

# The benefits and the prospects of EURO and its importance for the developing process of the United Europe

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Although the Roman Empire was the first to impose common currency in Europe, now it is the first time in the history of human mankind that strong nations give up voluntary their currency and transfer the numismatic and exchange policy to a supranational system practicing these functions. Efforts of common currency happened in ancient Greece, in the Eboic Confederacy (375 PD), in the Common of the Biotians (379 PD), in the Etolic Confederacy (280 PD), in the Common of the Akarnans (250 PD), in the Common of the Ipeirots (230 PD), in the Archaic Confederacy (200 PD) and in the Common of the Thesalians (150 PD).

The leaders in that time wanted in this way to serve the needs of the alliances, however they did not have the required deposit in gold and silver. As a result the efforts were temporary.

Before the Numismatic Union in Europe, 15 nations had the same number of different coins, almost 105 equalities of value, different interests, different numismatic and exchange policies. This kind of differentiation and cutting to pieces was the main hinder in the economic development and the completion of the main purpose of the Community. The United European market e.g. the free trade and the freedom in the exchanges is unattainable without the removal of the obstacles that limits it.

In the present frame, some basic benefits from the adaptation of the common currency can be reported:

1. A large and lacking serious variations market will be created, in which more choices, more chances and fewer obstacles will enable businesses to develop their activity and creativity. The new market will contribute to the reduction of the productivity cost in several ways, as it will be shown.

2. In a larger market, businesses will improve their prospects to reach efficiency scales. In that way their ability to keep the productivity cost under control and reduce their invoices will become better.

3. The companies that are active in member-nations of the O.N.E. will lessen the exchange risk and the cost of the exchanging cover.

4. The replacement of the coins of the member-nations with the EURO will simplify the financial administration, because there will be a reduction:

- a. In the time which is needed to attend the development of the exchange markets.
- b. In the alteration cost from coin to coin.
- c. In the cost from the mistakes of the exchanging alteration.
- d. In the cost from the logistic checks and the surveillance.
- e. In the time from the waiting queues in the Banks for alterations and remittance.
- f. In the cost of the remittance delay from the one region of Europe to another.
- g. The perseverance of accounts in different coins.

5. The common currency will help in the comparison of prices. The consumers and the clients will be able to compare easily the prices, the offers of the other products and the providers. The competition will increase and will contribute in such way that the offering prices converge, in order to be more competitive and more even. A depositor will be able to compare with a great facility the 6.000 interests that exist today in Europe. It is fairly obvious that variations in prices will continue to exist because of the differences in taxes, the transportation cost, and the disposal and distribution system for consumers, in the requirements, in the salaries and the incomes. However, these differences in every nation will be hard to continue, if there is no important reason for that. In that case, it will be difficult for a business to sell its products in a very different price and to maximize the profit with the differentiation of the fixing price policy.

6. There will be a similar financial place from two basic reasons that is from the strict criteria of entering and the Condition of Stability and Development. Inflation must be around 2% and the fiscal shortages around 1% of the NGI in every country.

7. Low inflation and stability will identify the financial environment, so that the level of interests and the cost of money will be attractive and will influence the restrain of the productivity cost.

8. The EURO will be the reference coin for the neighboring counties even if they will not participate in the ONE.

9. The national economies of the member-nations will be prevented from suffering the consequences of the depreciation and the threat of the numismatic crisis.

10. The positive consequences will encourage an increase in the inner European trade and investing exchanging as rate to the total European NGI. This implies that the European economy strengthens towards the competitors' economies, mostly the US. The great forces must have strong currency. This enforces the creditability of the political presence of Europe towards other powerful political forces.

11. The survival of the business because of the intense competition will be difficult if they have high function cost and do not have something special to offer their clients. So even big European enterprises apply programs of drastic reformation closing factories, reducing their working staff, selling part of their activities that have no strategic interest. In addition, they immerge with the same kind of businesses in order to confront the intense

competition, to gain power and to claim a large share in the market. The same is happening in the field of offering bank products. Big immerges is an indisputable fact for the European banking e.g. the UBS with SBC, the Credito Italiano with Unicredito, the ING with BBL, the BNP with Paribas and the Greeks ALPHA Pisteos with Ionic, Piraeus with Xios Bank and Macedonia-Thrace and so on. According to the American standards immerges and sanctions happen aggressively, without the consent of the Border Council, the bought company as the first known for Europe offers of Olivetti for Telecom Italia, of BNP for Paribas and for Eurobank for Ergasias Bank. In general it seems that apart from the banking field the competition will increase in the branches of telecommunications, transportation, insurance and tourism.

12. There will be tension in the competition among the nations for the attraction of capitals and investments.

a. There will be no exchange risk and because of the common money the investors will be able to compare easier the progress of the macroeconomic sizes and the productivity cost.

b. It will be easier to transfer the activities of one company to countries that have friendlier policy in taxation concerning the working relations, in stable choices of governments that are efficient and stable.

13. A large and homogeneous market of money, capital and treasury bills will be created that will enable the rapid development of a European market of treasure bill. So, if an investor wants to invest in treasure bills of the Spanish or the Greek State, he will not be obliged to watch and trouble with the progress and the fluctuation in the equivalence of the Spanish and the Greek currency. On the contrary, he will be occupied only with the economic sizes and the prospects of his investment. The same will happen to the companies that are introduced in several stock markets of Europe and to the future investors to that. The companies can draw capital not only from the local market, but also from the united market. This access is today attainable, but it will be simpler and cheaper with the common currency.

The 1st January 1999, the EURO became the common currency of the countries in the EURO zone, which included 11 European countries with total population 300 million residents. The European Central Bank and the 11 national central Banks of the participating countries undertook the performance of the united numismatic policy for the entire zone of the EURO. Aim of the European system, as it is defined from the Institution of the European Community, is the internal stability of the prices inside the zone of EURO. The stability of the prices is defined as the yearly raise of the consumer's prices in rate lower than 2% in the zone of EURO and must remain in the meantime. The first two years were successful. In 1999 there was stability with the inflation rate 1.1%. In 2000 inflation raised at about 2.5%, but this is due to the price of energy and the increase of the imports. If we omit from the account the price of energy, inflation in the zone of EURO is about 1.4%. This rate is found within the frame of the inflation target (0-2%). The development rate, in the zone of EURO, is around 3% and creates employment for a bigger number of people.

Of course the most important issue that influences all there is the equivalence of the EURO and the dollar. Many have concluded that the EURO is a rather weak currency. One of the more important explanations is the diverge prospects of the economy of the US of America and the countries in the zone of EURO. The US with high rate of development seemed to be a certain destination for capital investments. As a result money was leaving Europe and was coming in the US, in that way the equivalence of EURO was weakened. This seems to change today. The rate of development of the American economy at the third semester was smaller than the one in the zone of the EURO. This fact lead to a small increase of the equivalence of the EURO. It is very early to jump into conclusions that this increase will continue. It is of course encouraging that the economic prospects of Europe are being reconsidered.

The entrance of the EURO is a historical procedure and it is not a mere fact. In 2001 this procedure will continue. Greece is the 12th country of the zone of the EURO after the fulfillment of the criteria for its adaptation.

It is of great importance for our country the permanent fulfillment of these criteria. This is not something that happens automatically but requires the performance of the right policy. The first January 2001 the preparations for the entrance of the coins and the banknote of EURO in the market. The entrance of the market will be an important historical fact, because it will make clear to the European citizens that they have in their disposal a common stable currency.

ΑΓΛΑΪΑ ΡΟΜΠΟΚΟΥ-  
ΚΑΡΑΓΙΑΝΝΗ

## ΤΟ ΔΗΜΟΓΡΑΦΙΚΟ ΩΣ ΤΟ ΘΕΜΕΛΙΩΔΕΣ ΚΟΙΝΩΝΙΚΟ ΠΡΟΒΛΗΜΑ ΤΗΣ ΕΛΛΑΔΟΣ

*Προβληματισμοί στο Άρθρο 21  
του Συντάγματος*

ΕΡΙΦΥΛΗ

ΑΘΗΝΑΙ 2000

### ΠΡΟΛΟΓΙΚΟ ΣΗΜΕΙΩΜΑ

*Η μονογραφία ασχολείται με το οξύτατο δημογραφικό πρόβλημα που αντιμετωπίζει η σύγχρονη Ελλάδα. Η σύνδεση του ζητήματος με τα κοινωνικά δικαιώματα, που κατοχυρώνει το άρθρο 21 του ισχύοντος ελληνικού Συντάγματος υπήρξε το ερέθισμα για την εκπόνηση της μελέτης αυτής. Η οικογένεια, η μητρότητα και η παιδική ηλικία αποτελούν το θεμέλιο στο οποίο στηρίζεται ολόκληρο το πολιτειακό οικοδόμημα και επηρεάζουν άμεσα το μέγεθος του πληθυσμού.*

*Το βιβλίο αναλύει τις σχετικές συνταγματικές διατάξεις, εξετάζει την ισχύουσα νομοθεσία και τη νεότερη νομολογία, αναφέρεται στα αίτια και τις επιπτώσεις της υπογεννητικότητας στη χώρα μας και διατυπώνει προτάσεις για την αντιμετώπισή της.*

*Το δημογραφικό είναι ένα πολύπλοκο διεπιστημονικό θέμα· η λύση του όμως εξαρτάται -κατά κύριο λόγο- από το κανονιστικό περιεχόμενο των σχετικών συνταγματικών και νομοθετικών ρυθμίσεων, επομένως αποφασιστικός παράγοντας για τη διευθέτησή του είναι η κρατική βούληση.*