



Is the Euro a political or economic tool ?

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Summary

- The economic side
- The politic side
- Euro : more politic
or economic ?

The economic side :



A competitor to the dollar

- introduced in 1999

Euro: a solid economic tool

- 26% des réserves de change en 2007
- 50% of 2007 emissions
- Represents 40% of the daily transactions in the foreign exchange market.

A desired currency

- A budget deficit of less than 3% of GDP
- Debt below 60% of GDP
- Low inflation
- Interest rates close to the EU average

An influence on global markets

- Influences the price competitiveness of European products on world markets
- The euro exchange rate influences the prices of imported products

The politic side



The culmination of 50 years of European integration

- First major step towards a strong political union
- For the first time, states cede part of their sovereignty

Ambitious policy goals were designed for the euro

- Achieving a united and independent European identity.
- Deepens European integration
- Paves the way for further cooperation in other areas

The euro, a misused political tool?

- Changing attitudes towards Europe
- The Greek public debt crisis in early 2010
- Growing mistrust and popular distrust of Europe, its institutions

The Euro is much more than a currency

- A political project
- shared sovereignty to strengthen each society and member country
- A social and political institution

Conclusion :

The euro, an undeniably political tool

- There is a strong and undeniable economic side to the Euro, BUT
- It was created for political purposes
- Bringing Europe together
- The economic tool serves the political tool

Thank you

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**And you, what do you think? Is the euro
a more political or economic tool ?**