Contents





On the cover

China's "project of the century" inspires admiration and anxiety. There are good reasons for both: leader, page 7. We unpick what motivates a vastly ambitious plan to connect the world, page 13

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/printedition

Audio edition: available online to download each Friday Economist.com/audioedition



Volume 428 Number 9102

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:

Beijing, Berlin, Brussels, Cairo, Chicago, Madrid, Mexico City, Moscow, Mumbai, Nairobi, New Delhi, New York, Paris, San Francisco, São Paulo, Seoul, Shanghai, Singapore, Tokyo, Washington DC 5 The world this week

Leaders

- 7 The Belt and Road Initiative Planet China
- 8 Online misinformation Breaking the fever
- 8 Competition in Britain Concentration problems
- 9 Reform in Europe Spanish lessons
- 10 Zimbabwe's election Never smile at the crocodile

Letters

11 On the electoral college, outsourcing, Taiwan, acronyms, barristers

Briefing

13 China's Belt and Road Initiative Gateway to the globe

United States

- **19 Trade wars** Cease fire
- 20 Russia and Trump Get Carter
- 20 Jonathan Gold I and thou and tacos
- 21 The Federal Reserve Channelling Richard Nixon
- 21 Pollution and the law Prosecuting Flint
- 22 Making guns at home Print on demand
- 23 Lexington America's Catholics

The Americas

- 24 Cuba's new constitution Less than meets the eye
- 25 Quotas for women Señora senadora
- 25 Sex crimes in Chile Ghosts from the past
- 26 Bello Colombia's unloved president

Asia

- 27 North Korea's economy Do sanctions hurt?
- 28 Cambodia A "slight correction on democracy"
- 29 Pakistan's tainted election Not cricket
- 29 A disaster in Laos The same river twice
- 30 Banyan What Thaksin taught

China

- 31 Health scares Against corruption
- 32 The two-child policy Unintended consequences

Middle East and Africa

- 33 Zimbabwe's elections Waiting for change
- **34 Congo's opposition** Catholics v Kabila
- 34 Mali goes to the polls Hopes for peace
- 35 The Comoros Coups, I did it again
- 35 Protests in Iraq The Shia spring
- 36 Israel Jewish or democratic?

Special report: Spain

The 40-year itch After page 36

Europe

- 37 Germany's armed forces Outgunned
- 38 Popular populists Hot under the collar
- 38 Gender in Germany Keep your herr on
- **39 France** The Benalla affair

40 Charlemagne The Salvini effect





Germany's armed forces The Bundeswehr is underfunded and unsupported. As Russia becomes more threatening, that is a mistake, page 37



Trade This week President Donald Trump handed America's farmers \$12bn in subsidies. But he also struck a tentative truce with Europe, page 19



Spain A country that overcame the euro crisis risks being paralysed by its political fallout: leader, page 9. Spain's four-decades-old democracy has achieved much, but it needs an overhaul, says Michael Reid. See our special report, after page 36





Sin taxes Levies on alcohol, tobacco and sugar aim to improve public health. How well do they work? Page 44



Open-plan offices In theory, they encourage people to work together. In practice, they make people ignore each other: Bartleby, page 47



Private-equity firms As they mature, the way they buy and sell is changing—as is everything in between, page 53. Private equity is piling into health care, page 54

Britain

- 41 Competition More problems
- 42 Water companies High noon in a heatwave
- **43 Bagehot** Downhill all the way

International

44 Sin taxes The price of vice

Business

- **46 Fiat Chrysler** After Sergio Marchionne
- 47 Bartleby Open office, closed minds
- 48 Weapons-makers Into the breach
- 48 Health care Sun, sea and surgery
- 49 Executive sackings Horrible bosses
- **50 Gambling in Japan** Betting big
- 51 Schumpeter Tech giants splurge

Finance and economics

- 53 Private equity (1) Barbarians grow up
- 54 Private equity (2) Healthy returns
- 55 Foreign direct investment Keeping China out
- 56 Banking in Japan Risk-taking is back
- 56 Car dealerships Auto motive
- 57 Buttonwood Balancing act
- 58 Free exchange Trouble with the curve

Science and technology

- **59 Climate change** The long hot summer
- 60 AIDS It ain't over till it's over
- 61 Planetary science Life in the freezer?

Books and arts

- 63 De Gaulle biography Jupiter's father
- 64 Adam Smith An enlightened life
- 65 American fiction Tragedy of the Greasy Grass
- 65 Ecology The rise and fall of bees
- 66 Chinese satire A dark light
- 66 Photography Finland's finest snapper

68 Economic and financial indicators

Statistics on 42 economies, plus a closer look at aid

Obituary

70 Adrian Cronauer Goooooood Morning Vietnam!

Text ...

Air temperature Deviation from 1979-2000 long-term average, °C

Heat Greece is burning, Japan is in a state of emergency. Hot weather is causing misery across the world, page 59. Britain's water industry is under attack, page 42

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:

North America

The Economist Subscription Center P.O. Box 46978, St. Louis, M0 63146-6978 Telephone: +1 800 456 6086 Facsimile: +1 866 856 8075 E-mail: customerhelp@economist.com

Latin America & Mexico

The Economist Subscription Center P.O. Box 46979, St. Louis, MO 63146-6979 Telephone: +1 636 449 5702 Facsimile: +1 636 449 5703 E-mail: customerhelp@economist.com

Subscription for 1 year (51 issues)	
United States	US \$158.25 (plus tax)
Canada	CA \$158.25 (plus tax)
Latin America	US \$289 (plus tax)

Principal commercial offices:

The Adelphi Building, 1-11 John Adam Street London WC2N 6HT Tel: +44 (0) 20 7830 7000

Rue de l'Athénée 32 1206 Geneva, Switzerland Tel: +41 22 566 2470

750 3rd Avenue, 5th Floor, New York, NY 1001 Tel: +1 212 541 0500

1301 Cityplaza Four, 12 Taikoo Wan Road, Taikoo Shing, Hong Kon 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 to PEFC www.pefc.org



© 2018 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 001-063) is published every week, except for a year-end double issue, by The Economist Newspaper Limited. *The Economist* (ISSN 001-063) is published every week, except for a year-end double issue, by The Economist Newspaper Limited. *The Sonomist* (N Son 301-0678, USA Control Newspaper Limited). The Sonomist (N Son 301-0678, USA Control Newspaper Limited) is provided and the New York, werk and additional mailing offices. Postmaster: Send address chormists PL Rosonomist, PL Son 314, 64978, USA Control Newspaper Limited, Son 46978, St. Lister Sonomist, PL Son 301-0678, USA Control Newspaper Limited, Sonomist, PL S