The Economist

How bad is China's credit crisis? Shale shakes up Russia A tech revolution in schools, at last Why we need more property taxes Of mice and Manet

CAIRO

2013 EVERYWHERE

JUNE 29TH- JULY 5TH 2013

Economist.com

1968 AMERICA & EUROPE

1848

EUROPE

1989 SOVIET EMPIRE

The march of protest

Contents



On the cover

A wave of anger is sweeping the world. Politicians beware: leader, page 11. It is not easy to turn a protest movement into a political party, page 37. What price democracy? Page 56. Technology makes protests more likely, but not yet more effective, page 56. The latest from Brazil, page 34, Turkey, page 49, and Egypt, page 46

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



our progress.

Volume 407 Number 8842

First published in September 1843 to take part in "a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing

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 8 The world this week

Leaders

- **11 Anger around the world** The march of protest
- 12 China's cash crunch Bear in the China shop
- 13 Teaching and technology E-ducation
- **14 Pakistan** The general in the dock
- 14 Climate-change policy in America, Europe and China Tepid, timid
- 15 European Union enlargement Keeping up with the Croats

Letters

16 On Iran, coastal homes, Mexico City, PRISM, publishing, Newcastle

Briefing

24 Education technology Catching on at last

United States

- 27 Gay marriage The Supreme Court rules
- 28 Race and voting rights Equality, debated
- 29 Abortion Ms Davis goes to Austin
- **29 Immigration** A big wall of money
- **30 The farm bill** Stuffed
- 30 Greetings cards The American way of death
- **31 Climate change** Obama's plan
- 32 Lexington The Roberts court

The Americas

- 34 Brazil's protests The cries are answered
- **35 Economic reform in Cuba** A private affair
- **35 Sexism in the Mounties** The wild frontier

Asia

- **36 Australian politics** We need to talk about Kevin again
- 37 Mongolia's election The incumbent wins
- 37 Protest in India The little man
- 38 Floods in India High and wet
- 39 South-East Asia's smog Unspontaneous combustion
- **40 Banyan** America and India bicker

China

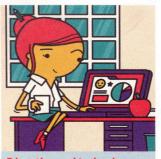
- **41 Financial reforms** Re-education through Shibor
- 42 The new economic team Take a bow
- 42 Political balancing Mixed messages

Middle East and Africa

- 43 The ANC A sad and sorry decline
- **44 Zimbabwe's election** The mysterious Baba
- Jukwa 44 Libya's opposition
- Where green won't fade 44 Islam's old schism Sunnis v Shias, still at it
- **45 Qatar's new emir** A hard act to follow
- 46 Crisis in Egypt More worrying than ever

Europe

- **47 Germany in the world** The occasional leader
- 48 Italian politics More trouble ahead
- 48 French political scandals Tapping along
- 49 Turkey's protests Still out on the streets
- **50 Portugal and the euro** Floundering on
- 50 Albania's election Edi's turn
- 51 Charlemagne Croatia joins the EU



Education and technology

A long overdue revolution is at last under way: leader, page 13. New technology is poised to disrupt America's schools, and then the world's, pages 24-26. How a business school linked up with a private firm, page 60



Climate change The world will one day adopt a carbon tax—but only after exhausting all the alternatives: leader, page 14. Barack Obama offers stopgap measures to slow global warming, page 31



Edward Snowden His odyssey leaves America nonplussed and its allies dismayed. Russia, China and others are gloating, page 55



China's credit crisis This is not the country's Lehman moment, but it does herald a change of momentum: leader, page 12. China's leaders show a welcome toughness but also an alarming clumsiness, page 41



Schumpeter The shale-gas revolution unnerves Russian state capitalism, page 63



Property taxes Governments should make more use of them: Free exchange, page 69

Britain

- 52 Exporting to China Eastward march
- **53 Immigration** Your money is your bond
- 54 Bagehot The little party behind the throne

International

55 Secrecy

- Snowden's travels 56 Internet protests
- The digital demo 56 Prosperity and protest
- Cry freedom

Business

- 57 European telecoms In a hole
- 58 Corporate computing Ascending to the cloud
- **59 Housebuilders in America** Through the roof again?
- 60 Eike Batista's woes Losing the X-factor
- 60 The higher-education business Honours without profits?
- 61 Hospital operators and Obamacare Prescription for change
- 62 German business and English No Denglisch
- 63 Schumpeter Russia spooked by shale

Finance and economics

- 64 India's economy Start me up
- 65 Buttonwood Taper tantrums
- **66 Mexico's markets** Rolling with the punches
- 67 Banks and interest rates Administer with care

- 68 Mediobanca A little less tangled
- 68 Financial bigotry in America The Mount Holly case
- 69 Free exchange Property taxes

Science and technology

- **71 Driverless automobiles** The car that parks itself
- 72 Stopping asteroid strikes Defenders of the Earth
- 72 Cancer and the microbiome A punch in the gut
- 73 Art and the animal kingdom Of mice and Manet

Books and arts

- 74 Indian growth The poverty conundrum
- 75 Cyber-warfare Digital doomsters
- 75 Economic power History tales
- **76 Consolations of the forest** Alone in a cabin
- 76 Horace and me Lessons of a Latin lover
- 77 The art of Meschac Gaba Making space

84 Economic and financial indicators Statistics on 42

economies, plus a closer look at foreign direct investment

Obituary

86 Lancelote Rodrigues Macau's refugee priest





Mice and Manet On the murine appreciation of paintings, page 73

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 latest subscription offers, visit		
Economist.com/offers		
For subscription service, please contact by		
telephone, fax, web or mail at the details		
provided b		ic actures
Telephone: 1 800 456 6086 (from outside		
the US and Canada, 1 636 449 5702)		
Facsimile: 1 866 856 8075 (from outside		
the US and Canada, 1 636 449 5703)		
Web:	Economistsubs.cor	n
E-mail:	customerhelp@eco	onomist.com
Post:	The Economist Subscription	
Services, P.O. Box 46978,		
St. Louis, M0 63146-6978, USA		
Subscript	ion for 1 year (51 is	ssues)
United Stat	E College States and the	US\$160
and the second		
Canada		CN\$165
Latin America		US\$338



PEFC certified

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



© 2013 The Economist Newspaper Limited. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of The Economist Newspaper Limited. *The Economist* (ISSN 003-003) is published every week, except for a year-end double issue, by The Economist Newspaper Limited. *Tso* 3rd Avenue, 5th Floor, New York, N Y 10017. *The Economist* is a registered trademark of The Economist Newspaper Limited. *No* 6316-6978, USA. Canada Post publications mail (Canadian distribution) sales agreement no. 40012331. Return undeliverable Canadian addresses to The Economist, PO. Box 46978, Sc. Luoix, N 0. 6316-6978, USA.