

# Women of Europe

Commission Delegation

2003

## single currency

### The euro - a new currency for Europe

#### Editorial

In our series on specific topics, this issue has received particular attention, given the importance of the subject, the euro. This dossier is by no means exhaustive but it attempts to provide pointers on where to get more information either through sources in your country or by looking up the address provided (p.2) for any further questions you may have on the future single European currency.

An initial analysis of the survey, which almost 2,000 readers completed (far more than we expected), revealed an overall, very positive reaction to this publication. We will come back to the survey in greater detail later. Unfortunately, I will not have the privilege of carrying out your suggestions.

This is the last editorial I will write before taking on new duties within the Unit responsible for policies on "non-discrimination and equal opportunities" within the European Commission. I would like to thank you all for the support and trust you have shown me during the period I was in charge of this Section. ●

Ana Paula Laissy.

Ana Paula Laissy

Head of Section - Information for Women

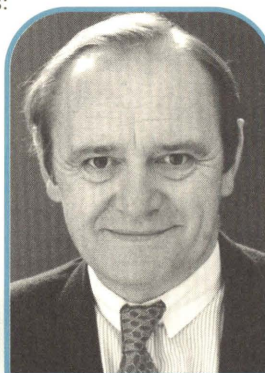
**By Yves-Thibault de Silguy, Member of the European Commission responsible for Economic and financial affairs, Monetary matters, Credit and investments, Statistical Office.**

Europe will have its own currency in less than six months. The euro area will comprise eleven states and 290 million inhabitants. It will be the largest trading power in the world. The size of its economy will be approximately equivalent to that of the United States. The creation of the euro is the culmination of a long process of economic integration, initiated in 1957 with the signing of the Treaty of Rome.

Changing from one currency to another is always difficult for individuals: they have to get used to a new set of monetary values and incorporate it into all aspects of their daily lives. Women are particularly affected in two respects. Like all working people, they will have to cope with the effects of the introduction of the euro on their business lives. But unlike the majority of their male colleagues, they will also have to get used to the new currency in their day-to-day role as "family managers". Surveys have shown that women have greater misgivings about the currency changeover

than men. They are undoubtedly more conscious of the practical aspects of transition.

Familiarising consumers with the euro will require an extensive information and communication campaign. Prices will have to be displayed in two currencies and converters or calculators distributed widely. Member States and a majority of utility companies (electricity, gas, telecommunications, etc.) have already said they will use the national currency and the euro in all their dealings with customers from 1999 onwards. An agreement has also been signed at European level between consumer associations and representatives of the retail sector to facilitate the rapid implementation of the dual-currency display system and to organise the practical details. Everyone, be it local authorities, schools or trade unions, will have to mobilise to reach a simple goal, that is to make 1 January 2002 a natural deadline that is expected and anticipated by all. ●



Yves-Thibault de Silguy

© European Commission

### Questions & answers about the euro

**There are many questions about Europe's new currency and its impact on our daily lives. This section seeks to provide some of the answers.**

*What is the euro?*

The euro is the European Union's future single currency. The decision to adopt this currency was agreed in 1992 in the Maastricht Treaty on European Union which was ratified by the parliaments of all Member States. In some countries, a referendum took place before ratification.

*Why do we need the euro?*

Because Europe's economy is now built on a single market and the single market will work much better with a single currency. EU Member States do over 70% of their trade with each other and will do even more with a single stable currency. This will help to create a stronger economy capable of growing at a faster rate.

*How will the euro help create jobs and prosperity?*

In at least three ways:

**First**, there will no longer be periods of European currency turbulence which damage trade between Member States. The last serious upset in 1995 cost the EU 2% in lost growth and up to 1.5 million jobs.

**Second**, the euro is expected to create more prosperity by cutting the cost of doing business. Companies will no longer have the expense of handling several different currencies. This will make them more competitive and will benefit consumers.

**Third**, sound management of public finances will lead to lower average interest rates and this will be good for investment, good for jobs and good for borrowers and home owners with a mortgage.

*What is the official abbreviation and the official sign of the euro?*

The official abbreviation of the euro is

'EUR'. It has been registered with the International Standards Office and will be used for all business, financial and commercial transactions. The official sign of the euro is €.

*When will the euro arrive?*

For most people it will become part of their everyday lives from 1 January 2002 when euro notes and coins become available. However, the euro will be legal currency from 1 January 1999, enabling it to be used on the financial markets and for a range of business activities.

*Will all countries in the EU be adopting the euro from 1 January 1999?*

Eleven Member States met the criteria laid down in the Maastricht Treaty and will adopt the euro on 1 January 1999. These are Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Denmark and the UK negotiated an opt-out from joining straight



away. Sweden and Greece did not meet the criteria.

*But how can the euro be a real currency from 1 January 1999 when it will not exist in the form of notes and coins?*

A permanent euro exchange rate for each participating and non-participating Member State currency will be fixed during a special summit meeting of EU Heads of State and Government on 1 January 1999. Monetary union can start then because a lot of economic activities are done without cash and many transactions can be made and settled without notes and coins. The changeover is happening in two stages because time is needed to allow companies, retailers and public administrations to prepare for the euro and to print new notes and mint new coins. Euro coins and notes will start circulating on 1 January 2002. Euro notes will be issued in denominations of 5, 10, 20, 50, 100, 200 and 500 euro. There will be eight different coins ranging from a cent (one hundredth of a euro) to 2 euro. On 1 July 2002 at the latest, the coins and notes of national currencies will have been withdrawn in all participating Member States.



*Will people be able to use the euro before 1 January 2002?*

Not for transactions requiring cash. Banks may allow people to hold a euro account. They may also allow clients to use cheques made out in euro.

*What will paying with the euro be like in everyday life?*

The only real difference is that you will be using new coins and bank notes. Shopping around for the best bargains will be much easier with the euro because you will waste less time and money looking for the best exchange rates or converting currencies when buying goods in another Member State. Travelling to another country in the euro zone will also be cheaper because you will no longer need to change currencies or pay exchange commissions.

*Will transition to the euro involve amounts being unfavourably rounded up?*

A number of precise and strict rules have been proposed to ensure this will not happen.

*When people see a price in euro, will it be easy to calculate what it is worth in their national currency?*

They will be able to do a rough calculation. Price displays in both old and new currencies as well as charts, conversion tables and easy-to-use calculators will help people learn the value to the euro quite quickly.

*When do people start earning wages and paying taxes in euros and when will they have to accept the euro from employers or as change in shops?*

As from 1 January 2002 when euro coins and notes become legal tender. Before this date, you cannot be required to use the euro. Some countries, however, will allow taxpayers to pay their taxes in euro before that date.

*Can I be sure that the euro will buy as much as my money does now?*

Yes, because the value of the things you buy, the wages you earn, your savings and your pension will not change but they will be measured in a new currency. The transition to the euro will not make anyone richer or poorer.

*What effect will transition to the euro have on money in bank accounts?*

Bank accounts will continue in national currencies up to 31 December 2001. When euro notes and

coins are introduced on 1 January 2002, all assets will be automatically converted in all participating Member States. Although you can choose to convert your assets during the transition period.

*But the value of money can be sharply reduced by rising prices. Who will take care of the euro and protect its value?*

The euro will be in the hands of a new European Central Bank (see box page 4) whose top priority will be to make sure that prices rise as little as possible and that the euro remains a stable currency. Also, price rises are often caused by devaluing currencies – the euro will remove that danger.

*The changeover to the euro must cost money – How much will consumers have to pay?*

It should not cost the consumer anything. Banks have already said they will not be charging their clients for converting assets into euros. Certain charges, such as changing computer software, are unavoidable, but investments on updating software have to be made anyway. Competition will deter many operators from trying to recover the costs of the changeover from the consumer.

Readers can find answers to other questions on the euro by consulting the regularly updated *Quest* database on the European Commission's Internet site on the euro at the following address:

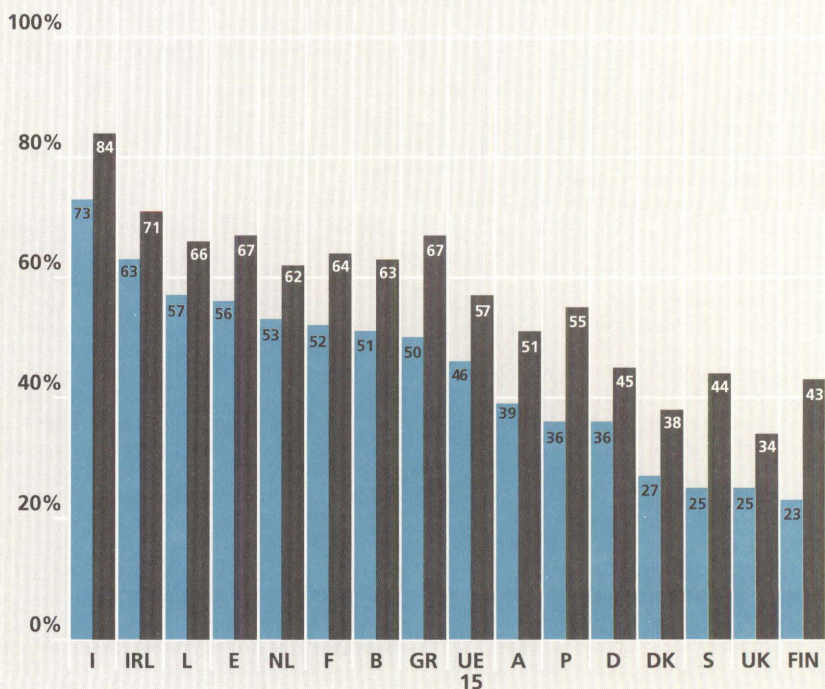
<http://europa.eu.int/euro>

More information on the euro is also available from  
**European Commission**  
**J.P. Malivoir**

**Task Force "Priority Information Actions – Euro: one currency for Europe"**  
**Rue de la Loi 200**  
**B-1049 Brussels**  
**Fax: (32.2) 296 33 50**

**"There has to be one single currency, the euro".**

■ % women "agree"  
■ % men "agree"





## Points of view about the euro

**Three EU-wide organisations representing the interests of consumers, families and older people give their views on the euro and its introduction.**

### Katrin Schveren of BEUC, the European Consumers' Organisation

"The actual transition to the euro will be a difficult time for Europe's women. They will lose their well-known and familiar terms of reference for assessing the price of goods and services and the comparative prices of competing products. They may worry about the possibility of hidden price rises and about the consequences of the transition for their savings, mortgages, loans, insurance policies, etc. These difficulties are inescapable but their effects can be mitigated if the transition is well-managed. One of the solutions consists in personalised and interactive information about the euro. Another is the widespread use of dual price displays in the national currency and the single currency for a period before and after the introduction of the euro."

For further information, fax:  
(32.2) 735 74 55

### Noël Molisse of COFACE, the Confederation of Family Organisations in the European Community

"To ensure people are ready for the euro, family consumers want priority to be given

to proper preparation, education and information for all consumers and for the direct involvement of consumer associations, family organisations and women's groups in these activities. Dual price displays for a sufficiently long period (six months either side of 1 January 2002) would be helpful to get consumers used to thinking and counting in euro and would help build confidence. COFACE also supports the idea of setting up "local euro switch-over monitoring centres" from the end of 1998 to monitor prices and avert hidden price rises."

For further information, fax:  
(32.2) 514 47 73

### Virginia Graham of Eurolink Age, which represents the interests of groups working for older people at EU level

"The introduction of the euro will have very practical consequences for all European Union citizens but these will be particularly acute for many of Europe's older people. For example, older people have spent relatively more time using their national currencies, and could find it harder to adjust to a new currency. There is also a strong psychological attachment among older people to their national currencies and

Central Banks as a protection against the catastrophic inflation of the 1930s and there is bound to be anxiety concerning the relative value of pensions and other savings accounts after the changeover. At EurolinkAge, we do not accept that older people, per se, need different information from other groups. However some groups of older people – such as the visually impaired or those suffering from dementia or confusion – will have specific needs which must be appropriately met. Particular attention should be paid to certain specific settings widely used by older people such as public transport, small retail outlets, open-air markets and post offices. Certain situations must also be guarded against: financial institutions must not abuse their position by charging for the conversion of funds into euro; retailers must abide by the guidelines on price conversion and a long period of easy-to-read dual pricing must be followed as far as possible." ●

For further information, fax:  
(32.2) 512 66 73

## survey

### Women's attitudes to the euro

**For several years, Eurobarometer surveys have revealed that women are in general more reticent about the single currency than men. On the other hand, these surveys have also shown more women to be in favour of the euro than opposed to it.**

A Eurobarometer poll (No 48), carried out between 12 October and 16 November 1997 among nearly 16,000 Europeans (including 8,220 women), featured three important questions on the euro.

Respondents were asked whether they supported the euro, whether they felt well-informed about it and whether they felt an information campaign was needed. From the responses it emerged that women were slightly less favourable to the euro than men but felt less well-informed and said an information campaign was indispensable.

Some 46% of the women polled in the 15 Member States said they supported the single European currency (compared to 57% men), 40% said they were against it (33% men) and 14% said they did not know (10% men).

European women most in favour of the euro were found in Italy (73%), Ireland (63%), Luxembourg (57%), Spain (56%), the Netherlands (53%), France (52%), Belgium (51%) and Greece (50%). Fewer women were in favour in Germany and Portugal (36% for) and Austria (39%). Finnish (23%), Swedish and British (25%) and Danish (27%) women were much less favourable.

#### Well-informed about the euro ?

European women said they felt even less well informed than men about the euro. In the autumn of 1997, 21% of women said they felt "(very) well informed" against 34% of men. 52% of women (50% men) said they were "not very well informed" and 25% (15% men) said they were "not at all informed". But some progress was recorded compared to the previous year's responses

when only 16% of women polled (against 27% of men) said they were "very well" or "well" informed on the single currency.

The need for an information campaign on the euro was clear-cut for nearly 9 European women out of 10 (88%, against 91% men). Most women said they would prefer these campaigns to be organised by their national government (34%), followed by the media (20%), the European Union (17%) and banks or savings banks (14%). ●

For further information on this issue and on Eurobarometer surveys in general, contact:

European Commission

Ruben Mohedano-Brethes

"Public opinion analysis - Eurobarometer" Unit

Rue de Trèves 120, 04/06, B-1040 Brussels.

Fax: (32.2) 299 92 46



# European System of Central Banks

## Maintaining a stable currency

**T**he European System of Central Banks (ESCB) is made up of the European Central Bank (ECB) and national central banks (NCBs). This structure was put in place to maintain price stability EU-wide once the single currency has been introduced. It will also support the Community's general economic policies.

Designed as an independent system, the ESCB cannot be influenced by EU institutions or governments of Member States. It is governed by the decision-making bodies of the European Central Bank: the Executive Board (comprising the President, Vice-President and four members), the Governing Council (all members of the Executive

Board and governors of NCBs) and the General Council (the President, Vice-President of the Board and the governors of all NCBs).

NCBs of Member States not participating in the euro area are members of the ESCB but with special status. They will not take part in decision-making regarding single currency policy for the euro area or the implementation of such decisions.

The European Central Bank was officially launched on 1 June 1998 after approval by the European Council and European Parliament of the appointments of the Executive Board President Wim Duisenberg

(NL), Vice-President Christian Noyer (F) and four board members Otmar Issing (D), Tommaso Padoa-Schioppa (I), Eugenio Domingo Solans (E) and Sirkka Hämäläinen (SF), the only woman member, and started work soon after.

The European Central Bank will be located in Frankfurt at the headquarters of the former European Monetary Institute, set up in 1994 to lay the technical, operational and organisational foundations for the single currency and its management.

# interview

## The euro – an opportunity for all women

**C**hrista Randzio-Plath (PSE, Germany) chairs the European Parliament's Sub-Committee on Monetary Affairs, which has been actively involved in the process of Economic and Monetary Union (EMU).

*What role has the European Parliament and your Committee played in the EMU process?*

The European Parliament strongly supported the EMU process from the beginning because of its commitment to greater European integration and its belief that economic and monetary union will contribute to that. Also it was difficult to see how a single market could function without a single currency.

Parliament accompanied the whole process during the first and second preparation stages of Monetary Union, analysing reports from the central bank governors and then those of the president of the European Monetary Institute. It instituted an ongoing monetary dialogue within the Parliament and has been instrumental in making more transparent EU monetary decisions.

Parliament has heard from a wide range of target groups to find out their concerns and ensure they are being tackled. It has been in contact with the banking and financial sectors and also industry, commerce, those involved in the technical preparations like printing and minting and user groups like women's associations and consumer groups.

*What will Parliament's role be in the future?*

It will continue its dialogue with the President of the European Central Bank (ECB) and the other members of the ECB Board.

*What are the most important benefits for EU citizens of the euro?*

The absence of monetary turbulence will lead to a sounder economic environment

and should stimulate investment, growth and employment. Price transparency and greater competition will, I believe, lead to falling prices. The lower costs of financial transactions should be reflected in prices and benefit citizens. Job creation should be an indirect benefit. SMEs, which are Europe's biggest employers, will have easier access to markets and should expand their activities and so create more jobs. As the euro becomes an international reserve and trading currency, Europe will attract more capital, which is important because investment is too low in Europe. Becoming an international currency also means imports becoming easier and cheaper. And when we have euro coins or banknotes in our hands, Europe will become more tangible and real for citizens, bringing with it a greater sense of belonging and solidarity.

*Are you satisfied with the outcome of the Parliament's hearings of candidates for the ECB Presidency and executive board?*

I would very much like to see this type of appointment procedure developed further in the EU's institutions. We tried to be as tough as the American senate but they have a right to reject a candidate. We do not. The only woman appointed to the board, Ms Hämäläinen shares the same philosophy as

the other board members on the importance of ensuring price stability. When we asked the candidates if they would guarantee a gender balance in the staffing of the European Central Bank, we were told that the decisive criteria would be qualifications.

*What is your message to women who may fear the introduction of the euro?*

All new projects contain an element of risk. Women should look at the positive aspects of monetary union and prepare themselves for it. They need to become interested in monetary policies. I regret there are so few women in top positions in the financial sector and private and central banks. This is changing in Germany, where women make up nearly half the finance ministers in the different Länder. This was inconceivable 10 years ago and is a good sign for the future.



Christa Randzio-Plath

© Isopress