

# INTRODUCTION

In this issue of *Economic Affairs* we again feature a wide range of topics and contributors from several countries.

**Matthew Melchiorre** and **Emilio Rocca** provide a disturbing account of the extent of employment regulation in Italy and show how it has distorted the Italian labour market and worsened the economy's performance.

An important issue in many countries is the growing tendency of governments to intervene in an attempt to change lifestyles which are considered to be unhealthy or otherwise unattractive to policymakers. One example is alcohol consumption. **Barrie M. Craven**, **Michael L. Marlow** and **Alden F. Shiers** examine the economics of minimum pricing for alcoholic drinks and identify serious problems with this new approach.

Governments have for many years used test discount rates to evaluate major investment projects, including the recent attempts to evaluate proposals to mitigate climate change. **Michael Spackman** provides an historical outline of the development of UK policy on time discounting and points to some current concerns.

At a time when the Leveson inquiry has raised the spectre of government regulation of the press in the UK for the first time since the seventeenth century, **Nabamita Dutta** and **Sanjukta Roy** have produced a highly relevant empirical study of the interaction between media, education and the exposure of corruption in an international context.

**Kent Matthews** reviews the argument for a slowdown in the fiscal consolidation policy of the UK government, and concludes it is weak. However, his paper suggests a 'third way' involving extensive supply-side reforms.

Continuing the 'lifestyle' theme mentioned earlier, **Darshan Zala** has undertaken a quantitative analysis of the relationship between obesity and inequality. He comes to rather different conclusions from the authors of *The Spirit Level*, who see inequality as an important cause of many social and health problems.

The sources and limits of the European Union's regulatory power are little understood by most European citizens. **Émilie Ciclet** examines the Lisbon Treaty and finds that its limitations on the powers of the European Commission are largely ineffective.

In a new Discussion section, **J. R. Sargent** sets out two possible explanations of the UK 'productivity puzzle', **I. Harry David** disputes a recent interpretation of Hayek's views on private outside money, and **Richard Dean** and **Elaine Sternberg** disagree on the significance of ethical misconduct in the global financial crisis.

In a review article, **Mark Koyama** examines the impact of the new science of cliometrics in improving our understanding of preindustrial economies.

**J. R. Shackleton**, Editor