



Introduction to the Special Issue “25 Years of the Euro: in the Era of Uncertainty”

António Portugal Duarte^{*}, Pedro Bação^{**}, Fátima Sol Murta^{***},
Isabel Camisão[§], Dina Sebastião[°]

Marking a milestone of profound historical and economic importance, the 25th anniversary of the euro presents a pivotal opportunity to critically reassess the single currency's performance and explore its prospects. Until the international financial crisis of 2008-2009, the introduction of the euro was widely regarded as a (somewhat surprising) success. This assessment quickly gave way to renewed questioning of euro membership as countries such as Greece, Ireland and Portugal requested financial assistance. The euro crisis is now largely a memory, although Greece's real per capita GDP remains below its pre-crisis level. New challenges have emerged in recent years, from the economic and social consequences of the COVID-19 pandemic, to geopolitical instability and inflationary pressures.

On 26-27 September 2024, the Faculty of Economics (FEUC) and the Faculty of Arts and Humanities (FLUC) of the University of Coimbra, in Portugal, jointly organized the conference “25 Years of the Euro: In the Era of Uncertainty”. The event was hosted by the FLUC and was also supported by CeBER (Centre for Business and Economics Research), CEIS20 (Centro de Estudos Interdisciplinares do Século XX), Europe Direct Região de Coimbra e Leiria, and the Comunidade Intermunicipal da Região de Coimbra. It brought together academics from economics, international relations, political science and European studies, as well as policymakers, to reflect on the achievements and shortcomings of European Monetary Union (EMU) and to discuss the challenges ahead. The programme followed the model of a previous conference held in Seville in 2019 to mark the euro's 20th anniversary (Arcos *et al.*, 2019), with a combination of keynote addresses, thematic sessions and open discussion.

^{*} Faculty of Economics, University of Coimbra, CeBER, Portugal; e-mail: portugal@fe.uc.pt.

^{**} Faculty of Economics, University of Coimbra, CeBER, Portugal; e-mail: pmab@fe.uc.pt.

^{***} Faculty of Economics, University of Coimbra, CeBER, Portugal; e-mail: fasol@fe.uc.pt.

[§] Faculty of Arts and Humanities of University of Coimbra and CICP, Portugal; e-mail: isabelc@fl.uc.pt.

[°] University of Coimbra, Faculty of Arts and Humanities, CEIS20 – Centre for Interdisciplinary Studies, Portugal; e-mail: dina.sebastiao@uc.pt.

Copyright



This article is an open access article distributed under the terms and conditions of the [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

The conference opened with a keynote lecture by Luís Máximo dos Santos, Vice-Governor of Banco de Portugal, on Twenty-five Years of European Monetary Union in Times of Polycrisis. This was a wide-ranging address reflecting on the euro's resilience in the face of successive crises and the institutional challenges ahead. It was followed by three thematic sessions. The first addressed the euro's resilience and vulnerabilities in the face of successive crises: from sovereign debt to COVID-19 and the economic impact of the war in Ukraine. The second examined legal and governance dimensions of the EU in times of technological and political change, including debates surrounding the prospective digital euro. The third explored structural and forward-looking challenges for the euro area, including convergence, investment-saving imbalances, and the political economy of EMU. The closing keynote, delivered by Gylfi Zoega (Birkbeck College, University of London, and University of Iceland), considered the euro's impact on saving-investment imbalances over the past quarter-century.

This special issue brings together the research papers presented at the conference, complemented by contributions from both keynote speakers:

Paulo Vila Maior and Isabel Camisão analyse the European Central Bank's narratives during the COVID-19 crisis, focusing on how the ECB framed the crisis, linked its communication to policy reform, and sought to build legitimacy in a period of exceptional intervention.

Ovidiu Stoica and Adina Dornean conduct a bibliometric analysis of research on central bank digital currencies, with particular attention to the digital euro. Their study identifies key trends, concerns and research gaps relevant to policymakers and scholars as the ECB advances its digital euro project.

María Cruz Arcos examines EU law and governance in an era of rapid technological and political change, with particular emphasis on the prospective introduction of a digital euro and the regulatory safeguards needed to preserve the principles of European integration in the digital sphere.

Dina Sebastião and Vanda Amaro Dias examine ideological and programmatic convergence among Southern European national parties in the context of EMU. Analysing Euroelection manifestos from 1999 to 2019, they find evidence of a "no alternative" dynamic, with convergence towards Keynesian policies within the EMU framework.

Igor Cvečić and Marko Tomljanović revisit the question of nominal and real convergence in the EU, contrasting the experiences of euro area and non-euro area Member States. They argue that sustainable real convergence remains a prerequisite for the long-term viability of EMU.

Pedro Bação, António Portugal Duarte and Fátima Sol Murta investigate the impact of euro area membership on the Portuguese economy, employing a Smooth Transition Vector Autoregressive model to capture gradual effects. Their results suggest that, beyond inflation stability and lower interest rates, euro membership has had a positive effect on Portuguese real per capita GDP.

Margarita Katsimi, Ron Smith and Gylfi Zoega assess the role of the euro and the single market in shaping saving-investment imbalances. By comparing countries with different levels of integration in currency and markets, they provide new evidence on how monetary and market integration interact with macroeconomic adjustment.

Collectively, these contributions illustrate the multiple dimensions – economic, political, legal, and institutional – through which EMU must be understood. They highlight the euro’s capacity to promote stability and integration, while also underlining persistent structural divergences, evolving governance challenges, and the need for policy innovation. As the euro enters its second quarter-century, and prospects for a digital euro emerge, this special issue offers insights to guide scholarly debate and inform decision-making in an era of uncertainty.

References

- Arcos, M.C., Bação, P., Duarte, A. P., Palma Martos, L. (2019). Introduction to the Special Issue “20 Years of the Euro: Achievements and Challenges”. *Scientific Annals of Economics and Business*, 66(SI), 141–143.