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Monetary Policy and Income Distribution in the Covid-19 Pandemic Crisis: a European
Perspective

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This paper focuses on central banks’ interventions during the Covid-19 pandemic crisis and their impacts on income distribution across Europe, particularly as regards Switzerland and the euro area. The first section offers a survey of the monetary policy tools that have been put into practice to deal with the macroeconomic shock resulting from this pandemic. The second section points out the impact of central banks’ interventions on the whole economic system, before elaborating on the distributive effects of them. The third section suggests an alternative monetary policy stance to reduce the negative effects on income distribution of central banks’ interventions and to enhance sustainable development for the common good, providing also financial stability at systemic level with appropriate monetary policy tools.