

Contents

<i>Acknowledgements</i>	ix
<i>Introduction</i> Paul De Grauwe	xi
PART I THE THEORY OF OPTIMUM CURRENCY AREAS	
1. Robert A. Mundell (1961), 'A Theory of Optimum Currency Areas', <i>American Economic Review</i> , 51 (4), September, 657–65	3
2. Ronald I. McKinnon (1963), 'Optimum Currency Areas', <i>American Economic Review</i> , 53 (4), September, 717–25	12
3. Peter B. Kenen (1969), 'The Theory of Optimum Currency Areas: An Eclectic View', in Robert A. Mundell and Alexander K. Swoboda (eds), <i>Monetary Problems of the International Economy</i> , Chicago: University of Chicago Press, 41–60	21
4. Paul Krugman (1993), 'Lessons of Massachusetts for EMU', in Francisco Torres and Francesco Giavazzi (eds), <i>Adjustment and Growth in the European Monetary Union</i> , London: Centre for Economic Policy Research and Cambridge: Cambridge University Press, 241–61	41
5. George S. Tavlas (1993), 'The "New" Theory of Optimum Currency Areas', <i>World Economy</i> , 16 (6), November, 663–85	62
6. Tamim Bayoumi (1994), 'A Formal Model of Optimum Currency Areas', <i>IMF Staff Papers</i> , 41 (4), December, 537–54	85
PART II EMPIRICAL ANALYSIS OF OPTIMUM CURRENCY AREAS	
7. Tamim Bayoumi and Barry Eichengreen (1993), 'Shocking Aspects of European Monetary Integration', in Francisco Torres and Francesco Giavazzi (eds), <i>Adjustment and Growth in the European Monetary Union</i> , London: Centre for Economic Policy Research and Cambridge: Cambridge University Press, 193–229	105
8. Tamim Bayoumi and Barry Eichengreen (1997), 'Ever Closer to Heaven? An Optimum-Currency-Area Index for European Countries', <i>European Economic Review</i> , 41 , 761–70	142
9. M.J. Artis and W. Zhang (1997), 'International Business Cycles and the ERM: Is there a European Business Cycle?', <i>International Journal of Finance and Economics</i> , 2 (1), January, 1–16	152
10. Paul De Grauwe and Wim Vanhaverbeke (1993), 'Is Europe an Optimum Currency Area?: Evidence from Regional Data', in Paul R. Masson and Mark P. Taylor (eds), <i>Policy Issues in the Operation of Currency Unions</i> , Cambridge: Cambridge University Press, 111–29	168

- | | | |
|--|---|-----|
| 11. | Jörg Decressin and Antonio Fatás (1995), 'Regional Labor Market Dynamics in Europe', <i>European Economic Review</i> , 39 (9), December, 1627–55 | 187 |
| 12. | Charles Engel and John H. Rogers (1996), 'How Wide Is the Border?', <i>American Economic Review</i> , 86 (5), December, 1112–25 | 216 |
| 13. | Jeffrey A. Frankel and Andrew K. Rose (1998), 'The Endogeneity of the Optimum Currency Area Criteria', <i>Economic Journal</i> , 108 (449), July, 1009–25 | 230 |
| PART III FISCAL POLICIES IN A MONETARY UNION | | |
| 14. | Xavier Sala-i-Martin and Jeffrey Sachs (1992), 'Fiscal Federalism and Optimum Currency Areas: Evidence for Europe from the United States', in Matthew B. Canzoneri, Vittorio Grilli and Paul R. Masson (eds), <i>Establishing a Central Bank: Issues in Europe and Lessons from the US</i> , Cambridge: Cambridge University Press, 195–219 | 249 |
| 15. | Jürgen von Hagen (1992), 'Fiscal Arrangements in a Monetary Union: Evidence from the US', in Donald E. Fair and Christian de Boissieu (eds), <i>Fiscal Policy, Taxation and the Financial System in an Increasingly Integrated Europe</i> , Dordrecht: Kluwer Academic Publishers, 337–59 | 274 |
| 16. | Willem Buitier, Giancarlo Corsetti and Nouriel Roubini (1993), 'Excessive Deficits: Sense and Nonsense in the Treaty of Maastricht', <i>Economic Policy</i> , 16 , April, 58–90, 99–100 | 297 |
| 17. | Charles Wyplosz (1991), 'Monetary Union and Fiscal Policy Discipline', <i>European Economy</i> , Special Issue, 165–84 | 332 |
| 18. | Pierfederico Asdrubali, Bent E. Sørensen and Oved Yosha (1996), 'Channels of Interstate Risk Sharing: United States 1963–1990', <i>Quarterly Journal of Economics</i> , CXI (4), November, 1081–110 | 352 |
| PART IV THE CENTRAL BANK IN A MONETARY UNION | | |
| 19. | Jakob de Haan (1997), 'The European Central Bank: Independence, Accountability and Strategy: A Review', <i>Public Choice</i> , 93 , 395–426 | 385 |
| 20. | Stephen G. Cecchetti (1999), 'Legal Structure, Financial Structure, and the Monetary Policy Transmission Mechanism', <i>Federal Reserve Bank of New York Economic Policy Review</i> , 5 (2), July, 9–28 | 417 |
| 21. | Rudi Dornbusch, Carlo Favero and Francesco Giavazzi (1998), 'Immediate Challenges for the European Central Bank', <i>Economic Policy</i> , 26 , April, 17–52, 63–4 | 437 |
| PART V ISSUES OF TRANSITION TO MONETARY UNION | | |
| 22. | David Begg, Francesco Giavazzi, Jürgen von Hagen and Charles Wyplosz (1997), <i>EMU: Getting the End-game Right</i> , CEPR, Monitoring European Integration 7, 1–75 | 477 |

-
23. Roland Vaubel (1990), 'Currency Competition and European Monetary Integration', *Economic Journal*, **100** (402), September, 936–46 552
24. Friedrich A. Hayek (1984), 'The Theory of Currency Competition. I.1 The Future Unit of Value', in Pascal Salin (ed.), *Currency Competition and Monetary Union*, The Hague: Martinus Nijhoff, 29–42 563

Name Index

577