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The International Monetary System in the (Very) Long Run

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Research Department

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Abstract

The views expressed in this Working Paper are those of the author(s) and do not necessarily represent those of the IMF or IMF policy. Working Papers describe research in progress by the author(s) and are published to elicit comments and to further debate.

This paper takes stock of the evolution of the international monetary system over the last thousand years. Several points stand out from the analysis. One is the reluctance of governments to embrace radical changes in international monetary relations. Another is the conflict between external and domestic objectives over the cycle, which has been a source of significant tension in the industrial core through much of this century, is now becoming a significant issue for developing countries. Finally, recent developments represent a return to the more market-driven international monetary system that characterized the better part of the preceding millennium.

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