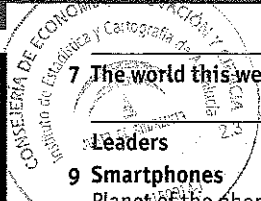


REV. 150

9/03/15



On the cover
The smartphone is ubiquitous, addictive and transformative: leader, page 9. How information technology became truly personal, pages 18-21. Smartphones are riddled with security holes, page 20. China's booming smartphone market has spawned a genuine innovator, page 56

The Economist online

Daily analysis and opinion to supplement the print edition, plus audio and video, and a daily chart. Economist.com

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 414 Number 8927

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

7 The world this week

Leaders

- 9 Smartphones**
Planet of the phones
- 10 Brazil**
In a quagmire
- 11 British pensions**
The granny state
- 11 Venezuela's crackdown**
A slow-motion coup
- 12 Sports extravaganzas**
Games that must stop

Letters

- 14 On Russia, teaching, Panama, authors, pets, the Statue of Liberty, engineers**

Briefing

- 18 Telecoms and society**
The truly personal computer
- 20 Smartphone security**
The spy in your pocket

Europe

- 23 German foreign policy**
A lurch forward
- 24 Greece and the euro**
Doing the splits
- 25 The geopolitics of the Aegean**
A semi-guided missile
- 25 Italy's labour market**
A different tune
- 26 Spanish politics**
Ghosts at the feast
- 27 Charlemagne**
Ukraine and the EU

Britain

- 28 Pensioner benefits**
Everlasting life
- 29 Divorce**
Work to rule
- 29 Devolving health care**
Control yourself
- 30 Bagehot**
Another lobbying scandal

Middle East and Africa

- 31 Building roads and rails**
All aboard
- 32 Land in South Africa**
I had a farm
- 32 South Africa's spies**
From Pretoria, with love
- 33 Lebanon's power mafia**
Fights over the lights
- 34 Palestine's finances**
No cash, more violence
- 34 Gender segregation in Saudi Arabia**
No men allowed!

United States

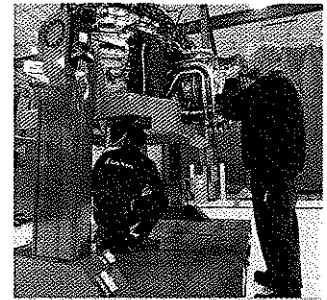
- 35 The economic recovery**
Not quite what it seems
- 36 Republican hopefuls**
A winner from Wisconsin?
- 37 The Keystone XL veto**
With a stroke of the pen
- 37 The Illinois budget**
Averting doomsday
- 38 Energy controversies**
A frack too far
- 38 Religious discrimination**
Dress codes
- 39 Lexington**
Justices on the stage

The Americas

- 40 Venezuela's regime**
Tyranny looms
- 41 Liberals in Brazil**
Niche no longer
- 41 Canada's Inuit**
A long road home
- 44 Bello**
What are the spies for?

Asia

- 45 North Korea's economy**
Shoots of change
- 47 The Maldives**
In a sling
- 48 Reforming Japan**
Just do it
- 48 The South China Sea**
Reclamation marks
- 50 Banyan**
Such quantities of sand



American manufacturing
Talk of a renaissance is overblown. The sector's growth is driven by a small number of industries. It may face yet more trouble, page 35



Merkel's foreign policy
From Ukraine to Greece, Germany is emerging as a global diplomatic player by default, page 23. Shoring up a state with war rumbling in the background is not a job for the faint-hearted, or the soft-headed: Charlemagne, page 27. America, much more than Europe, sees strategic stakes in the Aegean, page 25

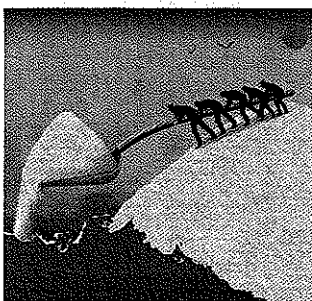


Venezuela The authoritarian regime is becoming a naked dictatorship. The country's neighbours must help stop that: leader, page 11. How Nicolás Maduro is ratcheting up repression, page 40

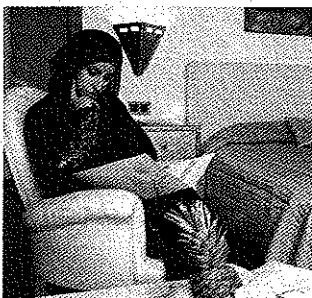
NT: 16006120
col. 500107



Brazil Latin America's erstwhile star is in its worst mess since the early 1990s: leader, page 10. Why Brazil will find it hard to emerge from its economic rut, page 63. And why it has so few world-class firms: Schumpeter, page 60. Thatcherism is winning adherents in São Paulo, page 41



Land reclamation Asia's mania for "reclaiming" land from the sea and building on it could lead to trouble: Banyan, page 50. An unprecedented building boom in the South China Sea, page 48



Islam and extremism There is a heated debate about the role of Islam in radicalisation. Will it make a difference? Page 53. How Islamic State appeals to women, page 54, and how a British schoolgirl was radicalised, page 54

China

- 51 **Ideology**
Campus crackdown
- 52 **Politics in the armed forces**
Red red army
- 52 **Marriage**
The growth of love

International

- 53 **Islam and extremism**
Looking within
- 54 **Women and jihad**
Caliphate calling
- 54 **How a schoolgirl was radicalised**
Shamima's list

Business

- 55 **Natural gas**
Golden scenarios
- 56 **Smartphones**
The Xiaomi shock
- 57 **Honda**
Recalling the boss
- 57 **American retailing**
Why Target lost its aim
- 58 **Finmeccanica**
Growing by shrinking
- 59 **Bottled water in China**
Spring tide
- 60 **Schumpeter**
Brazil's business woes

Finance and economics

- 63 **Brazil's coming recession**
The crash of a titan
- 64 **Buttonwood**
Debt and democracy
- 65 **Credit cards in America**
Slowing charge
- 65 **HSBC**
In the stocks
- 66 **Tax evasion**
New dodges
- 67 **Ukraine's economy**
The day of reckoning
- 67 **Ethics and the environment**
Eco-waverers
- 68 **Free exchange**
Poverty's long goodbye

Science and technology

- 70 **A visit to the asteroids**
Harvest festival
- 71 **Mass extinctions**
Did dark matter do in the dinosaurs?
- 71 **The origin of eyelashes**
Mote prevention
- 72 **Synthetic biology**
Strange medicine
- 73 **Mosquito sex**
Plugging away
- 73 **Gaming**
Humans v machines

Books and arts

- 74 **Hosting the Olympics and the World Cup**
Just say no
- 75 **The female body**
Curvology
- 75 **Kazuo Ishiguro**
Saxon fairy tale
- 76 **Electric cars**
Charging ahead
- 76 **CIA diary**
Many masters, many lives
- 77 **New cinema**
Mexican wave

- 80 **Economic and financial indicators**
Statistics on 42 economies, plus a closer look at government bonds

Obituary

- 82 **John Piña Craven**
20,000 feet under the sea



Mosquito sex The ability to transmit disease depends on the mosquito's sexual behaviour, page 73

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	€188
Euro-zone countries	
Denmark	DKK 1,399
Hungary	HUF 56,107
Norway	NOK 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

