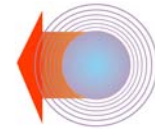


Past, Present, and Policy

Lessons from Economic History



SERIES CO-ORDINATOR : MARC FLANDREAU

The series *Past, Present, and Policy: Lessons from Economic History* aims at fostering the dissemination and discussion of policy relevant research results from the expanding field of Economic History.

In the past decades, Economic History has evolved from a purely academic field to an area of active policy research that has made decisive contributions to the international debate.

Several reasons explain this important evolution:

First and foremost, the spread of globalization has played a major role in shifting the focus from research on the immediate past to longer term oriented work: as observers realized that the world of the 1990s with its combination of capital mobility and financial crises did not have much to do with the 1960s or 1970s, but a lot to do with, say, the 1890s, they began systematically investigating past experiences with an eye on policy lessons: in other words, the more remote past has become more relevant to contemporary debate than the recent one, which traditional economists typically consider. This trend is evident in the way international organizations such as the IMF, the World Bank, or the OECD have developed a keen sensitivity to historical evidence. Consistently, they have included economic history perspectives in their annual reports or key publications.

Second, this situation has led to a renewed focus on issues that had been typically neglected by modern researchers, namely, institutions. This occurred at a time when policy makers, confronted with the challenges of institutional reform, not only in transition and developing countries, but also in the developed world, have increasingly been looking for guidance. But while theoreticians have made headway in the 1980s and 1990s in developing tools to analyze economic institutions, their theories are of little use if not fleshed out using history. As a result, policy makers have been asking for historical insights in order to provide relevant recommendations that would combine theoretical insights with historical evidence.

Third, in so doing, researchers have realized that our knowledge of economic history is still wanting, suggesting that the marginal benefits from investment in this area are tremendous. There is, in particular, a dearth of high quality databases when it comes to the global economy: global finance, global trade, global institutions and their evolution across history are still very imperfectly known. There is also a dearth of knowledge beyond the better known and better-researched countries, so that genuine international comparisons are often impossible to achieve. The result is a danger to take superficial evidence for hard facts and base policy recommendations on them.

These factors call for the creation of a policy forum where the findings of economic history could be discussed from the vantage point of their policy relevance. The goal, however, is not to claim that economic history has straightforward messages that can be directly transformed into policy recipes: it has not, and in effect policy makers do not ask for recipes. Moreover, unlike what laypeople ordinarily assume, economic history – just like economics – does not speak with one single voice. Just like any other social science, economic history is a subject about which people disagree before they seek to work out consensus views: the past is way too important to be portrayed as providing simple minded lessons. It is in fact this continued disagreement and debate that has provided for the emergence of economic history as a vibrant research area.

In view of all this, the goal of the Past, Present and Policy series is to provide for the missing link between the policy community and the economic history community. We do not seek to provide “policy recommendations” that would be sold as the profession’s “consensus message”. This would be both misleading and inappropriate: the goal is to inspire not to prescribe, to foster policy analysis not to sell well packaged policy actions, to help formulate alternatives not to tell what to choose.

These considerations have played a decisive role in designing the shape and format of the *Past, Present and Policy Series*, whose launching was publicly announced during a conference held in London and co-sponsored by Sciences-Po and the CEPR, a London-based network of researchers, on April 28, 2004.

The PPP series consists in an annual panel meeting where 6-8 very focused papers, commissioned from leading academics, and raising important policy issues, are discussed. The discussants will be policy makers who will focus on drawing the lessons from economic history, as well as academics who will focus on showing how new historical evidence forces us to reconsider accepted theories.

The annual events will be run by CEPR and receives funding from partner institutions on an ad-hoc basis. Its co-ordinator is Professor Marc Flandreau from the Institut d’Etudes Politiques de Paris, where the Series’ secretariat is based. Other Partner Universities in Europe include Humboldt University in Berlin and Carlos III in Madrid.

The Series is set up in the following way: its steering committee monitors the quality of the papers and contributes to the commissioning process by identifying relevant scholars. It also advises on the use of funds. The Series has a committee of Institutional Partners, mainly European central banks, who have expressed interest in the series. We expect each year to rely on one or several Supporting Partners to fund the meetings. The Oesterreichische National Bank has supported the first meeting of the series, which took place in Vienna on September 30 and October 1, 2005. The 2006 meeting will take place in London, 23-24 November 2006, and will be hosted by the Bank of England. Its theme is “The Evolution Central Banks: Lessons for the Future”.

The goal of the PPP meeting is to produce high quality historical analysis to be published by a leading press. The Trustees and Editors *European Review of Economic History*, Europe’s leading Economic History journal, have agreed that the papers discussed in the first Economic History Panel meeting, will be eligible for publication in a special issue of the *Review* (Autumn 2006), of which Marc Flandreau will be guest editor.

Steering committee

Ignacio Briones, Escuela de Negocios de l'Université Adolfo Ibañez, Santiago du Chili

Forrest Capie, Bank of England and Cass Business School, London

Barry Eichengreen, University of California, Berkeley, NBER and CEPR

Luca Einaudi, Centre for History and Economics, Cambridge

Marc Flandreau, Chaire Finances internationales-Sciences Po Paris and CEPR

Edi Hochreiter, Oesterreichische Nationalbank

Lars Jonung, European Commission, DG ECFIN, Brussels

Jan Tore Klovland, Norwegian School of Economics and Business Administration

Pablo Martin Acena, Universidad de Alcala

Leandro Prados della Escosura, University Carlos III, Madrid

Jaime Reis, Instituto de Ciências Sociais Universidade de Lisboa

Albrecht Ritschl, Humboldt University Berlin and CEPR

Pierre Siklos, Wilfrid Laurier University and Viessmann Research Centre

Institutions who sent a representative

Oesterreichische Nationalbank (Supporting Partner 2005)

Bank of England (Supporting Partner 2006)

Banca d'Italia

Banco de Espana

Banco do Portugal

Bank of Greece

Bank of Japan

Bulgarian National Bank

Central Bank of Chile

De Nederlandsche Bank

National Bank of Belgium

National Bank of Romania

Norges bank

Bank of International Settlement

Federal Reserve Bank of St Louis

World Bank