

Monetary and Fiscal Policy in the EU

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Day 1: The theory of optimal currency areas and its implications for monetary and fiscal policies

Readings

De Grauwe, P., 2003, Economics of Monetary Union, Oxford University Press, Chapter 1

Asdrubali, P., Sorensen, B., Yosha, O., 1996, Channels of Interstate Risk Sharing in the United States, 1963-1990, Quarterly Journal of Economics, 1081-1110.

Beetsma, R., and Bovenberg, L., 1999, Does Monetary Unification Lead to Excessive Debt Accumulation? , Journal of Public Economics.

Day 2: The institutional design of the European Central Bank

Readings

Eijffinger, S., and de Haan, J., 2000, European Monetary and Fiscal Policy, Oxford University Press, chapter 2

De Grauwe P., *op. cit.*. chapter 7.

Day 3: Monetary policies in the Eurozone

Readings

Eijffinger, S., and de Haan, J., chapter 3

De Grauwe P., *op. cit.*. chapter 8.

Issing, O., Gaspar, V., Angeloni, I., Tristani, O. 2001 Monetary Policy in the Euro Area, Cambridge University Press.

Day 4: The Stability and Growth Pact and other fiscal policy issues

Readings

Buiter, W., and Graffe, C.;, 2003, Reforming EMU's fiscal policy rules, in Buti, M., (ed.), Monetary and Fiscal Policies in EMU, Cambridge, 2003.

Beetsma, R., And Uhlig, H., (1999), An analysis if the Stability and Growth Pact, Economic Journal, 109:546-71

Von Hagen, J., Hughes Hallett, A, Strauch, R. 2002, Budgetary Institutions for Sustainable Public Finances, in Buti, von Hagen and Martinez-Mongay, The Behaviour of Fiscal Authorities, Palgrave.

Day 5: The Euro in the world economy

Readings

De Grauwe, P., op. cit., chapter 10

Portes, R., and Rey, H.? 1998, The Emergence of the Euro as an International Currency, Economic Policy.