

to the limitations on the principle of free movement that can be imposed by the Member States on grounds of public policy, public security, and public health. In addition, there is a discussion of the elements of European citizenship, such as political participation rights, and the extension of diplomatic protection. A short section deals with the problems related to the mutual recognition of diplomas, one of the stumbling blocks in the effective exercise of the free movement rights.

The provisions in the association agreements with Turkey, the candidate countries in Central and Eastern Europe (Europe Agreements), and the Maghreb countries are analysed in some detail. Subsequently, the various conventions adopted in the context of the Schengen co-operation are examined. Finally, there is an equally worthwhile section on relevant provisions in the European Convention on Human Rights, such as the right to family life, protection of privacy, data protection, and non-discrimination in the scope of application of other rights, all of which should be guaranteed to nationals of third countries when residing or travelling in the EU.

The fourth part provides a projection for the future. The author argues that the integration of the Schengen acquis and the decision-making procedures on immigration, asylum and visa policies into the first pillar cannot solve the more fundamental problems related to the lack of a common immigration policy in the EU. For example, there should be common rules on the acquisition of citizenship of the Member States.

Overall, the book is largely descriptive. The thesis statement, the purpose of the dissertation as such, and the innovative contribution to science are not evident. Even if there are interesting ideas, in particular in the final part describing the future of immigration policy, the book loses value to academic readers. Furthermore, while the book addresses all relevant topics related to the legal status of third country nationals in the EU, the organisation of the chapters and the structure of the book are not very clear. In a way, the author discusses the same issues throughout the book, that is, the discussion is repetitious. This, of course, reduces the value of the book to practitioners who are looking for a quick reference guide or a handbook on the practical problems in this important area of law. This begs the question, therefore, from the perspective of the publisher: what is the target group, who should buy and read this book? The answer is not very clear.

Dita Sole

Sylvester C. W. Eijffinger and Jakob de Haan, *European Monetary and Fiscal Policy*, Oxford et al.: Oxford University Press (2000), pp. 1-199 and i-xiv

This book concentrates on European economic integration. The work of more than forty years is finally coming to an end – the European Union has got its own single currency – the Euro. However, the fear is that the Monetary Union will bring not just benefits but also new conflicts.

The first chapter of the book focuses on the early stages of developing the Monetary Union, its advantages and disadvantages, and on the practical implications for moving towards a single currency. While a single currency was never a goal when the Organisation for European Economic Co-operation was first formed in 1948, 12 of the 15 EU Member States have entered into the third, and final, stage of the development of Monetary Union.

In Chapters 2 and 3 the authors consider the European System of Central Banks (ESCB), the European Central Bank (ECB) and its monetary policy options. The main hope is that by following the monetary policy of the German *Bundesbank*, the ECB will be able to maintain its independence and the effectiveness of its activities in the financial infrastructure of the Community. The EU has placed great emphasis on the ECB's independence, as it is considered to be the driving force of maintaining price stability. The authors also discuss the necessity for the ECB to be accountable to the governments and parliaments. The question now arises, whether the two concepts – independence and accountability – can be employed together. The authors believe that transparency of the ECB's activities as a feature of accountability could definitely benefit the common market.

Chapter 3 provides an analysis of the two monetary policies that are available to the ECB – monetary and inflation targeting. However, according to the authors, since inflation cannot be controlled to a great extent, monetary targeting should be given priority. The reality is that the ECB has chosen to balance between the two options. The authors argue that the main reason behind this position is the lack of information about the demand for the Euro. The authors also discuss the monetary policy instruments available to the ECB. The Chapter concludes with a discussion on the banking supervision that is still left in the hands of national authorities, instead of being taken over by the ECB.

In Chapters 4 and 5, the authors look at national and European fiscal policies. Germany has strongly suggested developing a fiscal policy that would be specific to the European Monetary Union. The result is a Stability and Growth Pact, which sets 3 per cent annual deficit as a reference value. It is, nevertheless, questionable whether the Members of the EMU will always strictly follow this guideline, as there are no real enforcement mechanisms at present. The authors end Chapter 4 with a discussion of the need for tax harmonisation, because different taxes will decrease the effectiveness of tax collection in Member States with high taxes, the investments may flow to States with lower tax rates, undertakings could be established in low-tax States, and so on. The first part of Chapter 5 explains revenues and expenditures of the EU, followed by a short description of Agenda 2000. The main focus here is that the multitude of applicant countries seeking to join the EU have made it necessary to change the budgetary structure of the EU. In the last part of this Chapter, the authors analyse in detail whether a European Stabilisation Policy to offset possible problems brought by the Euro is necessary.

Chapter 6 focuses on financial integration, by first discussing covered and uncovered nominal interest parities as possible alternatives for integrating financial markets, and, second, the monetary transmission mechanisms. In addition, Eijffinger

and de Haan consider different views of other authors regarding the future of the financial infrastructure of the EU market. The argument presented by other authors is that legal systems largely determine how the financial intermediaries would act. The effect will be that the ECB's policies would have an impact on each Member State of the EMU in different ways. In addition, the authors discuss other financial issues, such as pension funds that require restructuring due to the large increase in the number of people aged 65 and over. The authors also take the equity market into account, particularly the stock market trends in Europe, and portfolio management after introducing the Euro into circulation in 2002. The authors conclude Chapter 6 by analysing mergers and acquisitions in the banking sector.

The last chapter of the book focuses on the external effects of the EMU. The authors' argument is that the Euro area plays an important role in the world market due to its large size. The question, whether the Euro will be able to gain the same credibility as enjoyed by the USD, is discussed from two perspectives – one enthusiastic and the other sceptical. Nevertheless, it will not be possible to observe this until after the Euro is put into circulation.

On the one hand, this book provides its readers with a comprehensive financial and economic analysis of European monetary and fiscal policies. It gives clear and understandable insights into the possible problems and benefits of the EMU and the process to introduce the Euro. The book is suitable for researchers in both economic and legal fields, as it analyses advanced issues of economic consequences after the single currency comes into circulation. On the other hand, the major disadvantage to this book is that it is extremely theoretical and based on analysis and predictions prior to the introduction of the Euro. Whether it will be worth reading or buying after the year 2002 remains questionable.

Dita Sole

Richard Plender (ed.), *European Courts Procedure*, London: Sweet & Maxwell (2001), loose-leaf

It took quite some time for the new edition of the 'European Courts Procedure' to reach the store shelves. However, it has been worth the wait, because this new edition of the book contains important substantive amendments to certain chapters and incorporates the changes in the law, as well as the latest developments in case-law. Moreover, the format has been changed to loose-leaf from the bound format of the past.

The new loose-leaf format obviously allows the reader to keep the book up to date with new developments and new legislation in the area of law concerned. This will hopefully also encourage the editor and the publisher to extend the scope of the book in an important direction. The new edition focuses again only on the EC courts, namely, the European Court of Justice (ECJ), and the Court of First Instance (CFI), with some remarks on the Court of the European Free Trade Association (EFTA). Only the introduction, which contains an overview of the procedural rules of the