

## Topic Page: [Euro](#)

Definition: **Euro** from *The AMA Dictionary of Business and Management*

Currency used by the members and institutions of the European Union as the official currency of the Eurozone, which consists of the 17 members of the European Union: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain. It is the world's second largest reserve currency and the second most traded currency after the U.S. dollar.



Image from: [Euro. Euro/£ exchange rate. See entry.... in Collins Dictionary of Economics](#)

Summary Article: **euro**

From *The Hutchinson Unabridged Encyclopedia with Atlas and Weather Guide*

Single currency of the European Union (EU), which was officially launched on 1 January 1999 in 11 of the then 15 EU member states (Austria, Belgium, Finland, France, Germany, Republic of Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain). Greece adopted the euro on 1 January 2001. Euro notes and coins were introduced from 1 January 2002, circulating in parallel with national currencies for two months. Thereafter the national currencies were abolished. By 2011 Cyprus, Estonia, Malta, Slovakia, and Slovenia had also adopted the euro.

The launch represented the start of the third and final stage of EU economic and monetary union (EMU). On that date conversion rates between national currencies and the euro were irrevocably fixed. The euro became the legal currency in participating states and the European Central Bank (ECB) took on responsibility for the monetary policy of the eurozone. The UK, Sweden, and Denmark chose not to take part, while Greece was unable to meet the economic convergence criteria at that time. A referendum in Denmark in 2000 rejected adoption of the single currency by 53% to 47%, and a referendum in Sweden in 2003 rejected the euro 56% to 42%. The UK government set out five economic tests that would have to be met before any decision to join could be made.

Proponents of the euro see its advantages as promoting currency and price stability; lowering transaction costs and risks in foreign investment; and enhancing competition. Critics think it means the loss of sovereignty in the field of economic management – in particular the option to set interest rates and change the exchange rate independently; and the risk that a common interest rate, set by the ECB, will affect economies at varying cyclical stages in different ways. Some critics believe that the EMU will only be able to work effectively if there is a federal Europe, on the US model, with freer labour mobility and a system of stabilizing fiscal transfers across states.

### essays

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euro. (2018). In Helicon (Ed.), *The Hutchinson unabridged encyclopedia with atlas and weather guide*. Abington, UK: Helicon. Retrieved from <https://search.credoreference.com/content/topic/euro>

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## APA

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## MLA

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