

## Information Guide



## Economic and Monetary Union

**A guide to the European Union's Economic and Monetary Union (EMU),  
with hyperlinks to sources of information within European Sources Online  
and on external websites**

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## Introduction

The creation of the EMU and the introduction of the euro were milestones of European integration. They stand out among the EU's most far-reaching achievements and the euro is one of Europe's defining symbols at home and across the globe. The founders of the EMU pursued great aspirations with the single currency, both economic and political. Some of these aspirations have already been realised, while others remain to be achieved.

From: 'A blueprint for a deep and genuine economic and monetary union: Launching a European Debate', [COM\(2012\)777](#), 28 November 2012

## Background

Economic and Monetary Union (EMU) has been one of the European Union's most significant and controversial policies in recent years - a major economic and political project to create a single currency for EU Member States. Although EMU has been an ambition of the Member States since the late 1960s, its recent history can be traced to the June 1988 [Hanover European Council](#), which set up a committee chaired by Jacques Delors to study the issue.

For participating countries, the introduction of the single currency in January 1999 meant that responsibility for decisions on monetary policy, including inflation, exchange rates and interest rates, shifted from national to EU level. The new currency - the euro - is managed by an independent [European Central Bank](#) (ECB) based in Frankfurt. The ECB defines monetary policy for Member States in the 'eurozone', sets interest rates, conducts foreign exchange operations, holds reserves, and authorises the issue of euro banknotes (Member States may issue coins subject to the approval of the ECB).

There are currently 17 members of the eurozone: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. The 10 new Member States will adopt the euro when they fulfil certain economic criteria; in preparation for this Cyprus, Estonia, Latvia, Lithuania, Malta and Slovenia were all admitted to ERM II, with their national currencies are fixed against the euro. Sweden and the United Kingdom negotiated an opt-out from membership and the Czech Republic, Denmark, Hungary, Poland and Slovakia are currently not members (although Denmark is a member of ERM II). The euro has also been adopted as the national currency of Monaco, San Marino and the Vatican State (see [The euro outside the euro area](#)).

## Legal basis

The Preamble to the [Treaty on European Union](#) (TEU) states that the signatories to the Treaty are:

Resolved to achieve the strengthening and the convergence of their economies and to establish an economic and monetary union including, in accordance with the provisions of this Treaty and of the Treaty on the Functioning of the European Union, a single and stable currency.

Elsewhere in the TEU, provisions on EMU are limited to a brief statement in Article 3(4) that:

The Union shall establish an economic and monetary union whose currency is the euro.

In the [Treaty on the Functioning of the European Union](#) (TFEU) Chapter 4, which comprises Articles 136-137, concerns provisions specific to Member States whose currency is the euro.

In order to ensure the proper functioning of EMU, Article 136 allows the Council to adopt measures specific to those Member States whose currency is the euro:

- (a) to strengthen the coordination and surveillance of their budgetary discipline;
- (b) to set out economic policy guidelines for them, while ensuring that they are compatible with those adopted for the whole of the Union and are kept under surveillance.

(Voting is limited to members of the Council representing Member States whose currency is the euro).

Article 137 confirms that arrangements for meetings between ministers of the eurozone members are laid down by the Protocol on the Euro Group.

Article 138 allows the Council to adopt a decision establishing common positions on matters of particular interest for EMU within international financial institutions and conferences, and also to adopt appropriate measures to ensure unified representation in them.

Chapter 5 (Articles 139-144) concerns Transitional provisions for Member States which do not yet fulfil the necessary conditions for adopting the euro. Article 139(1) refers to them as 'Member States with a derogation' and Article 139(2) sets out Treaty provisions which do not apply to them.

Under Article 140, the Commission and the ECB must present the Council with a report on the progress made towards EMU by Member States with a derogation.

If a Member State is judged to have met the criteria for joining the euro, Article 140(3) allows the Council to fix the rate at which the euro shall be substituted for the national currency of the Member State concerned.

Article 141 concerns the status of the European Central Bank and its General Council.

Article 142 requires each Member State with a derogation to treat its exchange-rate policy as a matter of common interest.

Article 143 concerns measures to be taken by the Commission and Council to assist a Member State with a derogation which is either in, or seriously threatened with, difficulties regarding its balance of payments. Article 144 allows such Member States to take appropriate protective measures.

In addition, there are a number of [Protocols](#) attached to the Treaties, including:

Protocol 4: On the Statute of the European System of Central Banks and of the European Central Bank;

Protocol 12: On the excessive deficit procedure;

Protocol 13: On the convergence criteria;

Protocol 14: On the Euro Group (established by the December 1997 European Council as an informal grouping of Finance Ministers from eurozone Member States (see Presidency

[Conclusions](#)), the [Eurogroup](#) allows participants, which also include the Commission and the ECB, 'to discuss issues connected with their shared specific responsibilities for the single currency');

Protocols 15 and 16 concern the positions of the United Kingdom and Denmark respectively on EMU.

On 28 November 2010, euro area Finance Ministers agreed a European Stability Mechanism (ESM) to safeguard financial stability in the euro area. The ESM agreement was supported by the 16-17 December 2010 European Council and subsequently by the Commission (see Press Releases [MEMO/10/636](#), [EUCO 30/1/10](#) and [IP/11/153](#)). The introduction of the ESM required a change to Article 136 of the TFEU, which was enabled by [European Council Decision 2011/199/EU](#) of 25 March 2011, which enters into force on 1 January 2013. The Treaty establishing the European Stability Mechanism was signed on 2 February 2012 (see European Council [news item](#) and Council [factsheet](#)). It will replace the [European Financial Stability Facility](#) (EFSF) and the [European Financial Stabilisation Mechanism](#) (EFSM). On 21 July 2011, eurozone members agreed to increase the flexibility of the ESM, with a view to increasing the effectiveness of financial assistance and preventing the risk of contagion (see Council [news item](#)).

Following the advent of the ESM, from 1 July 2013 the EFSF no longer engages in new financing programmes or enters into new loan facility agreements. The ESM is therefore the sole mechanism for responding to new requests for financial assistance by euro area Member States (see EFSF [news item](#)).

On 9 December 2011 eurozone members agreed to move towards stronger economic union under provisions set out in a Treaty on Stability, Coordination and Governance (TSCG; also known as the 'fiscal compact') in the Economic and Monetary Union. The Treaty was formally signed on 2 March 2012 by 25 of the 27 Member States (the UK and Czech Republic didn't sign) and entered into force on 1 January 2013 (see Press Release [PRES/12/551](#)). Intended to safeguard the stability of the euro area, the Treaty requires national budgets to be in balance or in surplus - with signatories ensuring that that rule is incorporated into national law within a year of the Treaty entering into force (see European Council [news item](#) and [Treaty text](#)). The 20 June 2012 Communication 'Common principles on national fiscal correction mechanisms' ([COM\(2012\)342](#)) set out guidelines for implementing the automatic correction mechanism introduced by the TSCG.

The Commission has a page on [How the idea of EMU was developed in the Treaties of the European Union](#).

## Historical development of EMU

The original Treaties establishing the European Communities did not include provisions concerning economic and monetary union. In the 1950s, when the three founding Treaties were drawn up, international monetary policy was managed through the Bretton Woods system. During the late 1950s, however, the Bretton Woods system started to falter, and there were significant problems with it over the next decade before the regime collapsed in 1971.

Moves to create a stable monetary zone within the European Economic Community (EEC) started in the late 1960s. In 1969 Raymond Barre, European Commissioner for Economic and Financial Affairs, produced a report in which he proposed that the six Member States should improve their economic and monetary co-operation. The Heads of State or Government, meeting in The Hague in December 1969 agreed that economic and monetary union (EMU) should become an objective for the EEC (see [communiqué](#)).

Leaders asked the Prime Minister and Finance Minister of Luxembourg, Pierre Werner, to report on how EMU could be achieved by 1980 (in September 1968 Mr Werner had produced his own 'Werner Plan' on economic and monetary co-operation).

The [Werner Report](#), published in October 1970, suggested that economic and monetary union could be achieved in three stages. However, opposition in France resulted in only a limited move towards the first stage of EMU proposed in the Report, although a meeting of the Economic and Financial Council (Ecofin) in March 1971 agreed that the attainment of EMU should be pursued over the following decade and gave details of how the first stage (1971-1974) should be achieved.

In that first stage, the currencies of the six Member States were linked to each other in an exchange rate system known informally as the 'snake'. However, in late 1971 an unstable US dollar led to the collapse of the Bretton Woods system which, combined with the impact of the first oil crisis and disagreements over economic policy, effectively halted Europe's move towards EMU.

Interest in EMU had waned. Despite the snake being relaunched in April 1972 as the 'snake in the tunnel' (see European Parliament Fact Sheet: [The development of economic and monetary union](#)), from which four members of the enlarged Community soon withdrew) and European leaders declaring in October 1972 that EMU would be achieved by 1980, there was no enthusiasm for moving to the second stage. EMU was effectively dropped from the Community agenda until the mid-1980s.

In the interim, in a move intended not to create a single currency, but rather to establish a stable monetary zone in Europe and improve Member States' co-operation on monetary policy, the December 1978 [Brussels European Council](#) (text courtesy of Archive of European Integration) agreed to set up the [European Monetary System](#) (EMS). Within the EMS, which started in 1979, eight of the nine Member States participated in the Exchange Rate Mechanism - the ERM (the exception was the United Kingdom).

(Prior to the advent of the euro, the European Currency Unit (ECU) was used primarily by the Community institutions for internal accounting. Launched in 1979 when the EMS was established, the ECU was an artificial currency, the value of which was based on a 'basket' of national currencies. Two years after its introduction, the ECU formally replaced the European Unit of Account (EUA), which had been used since March 1975. The composition of the ECU was frozen when stage two of EMU started on 1 November 1993.)

The single currency returned to the agenda when the EEC decided to create the Single European Market. The 1985 Single Market programme highlighted the difficulties of achieving Europe's full economic potential as long as businesses and consumers in the Member States faced the costs and uncertainties associated with currency conversion and differing exchange rates.

The 1986 Single European Act (SEA), which set the target date of 31 December 1992 for the completion of the Single Market programme, was the first Treaty to introduce the concept of convergence of economic and monetary policies as an objective of the European Community, confirming that the Member States were 'determined to improve the economic and social situation by extending common policies and pursuing new objectives'.

Interest in economic and monetary union was thus revived, and the 1988 [Hanover European Council](#) invited the President of the European Commission and previous Finance Minister of France, Jacques Delors, to produce a further report on economic and monetary union. Like the Werner Report almost 20 years earlier, the 1989 [Delors Report](#)

(text courtesy Archive of European Integration) also proposed that EMU should be tackled in three stages.

## **EMU - Stage One**

In June 1989, the [Madrid European Council](#) (text courtesy of Archive of European Integration) decided - on the basis of the Delors Report - that the first stage of the realisation of Economic and Monetary Union would begin on 1 July 1990. On that date, in principle, all restrictions on the movement of capital between Member States were abolished.

A few months later, in December 1989, the [Strasbourg European Council](#) agreed - despite an objection from the UK - to convene an Intergovernmental Conference (IGC) to examine what amendments would have to be made to the EEC Treaty in order to establish the required institutional structure for the Community to achieve economic and monetary union.

The IGC, officially launched at the [Rome European Council](#) in December 1990, became the basis of the 1992 Maastricht Treaty on European Union (TEU), which incorporated EMU into the Community legal framework and laid down a timetable for achieving it. The Preamble to the TEU stated that the signatories were:

Resolved to achieve the strengthening and the convergence of their economies and to establish an economic and monetary union including in accordance with the provisions of this Treaty, a single and stable currency.

On 16 September 1992, the British pound and the Italian lira left the ERM following intense currency speculation at a time when the Danes had rejected the Treaty on European Union in a referendum and it seemed possible that the French might follow suit. The eight original members of the ERM had been joined by Spain, the UK and Portugal (in June 1989, October 1990 and April 1992 respectively). Other Member States joined in the latter half of the decade: Austria (January 1995), Finland (October 1996), Greece (March 1998). Italy rejoined in November 1996.

## **EMU - Stage Two**

January 1994 marked the start of the second stage of the EMU (see [Summaries of EU legislation](#)) and the advent of the [European Monetary Institute](#) (EMI) which was responsible for co-ordinating the monetary policies of Member States, improving co-operation between national central banks and preparing for the launch of the [European System of Central Banks](#) (ESCB) which comprises the ECB and the national central banks of all EU Member States (see also [Summaries of EU legislation](#)).

## **EMU - Stage Three: The euro**

The December 1995 European Council in Madrid agreed that the third stage of EMU should start on 1 January 1999, set out the timetable for introducing the single currency, and decided that it would be called the 'euro'. A year later the December 1996 [Dublin European Council](#) reached agreement on a number of significant issues:

- the legal framework for using the euro
- the Stability and Growth Pact (intended to ensure budgetary discipline),



- and the structure of the new Exchange Rate Mechanism (ERM II), defining the exchange relationships between the euro area and the other EU Member States outside the single currency.

Resolutions on the Stability and Growth Pact and ERM II were adopted six months later, at the June 1997 [Amsterdam European Council](#), and in December 1997 the [Luxembourg European Council](#) agreed a number of principles and procedures concerning economic coordination during the third and final stage of EMU.

Membership of the single currency was decided in May 1998, when the European Council, meeting in Brussels, announced that 11 Member States which had met the appropriate [convergence criteria](#) would adopt the euro from 1 January 1999.

The initial 11 eurozone members were: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Greece became the 12th member of the single currency on 1 January 2001. Three member States decided not to join the eurozone: Denmark, Sweden and the UK.

The third stage of EMU began on 1 January 1999 when:

- the exchange rates of the participating currencies were irrevocably set
- the Eurosystem, comprising the ECB and the national central banks of the 11 Member States which have adopted the euro, assumed exclusive responsibility for the single monetary policy of the euro area
- the euro was introduced as a legal currency in its own right and the 11 currencies of the participating Member States became subdivisions of the euro
- monetary policy and exchange-rate policy is carried out in euros, and the participating Member States issue their new public-sector debt instruments in euros.

The [European Central Bank](#) was set up in 1998 under the Treaty on European Union to introduce and manage the new currency, conducting foreign exchange operations and ensuring the smooth operation of payment systems. The ECB is also responsible for framing and implementing the EU's economic and monetary policy. Further information on the ECB can be found in the European Sources Online Information Guide [European Central Bank](#); see also European Parliament Library Briefing [European Central Bank: \(Un\)Conventional policy measures](#)).

Those countries in the single currency share a single interest rate set by the European Central Bank. As long as the United Kingdom remains outside the euro area, the exchange rate between the euro and sterling will fluctuate, just like the exchange rate between sterling and other currencies. Likewise for the currencies of Sweden and the new Member States which are currently outside the eurozone and are not members of ERM II.

The transition to a single currency was completed on 1 January 2002 when the 12 EU Member States introduced the new euro banknotes and coins into general circulation. The currency is used not only in the EU, but also in neighbouring countries and regions and in tourist destinations worldwide. In February 2003, the Commission published a review of the euro cash adoption process in the form of [The introduction of euro banknotes and coins - one year after](#) and in December 2006 issued the Communication 'Five years of euro banknotes and coins' ([COM\(2006\)862](#)) which looked at the main developments since the introduction of the currency and identified future policy issues. To mark the 10th anniversary of EMU in 2009, a special €2 coin was planned, with the design being chosen from a shortlist of four, submitted by euro area national mints, with people able to vote online for their preference. In February 2008, the European

Commission announced the winning design of the EMU commemorative 2-euro coin, to be issued in January 2009 (see Press Release [IP/08/293](#)).

In a [speech](#) to a conference in San Francisco 'The Euro at Five' Lucas Papademos, Vice-President of the ECB, outlined his assessment of the achievements of the first five years of EMU:

- The introduction of the euro in physical form - and the smoothness of the cash changeover.
- The establishment over the past five years of the stability of the internal value of the euro (i.e. its purchasing power for the European citizen) and of the credibility of the single monetary policy.
- The environment of price stability and historically low levels of long-term interest rates have also established favourable conditions for economic growth. These conditions, however, have not proved sufficient to support a high rate of growth given the constraining influence of other non-monetary factors.
- Throughout this five-year period inflation expectations remained firmly anchored to a rate close to or less than 2%, as can be inferred from the yields of index-linked long-term bonds. This fact demonstrates the credibility of the ECB's monetary policy.

Lucas Papademos did acknowledge that there had been problems, in particular:

- Communicating our monetary policy in a multilingual, multinational environment has been a real challenge which has set us all - the Eurosystem at the sending end, and the markets and the public at the receiving end - on a steep learning curve.
- The evolution of its external value has, at times, been the subject of debate. After a protracted period of depreciation, especially against the US dollar, in 1999-2001, the exchange rate of the euro became the focus of attention in 2003 and early 2004, this time because of its rapid appreciation.

Concerning the perceived inflationary impact at the time of the introduction of the euro Papademos said:

Our statistics show that the introduction of euro banknotes and coins had a rather small one-off impact on inflation, of around 0.3 to 0.4% on average across the euro area. Nevertheless, the citizens of some euro area countries did unfortunately experience some disproportionate price increases following the changeover, especially in some sectors of the service industry, and this created the perception that inflation was higher than the rate actually recorded. These perceptions have persisted for a fairly long period of time. The gap, however, between perceived inflation and actual inflation has gradually declined.

On 7 May 2008, the Commission issued the Communication 'EMU@10: successes and challenges after 10 years of Economic and Monetary Union' ([COM\(2008\)238](#)) in which it declared the single currency 'a resounding success', whilst acknowledging that work was still to be done to improve governance of the euro area and coordination of economic policies (see also Press Releases [IP/08/716](#) and [MEMO/08/288](#) and European Economy News [EMU: looking forward to the next decade](#) and [Editorial: EMU@10](#), and [Timeline: The road to economic and monetary integration](#)).

The 10<sup>th</sup> anniversary of the introduction of euro notes and coins was marked on 1 January 2012 (see Press Releases [IP/12/2](#) and [MEMO/11/945](#)).



On 14 May 2013, in response to a request from the Parliament and the Council, the Commission adopted the Communication 'Issues related to the continued issuance of the 1 and 2 euro cent coins' ([COM\(2013\)281](#)), in which it suggested four possible scenarios for the future issuance or withdrawal of the coins (see also Press Release [IP/13/425](#)).

## **Enlargement and future prospects**

The 10 new countries that joined the EU on 1 May 2004 will adopt the euro only when they fulfil certain economic criteria, namely, a high degree of price stability, a sound fiscal situation, stable exchange rates and converged long-term interest rates. None of the 10 countries asked for a derogation and no opt-outs were granted, so eventual adoption of the euro was part of their accession agreements. The goal is to bring them all into EMU between 2007 and 2010, and some have already adopted the single currency. The fulfilment of the economic [convergence criteria](#) is assessed by the EU Council on the basis of reports produced by the Commission and the European Central Bank. These reports are prepared at least once every two years, or at the request of a Member State wishing to adopt the euro and are available on the European Central Bank's [Convergence Report](#) page.

Slovenia, Estonia and Lithuania took the first step towards joining the single currency on 28 June 2004 when they were admitted into the exchange rate mechanism (ERM II), fixing the value of their currencies against the euro. Cyprus, Latvia and Malta joined the ERM II on 2 May 2005. Besides the formal requirement of a two-year participation in ERM II before the convergence assessment outlined above, the mechanism is intended to help Member States to achieve exchange rate stability. A May 2005 Press Release, [MEMO/05/147](#), gave background information on ERM II and euro membership criteria.

These countries will ensure that their currencies do not rise or fall by more than 15% against the euro. (For further details see the ECB [EU Enlargement](#) website, BBC News Online article June 2004 [EU newcomers prepare to join euro](#), ECB press releases of June 2004: [Estonia](#), [Lithuania](#), [Slovenia](#) and ECB press releases of April 2005: [Cyprus](#), [Latvia](#), [Malta](#)).

In principle, the United Kingdom Government is in favour of UK membership of Economic and Monetary Union (EMU), including the adoption of the euro as the currency of the country. In practice, it argues that 'the economic conditions must be right'. In April 2005, during the general election campaign, Tony Blair played down the likelihood of Britain joining the single currency (see Financial Times article [Why Blair won't put money on euro](#). The December 2008 [Convergence Programme for the United Kingdom: submitted in line with the Stability and Growth Pact](#) included a re-statement of the Government's policy on membership of the single currency and the information that:

As part of the policy of 'prepare and decide', the Government coordinates appropriate euro preparations across the UK economy. The Government also supports business in dealing with the euro as a foreign currency.

The Chancellor's statement to the House of Commons on 9 June 2003 on UK membership of the European single currency set out a reform agenda of concrete and practical steps to address the policy requirements identified by the June 2003 assessment, the latest progress report on which was made at Budget 2008. While the Government did not propose initiating a euro assessment at the time of Budget 2008, the Treasury will again review the situation at Budget time next year, as required by the Chancellor's June 2003 statement.

(The texts of other UK Convergence Programmes and associated documents can be accessed via [Other documents published by the Treasury on Economic and Monetary Union](#); see also Financial Times, 19 November 2008: [Eurozone membership is still no](#)

[answer for UK](#); Willem Buiters, December 2008: [The Overwhelming Economic Case for the United Kingdom Adopting the Euro](#); John Ryan, April 2009: [United Kingdom Euro Scenarios Assessed](#)).

On 1 December 2008, Commission President Jose Manuel Barroso was reported to have told French radio that UK politicians were considering joining the euro 'because of the effects of the global credit crunch'. The claim was apparently based on a comment made by ex-Commissioner and current UK Cabinet member Peter Mandelson, who denied involvement, but did say 'My view is that the government is right to maintain a long-term policy objective of taking Britain into the euro, but it's not for now' (see BBC News Online items [No 10 denies shift in euro policy](#), [Mandelson rejects euro talk claim](#)).

Sweden held a referendum on 14 September 2003 to gauge public support for participation in the in the monetary union. With 56 per cent of the votes against and 42 percent in favour, Sweden voted against the introduction of the euro (see BBC News Online [article](#)).

Denmark rejected participation in the euro in a referendum in September 2000 (see BBC News Online [article](#), but it does participate in ERM II with an agreed fluctuation rate of +/- 2.25% - see Denmark's National bank [Foreign-exchange policy / ERM II](#)).

1 January 2007 saw Slovenia adopt the euro, extending membership of the euro area to 13 Member States (see Press Release [IP/06/1903](#)). Slovenia was the first of the 10 'big bang' Member States that joined the EU in 2004, to adopt the euro.

In July 2007, EU Finance Ministers, meeting as the Ecofin Council, agreed that Cyprus and Malta should adopt the euro from 1 January 2008. Ministers approved a Commission proposal setting the rates at which the national currencies - Cypriot pound and Maltese lira - would be converted into euro (see Council Press Release [11464/07](#) and Commission Press Release [IP/07/1040](#)). Ahead of Cyprus and Malta joining the euro area, the Commission issued a Press Release [MEMO/07/596](#) giving background information on the euro and the euro area.

On 1 January 2008, Cyprus and Malta adopted the euro. 'This is an exciting moment for Cyprus and for Europe' said Commission President José-Manuel Barroso (Press Release [IP/08/1](#)):

Cyprus is today more than ever a proud and independent island. It has cemented its place at the heart of the EU, increased its economic potential and influence and made it easier for its businesses to trade and its people to travel.

Speaking of Malta's adoption of the single currency, Commissioner for Economic and Monetary Affairs, Joaquín Almunia, said it was an 'historic event', achieved less than four years after the country joined the European Union (see Press Release [IP/08/2](#)). In its 18 April 2008 Communication 'The introduction of the euro in Cyprus and Malta' ([COM\(2008\)204](#)) the Commission looked at the most important aspects of the changeover process, including the cash changeover, the conversion of the administrative and financial systems, the real and perceived impact of the euro's introduction on prices.

Meeting on 8 July 2008, Finance Ministers at the ECOFIN Council adopted a Decision allowing Slovakia to adopt the euro as its currency from 1 January 2009. The Council also adopted a Regulation setting the conversion rate at 30,1260 Slovak koruna to the euro (see Press Releases [11236/08](#) and [IP/08/1113](#)). On 18 July 2008, the Commission issued its 'Seventh report on the practical preparations for the future enlargement of the euro area' ([COM\(2008\)480](#); see also Press Release [IP/08/1183](#)), which assessed Slovakia's practical preparations for the changeover. Subsequently, on 1 January 2009, Slovakia became the 16th EU Member State to adopt the single currency.

Estonia adopted the euro on 1 January 2011, becoming the 17th member of the euro area. The country's previous national currency, the kroon, was phased out during a two-week transitional period (see Press Releases [IP/11/1](#), [IP/11/7](#) and [20110105STO11246](#)). On 22 March 2011, the Commission adopted a Communication on the introduction of the euro in Estonia ([COM\(2011\)140](#); see also Press Release [IP/11/342](#)), in which it presented the most important aspects of the changeover and presented conclusions for future changeovers in other Member States.

On 5 March 2013, Latvia formally asked the Commission to deliver an extraordinary convergence report with the aim of joining the euro from 1st January 2014 (see Press Release [MEMO/13/166](#)). On 5 June 2013, the Commission concluded that Latvia had achieved a high degree of sustainable economic convergence with the euro area and proposed that the Council decide on Latvia's adoption of the euro as from 1 January 2014 (Press Release [IP/13/500](#)).

On 9 July 2013, the Council adopted a Decision allowing Latvia to adopt the euro as its currency as of on 1 January 2014, thus extending the eurozone to 18 Member States (Press Release [12074/13](#)).

## Practical preparations

Practical preparations for the introduction of the euro have been based on Commission Recommendations. These were initially: [Recommendation 98/286/EC](#) on banking charges for conversion to the euro; [Recommendation 98/287/EC](#) on dual display of prices and other monetary amounts; and [Recommendation 98/288/EC](#) on dialogue, monitoring and information to facilitate the transition to the euro. In 2000 the Commission adopted a further Recommendation on measures to facilitate the preparation of economic operators for the changeover to the euro.

The need to learn from the experiences of Member States joining the currency in 2002, 2007 and 2008 ahead of the changeovers in Cyprus and Malta was the impetus for the publication of [Commission Recommendation 2008/78/EC](#) of 10 January 2008 'on measures to facilitate future changeovers to the euro', which included advice on: clear indications of the duration of dual price displays; making significant amounts of cash available to banks and retailers ('frontloading'); and measures to prevent price abuses and misperceptions (including fair pricing agreements and fines). The Commission also recommended that national legislation should require compulsory dual displays of prices, and the compulsory use of the euro as change from the first day of the changeover (see Press Release [IP/08/36](#); further information is available via [Summaries of EU legislation](#)).

The Commission issues regular reports 'on the practical preparations for the enlargement of the euro area'. Both the Eighth Report (published on 12 December 2008 as [COM\(2008\)843](#), with the accompanying staff working paper [SEC\(2008\)3014](#)) and Seventh Report ([COM\(2008\)480](#) and [SEC\(2008\)2306](#), dated 18 July 2008) focused on preparations for Slovakia's adoption of the euro (other reports are available via the Commission's [Preparing for the euro](#) page). The Ninth Report ([COM\(2009\)692](#) of 21 December 2009) summarised progress with preparations for introducing the euro in the nine Member States concerned, and provided an overview of public opinion on some aspects of the euro. The Tenth Report ([COM\(2010\)398](#) adopted on 27 July 2010) focused on Estonia's preparations for introducing the euro. An associated Staff Working Document ([SEC\(2010\)942](#)) gave details on euro preparations in other Member States. The Eleventh Report was adopted by the Commission on 12 November 2010 as [COM\(2010\)667](#) (accompanied by [SEC\(2010\)1373](#)). It concluded that Estonia's preparations for joining the euro on 1 January 2011 were well advanced (see also Press Release [IP/10/1503](#)).

July 2006 saw the publication of the first Annual Statement and Annual Report on the Euro Area ([COM\(2006\)392](#)) which presented the Commission's views 'on how euro-area countries can meet their shared responsibilities and challenges' and also aimed 'to inform the debate on the euro-area's economic performance and the functioning of EMU.' The 2007 version was issued in May 2007 ([COM\(2007\)231](#)). There was no report for 2008, although some developments in that year are covered in the 'Annual Statement on the Euro Area 2009' ([COM\(2009\)527](#)) adopted on 7 October 2009. In it, the Commission considers the role of the euro in the global economic crisis and argues that the emergence of the G20 as the forum of choice for the promotion of global economic and financial governance reform offers an opportunity for the euro area to influence the global agenda (see also the Commission's [Annual report on the euro area](#) page; DG Economic and Financial Affairs also publishes a Quarterly Report on the Euro Area, available via its [publications page](#)).

## Global economic crisis

Members of the eurozone were initially thought to be relatively protected from the impact of the global financial crisis, but more recently a strong euro has been seen as a problem and some commentators have suggested the crisis might even lead to the demise of the single currency.

The rise of the euro as a stable, global currency, has made it attractive, with countries such as Belgium and Ireland being said to benefit from eurozone membership and eurozone leaders 'adopting a common approach to bank bail-outs'. There is, though, the danger that 'the economic downswing will see the euro and ECB being used as a scapegoat by politicians' ([Euro stability helps to forge common goal](#), Financial Times, 17 October 2008).

'The euro was created to bring economic stability to Europe. However, the politicians who promoted European Monetary Union ignored inherent flaws in the project. The credit crisis has exposed these flaws. As a result, a number of the weaker eurozone members are facing severe deflation and a quite desperate economic outlook' ([EMU on the rocks and all exits closed](#), Financial Times, 2 February 2009).

The possibility of a financial collapse in Eastern Europe was described in February 2009 as the EU's most urgent policy issue which, if mishandled, 'could bring down the eurozone'. All new EU Member States are bound to join the eurozone at some point and are 'under an obligation to conduct policies consistent with eventual membership.' Slovenia and Slovakia have both adopted the euro after only a few years in the EU and both countries 'are now safe', but for others 'the decision to procrastinate turned out to be a financial stability disaster' (see [Eastern crisis that could wreck the eurozone](#), Financial Times, 23 February 2009 and [High tensions](#), The Economist, 5 February 2009).

Turkey, an EU membership candidate and still outside the eurozone, hopes its tourism sector will benefit from the strong euro (see [Turkey sees silver lining in strong euro](#), Financial Times, 25 February 2009). Slovakia might not have been affected by currency swings, but the competitiveness of its export-led economy has been undermined by currency depreciation in neighbouring currencies (see [Slovakia euro switch a doubled-edge sword](#), Financial Times, 11 March 2009).

Lithuania's Prime Minister said he would like the country to join the eurozone sooner - but the European Central Bank would have to relax the entry criteria (see [Lithuania hopes for euro entry deal](#), Financial Times, 8 April 2009). The International Monetary Fund was reported to have suggested that EU Member States in Eastern Europe should introduce the euro, without formally joining the eurozone. The idea was rejected by the

ECB ([IMF says EU states in eastern Europe should adopt euro now](#), Financial Times 6 April 2009 and [ECB rejects euro short cuts in east Europe](#), Financial Times, 7 April 2009).

In an effort to fight the recession, the ECB cut its official interest rate to 1.25% in April 2009 - the lowest rate since the euro was launched in 1999. The smaller than expected cut gave a boost to the single currency (see [Euro jumps after eurozone rate cut](#), Financial Times, 3 April 2009). The rate dropped to 1.00% in May 2009. On 15 June 2009, the ECB stated that 'the further significant deterioration of global macroeconomic conditions, as well as sizeable downward revisions to growth forecasts and expectations, have added to the stresses on global and euro area financial systems' ([Financial Stability Review June 2009](#); other [ECB press releases](#) are also available).

In June 2009, Estonia was reported to be looking at adopting the euro 'to avoid facing the same devaluation danger as neighbouring Latvia' (see [Estonia speeds full tilt towards the eurozone](#), Financial Times, 10 June 2009), while the Prime Minister of the Czech Republic warned of the need for 'hard and painful cuts' to avoid prolonging the economic downturn and delaying eurozone entry ([Czechs face painful spending cuts](#), Financial Times, 15 June 2009). Poland's goal of joining the single currency in 2012 - announced in September 2008 - is now 'unfeasible' according to the country's deputy Finance Minister, because the 'macroeconomic situation had completely changed' (see [Poland to miss euro entry target](#), Financial Times, 30 July 2009).

On 3 February 2010, the Commission adopted a series of recommendations concerning the economic situation in Greece (Press Release [IP/10/116](#)). They included measures intended to ensure a reduction of the budget deficit to below 3% of GDP by 2012 and that the Greek government:

implements a reform programme to restore the competitiveness of its economy and generally runs policies that take account of its long-term interest and the general interest of the euro area and of the European Union as a whole.

On 11 February, the European Council issued a [Statement](#) supporting Greece, with leaders saying:

we fully support the efforts of the Greek government and their commitment to do whatever is necessary, including adopting additional measures to ensure that the ambitious targets set in the stability programme for 2010 and the following years are met.

In a [Statement](#) adopted on 25 March, Heads of State and Government of the euro area reaffirmed that eurozone members have a shared responsibility for the economic and financial stability in the euro area. They also recognised that Greece had taken ambitious and decisive action which should enable it to regain the full confidence of the markets. Although the Greek government did not request any financial support, a mechanism was agreed by which support would be made available if necessary.

A [Statement](#) from the Eurogroup of 11 April set out conditions for financial support to Greece. On 2 May 2010, euro area Member States pledged a three-year programme totalling €80 billion in bilateral loans (see also Commission's page on [Euro area and IMF agreement on financial support programme for Greece](#)).

On 21 November 2010, Ireland officially requested financial assistance from the EU, the euro-area Member States and the International Monetary Fund (IMF). In response, EU Finance Ministers formally approved an €85 billion package of financial assistance to Ireland on 7 December (see Council [news item](#) and the page [Council agrees on joint EU-IMF financial assistance package for Ireland](#)).



According to 'The Economic Adjustment Programme for Ireland' (European Economy [Occasional Papers 76](#), February 2011):

Funding from the programme partners is conditional on speedy action to clean up Ireland's financial sector, to put the public finances on a sustainable path and to implement a structural reform package.

On 12 April 2013, it was agreed in principle to give both Ireland and Portugal an extra seven years to pay back their emergency bailout loans (see [Statement](#) by the Eurogroup and Ecofin Ministers).

With the aim of strengthening the economic governance and competitiveness of the euro area and of the wider Union, the 24-25 March 2011 European Council adopted a comprehensive package of measures to respond to the crisis, preserve financial stability and lay the ground for smart, sustainable, socially inclusive and job-creating growth.

The Presidency [Conclusions](#) also confirmed that EU leaders endorsed the priorities for fiscal consolidation and structural reform within the framework of the European Semester. (Established in 2010 in the context of the [Europe 2020](#) strategy, the European Semester is an annual cycle of economic policy coordination, under which the Commission undertakes a detailed analysis of EU Member States' programmes of economic and structural reforms and provides them with recommendations for the coming 12-18 months; see European Semester pages of the [Council](#) and [Commission](#)).

The [Conclusions](#) also set out details of a Euro Plus Pact. Agreed by the heads of State or government of the eurozone countries, plus Bulgaria, Denmark, Latvia, Lithuania, Poland and Romania, the Pact aims to:

further strengthen the economic pillar of EMU and achieve a new quality of economic policy coordination, with the objective of improving competitiveness and thereby leading to a higher degree of convergence reinforcing our social market economy.

Signatories were committed to announce a set of concrete actions to be achieved within the following 12 months.

On 7 April 2011, Portugal requested financial assistance from the EU, the euro area and the IMF. EU Finance Ministers subsequently agreed on 17 May to lend up to €78 billion to Portugal (see Press Release [10231/11](#)). On 9 October 2012, the Council agreed to give Portugal an extra 12 months (i.e. until 2014) to correct its excessive government deficit (see Press Release PRES/12/414), and on 12 April 2013, it was agreed in principle to give both Portugal and Ireland an extra seven years to pay back their emergency bailout loans (see Statement by the Eurogroup and Ecofin Ministers and [Programme for Portugal](#) page).

On 31 May 2011, the Commission gave details of decisions aimed at ensuring stronger economic and budgetary coordination for the EU as a whole and for the euro area in particular. The new approach to economic governance is based on the three main responses to the financial crisis: reinforcing a common economic agenda with closer EU surveillance; safeguarding the stability of the euro area; and repairing the financial sector (see Press Release [MEMO/11/364](#)).

On 12 July 2011, the Council concluded the first European Semester and adopted a Recommendation 'on the implementation of the broad guidelines for the economic policies of the Member States whose currency is the euro' ([2011/C 217/05](#)). Individual Recommendations were also adopted on the national reform programmes of each



Member State (see Press Release [12748/11](#)). Draft recommendations for 2012 were approved by the Council on 22 June 2012 (see Press Release [11650/12](#)).

On 21 July 2011, the Heads of State or Government of the euro area issued a [Statement](#), reaffirming their commitment to the euro and to whatever measures are needed to ensure the financial stability of the eurozone. Leaders took decisions on three main issues, summarised by President Van Rompuy (see Press release [EUCO 54/11](#)) as: improving the sustainability of Greek debt, preventing the risk of contagion, and improving crisis management in the Eurozone. President Van Rompuy also stated that:

Today, with all these decisions, we have shown that we will not waver in the defence of our monetary union and our common currency.

Five areas for action aimed at restoring confidence in the euro area and the wider EU were set out by the Commission on 12 October 2011 in the Communication 'A roadmap to stability and growth' ([COM\(2011\)669](#); see also Press Release [IP/11/1180](#)). The five were: a decisive response to the problems in Greece; enhancing the euro area's backstops against the crisis; a coordinated approach to strengthen Europe's banks; frontloading stability and growth enhancing policies, and building robust and integrated economic governance for the future.

On 27 October 2011, the European Commissioner for Economic and Monetary Affairs, [Olli Rehn](#), was given responsibility for the euro (and simultaneously promoted to the status of Commission Vice-President; see also Press Release [IP/11/1284](#)).

13 December 2011 saw a 'Six Pack' of economic governance legislation enter into force. Comprising a Directive and five Regulations, the agreement included a reform of the Stability and Growth Pact, and surveillance of fiscal policies (see Press Release [MEMO/11/898](#) and [Guide to the new EU fiscal governance](#) page).

On 14 March 2012, euro area finance ministers approved financing of a second economic adjustment programme for Greece. Including a €28 billion contribution from the IMF, total funding amounted to €130 billion until 2014 (see [Financial assistance to Greece](#) page).

On 25 June 2012, the Spain officially request financial assistance from the Eurogroup for recapitalisation of financial institutions (see Eurogroup statements on Spain of [9 June](#) and [27 June](#)).

In March 2013, it became apparent that Cyprus would become the fifth eurozone member to require financial assistance. However, rather than being 'bailed out', Cyprus faced a contentious 'bail in' deal, under which Cypriot banks would help pay for the rescue. Arguments over a proposed deal seemed at one point to threaten Cyprus' continuing membership of the eurozone (see European Sources Online: [Details sketchy on Eurogroup bailout of Cyprus](#), [All at sea – what does the 'No' vote mean for Cyprus and the eurozone?](#) and [Eurozone break-up edges even closer](#)).

On 25 March 2013, the Eurogroup issued a [Statement](#) on Cyprus, confirming that an agreement had been reached on the key elements of a macroeconomic adjustment programme. A further [Statement](#) of 12 April 2013 welcomed an agreement between Cyprus and the Troika institutions on the programme.

You can find more information in ESO on the Cyprus eurozone crisis by clicking [here](#).

## **'Genuine EMU'**

The euro crisis was again on the agenda for the 28-29 June 2012 European Council. Ahead of the meeting, on 26 June, the President of the European Council, Herman Van Rompuy, issued a report entitled 'Towards a genuine Economic and Monetary Union' (see Press Release [EUCO 120/12](#)) setting out:

a vision for the future of the Economic and Monetary Union and how it can best contribute to growth, jobs and stability. The report proposes to move, over the next decade, towards a stronger EMU architecture, based on integrated frameworks for the financial sector, for budgetary matters and for economic policy. All these elements should be buttressed by strengthened democratic legitimacy and accountability.

The European Council [Conclusions](#) showed that, on the basis of his report, the President of the European Council, in close collaboration with the President of the Commission, the President of the Eurogroup and the President of the ECB, was invited to develop:

a specific and time-bound road map for the achievement of a genuine Economic and Monetary Union, which will include concrete proposals on preserving the unity and integrity of the Single Market in financial services and which will take account of the Euro Area statement and, inter alia, of the intention of the Commission to bring forward proposals under Article 127.

They will examine what can be done within the current Treaties and which measures would require Treaty change. In order to ensure their ownership, Member States will be closely associated to the reflections and regularly consulted. There will also be consultations with the European Parliament. An interim report will be presented in October 2012 and a final report before the end of the year.

The 'Euro Area statement' referred to was issued on 29 June 2012, following discussions held alongside the European Council summit. In the [Statement](#), leaders of the Euro Area noted the need to 'break the vicious circle between banks and sovereigns' and confirmed that the Commission is to present proposals for a single supervisory mechanism for banks in the euro area.

(For more on recent developments, see latest information added to ESO on [Economic and monetary policy](#); see also Europa's [EU Response to the economic and financial crisis](#) page, [EU economic governance](#) page, Press Release [MEMO/12/486](#) of 25 June 2012 summarises moves towards the development of a fiscal union).

The second Council Recommendation 'on the implementation of the broad guidelines for the economic policies of the Member States whose currency is the euro' was adopted on 10 July 2012 ([2012/C 219/28](#)). It recommended a number of actions that eurozone Member States should take, both individually and collectively.

On 28 February 2013, the Council confirmed it had reached agreement with Parliament on legislation aimed at supplementing the Six Pack economic governance legislation. Proposed in November 2011, the 'Two Pack' Regulations aimed to strengthen euro area budgetary surveillance (see Press Release [PRES/13/78](#)).

The acts were adopted on 21 May 2013 as:

[Regulation \(EU\) 472/2013](#) 'on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties

with respect to their financial stability' (proposed as COM(2011)819; see also [PreLex dossier](#));

[Regulation \(EU\) 473/2013](#) 'on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area' (proposed as COM(2011)821; see also [PreLex dossier](#));

Both Regulations entered into force on 30 May 2013 in the eurozone Member States (see also Press Releases [MEMO/13/196](#); [MEMO/13/457](#) and [MEMO/13/318](#)). Agreement on the Two Pack was seen as paving the way for further steps to be taken to reinforce EMU, as set out by the Commission in its 28 November 2012 'Blueprint for a Deep and Genuine EMU' ([COM\(2012\)777](#)).

Regulation (EC) 332/2002 established a facility to provide financial assistance to Member States whose currency is not the euro. Following the creation of the EFSF, the EFSM and the ESM to support Member States in the eurozone, the Commission proposed on 22 June 2012 a Council Regulation 'establishing a facility for providing financial assistance for Member States whose currency is not the euro' ([COM\(2012\)336](#); check progress via [PreLex dossier](#)).

Towards the end of 2012, the issue of 'genuine EMU' was raised again. Speaking to the European Parliament on 3 September 2012 (see [SPEECH/12/584](#)), Commissioner Olli Rehn recalled the June 2012 report on EMU, saying:

Further changes to the current EMU architecture are definitely needed to address the weak spots of the original arrangements and to ensure stronger foundations for a sustainable single currency. Action is needed over the short term to contain the crisis, revive growth and unwind imbalances. And this needs to be combined with a long-term vision for EMU and a clear roadmap towards that vision.

An [Issues Paper on Completing Economic and Monetary Union](#) was tabled on 12 September 2012 by the Presidents of the European Council, the Commission and the ECB, together with the Chair of the Eurogroup. It looked at further integration of the eurozone, including a common budget, limited debt mutualisation and a parliamentary assembly.

On 28 November 2012, the Commission adopted 'A blueprint for a deep and genuine economic and monetary union: Launching a European Debate' ([COM\(2012\)777](#)), which stated:

The creation of the Economic and Monetary Union (EMU) and the introduction of the euro were milestones of European integration. They stand out among the EU's most far-reaching achievements and the euro is one of Europe's defining symbols at home and across the globe. The founders of the EMU pursued great aspirations with the single currency, both economic and political. Some of these aspirations have already been realised, while others remain to be achieved.

Noting that EMU is unique among modern monetary unions in combining a centralised monetary policy with decentralised responsibility for most economic policies, the Communication highlighted issues which had left some eurozone members vulnerable to the financial crisis, arguing that:

While the EU has taken decisive action to address those major challenges, EMU needs to be deepened further.

To that end, the Blueprint described the steps to a full banking, economic, fiscal and political union.

On 14 December 2012, the European Council adopted [Conclusions](#) on completing EMU, setting out further steps in the process of completing EMU, based on deeper integration and reinforced solidarity for the euro area Member States.

On 20 March 2013, the Commission adopted two Communications on further steps towards a deeper EMU: 'Towards a Deep and Genuine Economic and Monetary Union. The introduction of a Convergence and Competitiveness Instrument' ([COM\(2013\)165](#)) and 'Towards a Deep and Genuine Economic and Monetary Union. Ex ante coordination of plans for major economic policy reforms' ([COM\(2013\)166](#); see also Press Releases [IP/13/248](#) and [MEMO/13/259](#)).

The theme of a 'social pillar' of EMU was taken up by Commissioner Olli Rehn, speaking at the European Parliament on 22 May 2013 (see [SPEECH/13/443](#); see also European Parliament Library Briefing [Rationale behind a euro area 'fiscal capacity': Possible instruments including a dedicated budget](#)).

## **Banking Union**

On 12 September 2012, the Commission adopted 'A roadmap towards a Banking Union' ([COM\(2012\)510](#); see also Press Release [IP/2012/953](#)). Its introduction stated:

Over the past four years, the EU has responded decisively to the economic and financial crisis. Significant improvements have been made to the Economic and Monetary Union (EMU), and a substantial financial reform agenda is being implemented, fulfilling commitments made in the G20 in response to the financial crisis, and to make financial institutions and markets more stable, more competitive and more resilient.

[...]

The Commission has therefore called for a banking union to place the banking sector on a more sound footing and restore confidence in the Euro as part of a longer term vision for economic and fiscal integration.

The Communication was accompanied by two draft Regulations: COM(2012)511: Proposal for a Council Regulation 'conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions' (check progress via [PreLex dossier](#)) and COM(2012)512 Proposal for a Regulation 'amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority) ...' (check progress via [PreLex dossier](#)).

On 10 July 2013, the Commission adopted a proposal for a Single Resolution Mechanism for the Banking Union. Intended to complement the Single Supervisory Mechanism (SSM), the Single Resolution Mechanism (SRM) would ensure that:

if a bank subject to the SSM faced serious difficulties, its resolution could be managed efficiently with minimal costs to taxpayers and the real economy.

The proposal was adopted as COM(2013)520 (check progress via [PreLex dossier](#); see also Press Release [IP/13/674](#) and European Parliament Study [Banking union and a single banking supervisory mechanism](#)).

## Information sources in the ESO database

Find updated and further information sources in the ESO database:

### [5.3 Economic and Monetary Union \(EMU\) \[all categories\]](#)

- [Key source](#)
- [Legislation](#)
- [Policy-making](#)
- [Report](#)
- [Statistics](#)
- [News source](#)
- [Periodical article](#)
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- [Background](#)

#### [5.3.a The Euro - Single Currency](#)

#### [5.3.b European Central Bank](#)

#### [5.3.c Monetary policy strategy and decisions](#)

## Further information sources on the internet

- European Commission: DG Economic and Financial Affairs
  - [Homepage](#)
  - [Economic and Financial Affairs website](#)
    - [The euro](#)
      - [Euro notes and coins](#)
      - [Why the euro?](#)
      - [Economic and Monetary Union](#)
      - [Adopting the euro](#)
      - [Your country and the euro](#)
      - [The euro in the world](#)
      - [Communicating on the euro](#)
    - [EU economic situation](#)
    - [Stability and Growth Pact](#)
    - [Analysing structural reforms and EU policies](#)
    - [International economic issues](#)
    - [Financial operations and instruments in support of EU policies](#)
    - [Economic publications](#)
    - [Economic databases and indicators](#)
    - [Economic research](#)
    - [Evaluation](#)

The section noted above on 'The euro' includes a link to the page [EMU: a historical documentation](#) which includes a section on [EMU documentation](#) with the following chapters:

- [The idea of a common currency in Europe](#) 1929-1967
- [Run-up to the Barre Plan](#) 1968-1969
- [Preparing the Summit in Den Haag](#) 1969-1970
- [The Commission's mandate to draw up the first plan for EMU](#) 1970-1970
- [Preparing the Werner Report 1970 – 1970](#)
- [The need for a European Monetary System](#) 1971–1973
- [The period of discussion about the European unit of account](#) 1973–1975
- [Period of intensive studies](#) 1975–1977
- [Revival of the idea of EMU](#) 1977–1978
- [The need to coordinate economic policies](#) 1978–1978

- [Discussions about the European Monetary System](#) 1978–1988
  - [The ECU at the centre of discussion](#) 1981–1988
  - [Run-up to the Maastricht Treaty](#) 1989–1991
- European Commission: DG Eurostat
  - [Homepage](#)
    - [Euro indicators](#)
- Europa
  - Policy areas: [Economic and monetary affairs](#)
  - Summaries of EU legislation
    - The Economic and monetary affairs section includes factsheets under the headings [Economic and monetary affairs: enlargement](#); [Institutional and economic framework of the euro](#); [Practical aspects of introducing the euro](#); [Stability and growth pact and economic policy coordination](#))
- European Commission: DG Communication
  - [RAPID](#) press releases database - [Economic and monetary affairs](#) (pre-set search)
  - EU news: [Economy, finance, tax and competition](#)
- Legislative and policy making information
  - [Treaty on the functioning of the European Union](#): Article 136-137
  - EUR-Lex: Legislation: [Economic and monetary union](#)
  - EUR-Lex: Preparatory legislation: [Economic and monetary union](#)
  - EUR-Lex: Consolidated legislation: [Economic and monetary union](#)
  - EUR-Lex: Case Law: [Economic and monetary union](#)
  - EUR-Lex: Summaries of EU Legislation: [Economic and monetary union](#)
  - European Commission: [Economic and monetary union](#)
- Court of Justice of the European Union: InfoCuria  
[Homepage](#): 'at 'Subject-matter' box, click icon at far right to open list of subjects. Select 'Economic and monetary policy' and click 'Enter' to return to main search page. Select dates if required. Hit 'Search' at top or bottom of page.
- European Parliament: Legislative Observatory (OEIL)  
[Homepage](#): Carry out a [Search](#): scroll down right-hand menu and expand 'Subject'; then expand 'Economic and monetary system' and choose either 'Economic union' or 'Monetary union and select appropriate sub-heading (if no menu is shown, click 'OK' at the search box to display it).
- Council of the European Union
  - [Economic and Financial Affairs Council](#) (ECOFIN)
  - [Eurozone Portal](#) (Eurogroup)
- European Parliament
  - [Economic and Monetary Affairs Committee](#) (ECON)
- European Parliament: Fact Sheets
  - Section on [Economic and Monetary Union](#) includes factsheets on [The development of economic and monetary union](#), [The institutions of economic and monetary union](#), [European monetary policy](#), [Economic governance](#), [A new framework for fiscal policies](#)
- European Economic and Social Committee
  - [Economic and Monetary Union, Economic and Social Cohesion](#) (ECO)



- Committee of the Regions
  - [Commission for Economic Policy \(ECON\)](#)
- European Central Bank (ECB)
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  - [The Euro](#)

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