



On the cover

The economics of oil have changed. Some businesses will go bust, but the market will be healthier: leader, page 15. How falling prices will affect America's shale boom, page 71. What is OPEC up to? Page 72. The key to stockmarket success is avoiding the worst sectors: Buttonwood, page 74

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 413 Number 8916

Published since 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, Lima, Los Angeles, Mexico City, Moscow, New Delhi, New York, Paris, San Francisco, São Paulo, Singapore, Tokyo, Washington DC

11 The world this week

Leaders

- 15 **The new economics of oil**
Sheikhs v shale
- 16 **Nuclear power in China**
Make haste slowly
- 16 **Japan's election**
Abe's last chance
- 17 **The transformation of cities**
A suburban world
- 20 **Robotic aircraft**
Free the drones

Letters

- 22 **On Ferguson, women, oil, economics, the Pacific, Equatorial Guinea, getting old**

Europe

- 25 **Georgia and Russia**
Not bearing up well
- 26 **Russian gas exports**
Pipe down
- 26 **Moldova's election**
Slouching towards Europe
- 27 **French politics**
Sarkozy's return
- 27 **Sweden's government**
That was quick
- 28 **Dutch racial relations**
Blacked up
- 29 **Charlemagne**
Poland's progress

Britain

- 30 **The autumn statement**
'Tis not the season
- 31 **New homes**
Building blocks
- 31 **Cats and politics**
Of mousers and men
- 32 **Bagehot**
David Cameron, a fairly useful prime minister

Middle East and Africa

- 33 **Israeli politics**
Bibi's bust-up
- 34 **Air strikes against IS**
Phantoms in deconflict
- 34 **Law in the Middle East**
Judge like an Egyptian
- 35 **Oman's succession**
After the sultan
- 36 **Sudan and the UN**
Mission in trouble
- 36 **The emir of Kano**
Banker v Boko Haram

United States

- 37 **Military veterans**
What they do next
- 38 **America's next defence secretary**
Get Carter
- 39 **The budget**
Deficit? What deficit?
- 39 **Seven years since the recession began**
How America is faring
- 40 **Rehabilitating young offenders**
How dogs train thugs
- 40 **Sex crimes on campus**
Professors as judges
- 41 **Louisiana politics**
Landrieu's end
- 42 **Lexington**
All aboard Rick Perry's no-frills airline

Essay

- 43 **A planet of suburbs**
Places apart

Technology Quarterly

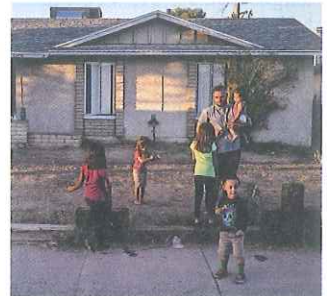
After page 48

The Americas

- 49 **Colombia's war**
Resuming the peace talks
- 50 **Protests in Mexico**
A call for justice
- 50 **Drugs policy in Canada**
Legal heroin
- 52 **Bello**
The Cuban question



Abe's last chance Japan desperately needs economic reform. The current prime minister still offers the best chance of that happening: leader, page 16. Shinzo Abe's expected victory in a coming snap election, page 53. History nags at Japan, while China challenges it, page 54



Suburbs They are spreading across the emerging world. Governments should welcome that, but avoid the West's mistakes: leader, page 17. Our essay looks at the consequences of people everywhere continuing to embrace a much-mocked life in the suburbs, page 43



Pups and perps What has four legs, a wet nose, and helps young thugs grow up? Page 40



REV. 150

NT 16006120 - col. 500 107



Technology Quarterly

This month it includes articles on how grid-scale energy storage could transform the market for renewable power, civilian drones, printing electronics, laser-powered cinemas, our innovation awards and much more, after page 48. Why drones have huge commercial potential—so long as regulators don't try to tether them to the ground: leader, page 20



Books of the year The best books of 2014 were about the South China Sea, the fall of the Berlin Wall, Kaiser Wilhelm, the publishing of "Ulysses" and capitalism in the 21st century, page 85. What *Economist* staff do in their spare time, page 88



Queen of the sleuths Our obituary of P.D. James, crime writer, page 94

Asia

- 53 **Japan and Abenomics**
Moment of reckoning
- 54 **Japan and the war**
Abe's demons
- 55 **Rural development in South Korea**
An old model revived
- 56 **Thai politics**
Hard times for the generals

China

- 57 **Hong Kong and Taiwan**
Losing hearts and minds
- 58 **Domestic violence**
Tightening the law
- 59 **Banyan**
The world is Xi's oyster

International

- 60 **The world's criminal court**
Nice idea, now make it work
- 61 **Climate diplomacy**
Flexible or toothless?
- 62 **Bribery**
Graft work

Business

- 63 **Nuclear power in China**
Promethean perils
- 64 **German utilities**
E.ON and E.OUT
- 66 **Motorbikes in India**
Coming out for a Hero
- 66 **Online-advertising fraud**
Dial "B" for bot
- 68 **Mining and corruption**
Crying foul in Guinea
- 70 **Schumpeter**
Government innovation units

Finance and economics

- 71 **Shale oil**
In a bind
- 72 **OPEC**
Making the best of a low price
- 72 **Deposit insurance in China**
A premium for risk

- 74 **Buttonwood**
Investing by sector
- 76 **Investment banking**
Blooming boutiques
- 76 **Corporate debt in India**
Power cut
- 77 **Lithuania and the euro**
Strange bedfellows
- 78 **The status of economists**
The power of self-belief
- 78 **Private equity**
Terra Firma's last hurrah
- 79 **Free exchange**
Behavioural economics meets development

Science and technology

- 81 **Manned space flight**
This time it's different...
- 82 **Neutrino astronomy**
Balloon with a view
- 82 **Disseminating science**
Lighten our darkness
- 84 **Animal culture**
Left or right wing?

Books and arts

- 85 **Books of the Year**
Page turners
- 88 **Books by Economist writers**
What we wrote when we weren't in the office

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

Obituary

- 94 **P.D. James**
Murder most intricate



Next week

We publish our special report on luxury goods. The modern industry rests on a paradox of mass exclusivity—but is thriving nonetheless, says Brooke Unger

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) 845 120 0983 or +44 (0) 207 576 8448

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, £243
South Africa	Rand 1,700, US\$175, £120
Middle East and Africa	US\$280, £196

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



PEFC certified

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

