

On the cover
Europe's most sluggish economy needs more of Mario Monti's reforms: leader, page 9. A rare European election whose outcome is both uncertain and important, pages 18-20. France struggles with reform, page 21

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

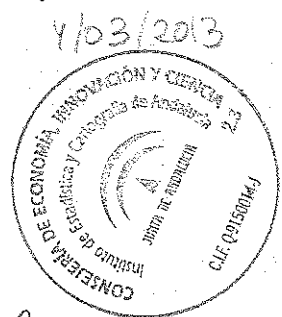
Audio edition: available online to download each Friday Economist.com/audioedition



Volume 406 Number 8823

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



Rev. 206

NT 1500 6120
 col. 500 107

7 The world this week

Leaders

9 The Italian election
 Who can save Italy?

10 Tax havens
 The missing \$20 trillion

11 The global economy
 Phoney currency wars

11 Free trade across the Atlantic
 Come on, TTIP

12 Another sop for elderly Britons
 Grey squirrels

Letters

14 On the Nordic countries, private schools, immigration, Ed Koch, Richard III

Briefing

18 Italy's election
 Long after the party

19 Beppe Grillo
 Five-star menu

Europe

21 French economic policy
 Which way?

22 Russia and America
 The dread of the other

23 EU migration to Germany
 Sprechen Sie job?

23 Turkey and Islam
 Dress tests

24 Charlemagne
 The EU budget and the European Parliament

Britain

25 Redeveloping London
 What's the plan?

26 Social care
 Old times

27 Bagehot
 A passage to India

Middle East and Africa

28 Nigeria's opposition
 Clubbing together

29 Transport in Africa
 Get a move on

30 Ruling Ethiopia
 Long live the king

31 Divided Jerusalem
 An Arab haven dissected

31 Afghan refugees in Iran
 Go back home

United States

32 The state of the union
 A house divided

33 The minimum wage
 Trickle-up economics

34 The defence secretary's nomination
 Hagelian dialectic

34 The milder side of drones
 Here's looking at you

35 Oil in the West
 Big reserves, big reservations

35 Football in New York
 The Cosmos come back

36 North Carolina
 Farewell to purple

36 Making guns at home
 Ready, print, fire

37 Lexington
 The politics of purity

The Americas

38 Mexico's new president
 Tearing up the script

39 Brazil's politicians
 The old guard won't go

39 Housing in Brazil
 If you build it

40 Pensions in Argentina
 Now or never

Special report: Offshore finance

Storm survivors
 After page 40

Asia

41 North Korea's test
 Fallout

42 Bangladesh
 Mass dissatisfaction

43 Indian politics
 An illiberal turn

44 Kabuki theatre in Japan
 In a pickle

44 Thailand's capital city
 Power failure

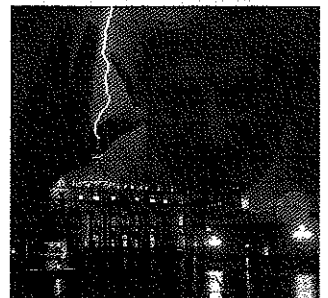
45 Banyan
 Before the gold rush in Mongolia



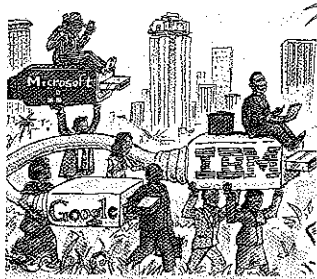
State of the union Obama's meaty speech, page 32. Transatlantic trade is a good idea that business should rush to support; leader, page 11. Raising the minimum wage, page 33. Life on the edges of America's financial mainstream, page 59



Illiberal India Hangings, limits on speech and intolerant politicians mark a troubling moment for the country's liberals, page 43. David Cameron returns to Delhi more as a supplicant than a benefactor: Bagehot, page 27



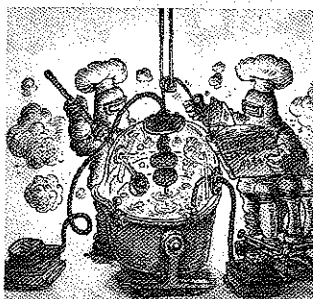
The pope His resignation is an ecclesiastical earthquake. How the church interprets it will shape its future, page 48. Papal resignations usually involve controversy, page 49. Books consider where the church is going and where it needs to go, page 69



IBM in Africa The firm is leading a charge into the continent by tech giants, page 51. Africa's booming economy needs modern trade routes, page 29



Cannabis as an investment New opportunities in high finance, page 62



Exotic metals A new technology that could make valuable metals such as tantalum and titanium cheap and plentiful, page 65

China

- 46 **Government reform**
Super-size me
- 47 **Trade with North Korea**
Crystal meth and Tesco
- 47 **Trade with the world**
Strange and ingenious

International

- 48 **Pope Benedict**
See you later
- 49 **Papal resignations**
Torn vestments
- 49 **Cyber-security**
To the barricades
- 50 **Islamic extremism**
The languages of jihad

Business

- 51 **IBM in Africa**
The next frontier
- 52 **Food safety**
After the horse has been bolted
- 53 **Lawyers**
The say-on-pay payday
- 54 **Carrefour revives**
Up the right aisle
- 54 **PSA Peugeot-Citroën**
Running out of road
- 55 **Swiss watchmakers**
Time is money
- 56 **Oil in China**
Sinopec's smog and mirrors
- 57 **Schumpeter**
How to make a killing

Finance and economics

- 59 **The American poor**
Finance at the margins
- 60 **Buttonwood**
Financial education
- 61 **Barclays and Deutsche**
Surviving, not thriving
- 62 **Interest-rate swaps in India**
Derivatiff

- 62 **Cannabis as an investment**
The audacity of dope
- 63 **Carbon markets**
Extremely Troubled Scheme
- 64 **Free exchange**
Middle-income claptrap

Science and technology

- 65 **Manufacturing metals**
A tantalising prospect
- 66 **Marine biology**
Flea market
- 68 **The microbiome**
Sniffing out hypertension
- 68 **Human evolution**
Grassed up

Books and arts

- 69 **The future of Catholicism**
Leap of faith
- 70 **The spying trade**
Success by stealth
- 70 **Piero della Francesca**
Divine splendour
- 71 **18th-century courtship**
An inept Pygmalion
- 71 **The rise of solo living**
A room of one's own
- 72 **Becoming Picasso**
The incubation of genius

- 76 **Economic and financial indicators**
Statistics on 42 economies, plus a closer look at corporate cash piles

Obituary

- 78 **André Cassagnes**
A life in lines



The missing \$20 trillion How to stop companies and people dodging tax: leader, page 10. Offshore financial centres have taken a battering recently, but they have shown remarkable resilience, read our special report after page 40

Principal commercial offices:

25 St James's Street, London SW1A 1HG
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 475 047



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	DKr 1,600
Hungary	HUF 58,850
Norway	Nkr 1,710
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



PEFC certified

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

