

On the cover
Asian countries are building welfare states—with a chance to learn from the West's mistakes: leader, page 9. Will the continent's new pensions, health-care and welfare systems free its people from squalor or sink them in debt? Pages 20-22

The Economist online

Daily analysis and opinion from our 19 blogs, plus audio and video content, debates and a daily chart Economist.com/blogs

E-mail: newsletters and mobile edition Economist.com/email

Print edition: available online by 7pm London time each Thursday Economist.com/print

Audio edition: available online to download each Friday Economist.com/audioedition

The Economist

Volume 404 Number 8801

First published in September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress."

Editorial offices in London and also: Atlanta, Beijing, Berlin, Brussels, Cairo, Chicago, Hong Kong, Johannesburg, Los Angeles, Mexico City, Moscow, New Delhi, New York, Paris, San Francisco, São Paulo, Singapore, Tokyo, Washington DC

7 The world this week

Leaders

- 9 **Rethinking the welfare state**
Asia's next revolution
- 10 **Trade**
Goodbye Doha, hello Bali
- 13 **Saving the euro**
Tick tock
- 13 **British universities**
Picking on foreign students
- 14 **Drugs and emerging markets**
Tripped up

Letters

- 15 **On Mitt Romney, currency mints, Brazilian mergers, women in business**

Briefing

- 20 **Asian welfare states**
New cradles to graves

Europe

- 23 **The Netherlands votes**
Cycling against windmills
- 24 **A German wealth tax**
Umfairteilung
- 24 **Silvio Berlusconi and us**
Cash will do nicely, thanks
- 26 **Armenia and Azerbaijan**
The axeman goeth
- 26 **Books on the French president**
Decoding normality
- 27 **Russia's Far East**
A bridge to Asia
- 28 **Charlemagne**
An elusive banking union

Britain

- 29 **The reshuffle**
All the right noises
- 30 **Emigration**
On the road

Middle East and Africa

- 31 **South Africa**
It's not just the mines
- 32 **Electricity in Nigeria**
A bright spark goes
- 32 **Israel v Iran**
Holding his horses
- 33 **The Gulf**
Those annoying democrats
- 34 **War in Syria**
No letting up

United States

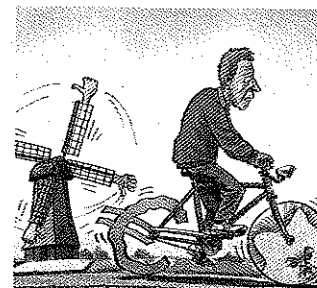
- 35 **The Democratic convention**
Private effort, common good
- 36 **Mayors at the convention**
Urban nation
- 37 **Abortion laws**
And then there was one
- 38 **Health-care services**
The good old ways
- 38 **Transport in cities**
Vive la révolution
- 39 **Air pollution**
Breathing room
- 40 **Lexington**
Shindig fatigue

The Americas

- 41 **Quebec's election**
The separatists are back
- 42 **The Shining Path**
Still smouldering
- 42 **Argentina's dubious poverty line**
The six-peso diet

Asia

- 43 **Japan and South Korea**
Lame ducks, flying feathers
- 44 **Bangladesh**
Troubled waters
- 45 **Blasphemy in Pakistan**
Contemptuous
- 46 **India's Uttar Pradesh**
Another dynasty in trouble



The euro Political leaders are wrong to think that time is on their side: leader, page 13. The troublesome Dutch elections, page 23. The plan for a banking union: Charlemagne, page 28. How not to write about François Hollande, page 26. Silvio Berlusconi and the truth, page 24



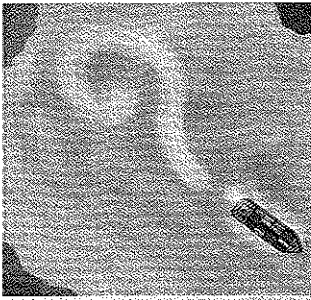
Aids in China Activists in central China step up pressure on the government at a sensitive time, page 47. A proposal for a middle path between America confronting China and giving way to it: Banyan, page 49



Cameron's new posse The prime minister's first reshuffle marks a new stage in the modernisation of the Conservative Party, page 29. A nasty piece of xenophobic populism in higher education: leader, page 13. More Britons are leaving the country, page 30

N.T. 1600612
Col. 500107

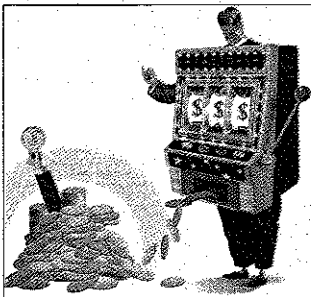




Slumping trade The Doha trade talks are dead. Replace them with a rapid new deal called the "Global Recovery Round"; leader, page 10. Global trade has turned down sharply in 2012. The outlook is bleak, too, page 59



Booze and puritanism As its rules become more tolerant, the American market for beer and spirits is growing more competitive, page 56



CEOs and pay American chief executives are not overpaid: Schumpeter, page 58

China

- 47 **AIDS activism**
Bad blood
- 48 **Internet freedom**
Plus ça change
- 48 **The Catholic church**
Serving two masters
- 49 **Banyan**
America, China and an ocean

International

- 51 **The Paralympics**
Blades of gold
- 52 **Disability and business**
The new green
- 52 **Competitiveness**
The wealth of nations

Business

- 53 **Political ads and media firms**
Of mud and money
- 54 **Indian drug patents**
Taking pains
- 55 **Video games**
Money to play with
- 55 **Car hire in Sierra Leone**
The heart of the motor
- 56 **American beer and spirits**
Out with the bland
- 57 **Czech brewers**
Small froth
- 58 **Schumpeter**
Bosses are not overpaid

Finance and economics

- 59 **International trade**
Boxed in
- 60 **Buttonwood**
Rules and complexity
- 61 **Sports investments**
Losing their shirts
- 61 **Legislation and investing**
My little crony

- 62 **Foreign capital in India**
They keep on keeping on
- 62 **Bad banks**
Good or rubbish?
- 63 **Free exchange**
The mystery of Jackson Hole

Science and technology

- 64 **Human genomics**
The new world of DNA
- 65 **Evolution**
The nature of man
- 66 **The science of conducting**
Von Karajan was right
- 66 **Restarting hearts**
Crash course

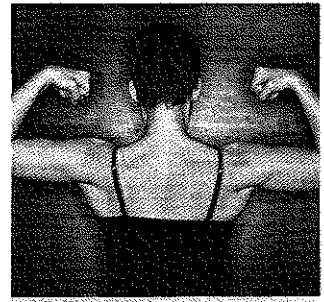
Books and arts

- 67 **Gender politics**
The end of men
- 68 **Female sexuality**
Tunnel of love
- 68 **Josiah Wedgwood**
Feat of clay
- 69 **Junot Díaz's short stories**
Tales of longing and lust
- 70 **Frank Johnston**
Epitaph for a poet
- 70 **New American fiction**
Michael Chabon's "Telegraph Avenue"

- 76 **Economic and financial indicators**
Statistics on 42 countries plus a closer look at markets and our poll of forecasters

Obituary

- 78 **Sun Myung Moon**
Forty thousand weddings and a funeral



Women, men and books Now is not a good time to be a man, page 67. Naomi Wolf on the vagina, page 68. The curse of machismo, page 69

Principal commercial offices:
25 St James's Street, London SW1A 1HQ
Tel: 020 7830 7000

Rue de l'Athénée 32
1206 Geneva, Switzerland
Tel: 41 22 566 2470

750 3rd Avenue, 5th Floor, New York, NY 10017
Tel: 1 212 541 0500

60/F Central Plaza
18 Harbour Road, Wanchai, Hong Kong
Tel: 852 2585 3888

Other commercial offices:
Chicago, Dubai, Frankfurt, Los Angeles,
Paris, San Francisco and Singapore

Subscription service

For our latest subscription offers, visit economist.com/offers or call the telephone number provided below. Telephone: +44 (0) 1444 475 647

When you subscribe, a tree will be planted for you in *The Economist* forest.

Subscription for 1 year (51 issues)

Euro-zone countries €185

Czech Republic	CZK 5,365
Denmark	DKK 1,600
Hungary	HUF 58,850
Norway	NKR 1,730
Poland	PLN 875
Sweden	SKR 1,780
Switzerland	SFR 298

Other Europe (ex UK) €185

Middle East - GCC	US\$349
South Africa	Rand 2,040
Middle East + Africa	US\$285

An Economist Group business



PEFC certified

This copy of *The Economist* is printed on paper sourced from sustainably managed forests certified by PEFC www.pefc.org

