IS THE ADOPTION OF THE EURO A STORY OF SUCCESS OR FAILURE? AN ASSESSMENT UNDER ECONOMIC AND POLITICAL REFLECTIONS

Lawyer Postgraduate Student Yasin YILDIRIM
Baskent University of Ankara, Republic of Turkey
E-mail:

Abstract: *The Maastricht Treaty, officially known as the Treaty on European Union, is one of the major elements of the great economic, political and legal integration movement in Europe. With this Treaty; the European Union was established, concept of European citizenship was generated, a common foreign and security policy was formed, a closer co-operation in police services and judiciary in criminal / legal matters was agreed, eventually the Economic and Monetary Union and the single European currency "the Euro" was created. With the creation of the Euro and the Monetary Union, economic, political, commercial and social characteristics of the Eurozone member countries, Europe-based global companies and lives of approximately 500 million Europeans were radically changed. Even, some of changes and effects of the Euro seem negative, harmful or disruptive from a perspective ; the merits and advantages of it clearly outweighs those disadvantages and drawbacks, particularly, by considering its impacts on inflation, levels of public debts, interest and exchange rates, global prestige and position in international markets, persuasive power upon other countries and the role for implementing the idea of the great integration of Europe. Overall, at the 20th anniversary of the adoption of it, evaluating the Euro as a story of success despite of its all drawbacks and disadvantages will be a rational and righteous statement.*

Keywords: *European citizenship, Euro, Eurozone.*
JEL Classification: *E42, E52.*

1. Introduction

The idea of creating a "United Europe", a fully integrated economic, political and legal organization amongst European countries, kingdoms or principalities, is being debated by philosophers, lawyers, economists and statespersons for centuries. Time-to-time, European states took steps to be united against common threats or for common interests but these efforts could not reach to final stages. Even the Hanseatic League, the very first form of the European Union (hereafter "the EU") that was established by a small group of kingdoms, principalities and city states in 14th century, could just become a very simple and elementary form of the idea. A systematic and legitimate union(s) that foresees complete economic, political and monetary integration and convergence could not be formed until the mid-20th century.

In 20th century, with understanding the real value of peace and tranquility after two bloodcurdling world wars, European countries decided to create an economic, political and legal union. The idea was implemented; in 1951 in Paris with the Treaty of Paris on establishing the European Coal and Steel Community, in 1957 with the establishment of the European Economic Community (hereafter "the EEC") and the European Atomic Energy Community (hereafter "the Euratom") via the Treaty of Rome and in 1968 with the formation of Customs Unions by members of the EEC to create a single market that facilitate free movement of persons, goods and capital. Eventually, in 1985 with the issuance of the Schengen Agreement and afterward with the signing of the Maastricht Treaty, officially known as the Treaty on European Union, in 1992, European states created an unprecedented form of European integration in economic, monetary, political and legal manners. The Maastricht Treaty predicted a comprehensive economic, political and legal integration and harmonization in Europe by establishing the European Union and forming a common currency, the Euro.

While the Euro put forward many revolutionary and outstanding impacts on European states and nations, it is still the subject of heated discussions amongst scholars, statespersons, politicians and European people after 20 years of its adoption.

In this paper, the most prominent economic, commercial and political reflections of the Euro will be discussed and the question of whether the Euro is a story of success or a story of failure will be investigated.

2. The Maastricht Treaty: Main Characteristics and Development Process of the Monetary Union

The Maastricht Treaty was signed in a quite tempestuous period. End of 1980s and beginning of 1990s are very turbulent times not only for Europe but also for the World. After the fall of Berlin Wall, reunification of Federal Republic of Germany and German Democratic Republic, dissolution of the Union of Soviet Socialist Republics and eventually, the end of Cold War created highly fragile and unpredictable conjecture for the whole World.

In such an atmosphere, especially with the pressure came from the European people, the members of the EEC decided to be united to protect themselves against the new, unforeseeable threats and preserve their 50-years-old economic and political acquisitions (Ludlow, 2013). This decision, however, was needed to be concretized with a common voice and legitimate and binding instrument as Fontaine (1995) remarked. The Maastricht Treaty was that legitimate instrument to create complete economic, political, legal and monetary integration.

With the signing of the Treaty, 12 countries including Belgium, France, Germany, Greece, Ireland, Italy, Grand Duchy of Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom, put forth a solid intention to be unite and form a new stage in the process of creating an ever closer economic, political and legal union. In this path, as the most remarkable act, these countries created a new and common currency instead of their national ones and organize a "monetary union".

According to the International Money Fund' definition (2004), monetary union is an agreement among members of a union (countries or other jurisdictions) to share a common currency and foreign exchange policy. As Allen (1976) presented, monetary unions predict a sole and same currency or several currencies that are fully convertible on into the other, at immutably fixed exchange rates, control of high-powered money, consistent monetary policies, no national autonomy in monetary policy and convenient regulations affecting the commercial banks' ability to create money.

The idea of creating a common currency was on the table since 1950s. However, footsteps of this idea became more noticeable after the collapse of Bretton Woods. As Davulis and Šadžius (2013) stressed, in the contest of the international monetary system, formation of the Economic and Monetary Union in Europe is perhaps the most important event since the failure of the world monetary system that functioned on the basis of the Bretton Woods Treaty. After the collapse of Bretton Woods, U.S. dollar exchange rates started to be determined by market forces in Europe, nevertheless this situation raised some economic and political concerns. Eventually, a committee headed by Pierre Werner (The former Prime Minister and Finance Minister of Grand Duchy of Luxembourg) proposed "fixed intra-European exchange rates" and federated system of European central banks (Klein, 1998). Werner and his team's efforts to fix intra-European exchange rates system had limited influence and were short-lived; therefore, a more comprehensive and detailed efforts for exchange rate system and inflation rate differentials were needed. By the 1980s, exchange rate system was settled, inflation rate differentials were narrowed and timing for a single European currency became opportune. In 1986, with the issuance of

Single European Act, another vital step for European economic, commercial, political integration was taken and a single currency with a new and completely independent institution which would be responsible for the Union's monetary policy and management of this currency, became a requirement (Verbeken & Rakić, 2017). These requirements were fulfilled by the Maastricht Treaty.

By the virtue of Article B of the Treaty; creation of an area without internal frontiers and establishment of economic and monetary union, including a single currency were predicted, and by the virtue of Article 109 – J, criterions that member states of the EU must follow to adopt the currency were specified. These criterions are, in summary; the achievement of a high degree of price stability, the sustainability of the government financial position, the observance of the formal fluctuation margins and the durability of convergence achieved by the Member State.

Except the Maastricht Treaty, "Council Regulation (EC) No 1103/97 of 17 June 1997 on certain provisions relating to the introduction of the euro" and "Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro" are other leading legal instruments that defines and illustrates the characteristics, structure and identity of the Euro.

3. The Euro and Current Conjecture

The Maastricht Treaty predicted a gradual introduction and implementation process for the Euro and the Monetary Union that consisting of three stages. At the end of Stage 3, July 1st, 2002, Euro notes and coins began to circulate as the sole official currency of the EU.

At present day, the Euro is the legal tender of 19 out of 28 EU member countries, including, Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Grand Duchy of Luxembourg, Malta, the Netherlands, Portugal, Slovak Republic, Slovenia and Spain.

About other EU countries, while Denmark and the United Kingdom are intentionally rejecting the Euro with opt-outs; Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania and Sweden are endeavoring to fulfill the necessary conditions to adopt the Euro. Among these 7 countries, only Romania has set 2019 as its target year to adopt the Euro, meantime others did not have such a target date for adoption, yet (European Commission, 2018).

4. Economic and Political Reflections of the Euro

Foundation of the European Union that is outcome of a long-running is integration and convergence process, is one of the most significant events in the political, economic and social sense, during history of Europe, as Davulis and Šadžius (2013) referred. In this integration process, the adoption of the Euro became the key and vital component.

The Euro appears as a specific and unique event in monetary history since never before a group of independent and sovereign states refused their national currencies that are symbol of national identity and sovereignty, with their own will and concurrently retained political independences. This condition determines quite a new combination of macroeconomic policy, based on general values and following the subsidizing principles. This unique situation composed deep reflections and impacts on the continent's economic, political, social, commercial and legal structure as well as allocation of resources and revenues, economic growth, labor, product, services, and finance markets.

After 26 years of signing the Maastricht Treaty and approximately 20 years of the adoption of the Euro, scholars, economists, politicians and lawyers are still debating over the pros and cons of the Euro and trying to determine whether it is a story of failure or success.

4.1. Reflections on Economy and International Commerce

The Euro and the Economic and Monetary Union that were projected as devices to achieve price stability, eliminate the damaging effects of intra-European exchange-rate, decrease interest rates, promote investments in the EU, expand commercial affairs among Euro area member states and with third countries and, as summary, reap full benefits of the EU's internal market.

From the antagonistic and opponent perspective, these missions could not be completed.

As Krzysztof Rybiński, the former Deputy President of the National Bank of Poland, concentrated (2007), the Euro created asymmetric shocks and raised micro and macro scaled economic imbalances. Such failures are being considered as biggest threats to unions, since joining a common currency area substantially reduces the set of policy tools which could be used to mitigate the impact of the shock. However, according to Rybiński, a country that has its own currency, can use both monetary and fiscal policies to stimulate demand and reduce the impact of the shock on output and employment. He also focuses on economic imbalances that can take the form of lending booms, current account deficits or increasing inflation pressures. For instance, Spain, one of the countries most affected by the European debt crisis, experienced such excessive macroeconomic imbalances, in particular very high domestic and external debt levels continued posing risks for and financial stability (European Commission, 2014).

Another problem with joining a common currency area is the degree of real interest rates lower than the natural rate of interest in new members. As researched by Brzoza-Brzezina (2006) these kinds of problems may be the case for new EU members, where the natural rate has remained in the past above the euro area level. This problem caused people and enterprises to substantially increase borrowing and spend the loans on consumption and investment goods, as happened just before the European debt crisis.

Moreover, Fingleton et al. (2015), investigated whether regions within the Eurozone have become more or less similar in their economic vulnerability and resilience to financial shocks since the creation of the monetary union. They found out that common contractionary shocks had the biggest impact on the geographically isolated regions, principally located in those peripheral countries that suffered the most from the recent European debt crisis.

Furthermore, Pădurean (2016) addressed the "traps" of adopting the Euro. She stressed that the devaluation of the national currency is a usual practice in countries such as Portugal, Greece or Spain, in order to cover the gap in competitiveness and productivity compared to other countries such as Germany and after the introduction of the Euro, these gaps were filled by fiscal / financial facilities which were meant to replace the mechanism of devaluating the national currency, which is why these countries accumulated enormous foreign debts. As a result, the Euro allowed those countries to benefit of new credits, with no requirements of strict discipline, which supports an unprecedented level of indebtedness throughout Europe.

By considering aforementioned experts' and scholars' thoughts, it is possible to define that the Euro and financial, economic, commercial or sectorial differences amongst the countries that adopted the Euro are the main reasons of the 2008 debt crisis and other economic or financial misfortunes experienced in last 20 years related to productivity, competitiveness, volume of commercial activities, the degree of investments and export performances.

However, the recent studies and researches show a reverse outcome as merits and advantages of the euro outweighs disadvantages of it.

As demonstrated by the Directorate-General for Economic and Financial Affairs of European Commission (2017), with the creation of the Euro; inflation has come down in the Eurozone from around %4 in the early 1990s to just above %1, the damaging effects of intraEuropean exchange-rate tensions that accompanied external shocks in the past and were often costly in terms of growth and employment has been eliminated, short-term nominal interest rates were fallen, common monetary policies became much credible, integration of national economies across the Union was significantly strengthened, the volume of commercial activities between the Eurozone countries has been rapidly expanded, the Eurozone countries' attractiveness as a destination for foreign direct and portfolio investments has been raised, prices for consumers and citizens became choice and stable, presence of the EU in the global economic sphere was intensified and finally a tangible sign, symbol of a European identity has arisen.

The official report of the Directorate-General was confirmed and supported by academic spheres as well.

As argued by Herwartz and Weber (2010), the impacts of the Euro should be viewed from the long-term perspective, as complementary to the Single Market. Short-term assessments are not appropriate to evaluate the real effect and value of the common currency, since fluctuations and surges can lead to incorrect judgments. In a supportive manner De Sousa (2012) suggests that effects of the Euro are mainly positive in general meaning; since, due to the impact of other factors related to globalization, it decreases over time. To be more specific, the following points should be taken into consideration to appreciate the real value of the adoption of the single currency.

As a well-known fact, in the system of floating exchange rates, the continuous and rough changes in exchange relations inhibit the trade, creating difficulties for exporters and importers. Finally, continuously fluctuating exchange relations between two or more currencies increases the uncertainty, insecurity and the risk for the firms engaged in foreign exchange and discourage the transfer of goods and services across national borders. From this point of view, adopting the Euro created an enormous advantage as contributing to financial integration amongst the Eurozone countries, thereby enhancement of trade and enhanced trade between Eurozone countries and the significant growth of their economies were became possible by suppressing the transaction costs generated by flexible exchange rates (Mursa, 2014). Therefore, the Euro has an undeniable role on reducing exchange rate risks.

The Euro and the Eurozone were also much more advanced and beneficial than the conventional fixed exchange rate regimes as highlighted by Barteczko and Tchorek (2016). Because of the Euro's irreversibility and greater institutional sophistication, this form of monetary unification within the EU contributed to enhanced economic and commercial cooperation and further economic and financial integration, thereby increasing trade. This deeper integration eventually increased specialization, augmented trade volume and made the Eurozone countries play an important role in the global economy since their GDP being the second largest in the world, according the database of the World Bank (2016).

The Eurozone has become one of the most important economic actors in the world with the United States of America and People's Republic of China. The EU now is the world's largest exporter of manufactured goods and services, and is itself the biggest export market for around 80 countries (Eurostat, 2017). Moreover, by cargo tonnages and total number of actual twentyfoot equivalent unit containers, many cities in the Eurozone such as Hamburg, Antwerp, Rotterdam, Valencia, Piraeus and Marsaxlokk are now amongst busiest ports in the world (UNCTAD, 2017).

These arguments and findings were supported by the recent study of Glick and Rose (2016). They confirmed that currency unions increase trade on average by %100 and that the Euro has increased trade by a still-large 50%. Glick and Rose's findings can be seen as rational and righteous since EU members account for approximately %20 of global imports and exports, at present day.

Furthermore, according to Mancini-Griffoli & Pauwels (2006), the euro introduction ensured lower costs of financing accompanied by easier access to money, which spurred investment and increased production capacity. Bris et al. (2011) also confirmed that the single currency increased the level of investment in the countries that had previously weakened currencies, and that companies experienced financial constraints. In reality, due to the existence of the Euro, the EU countries enjoyed the investments. In 2017, the volume of international investments into the EU reached 5.4 Trillion EUR and directly supported 7.6 million jobs (Eurostat, 2017).

Another reflection of the Euro is about the Euro' international role as a reserve currency and the major EU cities' position as global financial centers. As a known fact, the U.S. dollar has served as the world's preeminent international currency during the past half century, thwarting challenges from several other currencies in the process (Tavlas, 1998) and the status of the U.S. dollar has remained unchallenged during several decades (WTO, 2012). However, with the inauguration of the Euro in 1999, it has become the most powerful potential opponent in the international monetary, financial and commercial markets (Wenhao, 2004). Matter of fact, the Euro kept its promise and showed its potential by becoming the second most important reserve currency after the U.S. dollar. Some features of the Euro such as its confidence in its value, its stable value, its price relativity to other globally known currencies and some characteristics of the EU's inflation performance, share of international trade and the total size of economy became the core underlying factors of this success. As mentioned by Mr. Mario Draghi (2017), the President of the European Central Bank, even there are some developments affected the international role of the Euro such as the Brexit, arrival of a new U.S. administration, rise of populist streams in European countries, rise of Chinese renminbi in global markets, foreign exchange turnovers and so on, the Euro's position as the second most important currency in the international monetary system is undisputed.

Besides, with the establishment of European Central Bank and adoption of the Euro, some cities in Europe such as Frankfurt, Luxembourg, Dublin and Paris attracted great attention. This situation led to aforementioned cities to be counted amongst global financial centers such as New York City and Tokyo.

After assessment of all these opinions and arguments, it is likely to remark that the Euro and the Monetary Union, even experienced some problems, are the elements that symbolize the success of the project of creating the economically and financially integrated Europe.

The Euro's and the Monetary Unions' merits clearly prevails their weaknesses.

4.2. Reflections on Politics and Populism

The Euro and Monetary Union affected not only the economic characteristics of the Union members and their people but also influenced their political and social characteristics as well. One of the most controversial and considerable socio-political subject in the Eurozone countries whether there is a direct correlation between the Euro and rising populism.

Many ruling and opposition parties in the EU countries that are adopting populist, ultranationalist and conservative ideas such as Alternative für Deutschland in Germany, Jobbik in Hungary, Chrysí Avgí in Greece, Movimento 5 Stelle in Italy, Sverigedemokraterna in Sweden and Prawo i Sprawiedliwość in Poland are consistently targeting the fundamental values of the European integration, globalization, Monetary Union and spreading anti-Euro / Eurosceptic propaganda, since they believe that financial, political and legal criterions and rules that predicted by the EU institutions and founding legal instruments are not compatible with their national characteristics.

While these political groups and their representatives are criticizing the creation of Monetary Union and integration of national economies, they are focusing on negative aspects of the Euro and assessing it as the main reason of debt crisis, structural unemployment, low degree investments, immigrant challenges and other socio-political problems in their countries. This political attitude is directly influencing of the people in those countries and unfortunately, causes the rise of populism as well.

As demonstrated by Algan et al. (2017), the rise of populism in the EU is important for many reasons such as decline of trust in the EU, the strong political campaigns of left and right wing political parties, cultural backlashes against progressive values such as cosmopolitanism and multiculturalism, shifting towards national identities and criticism of European supranational integration.

However, after the eruption of the sovereign debt crisis, the single currency became lightning rod for disillusion and resentment on both left and right-wing populist, authoritarian and majoritarian political organizations (Financial Times, 2017).

Since the recent debt crisis has divulged a number of shortcomings in the design of European economic and political institutions, governments and people of countries that bitterly experienced the disruptive effects of the Euro debt crisis, sought the main cause of the crisis. Apparently, the Euro became the first and easiest target for them. For instance, Movimento 5 Stelle in Italy that wants to abolish the Euro, the Spanish political organization Podemos is rejecting the view that EU-based fiscal consolidations are necessary, Syriza in Greece proposes to nationalize all banks and impose heavy taxes to higher income groups and Freiheitliche Partei Österreichs in Austria hold responsible the "eurocrats of Brussels" for the economic crises (Mavrozacharakis et al., 2015).

Nonetheless, as summarized by Dahrendorf (1995), rise of populist and authoritarian movements are natural outcomes financial distresses:

"(…) to stay competitive in a growing world economy, countries are obliged to adopt measures which may inflict irreparable damage on the cohesion of the respective civil societies. If they are unprepared to take these measures, they must recur to restriction of civil liberties and of political participation bearing all the hallmarks of a new authoritarianism (…)".

By considering those, it is possible to emphasize that there is a correlation between the adoption of the Euro and populist streams in European countries. Nevertheless, this correlation is also artificial and inequitable. Since, almost all political organizations in distressed countries use the same method to exonerate themselves and stay in the rule, as Dahrendorf purported. In epitome, the adoption of the Euro should not be evaluated as the sole and main reason of rise of populism in Eurozone.

Based on an analysis of Euro-barometer survey data, Kriesi (1999) argues that among the populist supporters, people with lower educational attainment, farmers and low-skilled workers are disproportionately represented. In a supportive manner, Swank and Betz (2003) investigated whether the election results of populist parties are related to cultural and social reasons such as growing globalization that is increasing trade and migration. They consider the election results of populist parties in Western Europe in the period from beginning of 1980s to end of 1990s and find that immigration waves and growing international trade are directly correlated with high levels of support for right-wing populist parties. However, according to some researches, the correlation is less significant in well-developed and prosperous states that internalizes the underlying values of the European integration (Andersen et al., 2017).

Swank and Betz's addressing seems to be highly acceptable when thinking populist parties' most preferred method (Kahn & Tananbaum, 2015): Promising simple solutions to complex problems.

As an instance, for European voters in debtor countries like Greece and Portugal, who have suffered from falling living standards with no end in sight, the resounding rejection of austerity seems the simplest, yet most viable, option. On the other hand, in well-developed and affluent countries such as Germany, the Netherlands, Belgium and France, parties are affording to offer more rational, reasonable and compatible-with-European-values solutions such as fixing the Euro and affording to maximize its pros while minimizing its cons.

In parallel study, Inglehart and Norris (2016) analyzed whether populist support is related with economic, social or cultural variables. They discovered that cultural value scales are highly consistent predictors of support for populist parties and this support is strengthened by antiimmigrant attitudes, mistrust of globalization, support for authoritarian values, and left-right ideological self-placement. Meanwhile, they reached that economic indicators are not reliable predictors:

"(…)Looking more directly at evidence for the economic insecurity thesis, the results of the empirical analysis are mixed and inconsistent Thus, populist parties did receive significantly greater support among the less well-off (reporting difficulties in making ends meet) and among those with experience of unemployment, supporting the economic insecurity interpretation. But other measures do not consistently confirm the claim that populist support is due to resentment of economic inequality and social deprivation; for example, in terms of occupational class, populist voting was strongest among the petty bourgeoisie, not unskilled manual workers Populists also received significantly less support (not more) among sectors dependent on social welfare benefits as their main source of household income and among those living in urban areas".

For these reasons, ignoring other socio-cultural factors and considering the adoption of the Euro as the most important reason of populist streams can be not thought as a sensible idea. As pointed by Andersen et. al. (2017), economic policies of the EU institutions, the creation of the Euro, Union-scaled economic provisions predicted by the Maastricht Treaty have not directly led to a populist backlash; but they have just indirectly reinforced it.

Another point indicates that the Euro and Monetary Union are not directly related with the rising of populism is the number of EU member and non-member countries that adopted the Euro after the global debt crisis in 2008. As mentioned in previous pages of this paper, currently there are 19 countries adopted the Euro and 4 of them are Slovak Republic, Estonia, Latvia and Lithuania. The dates of adoption of the Euro in these 4 countries, respectively 2009, 2011, 2014, 2015, can be thought as a sign that shows the promising side of the Euro, since these countries chose to join the Eurozone despite the global financial crisis, its ongoing collateral damages and continued economic problems with surrendering control of one's domestic monetary policy (Campbell & Chentsov, 2017). These countries, their national parliaments and approximately 12 million people in total showed a strong will to integrate with the rest of Europe without any incertitude while they, legally, had chance to prefer an opt-out like UK in 1992 or go for a referendum like Denmark in 2000. In that manner, the continued growing of the Euro in these countries can be contemplated as the proof of victory of the Euro over the populist / ultranationalist arguments.

As explained, the adoption of the Euro should not be seen as the sole reason of all financial, social and political problems in the EU as the rise of populist and nationalist streams in Europe are not directly related with the Euro and the Monetary Union.

5. Conclusion

The adoption of the Euro and the Economic and Monetary Union that were predicted on the Maastricht Treaty, are vital elements of the great European integration movement. With the Euro, financial and economic co-operation among the EU member was strengthened and main economic, political, social and legal features of countries, national institutions, private corporations and lives of approximately 500 million European citizens were radically changed. These changes and the new conjecture brought severe debates over pros and cons of the Euro. While a group of politicians, economists, lawyers and scholars are criticizing the Euro and the Monetary Union by focusing on disadvantages and imperfections such as asymmetric shocks, economic imbalances, contractionary shocks, weakening of national identities, abolishment of national control over national fiscal policies; other group of experts are supporting the monetary union by considering its positive effects such as elimination of exchange rate volatility and related fluctuations, decrease in inflation rates, providing stability on prices, remove of trade barriers inside the EU, prevention of competitive devaluations and speculations, increase in number of foreign direct and portfolio investments, recognition in global scale.

In this paper, the most cardinal effects of the Euro from the perspectives of dissident side and supporting side were analyzed and the question whether the Euro is a story of success or a story of failure was investigated. Ultimately, it was concluded that, even the dissident opinions have reasonable and righteous arguments, it is clear that the merits of the Euro are predominate.

As previously remarked, the Euro concept and the Economic and Monetary Union are core elements of the idea of establishing the one, united and fully integrated Europe. While this idea has now political, legal and economic infrastructure, the advantages and the role of the Euro should not be forgotten or ignored. All dissident and supporting parties including national governments, political families in the EU member countries, commercial companies and the European people should be aware of the Euro’s potential for upcoming years and its successes in past 20 years.

Finally, it can be assert that even there are some economic, legal and political flaws about the adoption of the Euro, its role, function and successes on the great European integration are undisputable.

In this context, adoption of the Euro by the virtue of the Maastricht Treaty can and should be evaluated as a story of success.

References

1. Algan, Y., Guriev, S., Papaioannou, E. & Passari, E., 2017. The European Trust Crisis and the Rise of Populism. *Brooking Papers on Economic Activity*, BPEA Conference Drafts, September 7 - 8, 2017.
2. Allen, P.R., 1976. Organization and Administration of a Monetary Union. *Princeton Studies in International Finance,* 38.
3. Andersen, T.M., Bertola, G., Driffill, J., Fuest, C., James, H., Sturm, J.E. & Uroševic, B., 2017. *Economic Policy and the Rise of Populism – It’s Not So Simple. EEAG Report on the European Economy*, pp.50–66
4. Barteczko, K. & Tchorek, G., 2016. Has the Euro Led to the Trade Creation Effect? Unia Europejska, 6(241).

5. Bris, A., Koskinen, Y. & Nilsson, M., 2011. Euro and Corporate Financing. *Boston School of Management Research Paper Series*, 2011-1.
6. Brzoza-Brzezina, M., 2006. The information content of the natural rate of interest. *Economics of Transition*, 14(2), pp.391-412.
7. Campbell, D.L. & Chentsov, A., 2017. Breaking Badly: The Currency Union Effect on Trade. *MPRA Papers*, Paper No:79973, June 29, 2017. [online] Available at: <https://mpra.ub.unimuenchen.de/79973/> [Accessed 4 March 2018].
8. Dahrendorf, R., 1995. Economic Opportunity, Civil Society and Political Liberty. *UNRISD Discussion Paper*, Paper No:58, Geneva, March 1995.
9. Davulis, G. & Šadžius, L., 2013. European Integration: Historical Aspects and Current Problems. *International Journal of Business, Humanities and Technology*, 3(6).
10. De Sousa, J.J., 2012. The Currency Union Effect on Trade Is Decreasing Over Time. *Economics Letters*, 117(3), pp.917-920.
11. Directorate General for Economic and Financial Affair, 2017. *Benefits of the Euro.* [pdf] Available at: <http://ec.europa.eu/economy_finance/publications/pages/publication7309_en.pdf> [Accessed 21 March 2018].
12. European Central Bank, 2017. *The International Role of the Euro*. [pdf] Available at: <https://www.ecb.europa.eu/pub/pdf/other/ecb.euro-international-role-201707.pdf /> [Accessed 21 March 2018].
13. European Commission, 2017. *Investment.* [pdf] Available at: <http://ec.europa.eu/trade/policy/accessing-markets/investment/> [Accessed 26 March 2018].
14. European Commission, 2018. *Romania and the Euro*. [online] Available at: <https://ec.europa.eu/info/business-economy-euro/euro-area/euro/eu-countries-andeuro/romania-and-euro_en> [Accessed 17 May 2018].
15. Eurostat – Statistical Office of the European Union, 2017. International Trade in Goods. [online] Available at: <http://ec.europa.eu/eurostat/statisticsexplained/index.php/International_trade_in_goods> [Accessed 14 February 2018].
16. Fingleton, B., Garretson, H. & Martin, R., 2015. Shocking aspects of monetary union: The vulnerability of regions in Euroland. *Journal of Economic Geography*, 15, pp.1–28.
17. Fontaine, P., 1995. *Europe in Ten Lessons*. Luxembourg: Office for Official Publications of the European Communities.
18. Glick, R., & Rose, A., 2016. Currency Unions and Trade: A Post-EMU Reassessment. *European Economic Review*, 7, pp.78–91.
19. Herwartz, H. & Weber, H., 2010. The Euro's Trade Effect Under Cross-Sectional Heterogeneity and Stochastic Resistance. *Kiel Working Papers, Technical Report No. 1631*.
20. Inglehart, R.F. & Norris, P., 2016. Trump, Brexit, and the Rise of Populism: Economic Have-Nots and Cultural Backlash. *Harvard Kennedy School Faculty Research Working Paper 26*.
21. International Money Fund, 2004. *Definition of Currency Union, Issued Paper by IMF Committee on Balance of Payments Statistics Currency Union Technical Expert Group (CUTEG).* [pdf] Available at: https://www.imf.org/external/np/sta/bop/pdf/cuteg1.pdf [Accessed 25 February 2018].

22. Kahn, R. & Tananbaum, S.A., 2015. Addressing Economic Populism in Europe. *Global Economics Monthly*, December, 2015.
23. Klein, M.W., 1998. European Monetary Union. *New England Economic Review,* March/April 1998. [online] Available at: <https://www.bostonfed.org/publications/new-englandeconomic-review/1998-issues/issue-march-april-1998/european-monetary-union.aspx> [Accessed 23 February 2018].
24. Kriesi, H., 1999. Movements of the Left, Movements of the Right: Putting the Mobilization of the Two Types of Social Movements into Context. In: H. Kitschelt, P. Lange, G. Marks and J. Stephens, eds., *Continuity and Change in Contemporary Capitalism*, Cambridge University Press, New York, pp.398–426.
25. Ludlow, N.P., 2013. European Integration in the 1980s: On the Way to Maastricht. *Journal of European Integration History*, 1.
26. Mancini-Griffoli, T. & Pauwels, L.L., 2006. Is There a Euro Effect on Trade? An Application of End-of-Sample Structural Break Tests for Panel Data, *HEI Working Paper*, 4/2006. [pdf] Available at: <https://core.ac.uk/download/pdf/6513469.pdf> [Accessed 5 March 2018].
27. Mavrozacharakis, E., Tsagarakis, S. & Kamekis, A., 2015. Modern Populism in Greece. *MPRA Papers*, No:62728. [online] Available at: <https://mpra.ub.uni-muenchen.de/62728/> [Accessed 19 March 2018].
28. Mursa, G., 2014. Euro – Advantages and Disadvantages. CES Working Papers, Volume VI, 3.
29. Pădurean, E., 2016. Pros and Cons for Adopting Euro. *The Journal Contemporary Economy*, 1(3), pp.32-35.
30. Rybiński, K., 2007. *The Euro Adoption – Assessing Benefits and Costs*. *The panel discussion at the American Chamber of Commerce, Warsaw, 17 January 2007*. [pdf] Available at: <https://www.bis.org/review/r070118c.pdf> [Accessed 8 March 2018].
31. Swank, D. and Betz, H.G., 2003. Globalization, the Welfare State and Right-Wing Populism in Western Europe. *Socio-Economic Review*, 1, pp.215–245.
32. Tavlas, G.S., 1998. The International Use of Currencies: The U.S. Dollar and the Euro. Finance & Development, 46 – 49, June 1998.
33. The World Bank, 2017. *World Bank National Accounts Data by GDP*. [online] Available at: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?year_high_desc=true> [Accessed 16 February 2018].
34. United Nations Conference on Trade and Development, 2017. *Review of Maritime Transport.* [pdf] Available at: <http://unctad.org/en/PublicationsLibrary/rmt2017_en.pdf> [Accessed 13 February 2018].
35. Verbeken, D. & Rakic, D., 2017. *History of Economic and Monetary Union*. *Fact Sheets on the European Union – 2017*. [pdf] Available at: <http://www.europarl.europa.eu/ftu/pdf/en/FTU_2.6.1.pdf> [Accessed 3 February 2018].
36. Wenhao, L., 2004. Currency Competition Between Euro and U.S. Dollar. *Working Paper of the Business Institute Berlin at the Berlin School of Economics Paper*, 18.