

# The Economist

Venezuela erupts

How to defend Taiwan

India's internet tycoon bets big

Drones: hovering with intent

JANUARY 26TH–FEBRUARY 1ST 2019

# Slowbalisation

The future of global commerce



Australia.....A\$12(Incl.GST)	Hong Kong.....HK\$90	Korea.....₩on12,000	New Zealand.....NZ\$15.00	Sri Lanka.....Rs1,200
Bangladesh.....TK550	India.....₹350	Malaysia.....RM30.00	Pakistan.....Rs800	Taiwan.....NT\$275
Cambodia.....US\$8.00	Indonesia.....Rp90,000	Myanmar.....US\$8.00	Philippines.....Pesos450	Thailand.....Baht300
China.....RMB80	Japan.....¥1,259+Tax	Nepal.....NR700	Singapore.....S\$13.50(Incl.GST)	Vietnam.....US\$8.00

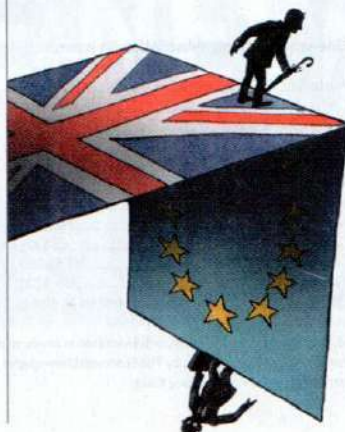




### On the cover

Slowbalisation, a new pattern of world commerce is becoming clearer—as are its costs: leader, page 9. Why globalisation faltered, page 17. What to make of China's weakest growth in 28 years, page 66. The euro area is back on the brink of recession: Free exchange, page 72

- **Venezuela erupts** How to hasten the demise of an incompetent dictatorship: leader, page 10. Juan Guaidó has popular support and diplomatic recognition. But Nicolás Maduro still controls the army, page 41
- **How to defend Taiwan** China's growing might is forcing the island to overhaul its military strategy, page 21
- **India's internet tycoon bets big** Thanks mostly to the ambitions of Mukesh Ambani, Indians are getting onto the internet faster than ever, page 59
- **Drones: hovering with intent** Regulators need to encourage drones, but also to protect people from them: leader, page 10. The technology for dealing with rogue drones is getting better, page 75



### The world this week

- 6 A round-up of political and business news

### Leaders

- 9 **Global business**  
Slowbalisation
- 10 **Venezuela erupts**  
Removing Maduro
- 10 **Drones**  
Saviour or menace?
- 11 **Democratic Republic of Congo**  
The great vote robbery
- 12 **Index funds**  
Beating the pros

### Letters

- 14 On housing, Europe, Britain, Pakistan, the military, Chairman Mao

### Briefing

- 17 **Slowbalisation**  
The global list



**Charlemagne** What Britain and its neighbours misunderstand about each other, page 52

### Asia

- 21 Defending Taiwan
- 22 **Banyan** Asian democracy
- 23 South Korea's judiciary
- 29 Education in India
- 29 Japanese dress codes
- 30 Politics in Afghanistan
- 30 Extremism in Indonesia



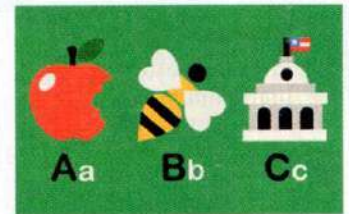
### China

- 31 Belt-and-road students
- 32 Politics and the law
- 34 **Chaguan** Greenery and universal values



### United States

- 35 Young Americans
- 36 Alexandria Ocasio-Cortez
- 37 Riding bulls
- 38 Foxconn in Wisconsin
- 40 **Lexington** Who is winning the shutdown?



### The Americas

- 41 Two presidents for Venezuela
- 42 Guns in Brazil



### Middle East & Africa

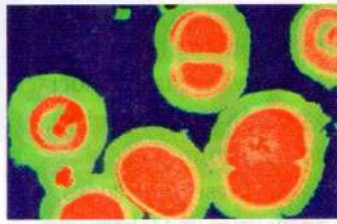
- 43 Netanyahu and the press
- 44 Egypt's new capital
- 45 Repression in Zimbabwe
- 45 A murder in Ghana
- 46 Congo's bogus president





**Europe**

- 47 Hospital superbugs
- 48 Germany's economy
- 49 Tardy Teutonic trains
- 49 Trying war crimes
- 50 Money-laundering in Malta and Cyprus
- 52 **Charlemagne** A gulf of misunderstanding

**Britain**

- 53 The absent agenda
- 54 Parliamentary plotting
- 56 **Bagehot** Michael Gove, moderate maverick

**International**

- 57 Protecting athletes from brain injury

**Business**

- 59 India's Jeff Bezos?
- 60 The Siemens-Alstom deal
- 61 **Bartleby** Woke capitalism
- 62 France v Google
- 62 Huawei's woes
- 63 Bike-sharing in China
- 64 **Schumpeter** Lessons from IKEA

**Finance & economics**

- 65 Risky cyber-insurance
- 66 China's slowing economy
- 67 Monetary policy in Africa
- 67 Replacing LIBOR
- 68 Cleaning up Italian banks
- 70 **Buttonwood** Wizedened of Oz
- 71 Fixing the audit market
- 71 The Fed's balance-sheet
- 72 **Free exchange** #Eurogloom

**Science & technology**

- 75 Defending against drones
- 76 Migrating sea cucumbers
- 77 Fossils and Earth's orbit
- 78 Placebo buttons
- 78 A camera that sees round corners

**Books & arts**

- 79 Max Weber's wisdom
- 80 Down with Davos Man
- 81 Native American history
- 82 A novel of celebrity
- 82 Snapshots of New York

**Economic & financial indicators**

- 84 Statistics on 42 economies

**Graphic detail**

- 85 The cost of studying the arts at Oxbridge

**Obituary**

- 86 Marcel Azzola, champion of the accordion

The Economist

Volume 430 Number 9127

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: Amsterdam, Beijing, Berlin, Brussels, Cairo, Chicago, Johannesburg, Madrid, Mexico City, Moscow, Mumbai, New Delhi, New York, Paris, San Francisco, São Paulo, Seoul, Shanghai, Singapore, Tokyo, Washington DC

**Subscription service**

For our full range of subscription offers, including digital only or print and digital combined, visit: [Economist.com/offers](http://Economist.com/offers)

You can also subscribe by post, telephone or email:

**Post:** The Economist Subscription Centre, Tanjong Pagar Post Office, P.O. Box 671, Singapore 910817, Republic of Singapore

**Telephone:** +65 6534 5166

**Email:** [Asia@subscriptions.economist.com](mailto:Asia@subscriptions.economist.com)

**One-year print-only subscription (51 issues):**

Australia.....	A \$465
China.....	CNY 2,300
Hong Kong & Macau.....	HK \$2,300
India.....	₹10,000
Japan.....	Yen 44,300
Korea.....	KRW 375,000
Malaysia.....	RM 780
New Zealand.....	NZ \$530
Singapore & Brunei.....	S \$425
Taiwan.....	NT \$9,000
Thailand.....	US \$300
Other countries.....	Contact us as above

Please recycle



PEFC certified  
This copy of *The Economist* is printed on paper sourced from sustainably managed forests certified by PEFC  
[www.pefc.org](http://www.pefc.org)