

MONETARY POLICY MEASURES AND STRATEGIES IN THE CONTEXT OF THE ADOPTION OF THE EURO CURRENCY

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Abstract

The importance of knowing the effects resulting from the adoption and implementation of monetary policy decisions on economic variables is a decisive factor of this article, which directed our attention to the issue of monetary policy measures. Taking into account the thematic area, this concept falls, without exception, in the field of the monetary economy, so it allows the author to carry out a rigorous, complex analysis supported by notions found in the field of finance, economic-financial integration, international relations, as well as macroeconomics.

Identifying the behavior of central banks in establishing monetary policy strategies constitutes the fundamental objective of the paper and can provide a conclusive and appropriate picture of both the objectives considered and their prioritization. A standard approach in this context is to estimate a central bank reaction function in the form of a Taylor rule. By using the previously mentioned method, the identification of the final objectives of the monetary policy authorities through the lens of the promoted policy is considered. The analysis will focus on states such as Romania, Hungary, Poland, and the Czech Republic, all committed to adopting a single currency according to the Treaty on the Functioning of the European Union. The present analysis has brought to the fore the monetary policy measures and strategies used mainly by Central and Eastern European central banks.

Keywords

Monetary policy, European Union, economic-financial integration, macroeconomics

JEL Classification

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