The Economist

JULY 8TH-14TH 2017

Hard truths about North Korea

The sad decline of the summer job

What comes after Mosul falls?

A special report on the young old

The German problem

Why its surplus is damaging the world economy





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Why Germany's currentaccount surplus is bad for the world economy: leader, page 9. Admired for its stability but derided for persistent surpluses, the good and bad in Germany's economic model are strongly linked, page 18. Angela Merkel is not the new leader of the free world, page 43

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The world this week

Politics



North Korea tested an intercontinental ballistic missile, despite Donald Trump's insistence this year that it would never be allowed to develop such technology. The missile appeared to have a range long enough to strike Alaska, but not Hawaii or California. There are doubts that it has the necessary warhead.

Japan's ruling Liberal Democratic Party suffered its worst ever defeat in Tokyo's local elections. It lost to a party set up by Yuriko Koike, a disaffected former LDF member, now the capital's governor.

Myanmar said it would not admit three experts whom the UN has appointed to investigate atrocities against the Rohingya minority.

A Chinese hospital that is treating Liu Xiaobo, a long-jailed dissident, for advanced liver cancer, said it would invite foreign medical experts to help. Officials have refused demands from his family that he be allowed to go abroad for treatment.

In a speech in Hong Kong marking the 20th anniversary of Chinese rule, President Xi Jinping said any attempt by people in the territory to challenge the power of the government in Beijing was "absolutely impermissible". Shortly after he left, thousands joined a pro-democracy march.

London's hurting

The British government sent a task force to take over housing responsibilities from Kensington and Chelsea Council as the

fallout from the Grenfell
Tower fire continued. The
government had already relieved the council of its responsibility for supporting the
survivors after its inadequate
response. The chief executive
and leader have resigned, but
Grenfell's residents are still
angry, with some refusing
alternative accommodation.
They also blasted the appointment, without their consultation, of a retired judge to lead
a public inquiry.

A deadline passed without agreement between Sinn Fein and the Democratic Unionist Party to break the deadlock over power-sharing in Northern Ireland. Sinn Fein's leader, Michelle O'Neill, put the blame squarely at the feet of the British prime minister, Theresa May, for agreeing to a "confidence and supply" deal with the DUP, which gives Mrs May a slim majority in Parliament after a disastrous election for her Conservative Party.

Italy's new "code of conduct" limiting NGOs operating in the Mediterranean was endorsed by France and Germany after an emergency meeting in Paris, Facing pressure over a surge in refugees, Italy claims the presence of rescue boats creates a "pull factor" that encourages illegal migrants.

Emmanuel Macron's new government outlined its priorities for the next five years in France. The president called for amendments to the constitution within the next year, notably the introduction of a form of proportional representation. Edouard Philippe, the prime minister, focused on the need to reduce spending, and said planned tax cuts would be delayed. But he also announced a costly plan to improve infrastructure.

Donald Trump was welcomed in Warsaw by supporters of the ruling Law and Justice (Pis) party. Poland's populist government, which rejects the EU's refugee policy and is suspicious of cosmopolitan liberals, sees Mr Trump as a

kindred spirit. His visit is expected to encourage nationalists throughout eastern Europe.

The bloodied revolution



Venezuela's political conflict intensified, as a group of supporters of Nicolás Maduro, the president, stormed the National Assembly, which is controlled by the opposition, and assaulted lawmakers. Some of the legislators required medical treatment. Military police who were guarding the building did not intervene.

At least 17 members of a drug gang were killed in a clash with security forces in Mexico. The incident happened near the resort town of Mazatlán. In the state of Chihuahua 14 men were killed in a shoot-out between rival drug cartels. Homicides are rising again in Mexico; May saw the highest murder rate since 1997.

In Brazil police arrested Luiz
Carlos da Rocha, an alleged
drug lord who had evaded
capture for 30 years. Detectives
used photo data to identify Mr
Rocha after he had his face
altered by plastic surgery. He is
accused of heading a network
stretching to Bolivia, Colombia
and Peru, producing five
tonnes of cocaine a month.

Crumbting all around IS

Iraq's government was poised to take control of Mosul. Just a small part of the Old City was still held by Islamic State, three years after the "caliphate" seized it. In Syria, American backed forces entered the centre of Raqqa, the caliphate's capital.

A deadline, set by Saudi Arabia and the United Arab Emirates, for Qatar to meet a long list of

harsh conditions in order to lift a partial blockade of the Gulf state expired. No further actions were taken, for now.

The government of **Burundi** is purging its army of minority Tutsi officers little more than a decade after the end of a bloody civil war and genocide against Tutsis, according to a report by the International Federation for Human Rights and Burundi-based partners. The army is now dominated by Hutu officers and is becoming politicised, the report said.

The head of the European
Union's team of observers for
presidential elections in Kenya
warned of the possibility of
violence. Human Rights
Watch, based in New York,
separately said it had received
reports of threats and intimidation in Nakuru county, which
was hit hard by election-related violence in 2008. The vote
is scheduled for August 8th.

Jihadists from Boko Haram, a Nigerian group, kidnapped 37 women and killed another nine people in Niger.

Oh say, can you see



New Jersey's Republican governor, Chris Christie, and the Democratic legislature reached an agreement on the state budget, ending a short shutdown of some government services. The shutdown had closed state-run beaches over the Fourth of July weekend to New Jerseyans-except the governor and his family. They were photographed sunning themselves on an empty beach that was shut to the public, a perk of office. Mr Christie is not running for re-election in November's governor's race.