

Europe without the Euro

経済学部教授 クラフチック・マリウシュ・K

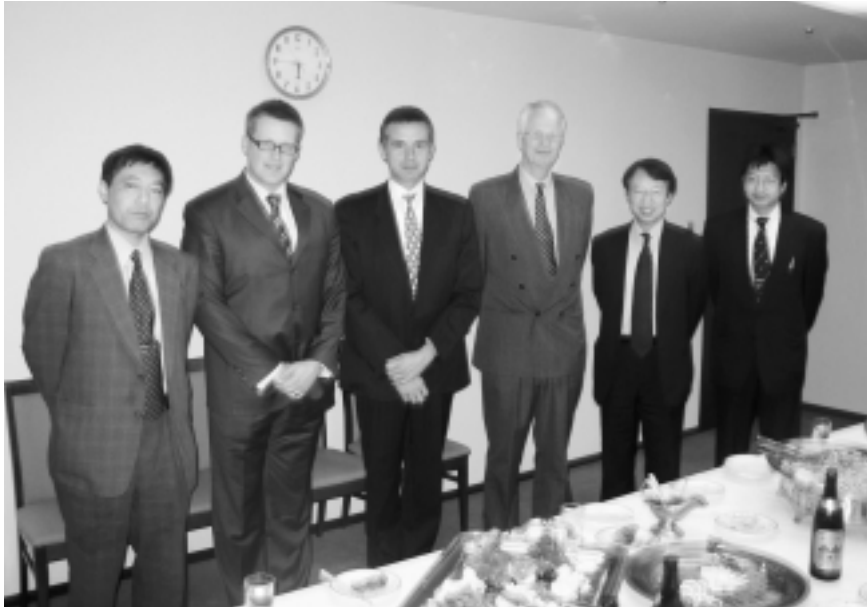
A special lecture open to wide public was held at Fukuoka University conference room on November 11, 2005. The lecture took place as an event accompanying the 26th annual conference of the Japanese Association for EU Studies held at Kyushu University from 12 to 13 November 2005. This allowed for participating in both events.

The speakers invited to have the lecture were professor Claus Vastrup from Aarhus University in Denmark and Tamas David-Barrett the head of research at Budapest Economics, a Hungarian think-tank of liberal economists. Professor Vastrup's lecture concentrated on the performance of the Denmark's financial sector and its relations with the Economic and Monetary Union of the EU. Apparently the topic has a lot to do with the 2004 enlargement of the EU. The conditions of the 2004 enlargement were set by the 1993 Copenhagen European Council where the candidate countries agreed that they would join the monetary union as members with derogation. They were supposed to employ the common currency under the conditions stipulated in the Maastricht Treaty. The agreed road map to the euro requires at least two years participation in the ERM II, the framework for financial cooperation between the euro-zone and the EU member countries with derogation from the use of the euro. Denmark has been to date the only member country of the EU participating in the ERM II framework (Sweden and the United Kingdom, two other "old" EU member

countries that do not participate in the monetary union, do not participate in the ERM II either). The stability of the banking system (contrary to other Nordic countries, Denmark did not suffer from the so called Nordic banking crisis of 1992-1993) and very well balanced fiscal and monetary policies allowed Denmark to avoid major tensions in spite of tough conditions the ERM II imposes on its participants. For that reason the experience of Denmark is especially interesting for the new accession countries as also have to participate in the ERM II before joining the euro zone.

The lecture by Mr David-Barrett was focusing on the economic policy choices the new accession countries face. They have to follow the Maastricht rules imposed on them by their accession treaties but at the same time they face numerous tasks related to adjusting their economic systems to the EU standards and neutralising the influence of shocks resulting from the sudden change of economic environment (i.e. joining the common market). Given the fact that the new accession countries hardly constitute an optimum currency area with the rest of the euro zone, the challenges they face are enormous. For that reason an approach more flexible than that adopted under the accession treaties could be a wise choice.

The lecture was the final event for the research programme "The Eastern Enlargement of the European Union and the role of the Euro" sponsored by



the Fukuoka University Research Institute (grant no. 032001). The research aimed at investigating the influence the 2004 European Union enlargement has had on the monetary union and vice versa the impact of the monetary union on the new accession countries. Members of the research team joined also the Ministry of Education sponsored research programme “The influence of the euro on real economy in the new accession countries and in the euro zone” (grant no. 16203023) led by professor Seiichi Fujita from Kobe University. The funds from the Ministry of Education grant were used for inviting both lecturers to Japan (professor Vastrup is one of overseas members of the project). Also financial support from the EU Institute Kansai has been acknowledged.

Speakers for the lecture: Mr Tamas David-Barrett (second from the left) and professor Claus Vastrup (third from the right), members of the Ministry of Education research team professors Seiichi Fujita (Kobe University, far left) and Eiji Ogawa (Hitotsubashi University, second from the right), the representative of the Japan Society for EU Studies professor Kenji Iwata (Kyushu University) and the author (third from the left).