

INTRODUCTION

This issue opens with three contributions examining some of the most important issues facing the world economy.

In a timely piece, **Kerry Liu** explores the background to the emerging trade war between the USA and China. Key to this dispute is the ‘Made in China 2025’ plan, aimed at making China the world’s manufacturing powerhouse.

In today’s febrile political environment, it is important to re-emphasise the positive benefits of multilateral trade liberalisation. In an empirically based article, **Sèna Kimm Gnanon** demonstrates the links with financial openness.

Governments are responsible for a wide range of anti-competitive market distortions which are inhibiting both domestic production and international trade. **Shanker Singham** and **U. Srinivasa Rangan** set out a typology.

The free markets on which this journal focuses are often assumed to have a relatively new Western origin. In an article drawing on his new book, **Nima Sanandaji** points out that many features of market exchange had already evolved 4,000 years ago in the ancient Middle East. The region needs to rediscover its market roots, he argues.

In another historically based article, **Forrest Capie** traces the evolution of the Bank of England’s role in the UK economy.

Governments often have the best intentions, but can get things badly wrong in practice. **Gopalkrishnan Iyer** and **Chris Counihan** examine the results of India’s landmark Right to Education Act.

In a follow-up to an earlier *Economic Affairs* article, **Dick M. Carpenter II**, **Lisa Knepper**, **Kyle Sweetland** and **Jennifer McDonald** document the persistence and growth of often unnecessary licensing in lower-skilled occupations in the United States. This, they argue, inhibits competition, raises prices to consumers, excludes people unnecessarily from jobs and does little to raise quality.

Mobile phone-based money has spread rapidly in some African countries and boosted financial inclusion. **Scott Burns** examines this experience and analyses the policies which make for success.

In a thought-provoking essay, **Walker A. Wright** argues that – counter to many assertions – markets make us better people, morally speaking.

In our Discussion section, **James Tooley** and **Barrie Craven** claim that privately generated metrics can substitute effectively for the UK's expensive and time-consuming Research Excellence Framework in ranking universities, while **Mark Littlewood** argues that champions of free market policies need to show modesty and scepticism in their advocacy.

In this issue's Review Article, **Alberto Mingardi** looks at two recent contributions to our understanding of Adam Smith's legacy.

J. R. Shackleton
Editor