

Capitalism, Not Globalism

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Capitalism, Not Globalism

Capital Mobility, Central Bank Independence,
and the Political Control of the Economy

WILLIAM ROBERTS CLARK

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Dedicated to the memory of Thomas F. and Marjorie L. Clark

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Acknowledgments

This book is the product of three related prejudices, traceable in part to teachers and colleagues, who have thus contributed to the development of this book in profound, though indirect, ways. First and foremost is a belief in falsificationism. Science is important not because it leads to the correct answer, but because it provides us with the best chance of discarding wrong answers. I am grateful to Jack Levy and John Vasquez for introducing me to the work of Karl Popper and Imre Lakatos and for instilling in me a desire to think self-consciously about epistemological issues. I also thank Tom Walker and Mark Yellin for the many late-night discussions that provided sufficient heat to test the mettle of my views on this subject.

The second prejudice is a belief in the utility of comparing what some consider to be incomparable. The discipline of political science seems to be divided between scholars with an intuition that events are the unique product of circumstances that will never be replicated, and those who view the social world as inherently systematic and therefore amenable to comparison and generalization. In this crude form, both views are incorrect; but if forced to choose, I would classify myself in the latter camp. For it is only in looking for regularity that we may see conjunctural events clearly. It is only in lumping that we can produce both evidence for the need to split and an understanding of where and when to split. Robert Kaufman and Michael Shafer had a tremendous impact on my thinking on this subject, and I am immensely grateful to them.

The third prejudice underlying the following work is an assumption that political and economic actors are, for the most part, goal-oriented actors and that their behavior can best be understood if we begin by positing what their goals might be and reasoning backward toward the behaviors we therefore expect them to engage in. Jeff Frieden—a long-distance mentor, cheerleader, and,

when needed, severe critic since my second semester in graduate school—had an early, deep, and sustained influence on my thinking.

While I referred to each of the above as prejudices, they are not *blind* prejudices. I believe that a commitment to falsificationism can be defended logically (although the best that one can show is that it will do no worse than alternative paths to knowledge, for it takes a leap of faith to assert that it will actually lead to knowledge); and I believe that a commitment to broad comparisons and an emphasis on goal-oriented behavior can both be shown to follow from a belief in falsificationism.

This project began in an undergraduate comparative political economy class at Georgia Tech, where Kevin Parker and Sandy Lomas—inspired by reading Alt and Chrystal's *Political Economics* (1982)—began some empirical tests on context-dependent political business cycles. I am grateful to them for their willingness to be the first to dip their feet in those waters. Not only would this book otherwise probably not have been written, but my research interests would likely have developed along entirely different lines. As usual, the students had a greater effect on the professor than vice versa. Many other students and colleagues (at Georgia Tech, Princeton, and New York University) contributed their time and energy in ways that proved helpful. I am particularly grateful to Rebecca Hagstrom, Will Hakes, Stephen Flanders, Courtney Kinney, Priti Lokre, and Tovah Simon for their research assistance.

This book leans heavily upon, and borrows liberally from, collaborative work; I thank my coauthors Mark Hallerberg, Usha Reichert, Kevin Parker, and Sandy Lomas both for their generosity and for their help in sharpening my thinking on these matters for years. Indeed, portions of the book may be familiar to some readers. Chapter 2 clarifies and extends theoretical arguments published in *International Organization* (Clark and Nair Reichert 1998) and the *American Political Science Review* (Clark and Hallerberg 2000). In particular, I emphasize the extent to which these previous articles are in tension with each other. Chapter 4 is a replication and extension of some of the empirical analysis in the *APSR* article. Chapter 6 is a fundamental reconsideration and critique of the *IO* article.

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