

Economic and Monetary Union

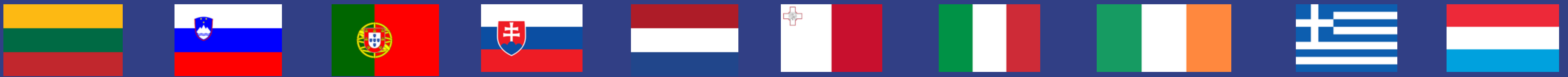
Was EMU a good idea ?

Summary

Partie 1 : WHAT IS THE EMU?

Partie 2 : FOR WHAT ECONOMIC REASONS DID THE EU ESTABLISH A SINGLE CURRENCY?

Partie 3 : ADVANTAGES AND DISADVANTAGES

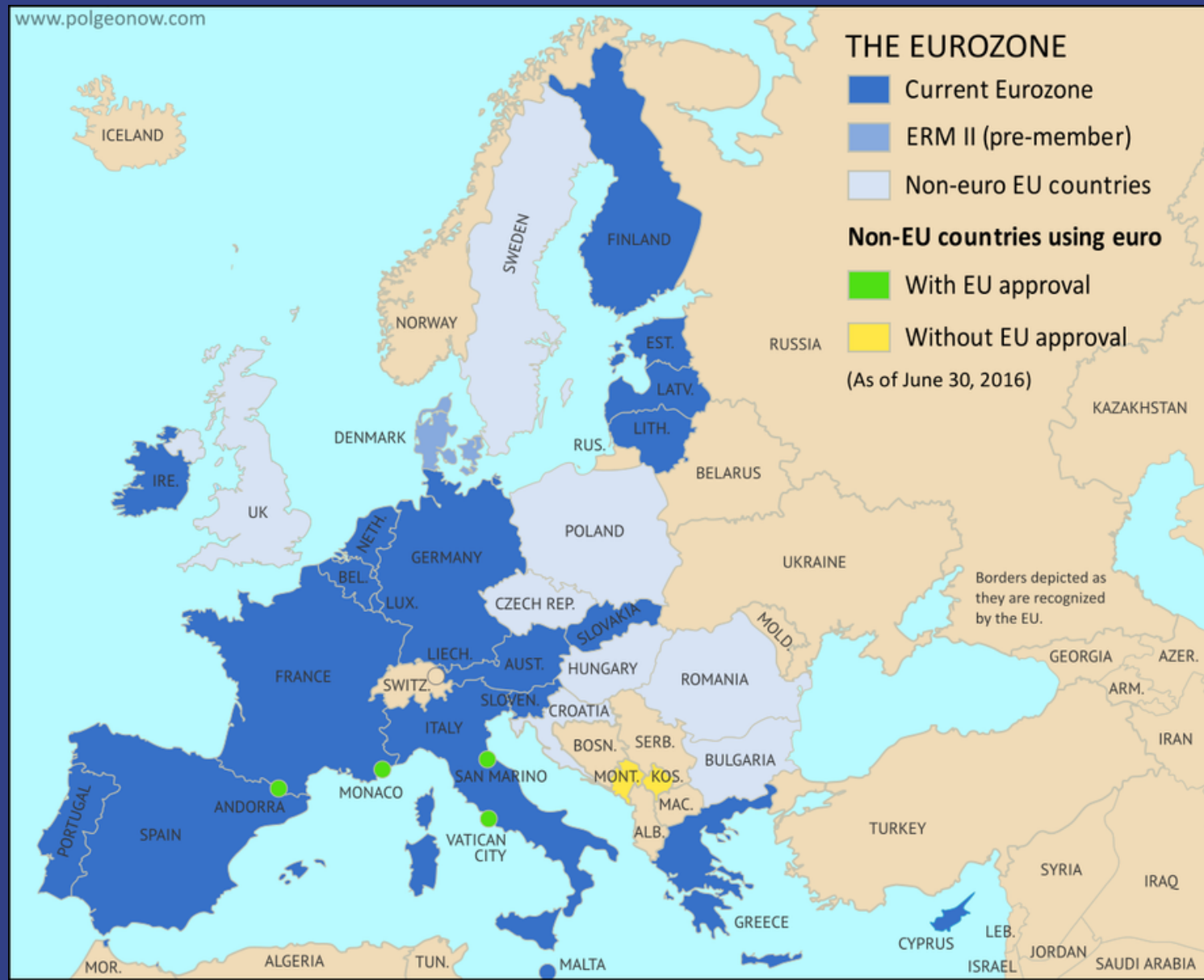


PARTIE D) WHAT IS THE EMU?



Jacques Delors

1. The strengthening of monetary cooperation and the complete liberalization of capital movements (from July 1, 1990)
2. The creation of the European Monetary Institute (as of January 1, 1994)
3. The irrevocable fixing of exchange rates and the introduction of the euro (from January 1, 1999)



1) From monetary cooperation to the Maastricht Treaty

1

1990

New responsibilities to the Committee of Governors of the Central Banks of the EEC Member States.

2

1991

Intergovernmental conference on EMU.

3

1 NOVEMBER 1993

The Maastricht Treaty.

2) The creation of the European Monetary Institute and the European Central Bank

1

1 JANUARY 1994

Establishment of the European Monetary Institute (EMI).

2

1995

Name of the new single currency, the euro.

3

JUNE 1997

Stability and Growth Pact.

4

2 MAY 1998

11 Member States fulfilled the conditions necessary to adopt the single currency.

3) The construction of the euro area

1

1 JUNE 1998

The European Central Bank took the place of the European Monetary Institute.

2

1 JANUARY 1999

Eleven Member States entered the third stage of EMU.

PARTIE II) FOR WHAT ECONOMIC REASONS DID THE EU ESTABLISH A SINGLE CURRENCY?

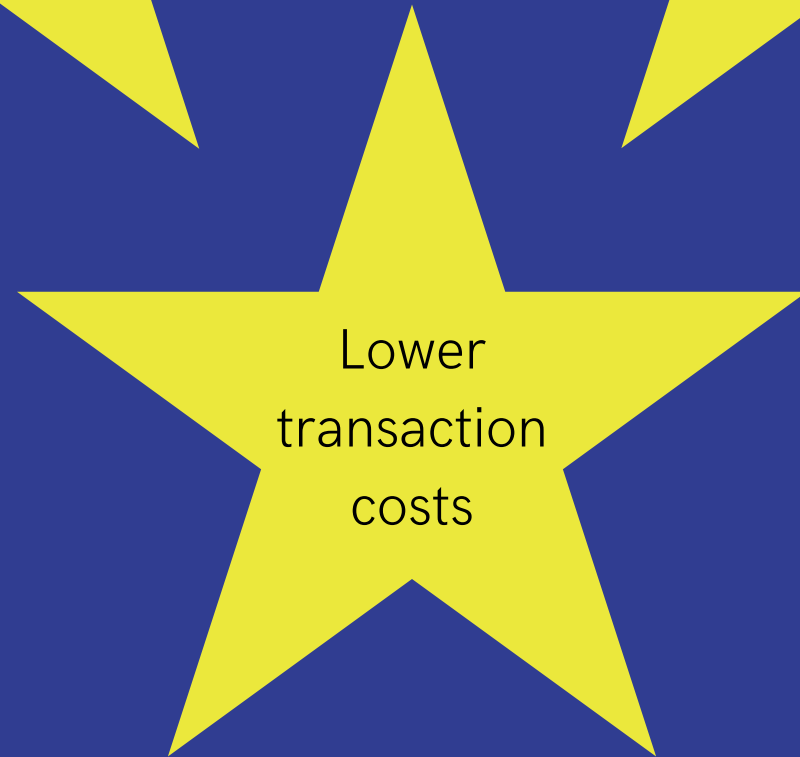
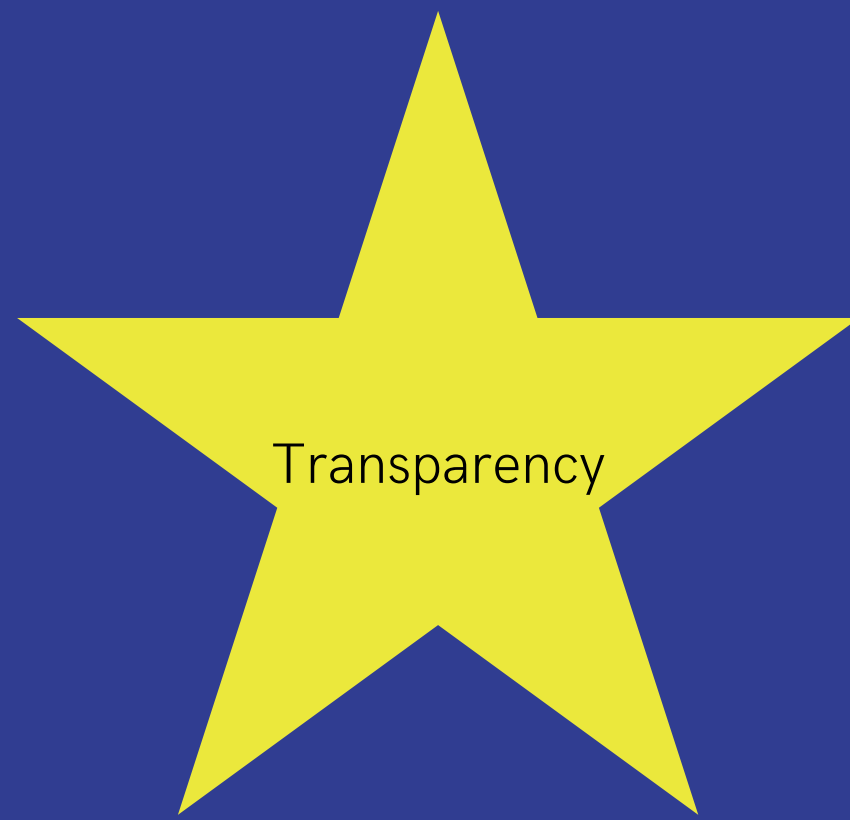
To combat the cost of currency exchange operations

To put an end to the erratic movement of EU national currencies and to protect the internal market

Strengthening the international competitiveness of European
companies

PARTIE III) ADVANTAGES AND DISADVANTAGES

Advantages



Disadvantages

Loss of economic sovereignty

Difficulty of conversion

One cap does not fit all

Weakness of an asymmetrical monetary target

**Thank
you for
listening
!**

Conclusion

