

The Euro at 20

On 1 January 1999, the Economic and Monetary Union (EMU) entered into force and the euro came into being. The European Central Bank (ECB) assumed responsibility for the monetary policy of a currency union made up of 11 countries and 293 million people. Today, the Eurozone includes 19 countries with a total population of 340 million. The euro has become the second currency used in world markets under any metric and has been seen as an anchor of economic and financial integration.

And yet, the euro is far from an unwavering success. The global financial crisis of 2008 sent shockwaves around the world and proved to be the first major test of the EMU. It exposed numerous architectural flaws in the Union including the focus on limiting inflation to close to two percent combined with the lack of a political mandate at the European level and the 'no bail-out' clause of the Maastricht Treaty. These and other obstacles hindered the EMU's handling of the crisis and prolonged its negative effects especially in periphery countries.

In this Forum, we look back at the last 20 years since the euro's inception and consider the obstacles it has overcome and those that still lay in waiting, the design flaws that have hindered it and how to address them as well as important lessons learned and recommendations for the future.

The Euro – A Tale of 20 Years: What Are the Priorities Going Forward?

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Understanding the Limitations of Maastricht

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Domesticating the Euro

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The Euro at 20: A New Deal to Save the Euro

Thomas Mayer, Flossbach von Storch Research Institute, Cologne, Germany.

The Euro at 20: Still a Project Projected to Fail?

Adalbert Winkler, Frankfurt School of Finance and Management, Germany.

Challenges of the Euro

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