

# **Title: Budgetary stability and economic growth: a comparative analysis**

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## **Abstract**

Budgetary stability is one of the most important economic aims among the countries belonging to European Monetary Union. It has been mostly determined in the Growth and Stability Pact reached in 1997.

This Pact is, therefore, the highest point in the way of creating a strategic economic policy addressed to reduce public deficit. This policy has become more important all over the world during the last fifteen years. This period gives a wide enough perspective in order to carry out a comparative analysis of specific policies and results.

The purposes of this essay is, firstly, to analyze differences in scope and instruments of budgetary stability policies, taking into account that they are very common in most of OECD member countries, even if they are not as decisive as in the euro zone countries. Secondly, this contribution will deal with the different effects of those policies on economic growth, price stability and employment generation.

**KEYWORDS:** budgetary stability; economic growth; employment generation.