

# INTRODUCTION

Our first two articles take the aftermath of the financial crisis as an occasion for rethinking banking orthodoxies. **Frank Decker** examines different views on money and monetary reform, concluding in favour of a narrower focus on refinancing property at market interest rates.

**David Cronin** notes proposals put forward to promote equity-based banking. He argues for complementing this with an indirect convertibility monetary standard and dispensing with base money.

Another monetary issue concerns the future of the Eurozone. **Juan Castañeda** and **Pedro Schwartz** devise ten indicators which suggest that the zone's progress towards becoming a Mundell-style optimal currency area has been erratic.

Neo-Marxian economists have drawn attention to 'guard labour' – workers such as military personnel, security guards, prison officers and many types of managers – which protects the capitalist system. For Samuel Bowles, the growth of such functional roles is associated with rising inequality. **Vincent Geloso** and **Vadim Kufenko** find an alternative explanation in government failure with respect to drug prohibition.

In an empirical study, **Dalibor Rohac**, **Sahana Kumar** and **Andreas Johansson Heinö** examine the rise of authoritarian populist parties in Europe. They find that large vote shares of right-wing – but not left-wing – authoritarian populists are closely associated with indicators of economic and political corruption. They argue that this weakens trust in political institutions, a problem which populists exploit.

In an analysis covering 155 countries, **Sena Kimm Gnangnon** finds strong evidence that multilateral trade liberalisation promotes economic development. This study is particularly relevant in the current context of growing rhetoric against international trade.

**Ryan Murphy** and **Alex Nowrasteh** find that, in most urban counties in the USA, increased levels of immigration have had a modest but non-negligible effect on the level of real estate prices and likely capital share in income.

In an extended Discussion section, **Patrick Minford** and **Vicky Pryce** offer two opposing views on the UK's prospects after leaving the European Union. **Julian Richards** comments on Paul Robinson's view, expressed in the previous issue of *Economic Affairs*, that the UK and other Europeans are spending too much on defence, while **Philip Booth** argues that economic forecasters need to display greater humility.

Experiments with basic income schemes are currently taking place in Finland, California, the Netherlands and Canada. In the UK the Labour Party, the Greens and the Scottish Nationalists are all exploring the idea. In a Review Article of Rutger Bregman's new book *Utopia for Realists*, **Stephen Davies** examines at length the historical background to, and arguments for and against, a Universal Basic Income.

J. R. Shackleton  
Editor

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