Monetary and Fiscal Policy in the EU

prof. dr. Jakob de Haan

Lectures:

1. Governance of the ECB

Topics covered: independence of the ECB, governance of the ECB, decision making within Governing Council in view of enlargement of the monetary union

Literature:

* Berger, H. Optimal central bank design: Benchmarks for the ECB, *Review of International Organizations*, 2006, 1: 207–235.

* De Haan, J., S.C.W. Eijffinger and S. Waller, *The European Central Bank: Centralization, Transparency and Credibility*, MIT Press, 2005 (chapters 4 and 5).

2. Monetary policy of the ECB

Topics covered: the objective of the ECB, strategy of the ECB

Literature:

* Beck, G.W., K. Hubrich and M. Marcellino (2009), Regional inflation dynamics within and across euro area countries and a comparison with the United States, *Economic Policy*, January 2009, 141–184.

* De Haan, J., S.C.W. Eijffinger and S. Waller, *The European Central Bank: Centralization, Transparency and Credibility*, MIT Press, 2005 (chapters 2 and 3).

Berger, H., T. Harjes, and E. Stavrev, The ECB's Monetary Analysis Revisited, IMF Working Paper 08/171, 2008.

Gorter, J. J. Jacobs and J. de Haan, Taylor rules for the ECB using expectations data, *Scandinavian Journal of Economics*, 110 (3), 2008, 473-488.

Woodford, M. How Important is Money in the Conduct of Monetary Policy?, CEPR Discussion Paper 6211, 2007.

3. Communication policies of the ECB

Topics covered: role of communications in monetary policy, ECB communications strategy

Literature:

* Blinder, A.S., M. Ehrmann, M. Fratzscher, J. de Haan and D. Jansen, Central bank Communication and Monetary Policy: A Survey of theory and Evidence, NBER Working Paper 13932, *Journal of Economic Literature*, 46(4), 2008, 910–45.

* Ehrmann, M. and M. Fratzscher, Communication by Central Bank Committee Members: Different Strategies, Same Effectiveness?" *Journal of Money, Credit, and Banking*, 39(2-3), 2007, 509-41.

De Haan, J. and D. Jansen, The Communication Policy of the European Central Bank: An Overview of the First Decade, DNB Working Paper 212, 2009.

4. On the need for fiscal rules in a monetary union

Topics covered: rational for Stability and Growth Pact, development of SGP

Literature:

* Buti, M., S. Eijffinger and D. Franco, Revisiting EMU's Stability Pact: A Pragmatic Way Forward, *Oxford Review of Economic Policy, 19,* 2003, 100-111.

* De Haan, J., H. Berger and D-J. Jansen, Why has the Stability and Growth Pact Failed?, *International Finance*, 7 (2), 2004, 235-260.

Amtenbrink, F. and J. de Haan, Reforming the Stability and Growth Pact, *European Law Review*, 31 (3), 2006, 402-413.

Beetsma, R., "Does EMU Need a Stability Pact?," *The Stability and Growth Pact: The Architecture of Fiscal Policy in EMU*, ed. by Brunila, Buti, and Franco, New York: Palgrave, 2001.

Annett, A., J. Decressin, and M. Deppler, Reforming the Stability and Growth Pact, IMF Policy Discussion Paper 05/2, 2005.

Fatas, A., A. Hughs-Hallet, A. Sibert, R. Strauch and J. von Hagen, *Monitoring European Economic Integration: Stability and Growth in Europe - Towards a Better Pact* 13, Centre for Economic Policy Research, 2004.

5. Other driving forces of fiscal policy in the EU

Topics covered: political budget cycles, budgetary procedures, other political economy drivers of fiscal policy, outcomes

Literature:

* Hallerberg**,** M**.**, R.R. Strauch, and J. von Hagen, *Fiscal Governance in Europe*. Cambridge (UK), Cambridge University Press, 2009.

* Fatas, A. and I. Mihov, The Euro and Fiscal Policy, NBER Working Paper No. 14722, 2009.

Mink, M. and J. de Haan, Are there political budget cycles in the euro area? *European Union Politics*, 7, 2006, 191-211.