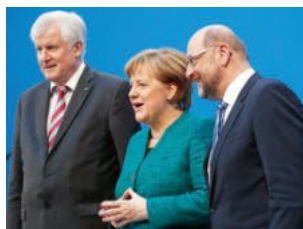


## Germany

## Reheating the GroKo

Germany may at long last have a new government. Unfortunately, it will look very like the old one



THE Berlin Wall stood for 28 years, two months and 27 days; as of this week it has been down for longer. Just as Germany's "post-Wall" era has come to an end, so the cosy politics of the past three decades looks as if it is running out of inspiration. On February 6th news came that the Christian Democrat alliance (CDU/CSU) and the Social Democrats (SPD), had agreed on yet another grand coalition. Germany is desperate for political renewal, but all that its politicians have been able to come up with is a dreary sort of continuity that has left everyone unhappy.

## Falling short

The coalition agreement sets out some modest ambitions (see page 48). There are spending pledges on infrastructure, where wealthy Germany is surprisingly deficient. The new government will increase child benefits, cut taxes modestly and limit immigration. It will tinker with the labour market and health care. In Europe it will aim to negotiate a permanent stabilisation mechanism for the euro, together with increased common investments in the shape of a possible euro-zone budget. That, at least, is welcome—though the language is waffly.

Working out the details will be hard. The likely appointment of an SPD finance minister from the more hawkish end of the spectrum is one sign of that. Another is the absence from the coalition agreement of any commitment to a vital missing part of the euro construct, a bank-deposit protection scheme. Other signals coming out of the coalition are also worrying. The overly pro-Russian SPD will continue to hold the foreign-affairs portfolio. And an undertaking to boost defence spending significantly towards the NATO target of 2% of GDP failed to

make it into the programme.

The coalition deal has few fans, even among the people who laboured for months to negotiate it. Angela Merkel, who will become chancellor for a fourth (and almost certainly last) time, spoke of "the painful compromises" that she had to make. To seal the deal she was obliged to hand over the powerful finance, foreign and labour portfolios to her much-smaller coalition partners. Yet those partners are unhappy, too. Carsten Schneider, chief whip for the SPD, admitted that the deal was "no masterpiece".

Voters will surely share their despondency. Having hammered the "grand coalition" parties in last September's inconclusive elections, they have been telling pollsters that their support for Mrs Merkel's CDU/CSU alliance and the SPD is sliding. One poll this week gave the coalition parties well under half the votes, not enough to form a government were a fresh election to be held.

Which is really the only reason why a repeat of the unloved "GroKo" will now take power, so long as it wins the blessing of the SPD's 460,000 members, in a postal ballot that will be run over the next three weeks. Neither the CDU nor the SPD has any appetite for another election. For Mrs Merkel, it would be a humiliating end to her second attempt to form a government. For the SPD, another election might be catastrophic. In one poll the party was only two points ahead of the anti-immigrant Alternative for Germany. It's uncharismatic leader, Martin Schulz, announced his resignation on February 7th; even his colleagues felt he has been out of touch with voters' concerns.

Germany and Europe are better off without another six months of drift. Britain, Spain and Italy all suffer from weak governments and it is in no one's interest for Germany to join them. But the country's crop of humdrum centrist politicians can barely totter on, even in loveless alliances. Watch out for the younger, more extreme alternatives snapping at their heels. ■

## Philanthropy

## The billionaires and the Falcon Heavy

The mega-rich have ambitious plans to improve the world. Should that be a cause for celebration or concern?



creator. To ensure humanity's long-term survival he wants both to colonise Mars and to wean the Earth off fossil fuels.

Mr Musk is not the only billionaire entrepreneur with grand ambitions to improve the future of mankind. Mark Zuckerberg, the founder of Facebook, wants to "cure, prevent or manage"

all diseases by the end of the century. Bill Gates, having made his fortune at Microsoft, wants to eradicate polio and malaria, as part of a broader goal of improving health and alleviating poverty. Both are among a number of philanthropists who plan to remake education—Mr Zuckerberg's other goal is for children to "learn 100 times more than we learn today".

As the Falcon Heavy soared above the Kennedy Space Centre in Florida, one question was over what Mr Musk's dreams mean for business (see page 19). The other was what to make of this desire to save humanity, in pursuit of which Mr Musk and his fellow billionaires have been strikingly innovative.

A century ago John D. Rockefeller, Andrew Carnegie and Henry Ford ruthlessly made fortunes and then established ►

► foundations to enlighten the masses and ensure world peace long after their death. Mr Gates and others, having seen how foundations can eventually become cautious and conventional, favour a “sunset philanthropy” model, aiming to spend their riches before they die. (Warren Buffett, now 87, is donating most of his fortune to Mr Gates’s foundation, to dispense on his behalf.) Such tycoons also pride themselves on measuring impacts and outcomes, applying the same rigorous scrutiny to their charitable activities as they did in their business.

### From Rockefeller to Rocket-fella

In the latest twist younger billionaires like Mr Zuckerberg, who made their fortunes in their 20s or 30s, have switched from a serial model of philanthropy, in which you make money first and then retire and give it away, to a parallel one, where you start giving the money away while it is still coming in. Mr Musk has gone further still. Rather than using his business wealth to support philanthropy in an unrelated area, he runs two giant companies, Tesla (a clean-energy firm that sells electric cars) and SpaceX (which builds the Falcon rockets), that further his ambitious goals directly. Both companies sell something that people happen to want now—cars and satellite launches—as a way of hastening Mr Musk’s dreams.

The grand schemes of the mega-rich provoke excitement in some quarters and unease in others. One complaint involves accountability. Billionaire philanthropists do not answer to voters. Their spending power gives them the ability to do great good, but what if they prefer to act more like Blofeld-style Bond villains than Iron Man-style superheroes? Wealth also grants the mega-rich special access to policymakers and elected officials. Shovelling your fortune into a charitable foundation has the happy side-effect of reducing tax bills, too—meaning that billionaires’ schemes can leave poorer taxpayers to fill in the gaps in public spending.

Given that so many of today’s billionaires are geeks, there is also a danger of techno-solutionism. The idea that problems in health, education and so on can be solved with whatever technology is in vogue (today’s favourite is the blockchain) has usually proved naive. Deep change generally requires co-operation with governments and social mobilisation. Recognising such things is hard for techies used to seeing politicians as clueless and regulation as something to be innovated around.

And yet these reservations are surely outweighed by the billionaires’ scope for good. The would-be world-changers are applying innovative and evidence-based approaches in clinics and classrooms, where elected politicians are often too timid to risk failure, captured by entrenched interests or unwilling to spend public money on experimentation. For all their wealth, the billionaires would struggle to force change upon society. Although today’s philanthropists are more visible than those of previous generations, they account for less than a quarter of all charitable giving in America—which has remained roughly constant, at around 2% of GDP, for decades, according to David Callahan of Inside Philanthropy, a specialist website.

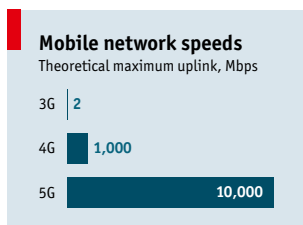
The billionaires’ most useful function, then, is not to bring about change themselves, but to explore and test new models and methods for others to emulate. Using their access to policymakers, they encourage the adoption of the ideas that work. Even an Avengers-style coalition of billionaires, like the one assembled by Mr Gates and Mr Buffett under the “Giving Pledge” banner, could not solve really big problems like infectious diseases, colonising Mars and climate change without the co-operation of governments, industry and voters.

So, as the Tesla car sent skywards by the Falcon Heavy begins its trip around the sun, salute the billionaires for their ambition. Raise your eyebrows, in some cases, at their hubris and political naivety. But applaud their role as public-policy trailblazers, opening up paths to a better future. ■

## Telecoms

# Next-generation thinking

## Building a single, shared 5G wireless network is not such a stupid idea



FOR more than three decades, telecoms policy, at least in rich countries, has been a one-way street: more deregulation and more privatisation in order to foster more competition. This direction was set by America in 1984, when it broke up AT&T, its telephone monopoly. So there was much surprise at a recent memo, written for the White House by an official at the National Security Council, which argued that the next generation of mobile network, “5G” for short, should be built and run by the American government.

The 30-page paper was widely criticised, and quickly dismissed by experts and regulators. Protecting the network from Chinese hacking, the main reason for the proposal, does not require the state to run the entire network. Huawei, a Chinese maker of telecoms gear, is already all but barred from selling its wares to American operators. Government-run broadband would instead stifle competition and increase the risk of over-

reach by America’s own security agencies.

Yet the memo contains another idea that merits more discussion, and not just in America but elsewhere too. This is the proposal that 5G be rolled out as a national wholesale network that can be used by several service providers, just as some rail networks and electricity grids are.

### High five

In the fixed part of the telecoms network—the cables that run underground, say—wholesale networks are already widespread. Under this model, the owners and operators do not also provide the services; these are supplied by separate firms, which share the network and compete with each other. Singapore and New Zealand have this sort of arrangement; so do cities in Sweden. Mobile networks have conventionally been integrated affairs, with operators both managing the network and also providing services (although they do sometimes sublet capacity to others). But sharing does happen. Rwanda has had a wholesale mobile network for some time. Mexico’s Red Compartida is expected to start up soon; it has been built by a ►►