Assess The Arguements For And Essay, Research Paper

Assess the arguments for and against a single European currency

Britain has always been the troublesome partner in the relation with the rest of Europe, whether it is because of the indecisiveness shown in the leaders involved with the Union such as the refusal to enter in the initial stages or because of Margaret Thatcher s reluctance to co-operate if decisions were not in Britain s best interest.

In 1969 Britain finally became a member of the European Economic Community after being vetoed twice by the French leader De Gaulle, as he was unsure of Britain s commitment to the Union. This and the difficulties caused by leaders such as Margaret Thatcher for the rest of the E.E.C. suggests that there may be still some animosity between the leadership especially if Britain keeps on postponing any decisions about the Euro.

Traditionally a nation of Euro sceptics, much of Britain is opposed to joining the single currency and is backed by a reactive Conservative leader and some sections of the party. The recent European election showed clearly the Conservative Party s opposition to Britain becoming too involved with Europe. The hype that the Conservative Leader has set around his campaign in these elections would have stirred public opinion against the Euro, as he continually argued about the loss of national identity. If Tony Blair continues with integrating Britain into the single currency against the majority of the public s wishes, it may be likely that he will lose the next election if the nation continues to be plagued with damning reports about the effects of the Euro.

One of the main problems the Government will have to deal with is to convince the general public of the benefits of the Euro. As we this country seems to have a general sense of Britishness rather than Europeanism it may be difficult to convince them that being European is the way forward. Few people know of the overall benefits and when leaders such as William Hague seem to blatantly dismiss then and base a European election on keeping the pound and our sovereignty in a reactive policy based on public opinion, it makes the task even more difficult.

Another difficultly the leader will have to face in taking Britain into the Euro is to find out what the British public actually want. The low European election turnout of 1999 suggest that people do not think that Europe concerns them.

When Britain does join the Euro the decision would be virtually irrevocable.

The process of converting the tender will cost millions, as many things will need to be changed in order to accommodate it such as the replacement of all tender, new vending machines would have to be made, people would have to be trained to work with a new currency which will cost a large amount of money.

Also, the Euro is a new currency that has not had enough time to establish itself, it may be in Britain s best interest to wait and see how the Euro progresses before taking the risk to join when it could very easily collapse and if we join too rapidly then the country could easily lose millions as it did in the hands of John Major when the ERM collapsed. As this event did huge damage to Major s creditability, the Conservative party lost the support of the majority of the public, as this was probably one of the main reasons for a more united Labour Party s landslide victory, Blair has to be sure that he believes that the Euro will be better for everyone.

Perhaps the most discussed issues against the single currency is the nation s loss of sovereignty and that Britain will become even more subordinate to a supranational body. Some compromises have been suggested such as allowing the Queens head to remain on the tender. However E.U. law can already overturn British law, as the European Court of Human Rights is the final court of appeal for the British public, a position once held by the House of Lords. We have a European Bill of Rights and we have taken on the European Social chapter. Therefore losing sovereignty seems to a weak argument against the Euro as most of our laws are already set by Europe.

As stated before, one of the main agreements against the Euro is the amount of resistance it will receive from the public. Tony Blair has promised a referendum on the euro if he gets in at the next election but if public opinion towards the Euro does not cease and if the Euro sceptic right continues to provide pro-nationalist propaganda then Mr. Blair might be seen to be going against the public s wishes. If he joins without the public s consent it could cost him his position in the next election.

On the other hand if Britain does not join soon then they could suffer from higher interest rates in the future, as the other countries in the Union will align their interest rates with each other, making it more difficult for other countries to make the required specifications to join. Also other members of the single currency would change their tender a long time before Britain would join.

Also all countries have to meet required specifications in order to adopt the Euro, therefore there is less chance of the Euro collapsing if all the countries involved have a stable economic base. Also if Britain joins it would benefit from countries such as Germany s steady interest rate.

Joining the Euro will be in the best interest for larger businesses, as they do not have worry about currency fluctuation. Also it is hoped that the Euro will be strong enough to become a powerful competitor against the US Dollar and the Japanese Yen.

It is likely that Britain will see an increase in tourism from European regions if we join the Euro, as there would be no need to change money and a similar interest rate across Europe, therefore prices will similar for everyone.

When other countries with stable economies such as Germany are willing to risk their economy and put their trust in the Euro, it does not seem plausible as to we it would not work for ours. This Labour Government has made many major reforms to the Parliamentary system in order to modernise an archaic system, if all the of the other reforms have been successful then it could be possible for the Euro to be beneficial for everyone.

However much people argue about sovereignty, it cannot be forgotten that Britain s membership of the European Union can be revoked. This suggest the Government still retains a lot of it s own sovereignty and can pull out of Europe when it feels that it is necessary. However this will damage the Government s reputation and cost the country a great deal of money.

There are many arguments for and against Britain joining the Euro but in my opinion Britain will not have any voice in world wide affairs unless the Government decides to pool it s sovereignty. Being one of the most powerful bodies in the, Union Britain will be able to gain even more influence. Also the economic benefits of joining the multi national currency will far outweigh the power Britain will have if it tries to cope independently.

One of the main problems is trying to assess just how strong the Euro will be. At the beginning of it s period the Euro slumped so it would be unwise to rush into it straight away or the repercussions could be disastrous. Without joining the Euro, Britain may lose all of it s economic status as it would be taken over by three superpowers. It has to be decided whether the Government will go ahead and join in order to gain Britain more economic and political power or whether they are going to comply with the resistance of some of the public and the minority of politicians and leave Britain to trail behind everyone else.

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