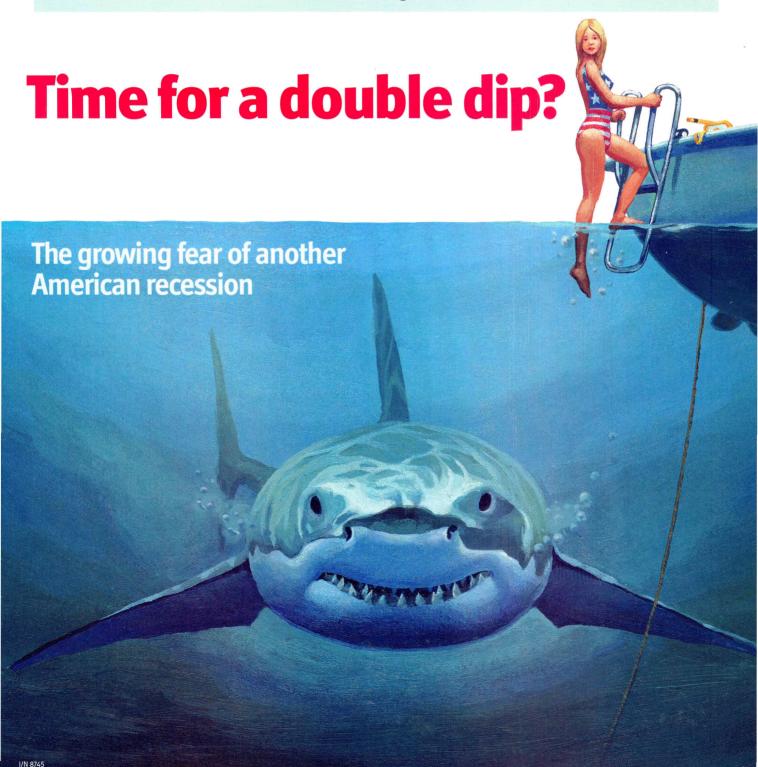
AUGUST 6TH-12TH 2011

Economist.com

Another week, another euro crisis
Finding Britain's Bill Gates
Can Islam and democracy coexist?
Catering to Asian fantasies
A good man in Kandahar



Contents



On the cover

The outlook for America's economy is grim: leader, page 9. Congress has avoided default, but political dysfunction is wrecking the country's chances of economic recovery, page 25. The numbers keep being revised downwards, page 28. Where Obama failed: Lexington, page 30. Equities struggle in the face of sluggish rich-world growth, page 61

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 400 Number 8745

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 6 The world this week

Leaders

- 9 America's economy Time for a double dip?
- 10 The euro crisis, part 394
 Rearranging the
 deckchairs
- 10 The Arab spring
 Bring the Islamists in
- 11 Dissent in China
 Of development and
 dictators
- 12 Natural gas Cleaner, not cooler
- **13 The technology industry** Where's Britain's Bill Gates?

Letters

14 On female executives, John Knox, Brussels, polio, media barons, bosses, Spanish

Briefing

- 19 Islam and democracy Uneasy companions
- 20 The Turkish model A hard act to follow
- 22 Islam's philosophical divide
 Dreaming of a caliphate

United States

- 25 The debt-ceiling deal No thanks to anyone
- 27 The Federal Aviation Administration Wings clipped
- 28 Growth figures
 Six years treading water
- 30 Lexington
 An underperforming president

The Americas

- 31 Haiti's new president Sweet Micky's bitter baptism
- **32 Ollanta Humala** The Brazilian way
- **32 Brazil's industrial policy** Dealing with the real

Asia

- 33 India's politics
 Dust in your eyes
- 34 China's train crash Curiouser
- 34 Afghanistan's army Plum recruits
- 35 Papua New Guinea Muddy succession
- 36 Banyan
 Japan's rebuilding blocks

Middle East and Africa

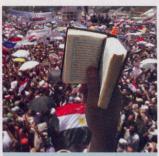
- 37 Syria Bloodier still
- 38 Libya's war The rebel hiccup
- 38 Israel Street power
- 39 Angola and Congo Bad neighbours
- 39 South Sudan The new green

Europe

- 41 Italy and the euro Rabbit in headlights
- **42 Spanish politics** An early election
- **42 Turkey's army**Back in the barracks
- 43 Kosovo and Serbia
 A little local difficulty
- **44 Charlemagne** Hot, hot August

Britain

- 45 The high-tech industry Start me up
- **46 Tech clusters**How the West was won
- **47 Taxing high earners** The talisman tax
- 48 Bagehot
 The fascinating
 Michael Gove



Islam and democracy

Islamists did not create the Arab spring yet they must be drawn into the hoped-for new democracies: leader, page 10. Political Islam in the Arab world, page 19. The Turkish example, page 20. The coexistence of Islam and democracy creates a philosophical puzzle, page 22



British high tech Politicians can't conjure a Bill Gates or Mark Zuckerberg out of thin air. But the government can help: leader, page 13. Britain has produced too few world-class technology firms, pages 45-47. The joy of cloning, page 55



The euro crisis The markets are calling euro-zone leaders' bluff. Time to get ahead of things: leader, page 10. Italy wobbles, page 41 and Spain flounders, page 42. Cyprus and France enter the fray, page 63. Europe's lazy politicians: Charlemagne, page 44



The geopolitics of gas Ever more growth in the use of natural gas is welcome, but it is not a cure for global warming: leader, page 12. Shale gas should make the world a cleaner, safer place, pages 51-53

Economies' share of world GDP At market exchange rates, %



Emerging economies We look at all the different ways, from exports to investment, in which they now have greater oomph than developed ones: Economics focus, page 66. Does India have a bad-debt problem? Page 64



Asian fantasies The cash in fulfilling Chinese dreams, page 58. Companies are scrambling to decode the Indian consumer, page 58

International

- 49 Cybercrime Black hats, grey hairs
- 50 Invented languages Tongues and grooves

Briefing

- 51 The future of natural gas Coming soon to a terminal near you
- 53 Natural gas and the environment So much nicer than coal

Business

- 55 Internet companies Attack of the clones
- 56 Finmeccanica An arms firm flops
- 58 Hiring robots in China They don't complain
- 58 Asian comic culture Fantasies fulfilled
- 58 Indian consumers A billion mysteries
- 60 Schumpeter The innovator's DNA

Finance and economics

- 61 Financial markets High hopes, low returns
- 62 Buttonwood High-frequency trading
- 63 Cyprus, France and the euro-zone crisis The midget and the mighty
- 64 India's economy Banks' bad debts
- 64 Wall Street bosses The Corzine put
- 65 Singaporean property Flat plan
- 65 Raw materials Ehrlich-Simon, revisited
- 66 Economics focus The heft of emerging economies

Science and technology

- 68 Lunar history How do you solve a problem like maria?
- 69 Studying asteroids Dawn over Vesta
- 69 Computer security Blame game
- 70 The psychology of voting Flagging up bias
- 70 Hair of the rat A toxic rodent

Books and arts

- 71 Dogs and humans Man's best friend
- 72 Slavery in Africa The importance of Zanzibar
- 73 Life and times of Joe Hill Songwriter shot dead
- 73 Sex selection Choosing girls over boys
- 74 Captain America on screen Star Spangled Man

Obituary

- 75 Ghulam Haider Hamidi A good man in Kandahar
- 81 Economic and financial indicators

Statistics on 42 economies, plus a closer look at money supply in major economies and our monthly poll of forecasters



Mayor of Kandahar

Our obituary of Ghulam Haider Hamidi, a rare force for good in Afghan government, page 75

Principal commercial offices:

25 St James's Street, London SW1A 1HG Tel: 020 7830 7000

Boulevard des Tranchées 16 1206 Geneva, Switzerland Tel: 41 22 566 2470

750 3rd Avenue, 5th Floor, New York, NY 10017 Tel: 1212 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
For subscription service, please contact by telephone, fax, web or mail at the details provided below:

Telephone: 1 800 456 6086 (from outside the US and Canada, **1 314 447 8091**) Facsimile: 1866 856 8075 (from outside the US and Canada, 1 314 447 8065)

Economistsubs.com E-mail: customerhelp@economist.com The Economist Subscription Services, P.O. Box 46978

St. Louis, MO 63146-6978, USA Subscription for 1 year (51 issues)

United States US\$138 Canada CN\$189 Latin America US\$270

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

