

INTRODUCTION

This issue of *Economic Affairs* involves a change of format towards longer, in-depth articles which, while broadly in a classical liberal framework, examine the workings of markets and governments from a variety of viewpoints. Our contributors include academics and practitioners from a range of countries.

Bodo Hertzog and **Katja Hengstermann** suggest institutional reforms from which a credible Eurozone might emerge in the future.

Elaine Sternberg disputes the view that the global financial crisis is adequately explained by the ethical misconduct of the private sector. In her analysis, lax fiscal policy and perverse incentives created by government regulation offer a better explanation.

Metin Akyol, **Michael Neugart** and **Stefan Pichler** argue that the Hartz reforms, much praised in the UK, were not the prime cause of Germany's improved labour market performance. In their view wage moderation, which predated the reforms and continues to be significant, was more important.

Sushil Mohan, **Sangeeta Khorana** and **Hamagni Choudhury**, using the examples of coffee, tea and cocoa, argue that non-tariff barriers are the main cause of the slow growth in developing countries' exports of agricultural processed products.

Dalibor Rohac revisits the lessons of post-communist transitions: while arguing that rapid 'shock' reforms boosted credibility, he points out that making reforms stick has been a problem.

William Coleman makes the case that twentieth-century neo-liberals shifted the crux of the claims for classical liberalism from market success to government failure.

Richard J. Kish and **Amy Lipton** use US prison privatisation experience to expose the problems of designing efficient contracts between government and the private sector.

Ali Salman examines the shari'a approach to economics, arguing that the model Islamic economy is market-friendly, libertarian and favours limited government.

Gilles Saint-Paul draws on the analysis of his recent book *The Tyranny of Utility* to argue that we need to move away from utilitarian reasoning if we are to preserve liberty from the smothering embrace of the nanny state.

William Luther uses the evidence of events in Somalia to support Milton Friedman's criticisms of Friedrich Hayek's views on the effects of competing private currencies.

James Hill, in the first of a series of full-length Review Essays, critically examines Robert Frank's *The Darwin Economy*.

J. R. Shackleton, Editor