## Contents

*List of figures*  
List of tables  
Preface

1  The euro in 2008  
2  Historical background  
The rocky road to monetary union  
The decision in Maastricht  
The convergence process  
Farewell to the national currencies  
The countdown begins  
The euro area

3  The ECB and the foundations of monetary policy  
The Statute  
The decision-making bodies  
Preparations for the single monetary policy  
Monetary policy options  
The ECB's stability-oriented monetary policy strategy  
The instruments of monetary policy
vi • Contents

4 The ECB – monetary policy for a stable euro
   Orientations in the ECB Governing Council 131
   Assuming responsibility for monetary policy 135
   Monetary policy success: a stable euro 141
   Monetary policy-making in the ECB Governing Council 146
   Transparency, communication, accountability 156
   Monetary policy and the exchange rate 169
   The euro as an international currency 176
   Economic theory and monetary policy practice 184

5 The central bank and monetary policy in the EMU framework 191
   Fiscal and monetary policy in EMU 192
   Policy coordination in EMU 200
   Does one size fit all? 207
   The enlargement of the euro area 219
   Monetary union without political union? 227

6 Europe at the crossroads 237

Index 245