

## Abstract

My doctoral thesis is aimed, as its title already indicates, at a constructive analysis of selected legal and economic aspects of the single European currency – the Euro, with emphasis on the legal features of the topic.

The principal goal of my dissertation has been twofold: primarily to confirm, on the basis of my own analysis, my initial hypothesis stemming from the assumption that within the very construction of a single European currency, a number of faults have occurred, both from the economic and the legal point of view. During the Euro history, the same rules have been applied in a different manner in different countries joining the Eurozone. This incorrect approach, in my view, made the EMU construction fragile which was later revealed during the Eurozone crisis. My dissertation is further based on the assumption that the current crisis does not mean “crisis of the Euro” as a currency, but that it is a crisis in some of the Eurozone member states. It is therefore doubtful whether the newly adopted measures can be really effective for the sustaining of the single European currency and the EMU in its current state, and to avoid the already existing and/or potential economic problems.

With a view to the fact that the doctoral thesis should bring in a creative contribution to the profession, my other primary goal was to fulfil this obligation. Thus, an important part of my thesis offers recommendations for the legislation and ideas *de lege ferenda* concerning the future laws that the Czech Republic will be obliged to adopt in relation to the introduction of the Euro. I have, therefore, analyzed corresponding laws of the selected Eurozone member states and within the framework of theoretical analysis and comparison, I make my own conclusions.

Besides the aims mentioned above, my dissertation has also secondary goals. This secondary angle of my thesis tries to analyse and identify controversial situations and disputable cases of the Euro introduction in various countries and of the EMU construction, points at their legal implications both related to the Euro and selected EU

Member States, and analyses various aspects of the single currency, both from the historic, as well as contemporary and future point of view.

Regarding its content, the thesis may be divided into three thematic sections:

- Part one deals with the legal, economic and political construction of the economic and monetary union
- Part two describes the legal position of individual EU Member States in relation to the Euro
- Part three examines the current European crisis and its possible outcome.

These three sections form the main pillars, from which individual chapters develop. Each of the three pillars mentioned above is then subdivided into three main chapters. Formally, the basic analytical work is preceded by an introductory chapter and the first chapter that explain the aims, structure, methodology, sources and terminology of the thesis.

Chapter 2 is dedicated to the Euro historic and political background. When analysing the EMU construction, one cannot ignore the times in which this project was born, nor the political pressures that, in my view, must have existed behind such ambitious project as EMU, including the introduction of a new, single European currency. In the case of Euro, I believe that this important project was rushed (caused by political circumstances): the political interest in the single currency has won over a well-thought economic construction and clear rules of both legal and economic character.

Chapter 3 concentrates on the legal basis of the economic and monetary union, with special emphasis on primary and secondary law. Recently, changes have been made to the primary law, based on the Lisbon Treaty which came to force as of January 1, 2009. However, I believe that this opportunity was not sufficiently used in order to pursue some more radical changes, for example in relation to the Maastricht criteria.

Chapter 4 focuses on the legal and economic construction of the EMU. As analysed in this chapter, the economic viewpoint seems to be rather neglected in the process of the formation of the single currency. Also the rule of law was not properly respected. Moreover, sanctions were not applied in cases where law was breached. In my opinion, Maastricht criteria were not adequately set up, nor applied. There is also a lack of rules governing the behaviour of countries after the euro adoption - the Stability and Growth Pact does not seem to be a sufficient instrument.

The second pillar of the thesis focuses on the legal position of the EU Member States. Chapter 5 investigates the Eurozone Member States. This chapter reveals the inconsistency with regard to the convergence criteria. Imperfections have been accepted in the past and a too strict interpretation of the convergence criteria is being applied at present. I consider this to be a legal impediment which cast a shadow on the principle of equal treatment. This also proves that the Maastricht criteria are more of a political nature rather than legal or economic. They are being used at a free political will – in the past with vague interpretation to speed up the process of monetary unification, and today with its strict application to slow down this process.

Chapter 6 explores the legal position of the EU Member States with a derogation. A special attention is given to the comparison of individual national legal acts, namely Euro Adoption Acts, and to recommendations for the Czech Republic. I strongly recommend to adopt the provisions regarding the so-called Euro Observatories as governed by the Cyprus Act.

Chapter 7 illustrates the situation of opt-out countries (Great Britain, Denmark).

The thesis last pillar has been dedicated to the so called Eurozone crisis and is also composed of three parts. Chapter 8 analyses the current crisis, which revealed some major deficiencies and the fragility of the institutional organisation in the EU and the instability of the EMU construction. At the same time it revealed the complexity of problems, their interconnection and different influences which contributed to the crisis, e.g. the impact of rating agencies.

Chapter 9 is dedicated to the anti-crisis measures, such as the European Financial Stabilisation Mechanism, Treaty on Stability, Coordination and Governance in the EMU, the Euro Plus Pact or the measures adopted by the ECB. In certain cases, these measures were of an unsystematic and sometimes ill-conceived approach.

The last chapter, No. 10, concentrates on possible alternatives of future developments within the Eurozone as well as the whole European Union, such as federalisation or the reduction of euro area Member States.

After this last chapter, a conclusion follows. The dissertation proved the hypothesis that within the construction of a single currency, there came to a number of difficulties and violations both from the economic as well as legal view. Nevertheless, it is not possible to entirely identify the current crisis with the single currency. At the same time, recent developments show enough willingness for an effective solution to the current problems. There is no other way than that of the acceptance of responsibility by individual Member States and of the respect of rules and obligations these countries have. Only such an active approach is, in my view, the right step toward a successful resolution of current problems in the EU.

## **Keywords**

Euro, Economic and monetary union, Maastricht Criteria, Pact on Stability and Growth, Optimum Currency Area, monetary policy, fiscal policy, European Union, national currency, opt-out, European central bank, accession strategy, National Coordination Group, National Euro Changeover Plan, ERM II, financial crisis.