THE EURO AREA ENLARGEMENT AMID DIFFERENT CRISES – IS IT POSSIBLE?

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If we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. The euro is meant to be the single currency of the European Union as a whole.

Jean-Claude Juncker

Abstract

Currently two third of the EU Member States are also members in the euro area. However, the euro was established and it was always perceived to be the single currency of the whole EU. Out of the eight EU Member States that are currently outside the euro area, only Croatia is on the very final stages for adopting the euro. It is planned to happen on 1 January 2023. The other non-euro area EU Member States are far from adopting the euro, with the possible exception of Bulgaria that joined ERM II and the Banking Union in 2020. At the same time, the EU experiences recently several crises and challenges. Is it possible to have in medium term substantial euro area enlargement amid so many crises and challenges for the EU? This is the main question for which the current paper will try to find concrete answers.

Key words: euro area, enlargement, economic crises

1. Introduction

The euro was always perceived by the European leaders, since the efforts for its establishment in the 1990s, to be the single currency of the whole EU. Jean-Claude Junker reminded this in his State of the Union speech in 2017.[1]

[1] Junker, J.-C., *„State of the Union Address 2017“*, Brussels, 13 September 2017, available at https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_17_3165.

However, from the birth of the euro area in January 1999 since today, around at least one third of the EU Member States are not part of the single currency. Furthermore, the new EU Member States are supposed not to enter in the euro area from their EU accession date. Therefore, in the period 2004-2007 when substantial EU enlargement took place with 12 new members, there was a situation when even a little bit more than half of the EU Member States were outside the euro area.

This situation changed somehow due to several factors. First, euro area enlargements happened in the period 2007-2015 and now the members of that area are 19 out of 27. Brexit also affected the balance between euro area and non-euro area Member States of the EU as the withdrawal of the United Kingdom from the EU also means the withdrawal of the largest and strongest EU economy that was outside the euro area. The accession of Croatia in the euro area from 1 January 2023 will change the situation further as it will become the 20th member of the euro area. Even then, the euro still will not be the single currency of the EU as 7 Member States will remain outside that area.

At the same time the EU experienced in recent years several significant crises. Just when the EU started to recover from the 2007-2009 global economic and financial crises, the pandemia hit the European continent and the whole world in 2020. The war in Ukraine erupted in early 2022 with serious impact on energy and other supplies in the EU. These and other factors are likely to lead to a further recession in the EU combined with an unprecedented inflation for the recent two decades. On the other hand, Brexit may be also considered as a crisis as the United Kingdom was the second largest EU economy and it was the first withdrawal of a Member State from the European Union which effects are yet to be seen in their full potential in the coming years.

The current paper will try to analyse if euro area enlargement is possible amid different current crises and if in the medium term the euro might become the single currency for the whole European Union. The next section provides some reflections about the divergences in the current EU Member States that are outside the euro area. The two sections afterwards contain some information on the nominal and real convergence of these Member States towards the euro area. The last section concludes.

2. Divergence vis-a-vis convergence in the EU Member States outside the euro area

The Member States of the EU that remain outside the euro area are rather divergent at this stage. There are also different reasons why they are still outside the euro area. One group of them are willing to enter but they are not fully prepared for that. Other countries are more convergent to the euro area but they do not want to enter mainly for internal political reasons.

If we exclude Croatia that shall join the euro area from 1 January 2023, in the first group of EU Member States outside the euro that are willing to accede to the single currency but are still not ready – we may include Bulgaria and Romania. Bulgaria already entered in the Exchange Rate Mechanism II (ERM II) and the Banking Union in 2020 but it still has a way to go before joining the single currency. Romania did not yet start the process of acceding to the ERM II and the Banking Union and it seems that his path to join the euro is even longer that the one of Bulgaria. Both countries are among the poorest EU Member States and the ones that economically are more distant and divergent from the euro area.

On the other hand, countries like Poland, Hungary and Czech Republic are more economically developed and convergent to the euro area but they are much less willing to adopt the euro in the near future. Some of the reasons for that are the governing coalitions in these countries in the recent years that are rather eurosceptic as well as the low level of support among the population for the adoption of the single currency.

A third group of EU Member States that are outside the euro area includes Denmark and Sweden. Both countries are rather integrated and convergent to the euro area. They are among the most developed countries from the EU and there are no significant economic challenges for them for the adoption of the single currency. But again, both countries are not willing at this stage to adopt the euro. Denmark has the so-called „opt-out" clause that allows the country not to enter the euro area even if it fulfils the criteria for that. Denmark is part of the ERM II since its establishment in January 1999 and maintains a very narrow currency band towards the euro with fluctuations of the national currency of only +/-2.25% around the central rate to the single currency. Denmark already held referenda in the near past that rejected the idea the country to enter in the euro area.

Sweden also held a referendum in 2003 for possible euro area accession and it was also negative. However, Sweden does not have the „opt-out" clause from the euro area. But refraining from entering in the ERM II that is one of the preconditions to join the single currency makes more distant also the date of euro accession.

Therefore, one may rightly argue that the EU Member States that are currently outside the euro area are quite divergent ones from the others. The latter makes the reasons for their non-adoption of the euro also quite divergent. This may lead to a conclusion that amid different economic, financial, social and political crises, it is not expected to have significant process of euro area enlargement in the recent years.

However, this is a bit simplified conclusion.

As crises may induce just the opposite behaviors of European States – to provide stimulus for greater integration. Below, we provide a short list of concrete examples of economic, political and even military integration that was stimulated by the crises or happened amid serious crises:

- Iceland decided to start closer integration to the European Union[2] in 2008 and applied for EU membership just after the eruption of the global economic and financial crises from 2007-2009 that hit seriously the country. Iceland has withdrawn its application for EU membership in 2013 when the crises was overcome a little bit earlier than expected from the government and the people of the country. In other words – no crisis, no serious willingness to integrate and to provide part of the sovereignty to the EU supranational institutions.
- Estonia succeeded to enter in the euro area in 2011 amid the turbulent times after the start of the global economic and financial crises. The accession of Latvia and Lithuania to the single currency in 2014 and 2015 respectively may be also considered as enlargement of the euro area in a post-crisis period.
- Croatia also joins the euro area amid serious crises, energy and supply chain problems as well as a war in Ukraine that is quite close to the EU borders. Furthermore, Croatia and Bulgaria succeeded to join the ERM II and the Banking Union in 2020, just after the eruption of the pandemia with COVID-19, the beginning of the recession and the fiscal challenges for budgets of EU Member States that started to stimulate their economies via fiscal measures.
- The pandemic and the refugee crisis also failed to prevent the enlargement of the Schengen area. Croatia is expected to join that area in 2023. Romania and Bulgaria may also join it by that year if the remaining conditions are met and if there is a positive assessment by the European Union institutions.
- On the military field, there were also substantial changes after the start of the war in February 2022. Finland and Sweden remained neutral until recently but decided to apply for NATO membership after the aggression of the Russian Federation in Ukraine.

All these examples show that economic, political and even military integration may happen amid different crises. One may also argue that the crises further stimulate the integration processes. There are serious arguments for that. During times of crises politicians are more willing to start unpopular reforms. The people are also more ready to accept changes during times of crises as there is a general understanding that there shall be a reaction to the crises. Last but not least, the EU institutions and leaders are also habituated to respond to crises situations with „more Europe“, i.e. with deepening the European integration process and with the enlargement of the existing integration projects such as the euro and the Schengen areas.

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[2] Iceland is already to some extent integrated to the EU as it is part, together with Norway and Liechtenstein, to the European Economic Area Agreement since 1995. In accordance with this agreement Iceland and the other two countries apply the EU provisions on the internal market and its freedom of movement of goods, people, services and capital.

Brexit also affected interestingly the opportunities for euro area enlargement. The first impression is that the problems associated with Brexit may reduce the intentions for euro accession by the non-euro area Member States. In fact, Brexit may induce just the opposite developments as the United Kingdom was the second largest economy in the EU-28 as well as the largest and the most important economy in the non-euro area Member States. The withdrawal of the United Kingdom of the EU provoked many changes, including in the balance between euro-area and non-euro area Member States. After Brexit and before the Croatia's accession to the single currency, the euro area GDP is about 85% of the total EU economy (GDP) and the 8 non-euro area countries are only about 15% of the EU economy which is a very small proportion. After Brexit, the non-euro area Member States have less power in the EU-decision making process. On the other hand, more and more economic and financial reforms recently are directed mainly to the euro area with the notable example of the Banking Union that is obligatory only for euro area Member States and for the other EU countries it is just an option.[3]

It shall be noted also that the euro is the second strongest currency in the world after the US dollar. This is also a positive fact when one considers the strategies for overcoming different global and regional crises. This may create additional stimulus for the non-euro area Member States to join the single currency. The euro is globally the second most used currency in the trade, financial and foreign exchange markets. It is also the second reserve currency for keeping foreign exchange reserves by the central banks. The euro is also the second most used currency for issuing government and corporate debt.[4]

3. Nominal convergence of the EU Member States outside the euro area

In order to assess the preparedness of the non-euro area Member States to adopt the euro as well as the chances for euro area enlargement we will assess next the compliance with the nominal convergence criteria that are defined in the Treaty on the Functioning of the EU (TFEU) after the amendments in

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[3] For more information on Brexit and how it affects the euro area, see: Tokarski, P. and S. Funk, *„Non-euro Countries in the EU after Brexit. Between Fear of Losing of Political Influence and Euro Accession“*. SWP Comment 2019/C 03, January 2019 and Simeonov, K., *„The Effects from Brexit on the EU-27 and the Euro Area Developments“*, Bulgarian Journal of International Economics and Politics, University of National and International Economy, Issue 1, 2021, Sofia, ISSN (print): 2815-2751, DOI: https://doi.org/10.37075/BJIEP.2021.1.02, p.17-25. For more information on EU reforms in relation to the completion of the Economic and Monetary Union, see: Juncker, J.-C. in close cooperation with D. Tusk, J. Dijsselbloem, M. Draghi and M. Schulz, *„The Five President's Report: Completing Europe's Economic and Monetary Union“*. Brussels, June 2015.

[4] For more information on the international role of the euro in the global markets, see: European Central Bank, *„The international role of the euro“*, June 2021 and European Commission, *„The Euro in the World“*, Economic and Financial Affairs, Brussels, 2016. It shall be taken into account, however, that the euro has lost some influence, including through its current devaluation against the US dollar.

the Treaty of Maastricht.[5] These criteria concern the price stability criterion, the criteria on public finances, long-term interest rates and exchange-rate stability as well as the legal compliance with the EU law. The official assessment of these criteria is done by the European Commission and the European Central Bank at least every two years or at the request of an EU Member State outside the euro area. The last regular assessment by the Commission and the ECB were published in their convergence reports issued in June 2022.[6]

The Table 1 below provides information on the compliance of the non-euro area Member States with the convergence criteria for the adoption of the euro.[7] For the current analysis the last three convergence reports from the European Commission and the European Central Bank are taken into account – those from 2022, 2020 and 2018.

Table 1: Compliance with the convergence criteria by non-euro area Member States (2018-2022)[8]

	Price stability	Long-term interest rate	Public finances		Exchange-rate stability	Legal compliance
			Budget deficit	Government debt		
Convergence Reports from 2022						
Bulgaria	5.9%	0.5%	-4.1%[9]	25.1%	Compliance	Non-compliance
Croatia	4.7%	0.8%	-2.9%	79.8%[10]	Compliance	Compliance
Czech Republic	6.2%	2.5%	-5.9%	41.9%	Non-compliance	Non-compliance

5 See: Consolidated version of the Treaty on the Functioning of the European Union, OJ C 326, 26.10.2012., p. 47-390.

6 See: European Commission, *„Convergence Report"*, Institutional Paper 179, June 2022, ISSN 2443-8014 (online) and European Central Bank, *„Convergence Report"*, June 2022, ISSN 1725-9525.

7 Denmark is also a non-euro area Member State but it is excluded from the analysis of the Convergence Reports because of its „opt-out" clause in relation to the adoption of the euro and the entering into the third stage of the Economic and Monetary Union.

8 Sources: European Commission, *„Convergence Report 2022"*, Institutional Paper 179, June 2022, European Commission, *„Convergence Report 2020"*, Institutional Paper 129, June 2020; European Commission, *„Convergence Report 2018"*, Institutional Paper 078, May 2018.

9 Bulgaria and the majority of the non-euro area Member States comply with the public finances criterion in 2022 as the general escape clause under the Stability and Growth Pact was used due to the extraordinary situation with the COVID-19 pandemia and Excessive Deficit Procedure was not started against these states. The only exception is Romania.

10 The government debt is considered compliant in Croatia in 2022 even though it was above the reference value as the ratio of government debt to GDP was decreasing and the prospects for the next years are to decrease even further approaching the reference value. The same arguments were used to recognise in the same year the compliance of the public finance criterion also for Hungary.

Hungary	6.8%	4.1%	-6.8%	76.8%	Non-compliance	Non-compliance
Poland	7.0%	3.0%	-1.9%	53.8%	Non-compliance	Non-compliance
Romania	6.4%	4.7%	-7.1%	52.6%	Non-compliance	Non-compliance
Sweden	3.7%	0.4%	-0.2%	36.7%	Non-compliance	Non-compliance
Reference Value	**4.9%**	**2.6%**	**-3.0%**	**60.0%**	**ERM II**[11]	**n.a.**
Convergence Reports from 2020						
Bulgaria	2.6%	0.3%	-2.1%	20.4%	Non-compliance	Non-compliance
Croatia	0.9%	0.9%	+0.4%	71.1%	Non-compliance	Compliance
Czech Republic	2.9%	1.5%	+0.3%	31.0%	Non-compliance	Non-compliance
Hungary	3.7%	2.3%	-2.0%	66.3%	Non-compliance	Non-compliance
Poland	2.8%	2.2%	-0.7%	45.6%	Non-compliance	Non-compliance
Romania	3.7%	4.4%	-4.3%	35.3%	Non-compliance	Non-compliance
Sweden	1.6%	-0.1%	+0.5%	35.1%	Non-compliance	Non-compliance
Reference Value	1.8%	2.9%	-3.0%	60.0%	ERM II	n.a.
Convergence Reports from 2018						
Bulgaria	1.4%	1.4%	+0.9%	25.4%	Non-compliance	Non-compliance
Croatia	1.3%	2.6%	+0.8%	76.7%	Non-compliance	Compliance
Czech Republic	2.2%	1.3%	+1.6%	35.0%	Non-compliance	Non-compliance

[11] The compliance with the exchange-rate convergence criterion is ensured if the Member State is a member of the Exchange Rate Mechanism II for at least 2 years without devaluating against the euro.

Hungary	2.2%	2.7%	-2.0%	73.6%	Non-compliance	Non-compliance
Poland	1.4%	3.3%	-1.7%	50.6%	Non-compliance	Non-compliance
Romania	1.9%[12]	4.1%	-2.9%	35.1%	Non-compliance	Non-compliance
Sweden	1.9%	0.7%	+1.3%	40.6%	Non-compliance	Non-compliance
Reference Value	**1.9%**	**3.2%**	**-3.0%**	**60.0%**	**ERM II**	**n.a.**

Based on the results from the last three convergence reports the following main conclusions may be done for the nominal convergence of the current non-euro area Member States (except Denmark):

- The main challenge for achieving convergence with the euro area is the price stability criterion. Usually between 3 to 5 non-euro area Member States does not fulfill this criterion. Partially this is due to the fact that the price levels of the majority of these countries are well below the average price levels of the euro area. Therefore, price levels in these countries are expected to be higher in the coming years and further convergence is expected due to the catching up process.
- The majority of the non-euro area Member States meet the long-term interest rate criterion with only 1 to 3 countries not meeting this criterion in the different reports. Furthermore, usually the non-compliance is with a small margin above the reference value.
- The non-euro area Member States usually meet the public finance criterion. It shall be admitted that in the recent years these countries perform even better than many of the euro area members in terms of public finance stability. The only exception is Romania but even that Member State met the criterion in 2018.
- The majority of the non-euro area Member States do not meet the exchange-rate stability criterion, but this is mainly due to their non-willingness or unpreparedness to enter in the ERM II. Only in the last 2022 convergence reports Bulgaria and Croatia met this criterion as they joined successfully ERM II in July 2020.

[12] Although the level of inflation in Romania is 1.9% just at the reference value of 1.9%, the EU institutions assess it as non-compliance in the convergence reports from 2018 as it is projected the inflation to increase above the reference value in the next months. At the same time Sweden with the same rate of inflation of 1.9% is considered compatible with the price stability criterion as it is projected the inflation of that country to decline in the next months.

- The non-euro area Member States except for Croatia does not comply also with the legal criteria as their legislation is not fully compatible with the Treaty on the Functioning of the EU and other EU law. However, this criterion is not expected to create substantial challenges. Once the countries approach to the euro area they will amend without problems their respective national legislation.

As a general *conclusion*, it may be stated that the nominal convergence shall not be a significant challenge for the non-euro area Member States, with the possible exception of the price stability criterion. If the governments and central banks of these countries have the willingness, then the public finances, the long-term interest rate, the legal compliance as well as the exchange rate stability criterion shall not be significant problems. If there is a political willingness, even the price stability criterion shall not be such a problem, as the criterion shall be usually fulfilled for the last 12 months and the governments and central banks have enough instruments to put a pressure on the inflation levels, especially in short-term.

4. Real convergence of the EU Member States outside the euro area

Although the nominal convergence is the one that is mainly assessed officially for measuring compliance with the euro area convergence criteria, the real convergence of the countries with that area is not less important. The real convergence is the one that is usually felt stronger by the people and it is much more visible.

The real convergence may be measured by several indicators but the most used is the one comparing the GDP per capita in Purchasing Power Parity (PPS). This indicator allows to measure and to compare the level of wealth and purchasing parities of the Member States.

Another indicator for measuring the real convergence with the euro area is the percentage of the trade of the respective country with the euro area, compared with its total foreign trade. Other indicators include the comparison of the price levels in the country with the price level in the euro area, the investment positions with the euro area, i.e. the level of investments from euro area Member States, etc.

Below in the table data is provided for two of the most important real indicators. The same seven non-euro area Member States are included and the analysed period is 2012-2021 with a more detailed focus on the last years – 2017-2021.

Table 2: Real convergence by non-euro area Member States (2022)[13]

	2012-2021	2012-2016	2017-2021	2017	2018	2019	2020	2021
GDP per capita in PPS (euro area = 100)								
Bulgaria	46.4	44.1	49.3	47.0	48.2	49.9	52.3	-
Croatia	58.7	56.7	61.1	59.3	60.7	62.6	61.8	-
Romania	57.2	52.1	63.5	59.4	61.4	65.3	68.1	-
Czech Republic	83.4	80.6	87.0	85.0	86.3	87.6	89.2	-
Hungary	65.4	63.6	67.8	64.5	66.9	68.6	71.0	-
Poland	65.4	63.2	68.1	65.0	66.3	68.4	72.6	-
Sweden	116.3	118.4	113.6	113.7	112.4	111.9	116.6	-
Trade with the euro area (as a percentage of the total)								
Exports of goods and services with the euro area (as a percentage of the total)								
Bulgaria	43.4	42.4	44.3	42.4	44.6	44.0	45.6	45.2
Croatia	55.6	57.1	54.4	54.5	55.7	54.5	53.6	53.8
Romania	55.7	54.0	57.0	57.0	57.6	57.2	57.7	55.7
Czech Republic	62.3	62.3	62.2	62.6	61.9	61.9	62.2	62.2
Hungary	56.8	56.2	57.4	57.4	57.3	57.6	58.2	56.5
Poland	56.1	55.1	57.0	56.1	56.7	56.5	57.4	58.4
Sweden	39.5	39.8	39.2	40.7	40.4	38.5	38.1	38.4
Imports of goods and services with the euro area (as a percentage of the total)								
Bulgaria	42.2	42.6	41.8	42.8	42.6	41.6	40.8	41.1
Croatia	58.6	59.3	58.0	58.5	57.1	58.3	58.9	57.1
Romania	53.8	54.3	53.5	54.5	54.2	52.9	53.3	52.4
Czech Republic	51.8	52.4	51.2	52.5	52.1	51.6	50.4	49.5
Hungary	57.2	57.6	56.8	58.8	57.6	56.7	55.5	55.6
Poland	57.8	57.8	57.7	58.7	57.7	57.1	58.2	56.9
Sweden	48.9	48.4	49.4	49.5	48.9	49.1	49.8	49.9

[13] Source: European Commission, „*Convergence Report 2022*“, Institutional Paper 179, June 2022.

Analysing the information from Table 2 the following conclusions may be withdrawn:

- Comparing the GDP per capita in Purchasing Power Parity with the euro area, generally there is some convergence with the single currency area. Another positive fact is that for the last decade for all countries (with the exception of Sweden) this real convergence is increasing. The level of GDP per capita in Sweden compared to the euro area remains the same in the last decade but this is the only country in the sample when the GDP per capita is even higher than the one of the euro area average.
- It shall be admitted that this group of seven countries is a little bit divergence in terms of GDP per capita in PPS compared with the euro area. On the one extreme is Sweden with average GDP per capita in PPS of 116.3% compared with the euro area average in the last decade. On the other hand is Bulgaria, with a figure of less than 50% for the same period. The positive news for the latter is that the indicator is constantly improving during that decade. Currently it stands already above 50% and the prospects are for further improvements in the next years.
- The other countries may be grouped in three groups in relation to the GDP per capita in PPS indicator. The first one is Croatia and Romania where the average GDP per capita in PPS for the last decade was 57%-58% from the euro area average. The second one is Hungary and Poland with a level of GDP per capita in PPS of around 65% from the euro area average in the last decade. The third one comprises only one country – the Czech Republic where the GDP per capita in PPS is substantially higher than the other non-euro area Member States from Central and Eastern Europe – around 83% for the last decade. The level of real convergence for all these three groups of countries is increasing in the last years when comparing the GDP per capita in PPS.
- Looking on the other indicator, namely the trade integration of the analysed countries with the euro area, similar conclusions for relatively high integration with the single currency may be done. The exports of these countries with the euro area stand between 39% and 62% from the total exports of the seven countries. In the majority of the cases the exports to the euro area are above 50% from the total exports.
- Analysing the imports similar figures may be reported. The imports of the seven non-euro area Member States from the euro area are between 40% and 58% from the total imports in the last decade. In the majority of the cases the level of trade integration in terms of imports is above 50%, meaning that the majority of the imports are coming from the euro area. That shows the high level of trade integration of these countries. The trade with the rest of the world represents less than half of their foreign trade.

As a general *conclusion* it may be stated that there is some real convergence with the euro area for the EU Member States that are currently outside that area. Furthermore, in the recent years this real convergence is slightly but steadily growing and the Member States outside the euro area are more and more integrated to that area in real terms.

5. Conclusions

Is it possible to conclude that because of the relative nominal and real convergence of the non-euro area Member States with the single currency the enlargement of that area will be a fact in the next decade? And that the euro will become a real single currency for the whole EU?

The potential answers are rather mixed.

If one looks at the figures, it may be concluded that with some efforts and reforms the non-euro area Member States may become part of the single currency in the next decade. The main challenge in relation to the nominal convergence is price stability but even that criterion may be fulfilled if appropriate measures are taken at national level. Another challenge is to maintain stable the public finances which will not be very easy in the next years due to negative economic effects of the pandemia, the war in Ukraine, the energy and other supply chain problems.

The real convergence of the non-euro area Member States from Central and Eastern Europe is also advancing slowly but steadily in the recent years. Sweden and Denmark real convergence with the euro area is already a fact.

Brexit may also affect positively the willingness of the non-euro area Member States to join the single currency. The main reason is that with the withdrawal from the EU of the largest non-euro area economy the share and the role of the non-euro area Member States significantly decreased in the EU. With the euro accession by Croatia in 2023, this share and role will decrease further.

However, everything is not so positive for the euro area enlargement in the next decade. The main problem is the current lack of political willingness in most of these non-euro area countries to join the single currency. This is mainly relevant for Sweden as well as for Denmark, Hungary, Poland and Czech Republic. Bulgaria and Romania are much more willing to enter in the euro area but there are substantial reforms to be concluded before euro accession is possible. However, Bulgaria has some advantage as it is already part of the ERM II and the Banking Union and the nominal convergence with the euro area is higher than in Romania. In contrast, in the recent years Romania achieved greater real convergence than Bulgaria.

Another problem is the relatively low level of support for the euro accession among the population in the non-euro area countries. Intensive information and communication campaigns for euro adoption are not yet advanced in these countries with the exception of Croatia that is quite close to euro adoption.

The current crises create significant problems for the EU and the euro area. The pandemic, the war in Ukraine, the energy and supply chain problems, the refugee and many other crises induce tensions and obstacles for the EU and euro area developments. However, these crises may also have an unexpected influence on some reforms in the EU including the euro area enlargement in the next decade. Taking into account that politicians and people are much more ready for unpopular changes during crises, these crises may have a turning effect on the political willingness and people perceptions to integrate more promptly to the second largest and strongest currency in the world.

It is too early to predict if such a change might be provoked by the current crises. But one thing is clear even at this stage. The euro was perceived to be the currency of the whole EU and one day or another it shall become a real single currency of the Union.

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