
Content

1. Eastern and Western transitions	7
2. Do CE countries form a part of an optimum currency area?	11
3. Exchange rate stability is beneficial for a small and open CE economies	15
4. Selected transitional issues	21
a) Real versus monetary convergence	23
b) The frontiers of fiscal consolidation	26
c) A roundabout route to irrevocably fixed exchange rate	30
The anchor of macroeconomic stabilisation	31
Withering benefits of the fixed exchange rate	33
The exchange rate behaviour in a wider band	35
A managed floating	38
d) Continuing with a resolute disinflation	41
Faster or slower deregulations	43
Using the exchange rate for reducing inflation	44
Convergence of long-term interest rates	48
5. Conclusions	51
Reference	53