European Monetary Policy: Theory, Practice, Empirical Experience, 2nd edition, Werner Verlag 2001 (together with E. Görgens and K. Ruckriegel): Preface

January 1, 1999 marked the beginning of a new era in European monetary policy. On that date, those 11 European Union member states (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain) which in accordance with the decision taken by the EU council met the criteria for joining monetary union introduced the euro as a single currency. Since then, monetary policy has been centrally conducted by what is known as the Eurosystem, comprising the 11 national central banks and the European Central Bank, with binding effect on the new currency area. It is no longer possible to take national needs into account. Until 2002 the euro will exist only in cashless payments, but for all practical purposes the 11 national currencies are merely sub-denominations of the euro.

Bearing all that in mind, textbooks on monetary policy which cover the institutional conditions existing up to the end of 1998 only have limited informational value. True, macroeconomic structures do not change from one day to the next. In a wide range of areas, though, a new framework for monetary policy has evolved. And it is precisely in the financial markets, which play such a crucial role in the analysis of monetary policy's effects, that many changes are taking place quite rapidly or have already been factored by market players into their decisions. These changes involve institutional aspects, the operational level of the money market, potential intermediate targets and alternative strategic thrusts, yet they affect the final objective, too.

In the meantime, a multitude of papers and articles have been written covering specific monetary policy problems relating to European economic and monetary union. The national central banks and, in particular, also the European Central Bank have gone to considerable lengths to provide comprehensive information on the monetary policy strategy to be pursued, the set of instruments and the management problems. However, in academe, much like in debates on European monetary policy problems-assuming we leave out groups of experts-it impossible to overlook the fact that considerable information deficits do exist. The main objective of this textbook is to eradicate that shortcoming by presenting the material as comprehensively and as coherently as possible. The book is aimed primarily at university and college students with a basic knowledge of macroeconomic theory and monetary theory. However, the text is also intended to make those segments of college studies at administrative academies and related educational institutions dealing with monetary policy readily accessible to students at such institutions. Moreover, this book is intended also for persons working at banks and other financial sector institutions who seek to deepen their knowledge of European monetary policy.

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