47.0	0.90	-3.3
Austria	1.6	0.2	nil	-53.0	0.90	-3.3
Belgium	-0.1	-1.3	0.1	-79.0	0.90	-3.3
France	-0.9	-3.2	nil	-68.0	0.90	-3.3
Germany	7.3	1.0	-0.2	-47.0	0.90	-3.3
Greece	-2.3	0.6	1.5	-289	0.90	-3.3
Italy	2.9	-2.2	1.4	-153	0.90	-3.3
Netherlands	9.4	0.6	-0.2	-53.0	0.90	-3.3
Spain	1.0	-2.3	1.6	-108 -20.0	0.90	-3.3
Czech Republic		0.2			22.7	-1.4
Denmark	7.8	1.6	-0.2	-41.0	6.72	-2.8
Norway	5.4	6.5	1.4	-40.0	8.86	-3.5
Poland	0.2	-1.2	2.2	-65.0	3.81	-1.3
Russia Sweden	6.2	2.3	6.4	-234	61.6	8.7
	3.4	0.4	0.1	-30.0	9.45 0.97	-5.5
Switzerland	10.2	-3.0	-0.5 11.8	-39.0 -498	5.95	1.0
Turkey	0.2	-3.0	1.2			-7.6 -4.1
Australia Hong Kong	4.8	-0.1	1.6	-111 -39.0	1.46 7.78	-4.1
India	-1.8	-3.9	6.6	-39.0	7.76	-2.1
Indonesia	-2.3	-2.0	7.0	-85.0	13,893	1,8
Malaysia	3.1	-3.5	3.3	-80.0	4.10	0.5
Pakistan	-3.5	-8.9	11.0 ##	-213	155	-10.4
Philippines	-0.3	-3.1	4.7	-215	50.8	3.4
Singapore	17.9	-0.3	1.7	-50.0	1.35	0.7
South Korea	3.0	0.8	1.6	-36.0	1,171	-4.0
Taiwan	11.9	-0.9	0.7	-22.0	30.1	2.6
Thailand	6.8	-2.8	1.4	-88.0	30.1	5.7
Argentina	-1.6	-4.3	na na	-464	59.8	-37.5
Brazil	-2.4	-4.5	4.5	-464	4.07	-8.6
Chile	-2.9	-1.7	3.2	-99.0	763	-10.8
Colombia	-4.4	-2.5	6.0	-71.0	3,254	-2.8
Mexico	-0.8	-2.7	6.8	-177	18.8	2.9
Peru	-1.9	-2.0	4.1	-150	3.32	0.9
Egypt	-0.2	-7.1	na	nil	16.0	11.9
Israel	2.4	-3.9	0.8	-144	3,47	6.6
Saudi Arabia	1.9	-6.0	na na	-144 nil	3.75	nil
South Africa	-3.9	-5.9	8.3	-57.0	14.2	-1.8

Source: Haver Analytics. §§5-year yield. †††Dollar-denominated bonds.

# Graphic detail

• <u>Gangs in El Salvador: The wrong side of the tracks</u>

# The wrong side of the tracks A new study suggests that street gangs inflict broad economic harm

Once transnational gangs arrived in El Salvador, large gaps in living standards emerged at the borders between their turfs

Graphic detailJan 11th 2020 edition

# **Obituary**

• Qassem Suleimani: Nowhere and everywhere



Nowhere and everywhere Obituary: Qassem Suleimani was assassinated on January 3rd

The mastermind of Iranian expansion, destruction and killing was 62

## ObituaryJan 9th 2020 edition

For a man whose reputation was shadowy and clandestine, Qassem Suleimani sometimes made himself startlingly visible. He climbed up on the flatbeds of army trucks in Syria, exhorting crowds of weary fighters. He posed smiling beside rocket-launchers in Iraq, finger on the trigger. He responded to Donald Trump's Twitter threats against Iran by calling him a gambler and a bartender, urging him to come on and find out, the hard way, who the real men were in this showdown. His Instagram account showed him ordering a missile strike against the White House with the slogan, in English: "We will crush the USA under our feet."

He had earned his shadow reputation in other ways. His habit of glancing downward, carefully, his eyes slightly hooded under thick brows, which could set his interlocutors trembling. His wish to sit alone at meetings, his

silences in conversations, and his simple words, as if he was ordinary. That befitted him as a peasant's son from the mountains near Afghanistan, whose most vivid childhood memory was straining his puny body on a building site to earn enough money to clear his father's debts. And it befitted him, too, as the head after 1998 of the Quds Force, the elite arm of the Islamic Revolutionary Guard Corps, where he masterminded Iran's ever-widening circle of influence, destruction and killing.

# **Table of Contents**

The Economist	
The world this week	
Politics this week	
Business this week	
KAL's cartoon	
Leaders	
America and Iran: Masterstroke or madness?	
Monetary policy: Why Ben Bernanke is wrong	
Forest fires: A blaze that will keep on burning	
France: Who rules?	
Han Chinese and Uighurs: Apartheid in Xinjiang	
<u>Letters</u>	
Letters to the editor: On menopause, patents, hijal	S
impeachment, hot-metal type	
Briefing	
Conflict with Iran: After the assassination	
<u>United States</u>	
School policy: The dignity of all the talents	
American education: Signs of progress	
Partisan insurgencies: From AOC to shining sea	
Digital self-harm: The bully in the black mirror	
Voting behaviour: From boom to ballot box	
Lexington: All disquiet on the foreign front	
The Americas	
Canada: Justin Trudeau's makeover	
Guatemala: New man, old problems	
Bello: Maduro v Guaidó, round two	
<u>Asia</u>	
Australia's bushfires: Burning questions	
Indian politics: Cracking heads	
Health in the Philippines: Sick days	
Jakarta submerged: The incredible sinking city	
Education in Malaysia: Prawns and rocks	

$\sim$ 1		•		
<i>(</i> 'I	h	1	n	2
U	U	л	ш	La

Ethnic tension in Xinjiang: Never the twain shall meet

Chaguan: Up the river

# Middle East and Africa

African governance: Taxing times

Isabel dos Santos: Her struggle

Al-Shabab and Iran: Relationship rumours Turkey and Libya: Back to the Ottomans?

Despots and mosques: Mine's bigger than yours

#### **Europe**

France: Month two

Spanish politics: Sánchez agonistes

Austria: Three's a charm Recycling: Waste not

<u>Finland: Prescribing tablets</u> <u>Charlemagne: Stereovision</u>

#### Britain

The Brexit timetable: It won't be that easy

Britain's longest-running family firm: A right-royal shake-up

<u>The Labour leadership race: Under starters' orders</u> <u>Stormont Assembly: Time to take off the dust-covers?</u>

Infrastructure spending: Soft money, hard hats

High-speed rail: Fast-tracked

Same-sex divorces: Pride before a fall

Bagehot: The politics of virtue

# **International**

The science of disgust: Overcoming the yuck factor

## **Business**

Business and war: A multinational desert

Italian motorways: End of the road?

The man in the flightcase: Carlos Ghosn speaks in Beirut

<u>Semiconductors: Memory loss and gain</u> Bartleby: Lost in the Amazon jungle

<u>Investing in Chinese technology: Less where that came from</u>

Schumpeter: The last GE Man

## Finance and economics

Ageing Europe: Old, rich and divided

Governments and markets: In a fix

Asset prices: Worth its weight

Economic history: Capital in the 14th century

Opening up economics: Beams and motes

**Buttonwood: Inessential oils** 

Hedge funds: The country home of capital

Free exchange: Mourning in America

# Science and technology

New Zealand's wildlife: Here be giants

Scientific publishing: A novel and promising finding

Stellar evolution: Time for a Big Bang?

Watering deserts: Out of thin air

Scientific methods: Faecal canaries

#### **Books and arts**

Democracy and its discontents: The ironies of revolution

Negative thinking: Glass half-empty

Autofiction: Love and longing

The history of psychology: Mad in craft

Beethoven's afterlife: Prisoner's dilemma

#### Economic and financial indicators

Economic data, commodities and markets

## Graphic detail

Gangs in El Salvador: The wrong side of the tracks

## **Obituary**

Qassem Suleimani: Nowhere and everywhere