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978-0-521-57215-6 - Positive Political Economy: Theory and Evidence

Edited by Sylvester Eijffinger and Harry Huizinga

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Positive political economy investigates how observed differences in institutions affect political and economic outcomes in various social, economic, and political systems. It also examines how the institutions themselves change and develop in response to individual and collective beliefs, preferences, and strategies. This volume tackles both monetary and real topics in an integrated way, and represents the first coherent empirical investigation of positive models of political economy. The various constitutions discuss issues of great topicality, for European and other economies: Why do central banks matter? What determines their independence? How do central bank independence and exchange rate regimes affect monetary integration and activism? The volume also discusses the costs of a monetary union, unemployment benefits, and redistributive taxation.

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and

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Foreword

On January 23–4, 1995, the CentER for Economic Research of Tilburg University organized an international conference with the theme “Positive political economy: theory and evidence.” The conference was co-sponsored by the Royal Netherlands Academy of Sciences (KNAW). The aim was to discuss theoretical and empirical aspects of positive political economy among a group of experts from universities, research institutes, central banks, and international organizations. The authors, discussants, and other participants came from both Europe and the United States.

In this volume, an introduction by the editors, the conference papers and comments given by the discussants are published. The outline of this book closely follows the program of the conference. The organization of the conference and the publication of this book were possible only through the efforts of a number of people. In particular, I would like to thank the organizers, Professor Sylvester Eijffinger and Professor Harry Huizinga. Furthermore, I wish to express my gratitude to Mrs Jolanda Schellekens-Bakhuis and Mrs Marja Speekenbrink who constituted the conference secretariat. A special word of appreciation is due to Professor Theo van de Klundert and Professor Harrie Verbon for admirably chairing the sessions. Also, I want to thank Mrs Nicole Hultermans and Mrs Corina Maas for their assistance in compiling the conference volume, and to Marco Hoeberichts for making the index of this book. Of course, the conference benefited from the remarks of all participants. I hope the readers will benefit as much from the papers and comments as we at CentER enjoyed the conference.

Tilburg
February 1996

Professor Arie Kapteyn
Director of CentER