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BOOK REVIEW

Monetarna ekonomija

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Monetarna ekonomija (engl. Monetary economics) is a scientific and academic book that extensively explains all issues in the field of monetary policy starting from its heritage, i.e. the development and role of money, up to its modern trends. It is well known that institutions dealing with money issuing are closely bounded with social conditions, therefore in this book the author integrates in a very natural and successful way such a phenomena and gives emphasis on the monetary system in Croatia and the European union.

Relying on his rich experience in both the scientific and educational workfield, the author shapes this work in the way it can be not only an academic textbook intended for students researching monetary issues but also a literature for a broader audience of scientists and specialists interested in learning the way and reasons of the evolution of money together with different practical skills in monetary relations and politics.

Monetarna ekonomija is a multilayered read: it not only reflects a scientifically valuable work but also a work that provides a logical course of development of forms of money and monetary institutions, defined by economic, legal, cultural and social features during the evolution of social relations in which money is used from the earliest human history up today.

The book is written in Croatian and gives the reader an insight into the richness of many concepts that help undergraduate students, graduate and postgraduate specialist as well as doctoral students to enter into the field of monetary economics through different sections as follows: Non-monetary economies, Monetary Economics, The functions of money, Monetary Systems, Monetary theory, Changes in the value of money, Monetary aggregates, Money and the world trade, Money and Banking.

In the first chapter entitled *Non-monetary economies* the author analyzes the flow of trade in order to show the economic advantages carried out by the use of money as the general form of value. The author concludes this section by pointing out that although non-monetary economies do not exist today, disturbances "[...] (wars, natural disasters, hyperinflation, etc.) and instability in modern economic systems can lead to disruptions in their financial systems. It can be a sporadic and short-term effect that individual economies take the characteristics of a non-monetary economy. In these situations, money can be suppressed partially or fully in the national economy."

In the second chapter (*Monetary Economics*), the author introduces the term and role of money as an intermediary in the exchange process from different points of view, which is then continued in the third chapter and followed till the ninth chapter.

The chapter starts with the author's discussion on various forms of money that emerged during its evolution, including money as a cultural, economic, social and legal phenomenon. The author gives a clear chronological survey of major determinants that influenced the rise of different forms of money dependent from the social and economic circumstances of the time. Particular attention is paid to technical details of monetary units, technical characteristics of coins and banknotes, which gives the reader a detailed knowledge about the importance of the apparition of money. Money is not only an economic, but also a cultural, phenomenon, which the author highlights to the reader when explaining the technical aspects of the "production" of money. Such an approach permits the author to establish a firm connection between different forms of money, from wrought coins to deposit money.

In the third chapter the author discusses the functions of money. It is worth pointing out that besides the four traditional functions the author explains a fifth function too, i.e. the "Numismatic and notaphily function of money", which was not considered in other works in this field in Croatia. In this chapter the author also mentions the effects of conducting the coin and notaphily policy within the emission policies.

In the fourth chapter the author deals with monetary system, the basis of which is money - its manifestations and functions. The author points out that the development of a monetary system is highly linked with the growth of real spheres thus indicating the high correlation between real and monetary economics.

The author continues with a logical line by explaining in the fifth chapter the theories of money and giving to the reader a theoretical framework for understanding the evolution of money, while pointing out to other authors and references that explain the issue in greater detail.

The four remaining chapters are dedicated to the presentation and the explanation of the relationship between changes in money value and monetary aggregates, the link between money and international trade and the interaction between money and banking.

From the book *Monetarna ekonomija* it can be concluded that the use of money allows and facilitates labour division and specialization, keeping in mind the assumption that specialization fully relies on the availability of trade on the market. Trade is important not only for economists, but also for those who think that money reflects the connections among people that arise during trade. That is why money is interesting from an economic, social and cultural perspective, as well as from a legal, moral, ethical and theological standpoint. Despite the development of its different forms, the role of money in respect of all these approaches did not change with the development of the society. Similarly, modern integration flows do not significantly change its function, but they introduce rules that aim to preserve confidence in various forms of money and its symbols.

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