INSIDE THIS WEEK: TECHNOLOGY QUARTERLY

The **Economist**

SEPTEMBER 3RD-9TH 2011

Economist.com

After Libya's liberation

Rio v São Paulo

Chinese companies and the state

Emerging middle-class rebels

The trouble with high-speed trains

Ten years on



On the cover

Ten years after the events of September 11th 2001, America cannot afford to drop its guard: leader, page 11. New York has bounced back, page 27. A mixed bag of books on the wars that followed the attack on America, page 83

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 8749

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

7 The world this week

Leaders

- 11 September 11th 2001 Ten years on
- 13 Post-liberation Libya Let them get on with it
- 13 A new prime minister for Japan Here we go again
- 14 Government and business in China
 Privatisation with Chinese characteristics
- **16 Infrastructure projects** The great train robbery

Letters

18 On British technology firms, policing, taxes, languages, Homer Simpson

Briefing

rise up

23 Politics in emerging markets
The new middle classes

United States

- 27 New York Ground Zero plus ten
- 28 Barack Obama's new economist
 Micro scope
- 28 Barriers to entry in the legal profession
 Not enough lawyers?
- 29 Medicine supplies Coming up short
- **29 Cities and climate change**Greening the concrete jungle
- 32 Bike safety Calm down
- 34 Lexington
 Dick Cheney's memoirs

The Americas

- 35 The United States and Latin America
 Partnership and obstacles
- 36 Peru's new government Mining and the man

- **36 Brazil's economy** Changing direction
- 37 Pollution in Mexico
 Black sand in the desert

Asia

- **39 Japan's new leader** The mud-lover
- **40 Beijing's migrants** School's out
- **41 Australia's boat people** The wrong solution
- **41 Sri Lanka**Emergent uncertainty
- **42 Banyan** Arming Taiwan

Middle East and Africa

- 43 Libya's new order... Can the joy last?
- 44 ...and its oil
 Make it flow
- **45 Algeria's embarrassment** An uneasy neighbour
- **45 South Africa and Libya** Huff and puff
- **46 Syria's opposition** Can it get together?
- **46 Angola and Portugal** Role reversal
- 48 The AU and the famine Look the other way
- 48 Terrorism in Nigeria A dangerous new level

Europe

- **49 Germany**Angst over the euro
- **50 Italy**Trashing the lifeboat
- **50 Spain**The golden amendment
- **52 Serbia, Kosovo and the EU** Sinking flagship
- **52 Good news from Greece** The schools of Athens
- 53 Charlemagne
 The end of Monnet



Libya The Libyans must control their own destiny, albeit with some help from their friends: leader, page 13. Differences between the new rulers may soon begin to widen, page 43. How fast will the oil start gurgling again? Page 44. Algeria is rattled by Libya's revolution, page 45. A scorecard for NATO, page 58



Middle classes Marx's revolutionary bourgeoisie finds its voice again, in the emerging world, pages 23-24



Fast trains High-speed rail lines rarely pay their way: leader, page 16. Plans for a new high-speed link in Britain rest on a mistaken assumption about the country's economic geography, page 55



Technology Quarterly

The future of flight, artificial muscles, brainwave-based control systems, the parallels between programming and religion, Marc Andreessen's second act, and much more



Chinese privatisation

The hidden costs of state capitalism: leader, page 14. Chinese companies, like companies everywhere, do best when they are privately run. In China, however, the state is never far away, pages 67-70



Rio v São Paulo For the first time in decades, Brazil's Marvellous City looks attractive for business, page 61. Barack Obama's fitful attempts to strike a new tone in relations with Latin America face a new obstacle from Republicans, page 35

Britain

- 55 High-speed trains Railroad to nowhere
- 56 Liverpool and China Here comes the yuan
- 57 Bagehot
 How not to soak the rich

International

- 58 NATO after Libya A troubling victory
- **59 UN climate talks** Pretty basic

Business

- **61 Doing business in Brazil** Rio or São Paulo?
- 62 AT&T and T-Mobile Tripped at the altar
- 63 Boeing's woes Nightmareliner
- **63 Guitars and green laws** Guns N' Rosewood
- 64 Oil in Russia Exxon beats BP
- **64 Expropriation in Zimbabwe**Your mine is mine
- **66 Schumpeter**Angst for the educated

Briefing

67 Privatisation in China Capitalism confined

Finance and economics

- 71 The world economy Mountains to climb
- 72 American housing Self harm
- 72 Greek banks
 Dance of the dead
- 73 Auditor rotation Musical chairs
- 74 BlackRock Goliath

- 75 Buttonwood
 Ominous Treasuries
- 76 Economics focus
 Living with a strong
 currency

Science and technology

- 79 Fusion power Next ITERation?
- 80 Air travel
 Please be seated
- 80 Bacteria and behaviour Gut instinct
- 81 Forensic psychology
 Backwards and forwards

Books and arts

- 83 The war on terror Learning the hard way
- 84 Granta's special issue on 9/11
 Bitter fruits
- 84 The men who ran the British empire With a stony British stare
- 85 America's prison population
 A catching sickness
- 86 The photography of Diane Arbus The torment behind the camera
- 86 New film: "Kill List" Come and be frightened

Obituary

- 87 Samuel Menashe A poet in miniature
- 93 Economic and financial indicators

Statistics on 42 economies, plus closer looks at office rents and venture capital



Next week

We publish a special report on jobs. In the new world of work, unemployment is high yet skilled and talented people are in short supply. Matthew Bishop explains

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: 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 For subscription service, please contact by

For subscription service, please contact by telephone, fax, web or mail at the details provided below:

Telephone: 1800 456 6086 (from outside the US and Canada, 1314 447 8091)

Facsimile: 1866 856 8075 (from outside the US and Canada, 1314 447 8065)

Web: 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

