
Preface

Over the past twenty years, the field of international political economy has changed dramatically. Once dominated by neo-Marxist critiques of the world capitalist system and concept-laden interpretative discourses, recent scholarship is now firmly anchored in the theoretical frameworks and methodological techniques of mainstream economics. Today, for example, both political scientists and economists who analyze monetary policy in open economies start with the time-inconsistent nature of monetary policymaking and/or optimal currency area considerations. The contributors to this volume are no exception. Each author, however, progresses beyond these simple, yet powerful, models of the open economy by bringing a sophisticated understanding of politics to bear on monetary decision-making. Indeed, the explicit attention to the role of political and electoral institutions is the comparative advantage of this volume. Moreover, the methodological strategy of this new scholarship is rigorously formal and quantitative in the evaluation of alternative theories. In short, these common theoretical frameworks and empirical strategies have helped rejuvenate international political economy, creating a dynamic cross-fertilization between political science and economics and providing a more insightful understanding of open economy politics.

Substantively, this volume investigates the political economy of monetary institutions: central banks and exchange rate regimes. Collectively, the studies owe much to Jeffrey Frieden's pioneering 1991 *International Organization* article on the distributive consequences of capital mobility, which set the research agenda for the study of exchange rate politics. One motivation for this volume was to assess the progress on that agenda after a decade of research. Another was to embed Frieden's distributional arguments in an institutional context, whereby politicians make decisions on the basis of incentives created not only by constituency pressures but also by extant political and electoral structures. Together, the articles collected here show that the choice of monetary regime reflects the motives and strategies of *both* politicians and economic agents.

The origins of this volume date to early 1999, when the three co-editors discovered a shared interest in understanding the remarkably diverse set of monetary regimes in the world. While other scholars had identified some important consequences of alternative monetary institutions, we were caught up in the effort to

explain the choice of institutions. We organized a conference entitled “Explaining Monetary Commitment Technologies: The Political Foundations of EMU,” in Atlanta on 1 September 1999 to bring together students of international monetary policy to examine the issue. We thank the European Union Center of the University System of Georgia and the Sam Nunn School of International Affairs at the Georgia Institute of Technology for their generous support of that event. We are grateful to the conference participants, including David Andrews, Benjamin J. Cohen, Vladimir Kliouev, Michael G. Hall, Kathleen McNamara, Robert Franzese, Thomas Oatley, and Thomas Willett for comments throughout the evolution of this project. We also thank Lucy Goodhart for her involvement in the early stages of the project. Comments and suggestions from discussants, fellow panelists, and audience members at the American Political Science Association Meeting in Atlanta and Washington, D.C. in 1999 and 2000 led to further improvements in the papers in this collection. Over time a lively intellectual interplay arose between the contributors to this volume. Each author provided extensive comments on the papers, not only improving the individual articles, but also producing a volume that, to a large degree, speaks with one voice. We hope this project has strengthened a research community that will continue to thrive in the future.

We are deeply indebted to the editors of *International Organization*, Lisa Martin, Peter Gourevitch, and David Lake, for guiding us through the process and providing critical and constructive comments. In addition, we thank two anonymous reviewers for detailed and very helpful criticism. Lastly, we thank Rebecca Webb and Lynne Bush for their extraordinary efforts in producing this volume.