

# The Economist

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 Marlboro Man rides into the sunset

## America's new aristocracy

Education and the inheritance of privilege



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## Nigeria and Boko Haram

## The black flag in Africa

Only if the government tackles misrule and endemic corruption will the jihadist group be beaten



IS BOKO HARAM becoming Africa's Islamic State? In its bloodlust and ambition to hold territory, it certainly resembles the jihadists in Iraq and Syria. Boko Haram has carved out a "caliphate" the size of Belgium in the impoverished north-eastern corner of Nigeria. And like IS, it is exporting jihad across post-colonial borders (see page 32).

What started as a radical but mostly political movement in 2002 has turned, especially since a heavy-handed crackdown in 2009, into a jihadist insurgency that has grown more violent every year. In April 2014 it abducted 276 girls from the town of Chibok. Some fled, some died, and many were sold into slavery or forced to "marry" fighters. Now the uprising is spreading to other countries. A week ago, 80 Cameroonians were kidnapped. Chad is sending troops to help Cameroon; Niger and Benin also feel threatened.

In the same week the world was outraged by jihadist attacks in Paris that killed 17 people, little attention was paid to news that as many as 2,000 had been killed by Boko Haram in and around the Nigerian town of Baga. Some people accuse Western journalists of double standards, and there is a proper debate to be had about news values. But the accusation misses the real outrage: Nigeria's own leaders have wilfully ignored the carnage in their country. President Goodluck Jonathan was quick to denounce the attack against *Charlie Hebdo*, but it took him nearly a fortnight to speak out about the wanton destruction in Baga.

When asked about the five-year-old insurgency, which has so far killed some 16,000 people and displaced about a million, Mr Jonathan says that Boko Haram is part of an international problem, implying that Nigeria cannot tackle it alone. But he

cannot shirk responsibility. Boko Haram is, first and foremost, a product of Nigeria's broken and kleptocratic politics which now risks destabilising neighbouring states.

Even the prospect of elections on February 14th has failed to galvanise Mr Jonathan. Ironically, Boko Haram's success has made his re-election more likely. The president's political base is in the mainly Christian south which, untroubled by the northern insurgency, is enjoying an economic boom. The chances of his main rival, Muhammadu Buhari, a tough northern ex-general, have been dealt a blow by Boko Haram's displacement of many of his potential supporters.

## Bad luck, Nigeria

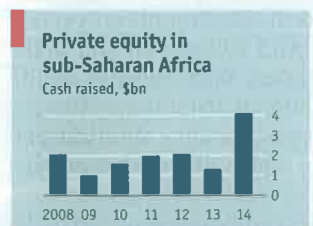
There are tentative signs that a more concerted approach to dealing with the menace may be emerging. This week the UN Security Council urged countries in the region to combine their efforts against the Islamists. A day later, officials from west African states met in Niger to discuss the creation of a multinational task-force. Encouraging though such moves are, a joint force will not be effective unless Nigeria is prepared to confront its problems.

There is plenty that a determined Nigerian government could do. For a start, the country needs better-resourced and more law-abiding security services. Nigeria spends \$6 billion a year on defence and security but soldiers often mutiny or desert, in part because senior officers skim off money for kit and pocket the lower ranks' wages. Many citizens are almost as terrified of the undisciplined army and police as they are of Boko Haram. Systemic corruption and misrule have fed Islamic radicalisation and ethnic militancy in other ways, by robbing the poorer north of its share of federal oil revenues and stunting its development. If Mr Jonathan or his successor does not start dealing with the insurgency and its causes, the government may well find it does not have a country to govern. ■

## Private equity in Africa

## Unblocking the pipes

Africa needs a lot of capital. Private equity offers lessons on how to get it there



That is not the only reason why entrepreneurs find it hard to raise capital. Pension schemes, which provide long-term capital elsewhere, have been looted or repressed in many countries and are thus rarely viable investors. And local banks are failing to meet demand for affordable loans. Banking penetra-

tion is low and, with most households keeping their savings under the mattress, banks cannot recycle deposits into loans. Moreover, many were nationalised in the 1970s and have been poorly run since, often treated as piggy-banks by politicians.

Africa is desperately short of investment, both from locals and international investors: an extra \$90 billion a year is needed for infrastructure, never mind other businesses. This is throttling development. Infrastructure bottlenecks alone are thought to cut growth in sub-Saharan Africa by two percentage points a year. But many of the normal routes by which capital gets into economies are blocked in Africa.

The one door that has been wide open is that of private equity, which raised a record \$4 billion for Africa last year, ■

helping businesses from toothpaste factories to mobile-phone providers (see page 51). Private-equity managers have always been willing to venture where others dare not. And for investors who want exposure to Africa, handing cash to such pioneers is often more attractive in terms of risk-adjusted returns than putting it in the underdeveloped public market.

In contrast to its reception in the rich world, private equity has been warmly welcomed in Africa. Some African governments have not only opened their gates to the barbarians, but have also offered sweeteners by, for instance, agreeing to have any disputes adjudicated abroad to mitigate the risk to investors of their assets being seized. But private equity alone cannot meet all Africa's investment needs. Even if they could raise enough capital, funds generally want to sell the firms they acquire within five years, whereas Africa especially needs longer-term investors to pay for railways, power lines and the like. It also needs a multitude of loans for small businesses because banks across large parts of the continent have proved very poor at providing these.

Given the huge shortfall in capital, the returns to investors who do dare to venture into Africa can be enormous. Shareholders in Uganda's privatised (and now publicly listed) electricity grid, for example, get a state-guaranteed return of 20% a year in dollars on all capital invested in the network. And the macroeconomic story is an appealing one: many African economies have grown by 5% a year or more over the past decade. Africa has the youngest population in the world. By 2060 the continent's middle class is expected to triple in size, to more

## Freedom of speech

## First—and last—do no harm

Speech should be freer than it is in many Western countries



THE march in Paris after the massacre at *Charlie Hebdo* was supposed to display international solidarity over the right of free expression. In retrospect, it was a pageant more of hypocrisy than of principle. The Russian foreign minister's attendance did not stop two of his countrymen being prosecuted in Moscow for holding *Je Suis Charlie* placards. His Saudi Arabian counterpart apparently saw no contradiction between the parade and the public flogging of a blogger in Jeddah two days before. Turkey is a champion locker-up of journalists, but its shameless prime minister turned up all the same. Meanwhile, somewhat misconstruing the point, in the name of modesty an Israeli ultra-Orthodox publication photoshopped the female leaders from its coverage.

Terrorism was the main issue in the Paris attacks, which targeted a kosher shop as well as a magazine. But the subsidiary row they ignited—about the parameters of free speech—has been stoked rather than soothed by their aftermath, and continues to roil the world (see page 49). *The Economist* believes the right to free speech should be almost absolute.

Begin with the obvious controversy: blasphemy. The pope last week sympathised with those who feel compelled to react to perceived slights against Islam. Disparage another's faith, he

than a billion people.

With such juicy prospects investors should be flocking in. One reason they are not is because of capital restrictions in the rich world. New rules for insurance firms and pension funds in Europe, for instance, penalise long-term illiquid investments, such as the roads, ports and railways Africa so desperately needs. African governments are also to blame. Investors have not forgotten the rash of nationalisations across the continent in the 1960s and 1970s. Those governments that have defaulted on their debt (or had it forgiven) have to work particularly hard to regain international trust.

## Priming the pump

To get capital flowing more freely, rich countries need to review their own regulations. Rules that punish the holding of long-term assets are one place to start. So too are over-tough rules against money laundering, which discourage honest savers from using the banking system, reducing the capital that banks have to recycle into corporate loans.

Finally, African governments could do more to encourage the growth of their nascent capital markets. The recent issue by several countries of inaugural bonds has helped establish the basics, such as benchmark interest rates and a corporate-bond market. But more is needed. Setting up larger regional stock exchanges could provide the liquidity, security and ease of access that investors crave. For this to happen, the continent's leaders would have to set aside national vanity and instead focus on enriching the capital diet for all. ■

said, and you "can expect to get punched". Not only were his comments a little un-Christian, they were also deeply mistaken. Few subjects demand scrutiny as urgently as does religion—which, erroneously or otherwise, is invoked in conflicts and disputes around the globe. Muslims themselves forcefully, sometimes lethally, debate interpretations of their creed. Any censorship regime that exempts Islam or other religions from searching commentary is perverse.

Still, many Muslims see the safeguards afforded to ethnic groups in some countries by hate-speech laws and ask why their faith, which some consider more essential than their skin colour, should be denied such respect. In fact, religious faith is different, in that unlike race it is, or ought to be, a question of choice rather than biology. Nevertheless, the solution to this perceived double standard is not to carve out more exceptions to free speech, but to remove some of the existing ones.

## No fire in the theatre

It is, for example, understandable that denying the Holocaust is an offence in several European countries, but it is also anachronistic: the evidence requires no help from the law to overwhelm the deniers. Geert Wilders, a disreputable far-right politician, should not face prosecution, as he now does, for pledging to reduce the number of Moroccans in the Netherlands. Dieudonné M'bala M'bala, a comedian, should not have been arrested for flippantly associating himself with one ■

of the Paris killers. Likewise, Islamist zealots are entitled to exploit the West's freedoms to decry its decadence. Free societies are strong enough to absorb and discredit these idiocies.

That does not mean they should impose no restrictions at all. Even in America, with its admirable constitutional protections, free speech has limits. Child pornographers are rightly regarded as having committed a crime. Advocacy or incitement of violence is banned. Those caveats offer a sound precept: speech should be curtailed only when it is likely to cause serious harm—not including the emotional kind. The likelihood of harm will vary by time and place: in ethnically combustible parts of Africa, officials are entitled to be more stringent with rabble-rousing *génocidaires* than might be defensible elsewhere. But everywhere the rules should be as light as public order requires. The greater the leeway for suppression, the more likely rulers are to abuse it—witness the different cases of Russia, Saudi Arabia and Thailand.

### The sea

## How to catch the overfishermen

Big data allow fish to be protected as never before. Governments should take advantage of this



**O**VERFISHING is reaching catastrophic levels. According to a recent study, stocks of the biggest predatory species, such as tuna and swordfish, may have fallen by 90% since the 1950s. Another study, published last week in *Science*, suggests extinction is on the cards for many species. This matters for numerous reasons, not the least of which is that a lot of people rely on fish as part of their regular diet. About 3 billion of the Earth's inhabitants get a fifth or more of their protein from fish—which means that fish are a bigger source of the stuff than beef is.

The difficulty is, in part, a consequence of the problem known as the tragedy of the commons, whereby a commonly held resource is over-exploited. Nobody owns the high seas, which are therefore vulnerable to a perfectly legal free-for-all. But a lot of fishing is carried out in territorial waters that stretch 12 nautical miles from a country's coastline, as well as so-called exclusive economic zones that stretch to 200 nautical miles beyond coastlines, over which a more limited sovereignty exists. Governments, in thrall to fishing lobbies which are more concerned with making money today than preserving fish stocks for the future, set unrealistic quotas, and there is a lot of illegal fishing too, conducted without permission in controlled waters. The Pew Charitable Trusts, an American research group, estimates that one fish in five sold in a shop or served in a restaurant has been caught illegally. That amounts to 26m tonnes of fish a year, worth more than \$23 billion.

Until now, trying to stop this illegal trade has been more or less futile. The oceans are vast. Navies and coastguard patrols are small. Even finding those who are up to no good has been hard. That, though, is changing through the use of "big data". It is now feasible (see page 66) to synthesise information from sources such as radio transponders and satellite observations, in order to track every ocean-going vessel that is, or might be, a

A common objection to this liberal stance is that, in the internet age, a book or caricature published in Europe can lead to deaths in Japan or Nigeria, as during the furores over Salman Rushdie's novel, "The Satanic Verses", the cartoons of Muhammad published in Denmark in 2005 and *Charlie Hebdo*. Such butterfly-wing effects, this argument runs, mean all governments should be stricter. On the contrary: the globalisation of outrage is further evidence that striving to pre-empt offence leads to a spiral of censorship. Take into account every fragile sensibility or unintended consequence on the other side of the world, and public discourse will shrink to vanishing.

The proviso—a vital one—is that not everything that is permitted is compulsory or desirable. Many words and images should be allowed that are neither prudent nor tasteful. Editors, broadcasters, politicians and citizens should be mindful of those values, too. But they should be matters of conscience, not for the law. ■

fishing boat. Such data can show when a vessel is behaving suspiciously in a prohibited area. They can also link particular vessels with the receiving ships to which they transfer their catches for transport to market.

This promising system will work only if governments enforce existing rules. Like other vessels, fishing boats are required to carry transponders that indicate their position, speed and direction. Captains may switch their transponders off, of course. But the very act of doing so will be noticed, and will immediately suggest they are, as it were, up to something fishy. Other means of scrutiny, such as direct observation by satellite, can then be brought to bear.

### Chain reaction

Crucially, given many governments' ambivalence towards enforcing fisheries rules—especially when their own nationals are fishing in other people's waters—the new technology will also help companies protect their supply chains. The one-in-five illegal fish identified by Pew are often being sold by otherwise law-abiding firms that have no way of reliably tracing them back to the vessels that caught them. Soon, retailers will be able to do so—and at least some of their customers will care enough about the matter to make sure these supply chains are, indeed, traced routinely in the way that meat is now traced from farm to chiller-cabinet.

The existence of policing technology will also make it easier to set up marine reserves in which fish can breed, to the benefit of fisheries outside these protected areas. Experiments have shown that these reserves increase catches in the long term, provided no one cheats by plundering them. Big data will make it easier to stop such plunder.

There is a nice irony in this development. Overfishing is the product not just of human greed, but also of technologies such as sonar that have made finding and catching fish far more efficient in recent decades. It is a matter for celebration that technology is now up to the task of catching illegal fishermen as well as fish. ■

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## Briefing America's elite



### An hereditary meritocracy

WASHINGTON, DC

The children of the rich and powerful are increasingly well suited to earning wealth and power themselves. That's a problem

"MY BIG fear," says Paul Ryan, an influential Republican congressman from Wisconsin, is that America is losing sight of the notion that "the condition of your birth does not determine the outcome of your life." "Opportunity," according to Elizabeth Warren, a Democratic senator from Massachusetts, "is slipping away." Marco Rubio, a Republican senator from Florida, thinks that "each element" of the sequence that leads to success "is eroding in our country." "Of course you have to work hard, of course you have to take responsibility," says Hillary Clinton, a former first lady, senator and secretary of state, "but we are making it so difficult for people who do those things to feel that they are going to achieve the American dream." When discussing the chances of ordinary Americans rising to the top, politicians who agree about little else sound remarkably similar.

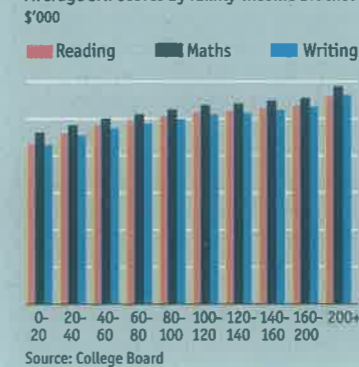
Before the word meritocracy was coined by Michael Young, a British sociologist and institutional entrepreneur, in the 1950s there was a different name for the notion that power, success and wealth should be distributed according to talent and diligence, rather than by accident of birth: American. For sure, America has always had rich and powerful families, from the

floor of the Senate to the boardrooms of the steel industry. But it has also held more fervently than any other country the belief that all comers can penetrate that elite as long as they have talent, perseverance and gumption. At times when that has not been the case Americans have responded with authentic outrage, surmising that the people at the top are, as Nick Carraway said, "a rotten crowd", with bootlegging Gatsby better than the whole damn bunch put together.

Today's elite is a long way from the rot-

#### The wealthy and the wise

Average SAT scores by family-income bracket \$'000



ten lot of West Egg. Compared to those of days past it is by and large more talented, better schooled, harder working (and more fabulously remunerated) and more diligent in its parental duties. It is not a place where one easily gets by on birth or connections alone. At the same time it is widely seen as increasingly hard to get into.

Some self-perpetuation by elites is unavoidable; the children of America's top dogs benefit from nepotism just as those in all other societies do. But something else is now afoot. More than ever before, America's elite is producing children who not only get ahead, but deserve to do so: they meet the standards of meritocracy better than their peers, and are thus worthy of the status they inherit.

#### It takes two

This is partly the result of various admirable aspects of American society: the willingness of people to give money and time to their children's schools; a reluctance to impose a uniform model of education across the country; competition between universities to build the most lavish facilities. Such traits are hard to object to, and even if one does object they are yet harder to do anything about. In aggregate, though, they increase the chances of wealthy par-

Also in this section

18 Good starts around the world

ents passing advantage on to their children. In the long run that could change the way the country works, the way it thinks about itself, and the way that people elsewhere judge its claim to be an exceptional beacon of opportunity.

Part of the change is due to the increased opportunities for education and employment won by American women in the twentieth century. A larger pool of women enjoying academic and professional success, or at least showing early signs of doing so, has made it easier for pairs of young adults who will both excel to get together. Between 1960 and 2005 the share of men with university degrees who married women with university degrees nearly doubled, from 25% to 48%, and the change shows no sign of going into reverse.

Assortative mating of this sort seems likely, on average, to reinforce the traits that bring the couple together. Though genes play a role in the variation of intelligence from person to person, this is not a crude genetic determinism. People tend to encourage in their children what they value in themselves and their partners. Thus people bought together by their education and status will typically deem such things important and do more to bring them out in their children, both deliberately and by lived example—processes in which nature and nurture are more than likely to work hand in hand.

Not only do graduate couples tend to value education; they also tend to have money to spend on it. And though the best predictor of an American child's success in school has long been the parents' educational level—a factor which graduates are already ahead on, by definition—money is an increasingly important factor. According to Sean Reardon of Stanford the past decades have seen a growing correlation between parental income and children's test scores. Sort the students who took the SAT, a test for college applicants, in 2014 by parental income and the results get steadily better the further up the ladder you climb (see chart 1 on previous page).

**First, cultivate your kindergarten**

Another factor is family stability. Wealthier and better educated American families tend to marry before having children, and like most married couples they split up less than unmarried ones. This correlates with various good outcomes for their children.

The educational benefits of being born to wealthy parents are already clear in toddlers (see box). Families which are used to and eager for success try to build on them at kindergarten. Competition for private kindergarten places among high-status New Yorkers is farcically intense. Jennifer Brozost of Peas, an educational consultancy, recommends that parents apply to 8-10 kindergartens, write "love letters" to their top three, and bone up on how to make the



right impression when visiting. Some parents pay for sessions at which their children are coached on how to play in a way that pleases those in charge of admissions.

Once children enter the public school system—which about 90% of them do—the advantages of living in a well-off neigh-

bourhood kick in. America is unusual in funding its public schools through property taxes. States have a floor price for the education of each child, but parents can vote to pay more local tax in order to top this up, and frequently do. Funding levels per pupil can vary by up to 50% across a state, says Mike McShane of the American Enterprise Institute, a think-tank.

Sometimes this results in poor students in cities that collect lots of property tax being better funded than the children of wealthier families in the suburbs. More often, though, the opposite is true. The result is that America is one of only three advanced countries that spends more on richer pupils than poor ones, according to the OECD (the other two are Turkey and Israel). And on top of spending on school, there is spending outside it: the gap between what rich and poor parents shell out for museum trips, music lessons, books and so on has been widening (see chart 2). In a world where lots of people do well on

**The world's nurseries**

**Getting 'em young**

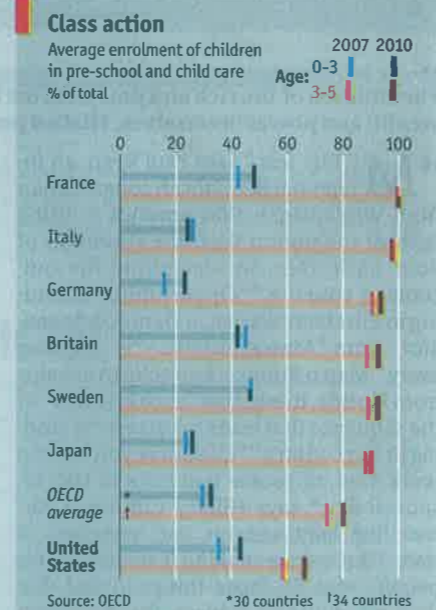
**Early education matters, but it is not everything**

THE mayor of New York, Bill de Blasio, has promised that there will be free pre-schooling available to all the city's infants this year. It is one example of a wider American political enthusiasm for dealing with gaps in educational attainment by focusing on the youngest. International comparisons show that such measures have a long way to go—and that they are far from a cure all.

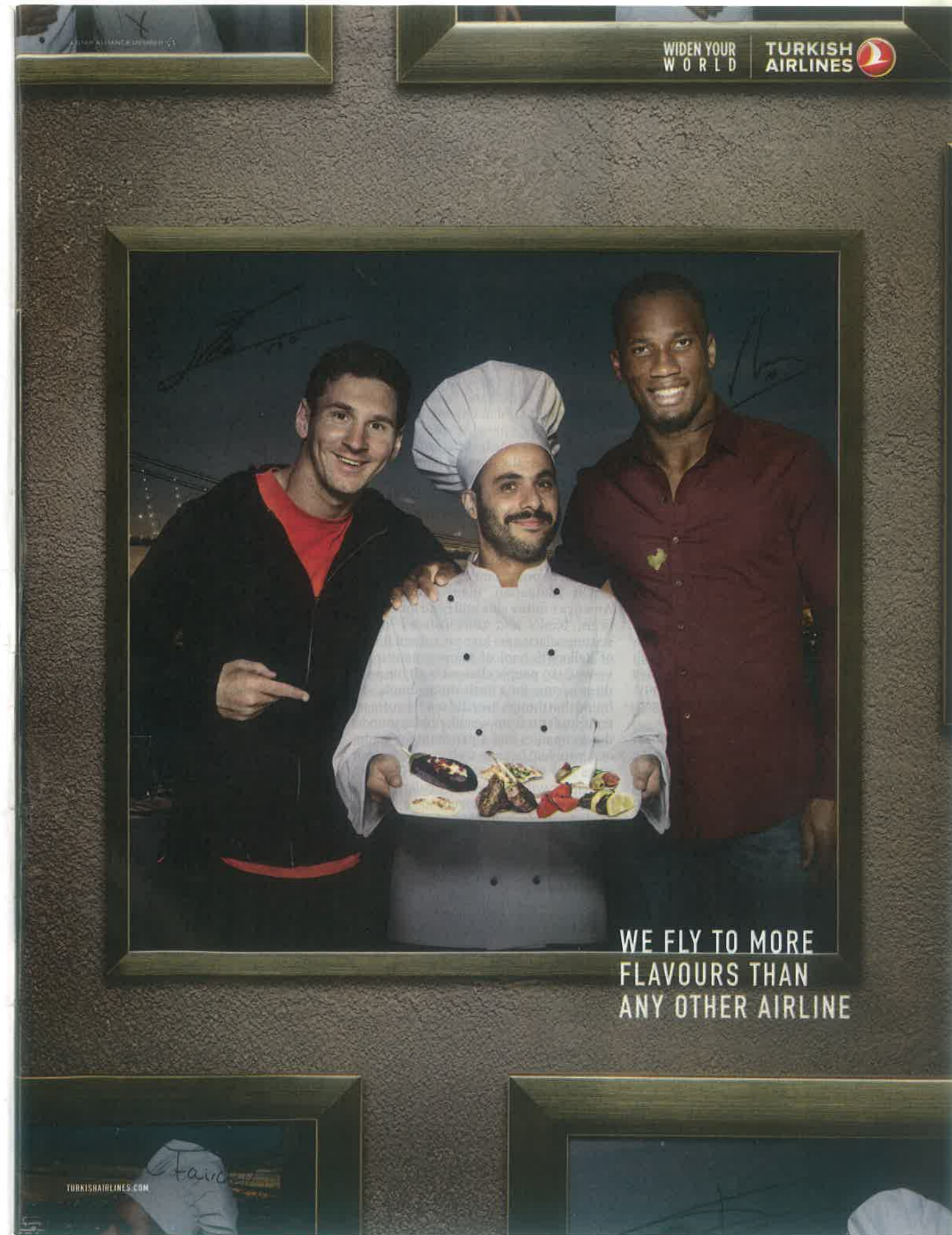
Figures from the OECD show America faring quite well on provision for 0-3-year-olds (see chart); but when it comes to providing pre-school for 3-to-5-year-olds it falls to the back of the class—behind Chile and just ahead of Lithuania and Greece.

Attitudes to the right way to spend early childhood years still vary around the world. Scandinavians dislike formal early schooling but relish subsidised day care earlier on. German parents put relatively few of their toddlers into formal crèches, but are happy for them to head off to kindergarten when they are three. Ambitious Asians, notably in South Korea, are keen on solid pre-schooling as a chance to improve educational outcomes and make them more consistent. The Swiss prefer to keep their kids at home a bit longer, but still do well by them overall.

Andreas Schleicher, head of the OECD's education team, says early-years investment does not "automatically produce gains in learning, unless systems



transfer this to primary and secondary level". He has just published research showing that in a worrying number of rich-world countries more than 15% of young people are "unqualified". Those with a problem include France, the Netherlands, Norway and Denmark—all high scorers for early-years provision. A good start is not enough on its own. The system's stamina and consistency matters just as much—and possibly more.



SATS, cultivating extra skills matters.

The opportunities for parental investment continue in higher education, which is ever more costly (see chart 3) but offers ever greater returns. Between 1979 and 2012 the income gap between the median family with college-educated parents and one with high-school educated parents grew four times greater than the headline-grabbing income gap between the top 1% of earners and the rest, according to David Autor of MIT, rising from \$30,000 to \$58,000.

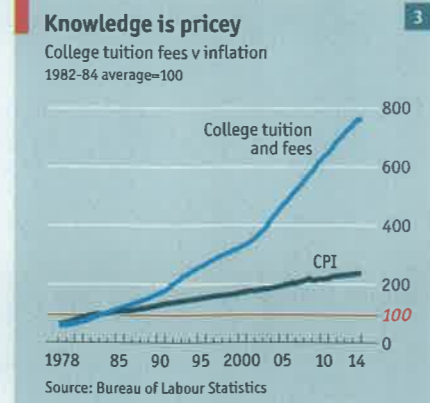
Those whose parents have provided good schooling and good after-schooling have advantages already—but some get an extra one from institutions that discriminate in favour of the children of alumni. According to a survey by the *Crimson*, Harvard's newspaper, 16% of the 2,023 who got in last year had at least one parent among the university's alumni. Harvard says that legacy preference is only ever a tie breaker in admissions; but with 17 applicants for every place there can be a lot of ties.

#### All this and lacrosse too

Most of the country's research universities and liberal arts colleges grant preferences to legacy students; the practice seems widespread at universities just below the top tier. The University of Pennsylvania is particularly friendly to the children of alumni, says Katherine Cohen of Ivywise, a firm with several ex-deans of admissions on its books which provides advice on getting children into the best schools. Though it is rare, stories still crop up of the parents of academically borderline students buying admission for their children with a generous bequest to a particular school.

The fierce competition between universities to build endowments makes doing such favours for alumni enticing. And there is a public-good argument for it: a student who comes with \$1m attached can pay for financial aid for many others. But in practice this is not how the system works. While it is true that some elite universities are rich enough to give out a lot of financial support, people who can pay the full whack are still at the centre of the business model for many. Mitchell Stevens, a Stanford sociologist who spent a year working in the admissions office of an unnamed liberal arts college in the north-east, found that the candidate the system most prized was one who could pay full tuition and was just good enough to make one of the higher-profile sports teams but had a strong enough academic record not to eat into the annual allocation reserved for students whose brains work best when encased in a football helmet.

Combined with the long-running push for racial diversity on college campuses, this makes for an esoteric definition of merit. Men are slightly under-represented across college campuses; African-Ameri-



cans are not, but can still benefit from some forms of affirmative action; and there is always a need for those who are good at sports. Poor whites and Asians get a bad deal from this kind of filtering. Though the Ivies all deny operating quotas to limit Asian students—the best performing group in SAT scores—the number admitted each year has fallen from its peak in 2008 and stays strangely consistent both from year to year and between institutions. Caltech, a university which admits purely on academic ability, has more Asian students than other elite schools. It also has much less feared sports teams.

On graduation, many members of America's future elite will head for the law firms, banks and consultancies where starting salaries are highest. Lauren Rivera of Kellogg School of Management interviewed 120 people charged with hiring in these sectors for a forthcoming book. She found that though they did not set out to recruit students from wealthy backgrounds, the companies had a penchant for graduates who had been to well-known universities and played varsity sports (lacrosse correlates with success particularly well). The result was a graduate intake that included people with skin of every shade

but rarely anyone with parents who worked blue-collar jobs. "When we are asked to identify merit," explains Ms Rivera, "we tend to find people like ourselves."

Something similar has happened in corner offices of America's biggest companies. As computing power has increased and clerical jobs have been automated, the distance between the shop floor and executive positions has increased. It was never common for people to start at the bottom and work their way to the top. Now it is close to impossible. Research by Nitin Nohria, the dean of Harvard Business School, and his colleagues has shown how in the second half of the 20th century a corporate elite where family networks and religion mattered most was replaced by one whose members required an MBA or similar qualification from a business school. This makes the managers better qualified. It also means they are the product of a serial filtering that has winnowed their numbers at school, college and work before they get their MBAs.

More than 50 years ago Michael Young warned that the incipient meritocracy to which he had given a name could be as narrow and pernicious, in its way, as aristocracies of old. In America some academics and thinkers on the left are coming to similar conclusions. Lani Guinier of Harvard speaks for many when she rails against the "testocracy" that now governs America. Once progressives saw academic testing as a way of breaking down old structures of privilege; there is now a growing sense that it simply serves to advantage those who have been schooled to excel in such situations. Heirs to Andrew Jackson on the right have their own worries about the self-perpetuation of an American elite, but no desire at all to use government as a leveller. Both sides can agree that the blending of merit and inheritance is un-American. Neither has plausible ideas for what to do about it. ■



#### Italy's reforms

## Renzi's struggle in the swamp

ROME

The prime minister presses on with his reform agenda after winning a crucial vote

NO RECENT Italian prime minister has swept into office with as much youthful vigour and brazen self-confidence as Matteo Renzi. But almost a year after he snatched power from his predecessor, the 40-year-old Mr Renzi is waist-deep in what Italians call *il pantano* (the swamp). Its quicksand and viscous waters—a mix of bureaucratic obstructionism and parliamentary cantankerousness—have swallowed many an earlier would-be reformer.

Mr Renzi, however, is making progress: on January 21st the Senate approved a measure that should ensure the passage of a new electoral law. But gone are the days when he promised to transform Italy with a reform a month. His Democratic Party (PD) is still ahead in the polls, but its popularity has ebbed. And the only big structural economic reform that he has made is an overhaul of the labour market that has yet to be enacted.

Mr Renzi has enjoyed the backing of two unlikely figures: the outgoing president, Giorgio Napolitano, a former communist; and Silvio Berlusconi, leader of Italy's main right-wing party, Forza Italia, and a former prime minister who last year agreed to back plans for political and constitutional reform. But the 89-year-old Mr Napolitano dropped out when he resigned on January 14th, leaving Mr Renzi to press on with Mr Berlusconi.

Often seen as the swamp's most dan-

gerous predator, the media tycoon is known to critics as *il caimano* (the cayman, a small alligator), a nickname from a film director, Nanni Moretti. Mr Renzi has so far kept his sharp-toothed escort under control. Mr Berlusconi, convicted of tax fraud in 2012, has been expelled from parliament, banned from standing for public office and made to do community service in a centre for dementia patients. But he will complete his sentence in March, and in exchange for helping Mr Renzi with electoral reform he can expect an important say in the choice of Italy's next president. The presidency carries limited, but often decisive, powers—and one is to grant pardons.

Mr Renzi and his advisers believe Italy's economic and political problems are fundamentally institutional, and that no prime minister can solve them without outright control of parliament. One half of their proposed solution is to turn the upper-house Senate into a regional assembly with drastically reduced powers. The other is a new electoral law for the lower-house Chamber of Deputies, aimed at producing a clearer outcome: if no party wins more than 40% of the vote, a run-off would be staged between the top two with the winner getting an assured majority. Mr Renzi's cabinet altered the bill after the chamber passed it, so a final reading in the lower house is needed for it to become law. But it first has to be approved in the Senate,

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where the government lacks a majority.

The situation became trickier on January 20th, when only 71 of the PD's 108 senators backed the bill. Many who were already seething over the government's labour reforms complain that the electoral law would retain for party leaders much of the power they now enjoy to decide who enters parliament. That deprives voters of the ability to choose who should represent them. It also means Mr Renzi could keep out of the next legislature many of those making his life harder in the present one.

Even with the backing of his coalition partners in the New Centre Right (NCD), a party of ex-Forza Italia rebels that has greater representation in the Senate than in the country, Mr Renzi could not have passed his electoral reform without Mr Berlusconi's support. Cajoled by their leader, most of Forza Italia's senators agreed to back the government. Yet 13 did not. Forza Italia's dissidents grouse that the bill confers a guaranteed majority in the lower house on the biggest party, and not a winning coalition. Their leader, Raffaele Fitto, a former governor of Puglia, calls it "political suicide" for the right.

A glance at recent polls shows why. If it were a race between alliances, left and right would be neck-and-neck on around 40% and 36%, respectively. But, despite Mr Berlusconi's best endeavours, Italy's conservatives have never managed to unite in one movement for more than a few years. The biggest party, Forza Italia, is only on 15%, far below the PD alone.

Mr Berlusconi has other priorities, however. After his latest meeting with Mr Renzi, he disclosed that the next, on January 27th, would discuss the presidency. If the electoral bill has got through the Senate with Forza Italia's support, Mr Berlusconi will then be in a strong position to insist on ▶▶