



On the cover
Encouraging numbers disguise deep problems: leader, page 7. Growth is back. But for many Britons, it does not feel like it, page 25

The Economist online

Daily analysis and opinion from our 21 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 408 Number 8848

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

5 The world this week

Leaders

- 7 Britain's economy**
How is it really doing?
- 8 Climate change**
Can China clean up fast enough?
- 9 Italian politics**
Addio, Silvio
- 9 Computer hacking**
A byte for a byte
- 10 Legal highs**
A new prescription

Letters

- 12 On tax reform, cochlear implants, outdated acts, gift-giving, treating mental illness, crime, entrepreneurs**

Briefing

- 17 China and the environment**
The East is grey

Europe

- 21 Italian politics**
L'Italia giusta v expediency
- 22 Alpine dress**
The Lederhosen boom
- 22 Turkish politics**
Justice or revenge?
- 23 Hungary's Roma**
Ending a vicious circle
- 24 Spain and Gibraltar**
Like North Korea?
- 24 Social media and French**
Nous twitterons

Britain

- 25 Living standards**
Squeezing the hourglass
- 26 Organised crime**
Farewell to the heist

Middle East and Africa

- 27 Elections in Zimbabwe**
Stealing the vim from Zim
- 28 Syria's civil war...**
A flower in the desert
- 28 ...and the war economy**
Bullets and bank accounts
- 29 Middle East migrants**
Forget about rights
- 30 The Israel Defence Forces**
Taking wing

United States

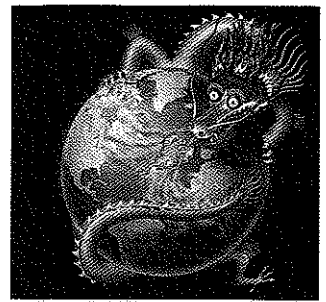
- 31 Barack Obama and the war on terror**
Still dangerous
- 32 America and Russia**
No speaks
- 32 San Diego's mayor**
Just a little local difficulty
- 33 Virginia's governor**
Gifts galore
- 33 Dysfunctional Illinois**
No play, no pay
- 34 The Baseball Hall of Fame**
We'll get 'em next year
- 35 Lexington**
Jeff Bezos and the Washington Post

The Americas

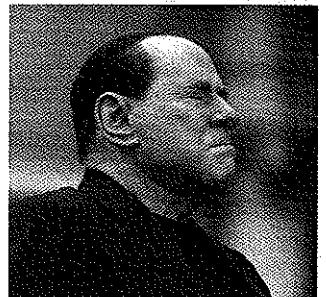
- 36 Corruption in Venezuela**
The billion-dollar fraud
- 37 Brazil's opposition**
Own goals
- 37 Latin America's tweeting presidents**
Follow the leader

Asia

- 38 Thailand's rice subsidies**
Millstone
- 39 Taiwan's army**
Blooded
- 39 Japan and China**
Fishing trips
- 40 Japanese security**
Wide-mouthed frog
- 40 Australian politics**
Trust v fair dinkum
- 41 Bangladesh**
The battling begums
- 42 Banyan**
Myanmar's '88 Generation



China It is cleaning up, but needs to move faster: leader, page 8. The world's worst polluter is also the biggest investor in green energy, pages 17-20. Wu Dengming, environmental activist: **Obituary**, page 70



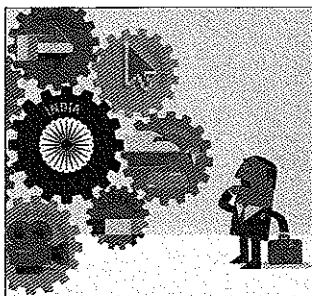
Berlusconi Having at last been convicted of a crime, he should leave the national stage: leader, page 9. The verdict stirs up a frenzy of political scheming, page 21. Years of crisis have undermined Italy's best industries, page 51. Businessmen have become too influential in government: **Schumpeter**, page 52



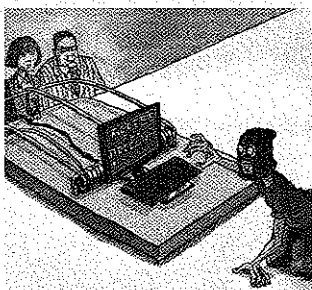
Jeff Bezos and the Washington Post A new wave of press barons should not allow newspapers to become niche products: **Lexington**, page 35. Tycoons and US newspapers, page 49

Rec. 206
 15/8/2013

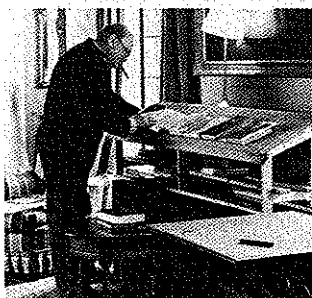
NT 1600 6/20
 col. 500 107



Indian offshoring As growth slows and reforms falter, economic activity is shifting out of India, pages 45-46



Hacking back Letting companies strike back at computer hackers is a bad idea: leader, page 9. A new breed of internet-security firms is encouraging companies to fight back, page 47



Stand up! Sitting kills Real science lies behind the fad for standing up at work, page 59

China

- 43 **Aviation**
Grounded
- 44 **Food safety**
Spilt milk
- 44 **Anti-abortion activism**
Uncommon cause

International

- 45 **The Indosphere**
Made outside India

Business

- 47 **Cyber-crime**
Firewalls and firefights
- 48 **Mexico's oil industry**
Unfixable Pemex
- 49 **American newspapers**
Chasing paper profits
- 50 **Commercialising neuroscience**
Brain sells
- 50 **Browser wars**
Chrome rules the web
- 51 **Italian manufacturing**
A washout
- 52 **Schumpeter**
Business and politics

Finance and economics

- 53 **Europe's bail-outs**
What Angela isn't saying
- 54 **Raghuram Rajan at India's central bank**
Out of the frying pan
- 54 **The Federal Reserve**
Summers v Yellen
- 55 **The trial of Fabrice Tourre**
Collective guilt
- 55 **Reforms in Japan**
Zoning out
- 56 **Buttonwood**
Currency markets
- 57 **The price of fish**
Different scales
- 58 **Free exchange**
Liberalising China's capital controls

Science and technology

- 59 **The perils of sitting down**
Standing orders
- 60 **Artificial meat**
A quarter-million pounder and fries
- 60 **Influenza**
Damned if you don't
- 61 **3D printing with paper**
Print me the head of Alfredo Garcia

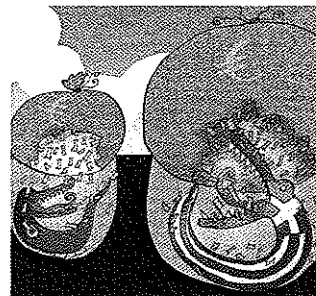
Books and arts

- 62 **Christians, Muslims and Jesus**
Same prophet, different story
- 63 **The Johnson & Johnson dynasty**
Pass the painkillers
- 63 **Spanish culture under Franco**
Rebels with a cause
- 64 **New American fiction**
Philipp Meyer
- 64 **Mathew Brady's photographs**
History on film
- 65 **"Billy Budd" at Glyndebourne**
High notes

- 68 **Economic and financial indicators**
Statistics on 42 economies, plus our monthly poll of forecasters

Obituary

- 70 **Wu Dengming**
The crusader of Chongqing



Euro-zone bail-outs The "rescues" of Greece, Ireland and Portugal have left sovereign debt too high to be sustainable, page 53

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 full range of subscription offers, including digital only or print and digital combined, visit Economist.com/offers or call the telephone number provided below:
Telephone: +44 (0) 1444 475 647 or +44 845 120 0983

Subscription for 1 year (51 Issues)

Print only	
Euro-zone countries	€188
Denmark	DKr 1,399
Hungary	HUF 58,107
Norway	NKr 1,379
Poland	PLN 809
Sweden	SKr 1,636
Switzerland	SFr 255
Other Europe (ex UK)	€188
Middle East - GCC	US\$347
South Africa	Rand 1,700
Middle East and Africa	US\$280



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

