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The Euro Crisis. What Went Wrong with the Single European Currency?

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Author(s)

Antonio Goucha Soares

ABSTRACT

This article delivers a brief contribution to the debate about the Euro crisis. With that purpose it lists the objectives, interests and power relations underlined by the main political actors by the time of the introduction of monetary cooperation within the field of European construction. It begins with a reference to the first experiments of monetary cooperation between European countries—with the so-called European Snake, and later the European Monetary System—which were intended to protect the common market from the turmoil caused by the collapse of the international monetary system. It also addresses the adoption of the economic and monetary union by the Treaty of Maastricht, the creation of the single currency and the first attempt to control fiscal policy with the Stability and Growth Pact. Then it concentrates on the crisis affecting the Eurozone, initiated with the Greek sovereign debt crisis. It starts with a reference to core Euro countries early reaction to the crisis, to continue with the measures adopted to support the Euro system, before discussing what would be the much needed firewalls that could deter financial attacks. The final sections are devoted to the Fiscal Treaty, and to the impact of crisis management on the European Union balance of powers.

KEYWORDS

European Union; Monetary Integration; Single Currency; Euro; Euro Crisis; Fiscal Treaty; EU Balance of Powers

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