

## **DESCRIPTION FOR THE GENERAL PUBLIC (IN ENGLISH)**

The scientific goal of the project is to investigate the interactions between the policies of central banks and governments in the European Union and to conduct the analysis of their coordination as well as to identify the determinants coordinating these policies. The study will also include simulations in terms of economic authorities' decision under changing conditions affecting their decisions. In particular, the study will be based on an analysis of the impact of the recent financial and economic crisis on the coordination of monetary and fiscal policy.

A research method will be based mainly on mathematical models of mutual reaction derived from game theory (cooperative and non-cooperative game models), on econometric models and simulation analysis describing the behavior of individual decision-makers will be carried out in the area of policy mix in the European Union. Coordination of macroeconomic policies is one of the main issues in theory and practice of designing economic policy. This applies both, to the coordination of macroeconomic policies in the country and between countries.

The discussion on the need for coordination of macroeconomic policies is valid and meaningful for proper functioning of the UE countries, especially in times of financial and economic crisis. The rationale for the adoption of such issues is to examine the impact of the recent financial crisis on the decisions of central banks and governments in the European Union countries using game theory. The financial crisis has affected the change in approach to monetary and fiscal policy. Changing economic conditions have forced cooperation, so it is claimed that in the European Union interventions of central banks and governments during the recent financial and economic crisis were highly coordinated. The research topic will be the basis for a broader analysis regarding the impact of financial crisis on fiscal and monetary coordination (or its lack) in the European Union, including the euro area countries. With the enlargement of the Economic and Monetary Union by new countries and changing economic factors (e.g. financial and economic crisis, fiscal crisis), a growing interest in coordination of policy mix in the context of the evolving macroeconomic frameworks was observed. Therefore, this study will attempt to analyze the coordination of policy mix in the European Union countries with special emphasis on the euro area countries and implications for Poland.