This book is intended for the scholar or graduate student who wants to learn about a new topic of research: the effects of constitutional rules on economic policymaking and performance. We draw on existing knowledge in several fields: economics, political science, and statistics. In particular, the book builds on theoretical work from the last few years, and it forms a natural sequel to our previous book, *Political Economics: Explaining Economic Policy*, published by MIT Press in 2000. Whereas the previous volume focused mainly on theory, the purpose of this new book is uncompromisingly empirical. Taking the existing theoretical work in comparative politics and political economics as a point of departure, we ask which theoretical results are supported and which are contradicted by the data, and we try to identify new empirical patterns for a next round of theory.

The empirical results we present in the book go beyond those in our recent articles and working papers on the same general topic. But there are other reasons why the entire thing is greater than the sum of its parts. We take advantage of the book format to present a more thorough discussion of measurement and methodology than is possible in a single paper. In the end, the empirical picture we offer stands out quite clearly and convincingly when a number of related issues are considered with a similar methodology.

Our decision to embark on the empirical research program that resulted in this book was made when one of us (Tabellini) gave the Munich Lectures, hosted by the Center for Economic Studies (CES), in November 1999. At that point, we had produced several theoretical studies of constitutional rules and economic policy, but we had only started to look at the data, and our empirical results were still preliminary. The comments received from the Munich audience, and in particular from Hans-Werner Sinn and Vito Tanzi, were an
essential input and inspiration for the research that followed. The warm hospitality and the outstanding atmosphere of excitement and enthusiasm at CES made those lectures a particularly memorable event.

Another event that helped focus our minds, when this project was further underway, was the Walras-Bowley Lecture, given by one of us (Persson) at the Econometric Society World Congress in Seattle in August 2000. On this occasion, as well, we obtained important feedback that led to major improvements in our research.

Having completed a first full draft, in May 2002, we had the opportunity to present overviews of the manuscript to different audiences in Uppsala, at Princeton, Harvard, the European Science Days in Steyr, Austria, and the Yrjö Jahnsson Foundation in Helsinki. At these presentations, and at numerous seminars on the underlying research papers, many colleagues made insightful comments that improved the quality of our research. Here, we particularly want to thank our colleagues who generously gave up their time to read and comment on the first draft: Jim Alt, Tim Besley, Robin Burgess, Jon Faust, Jeff Frieden, Emanuel Kohlscheen, Per Molander, Olof Petersson, Per Pettersson-Lidbom, Gérard Roland, Ludger Schuknecht, Rolf Strauch, David Strömberg, Jakob Svensson, and three anonymous MIT Press readers. We also owe special gratitude to Andrea Ichino, as well as Richard Blundell, Hide Ichimura, and Costas Meghir, whose comments on our empirical papers were instrumental in directing us toward some of the econometric methodology that figures so prominently in the book.

Putting together the two data sets used in this book involved a great deal of work on data collection, database management, and estimation. We were lucky enough to benefit from expert help with these tasks from a number of research assistants belonging to different cohorts of graduate students: Gani Aldashev, Alessia Amighini, Alessandra Bonfiglioli, Agostino Consolo, Thomas Eisensee, Giovanni Favara, José Mauricio Prado Jr., Andrea Mascotto, Alessandro Riboni, Davide Sala, and Francesco Trebbi (also a coauthor of one of our articles). We benefited greatly from their efforts, as will other researchers with free access to the data sets used in the book.

The last stretch of work on a book manuscript can be an open-ended period of frustration, when every chapter, table, figure, and footnote seems to be in constant flux imposed by authors’ desperate last-minute changes, as well as the publisher’s rigorous style
requirements. Luckily, in this case, as in our previous book project, we could rely on the outstanding assistance of Christina Lönnblad. We are deeply grateful to her for helping us out with editing and style and for cheerfully putting in some long hours, even on days off and weekends. We are also very grateful to Lorenza Negri for her efficient and professional editorial assistance in various stages of the project.

Although the initial agreement with MIT Press to publish this book was made with Terry Vaughn, he left for greener pastures before the book was seriously on its way. We are grateful to our editor, John Covell, for taking over and for being patient with our changing schedule, as we were gradually upgrading our ambitions for the final product.

Finally, we gratefully acknowledge financial support from a number of sources for the research program underlying this book: Bocconi University, London School of Economics, Stockholm University, Ministero dell’ Università e della Ricerca Scientifica, and the Italian and Swedish Research Councils.

Stockholm and Milan, January 2003