



**Fiscal and
Monetary Policy
in the Eurozone:**
Theoretical
Concepts and
Empirical Evidence



**Rosaria Rita Canale
Rajmund Mirdala**

FISCAL AND MONETARY POLICY IN THE EUROZONE

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FISCAL AND MONETARY POLICY IN THE EUROZONE: THEORETICAL CONCEPTS AND EMPIRICAL EVIDENCE

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Preface

This book was born from the intention to present in a different light and in a systematic way the institutional structure that regulates economic policy in the European Monetary Union.

The view is shared by both authors, which, despite belonging to different countries and with different personal experiences in respect to the Eurozone institutional consolidation process, found themselves convinced that it was necessary to make explicit the connection between the evolution of the economic theory and the path of construction of the European Monetary Union. The underlying idea is that the rules that determine its functioning are the result of the evolution of economic theory in light of historical facts and that it is essential to understand their meaning in terms of policy proposals. As the Keynesian approach revealed to be inadequate to interpret the facts after the 1970s, now the consolidated new neoclassical synthesis approach appears to be unable to solve the asymmetries inside the Eurozone without questioning the existence of the whole currency area. This approach provides a new perspective from which to examine the current Eurozone policy equilibria and, in the light of current crisis, calls for new answers in terms of policy prescriptions.

The authors would like to thank their families: someone would think that without their presence the book would have been written more quickly. However, they know that in the absence of those affections, they would not have had the necessary strength to carry out the project.

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