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Numismatic and Monetary Aspects of Introducing the Uniform European Union Currency

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Summary: The paper "Numismatic Aspects of Introducing the Uniform European Union Currency" deals with a subject causing a series of reactions for several years already not only in the European Union countries but also in those non-member ones. The planned introduction of uniform currency, due to its complexity, reflections on everyday life of every individual, psychological barriers, habits, tradition, the features of current emission policies of the member states, technological reasons etc. results in such widespread public reactions. In spite of that the reflection of these changes on the numismatic activity has been the least discussed issue. With regard to the importance of recent numismatic activity the numismatic aspects of these changes were particularly emphasised in this paper. Indeed, only a very small number of numismatic elements have been worked out so far, i.e., fragmentary elaboration can be found in some Union states. On common level some currency proposals, being partly numismatic, were elaborated to a smaller extent. In the event that the idea of introducing the uniform European Union monetary unit comes into existence, all the countries planning to be members of the Union will have to make, by all means, certain preparations and, along with this, undertake the necessary changes,

Key words: *numismatics; money; European Union.*

1. INTRODUCTION

For a few years past, there were only few events that caused so many discussions, comments, approvals, disapprovals, doubts, and criticism as the planned introduction of the uniform European Union currency.

This event has, certainly, many reasons. Historically speaking, the currency is one of the most important characteristics of the sovereignty of every country¹, The introduction of the national currency or just the change of the current monetary unit's name causes such reactions in the national range (on the assumption that the country is democratic at all). Thus, various reactions in the Union member countries are understandable, especially when it is a question of far-reaching changes on the monetary plan. The roots of this can be found in the sovereign right of the emission of its own money and in the fact that the emission of money has more aspects than reflections. One of the most important is, surely, the one that affects the economy. But, dwelling upon only this segment can't show entirely all dimensions of money. It is enough to mention only some of them, like psychological, technological, numismatic, sanitary, cultural...

¹ This statement refers to all aspects of money, although, in this paper, the emphasis is on coins (because they are objects of numismatic interest), which are present in everyday life, regardless of the contemporary means of non-cash-payment.

Additionally, these activities have more difficulties because of the unequal economic levels of the Union member countries, their different cultural development, different customs and so on, what influence money and people's attitude towards it.

2. THE PLANNED INTRODUCTION OF EURO AND AFFECTS OF THESE ACTIVITIES ON THE EMISSION POLICY IN UNION SOME MEMBER COUNTRIES

Today, the European Union consists of 15 member countries (alphabetically): Austria, Belgium, Denmark, Deutschland, Finland, France, Greece, Great Britain, Holland, Ireland, Italy, Luxemburg, Portugal and Spain.

The varieties of the monetary solution in the Union member countries are shown also by the present names of monetary units. The most common name of the monetary unit is a franc, which is present in three countries (Belgium, France, Luxemburg). Two countries (Denmark and Sweden) have the same name of the monetary unit - a crown, then a mark (Finland and Deutschland) and a pound (Ireland and Great Britain).

The other Union member countries have (inside the Union or generally) the unique names of the monetary units, that is: Austria has a schilling, Greece a drachma, Holland a guldens, Portugal an escudos and Spain a peseta.

This numerousness of the monetary units' names of the Union member countries is completed with names of the lower monetary units.

The most common name is a cent (Holland) and its derivatives: a centimes (Belgium, France and Luxemburg), a centesimi (Italy), a centimes (portugal) and a centavo (Spain). A penny is a name of the lower monetary unit in three countries (Finland, Ireland, Great Britain) and an ore is a lower monetary unit in Denmark and Sweden. Austria has grosches, Greece has leptas and Deutschland has pfennigs. In every country in the Union a hundred lower monetary units makes one higher.

Despite the existence of the lower monetary units, there are different solutions in everyday life. So, some of the countries don't have these lower monetary units (denomination) in their circulation at all, like Italy and Spain.² In other countries such denominations of the national currency are present sporadically in the circulation. The characteristic example of the valuating of the lowest denomination (one pfennig) and its circulation in everyday operation is a German practice.

The importance of the introduction of the uniform Union currency can be judged indirectly through the changes in emission policies of the Union countries with the outstanding numismatic activity. Thus, a few years before the planned introduction of the euro, on the basis of the expected changes, which will happen in numismatics, a reduction of the total amount of issued circulating and occasional coins has happened, in other words, a planning of the further reduction in this year.

Thus, for example, the Austrian circulating silver coins, with the nominal value of 500 schillings and the minted brightness technique, were minted in 200 thousands copies per a motive (two motives per year) in 1997, what was 50 thousand copies less than a year before. This tendency of reducing the amounts of issued copies is especially emphasized by the issuing program of the Austrian mint for the year 1998, which shows the further reduction of the number of forgings of this denomination (two motives per year remain): from 60 thousands to 50 thousands for the polished sheet forging.³

² These denominations, along with other denominations, are usually present in numismatic sets.

³ The data about the planned forging of this denomination in the minted brightness technique are not available.

For all circulating coins (except for the occasional circulating coin with the nominal value of 50 schillings) the data are not available. But, the practice shows that all new years are represented evenly in the circulation.

In Germany, there are no changes in minted amounts of the occasional circulating silver money (10 marks).

There are drastic reductions of the issued amounts of the circulating coins. It is enough to mention the examples from the year 1995, when the domination of 2 marks is minted in 75 thousand copies, or the domination of 1 mark in 100 thousand copies, or the domination of 50 pfennigs in 150 thousand copies (all denominations have a sign of the J mint). It is characteristic for the mintage in 1996, that there has been a reduction of the minted copies. Thus, for example, the dominations of 50 pfennigs and 1 mark are minted in all 5 mints in 50 thousand copies each. It is indicative that the biggest circulating denomination of 5 marks is also minted in all 5 German mints in the total amount of 50 thousand copies.

3. THE HISTORICAL DEVELOPMENT OF THE MONETARY UNIONS

The beginning of the specific monetary union, which was not a result of conventions but of practice, can be seen in the period of money of weighing type.⁴ Some rulers minted that money, and because of its quality, safety and durability, it began to play the role of the "universal" money, so it started to circulate outside the territory from which it originated. This was possible, because it was accepted very well and because people trusted it.

In the further development of the fully valuable coins of the numerical type, the beginning of the common money can be noticed, as it was the case with the money of weighing type.

With the introduction and the development of the golden validity system, there were situations, where countries stated the legal norms, which were considering the money mintage, together (monetary unit, mint rate, fineness, gross and net weigh, tolerance, operational weigh, currency or validity), regulating that the issue of money is done in the very same way. That caused the forming of monetary unions.

Belgium, France, Italy and Switzerland established the first monetary union in the modern meaning, the Latin Union, in 1865. Later, 9 countries were joined to this Union. The common monetary unit is a franc (20 francs is equal to 6,4516 g of gold with fineness of 900/1000), although the member countries could have retained the names of their monetary units on their choice. The union accepted the decimal system, thus, for example, French franc is divided into 100 centimes. Money of the Union member countries has the avers turned for 180° in relation to the reverse, what is the origin of the word "a Latin mintage", while all the coins have the same diameter.

The Scandinavian monetary union was founded in 1875. It consisted of Denmark, Norway and Sweden. A crown was chosen for the monetary unit (20 crowns are equal to 8,9606 g of gold with fineness of 900/1000, and one crown is divided into 100 örs). The Union member countries have chosen the foxgong, whose avers is turned for 90° in relation to the reverse (symmetrical). All coins have the same diameter.

The efficiency of these modern monetary unions was more or less controversial and they collapsed with the beginning of the First World War.

The adoption of the standards, which were connected with the issue of money, affected positively the mutual trade of the union member countries, especially on the alleviation of monetary transactions through the unified money. Despite of this, the golden standard, which prevailed during that period, didn't set any greater obstruction in the world trade.

⁴ Money that is weighed.

Two monetary unions, that came more recently, were connected with Africa and they affected the numismatics: the monetary union of the western African countries⁵ was established in 1961, which issued the common money from the beginning, and the monetary union of the equatorial (central) Africa.⁶ The last have issued the common coins since 1966 and the common averse since 1969.

The monetary union of eastern Caribbean countries⁷ with the centre in Bridgetown on Barbados started to issue the coins of dollars with the common reverse in 1970 and with the uniform currency in 1980.

The common characteristic of these monetary unions, from the numismatic point of view, is relatively little numismatic interest for their common forgings and non-existence of one systematic numismatic policy.

The very interesting numismatic solution, which has the characteristics of the monetary union, because of its particularities, is the case of the Principality of Lihtenstain, which has used the Swiss franc (in other words rapen) in every payment in the country since 1924. At the same time the Principality mints masterfully only the occasional golden and silver money, which are made out to francs.

The idea of the uniform money goes along with the idea of esperantism, which was materialized in two denominations of 1 and 5 steloj in 1959 by Esperantists and in the domination of 25 steloj in 1965.⁸

4. THE PLANNING OF ACTIVITIES, WHICH ARE CONNECTED WITH THE INTRODUCTION OF THE COMMON UNION COINS

The idea of the introduction of the uniform currency in the numismatic sense is accepted very early in the European Economic Union. The first coin appeared in 1987, which was made out to ecu- the monetary unit of the Union (European Currency Union). Ecu was the name of the first currency of the present Union. Belgium has the priority and mints two denominations of 5 and 50 ecu in silver and gold, which have even the power of the legal means of payment. Soon, all countries of the Union follow the practice of Belgium, but also other non-member countries do the same, what is very indicative.

In the practice there are very interesting numismatic solutions, like double denoting of the monetary unit, a national name and a ecu. There are lots of examples, but to have the better view of this problem, we shall mention only some of them: Anl!m:DI, Bosnia and Herzegovina, Bulgaria, Hungary (underlined part stays for double denoting of the monetary unit's name).

In some countries, these coins have the power of the legal means of payment (France, for example), but in others don't (Austria, Holland).

With the changing of Union monetary unit's name into the euro⁹, the first coins of euro were made in 1996, but this time France has the priority (15 euro/100 francs - silver, or 75 euro/500 francs gold as the legal means of payment), but also Holland has the priority in the

⁵ Dahomei (today Benin), Upper Volta (today Burkina Faso), Mauritania Mali, Niger, The Ivory Coast, Senegal and Togo

⁶ The Central African Republic, Chad, Gabon, Cameroon, Congo (Brazzaville)

⁷ Antigua, Barbados, The British Virgin Islands, Granada, Montserrat, St. Christopher-Nevis-Anguilla, St. Lucia, St. Vincent

⁸ All denominations are minted in the Parisian state mint in base metal alloys and they are in the collection of the author of this text.

⁹ There were more reasons for that, but one of them is the identity of the earlier name of Union money and French silver money, which was improved in 1789.

same year (5 euro coppernickel, 10 euro bimetal and 20 euro silver), but without the power of the legal means of payment as, so called, pseudo-money or, more correctly, as a numismatic body.

All these forgings have a characteristic that they were created from the idea of co-operation and according the numismatic standards of every single issuing country. After some time, these coins became the new theme of collecting as a special motive.

During the year 1997, the French state mint minted 8 tokens (with identical motives) without a nominal value and a monetary unit's name, with an aim of promoting the future Union uniform money.

With the approaching of the moment of the introduction of the Union uniform currency in 2002, a need developed, that activities, which are connected with the introduction of the coins of a euro and a euro cent¹⁰, should be planned, because of the requiring of this work and its effects on every spheres of life. All known and available elements, which are connected to or have some affects on the numismatic activity of the Union, will be elaborated in this work because of the many reasons and more widely.

It was planned to mint the Union uniform currency in 6 denominations of a euro cent and 2 denominations of a euro, that is:

1 euro cent with diameter of	16,25 mm	and weight of 2,2 g
2	18,75	3,0
5	21,25	3,9
10	19,75	4,1
20	22,25	5,7
50	24,25	7,0
1 euro	23,25	7,5
2	25,75	8,5

The common money would have the identical reverse for all Union member countries, while the coins with the nominal value of 1, 2 and 5 euro cent would have the same artistic solution - the image of the Earth globe, numerical designations of the nominal value and monetary units' names (upper left in relation to the art image).

Denominations of 10; 20 and 50-euro cent would be identical in consideration to the art image (the map of the Union member countries), and would have a numerical designation of the nominal value and the monetary unit's name (on the right side of a coin, below the nominal value).

Coins of 1 and 2 euro would be made of 2 alloys ("bimetal") and would also have a map of the Union member countries, but the designation of the nominal value would be left to it. The monetary unit's name is in the combination of the art image at these two denominations.

Every issuing country would set the avers (so called national side) of these coins freely, but two common elements would be obligatory: twelve little stars and the year of the mintage 2002.

The author of the common side of the money is a Belgian Luc Luycx (40 years) and his solution was chosen through the contest

¹⁰ With introducing the new name of the Union money, it is established that 1 euro is divided into 100 euro cents and what is a euro's designation.

5. THE PAST SUGGESTIONS FOR NATIONAL SIDES OF EURO AND EURO CENTCOINS

The planned introduction of the uniform currency resulted with undertaking some activities, which were related to the choosing the motive of so-called national side of the common money in some Union countries, that have developed numismatic activity.

The following countries have done the most of the work considering this aspect:

Austria

By choosing a motive and a solution, this country has symbolically connected what has become a national symbol and a generally accepted artefact, not only in the country, but also outside it. With such approach Austria will, surely, obtain the national recognizability of its coins in the future monetary union.

The lower denominations, 1, 2 and 5 eurocent, have motives of flora (similar to the motives on I schilling coins, which have been minted since 1959) and one specific quality, a designation of the nominal value written with letters in German (without a numerical designation).

Some Austrian coins, which were made out to euro and euro-cents, have identical motives like coins, which were made out to schillings. Thus, a coin of 1 euro is similar to a golden coin of 1000 schillings from the year 1991 (Mozart), a coin of 50 e-cent is similar to a forging of 50 schillings made of two-part base metal alloy from the year 1997, a coin of 20 e-cents has a motive like a silver coin of 25 schilling from the year 1968 (the Belvedere castle).

A coin of 2 e-cents has an image of a lady (B. V. Suttner), a coin of 10 e-cents has a motive of the Viennese cathedral of St Stephen. A denomination of 50 e-cents (a motive is a Viennese secession -Jugend style) has also one additional specific quality in a shape of a hologram of the effect¹¹, what is also the additional protection from the forgery.

The second specific quality of all denominations is an image of the Austrian national flag (besides all other common elements of the Union common money) and putting (duplicating) the nominal value and the monetary unit's name on, so-called, the national side of all coins.

The author of the Austrian national side of the euro and the euro-cent is M.S. Josef Kaiser (1954).

France

Coins of 1, 2 and 5 e-cents carry the image of rejuvenated Marianne, the personification of France. Denominations of 10, 20 and 50 e-cents have the characteristic French motive of a woman sower, which appeared for the first time in 1897, and today it is present on the various denominations of this country¹². That is, at the same time, the only French coin with the author's mark.

The French national side of the coins of 1 and 2 euro carry the traditional motto of Liberte Egalite Fraternite. All coins have, besides the obligatory designations (the year 2002 and twelve little stars), the inscription RF - Republic France.

¹¹ The hologram or kinegramm effect (it is questionable why does this lower denomination have such high protection).

¹² A motive of a woman sower is very frequent on French money. It is present on the following denominations:
5 francs 1960-1969 in silver and since 1970 in base metal alloy
2 francs 1898-1920 in silver and since 1979 in nickel
1 franc 1818-1920 in silver and since 1960 in nickel
½ franc 1897-1920 in silver and since 1965 in nickel

Germany

German coins of 1,2 and 5 e-cents are, according to their motives (an oaken branch with leaves and a fruit - an acorn), the most similar to the German coins of the nominal value of 1, 2, 5 and 10 pfennigs, which have been minted since 1948.

On the denominations of 10, 20 and 50 e-cents there are Brandenburg gates, the motive, which has been on many coins of the former DDR and on one silver forging of BRD (10 marks from the year 1991).

On the denominations of 1 and 2 euro, an eagle - the German coat of arms - is reserved. All mentioned coins have a designation DA, besides the common obligatory elements. D suggests the issuing country (Germany - Deutschland), what is also its international sign, and a letter A denotes a mint (Berlin).

The author of German coins is Ulrich Bohme.

6. CONCLUSION

The expected introduction of the uniform Union currency will impose certain changes upon member countries (but not only upon them) on the aspect of the numismatic activity. This need, in the first line, comes from the importance, which the numismatic activity has in some member countries today (important non-fiscal income, in other words, outstanding benefit for the state budget) and how many people, directly or indirectly, live of it (with conscious neglecting all other, not less important, aspects of the numismatics). Despite the fact that all Union countries have developed the numismatic activity, its level is not the same in all countries. The causes of that can be found in historical, geographical, practical reasons, in language, tradition, culture, habits and its extent. The influence of particular national issuing and, through this, numismatic policies on other regions is closely connected with this.

Considering all these characteristics of the national issuing and numismatic policies in creating the completely new, common numismatic policy, it will be necessary to do the broad scientific research in this short remaining time, in order to successfully meet these challenges.

The analysis of the existing regularity in searching of the numismatic bodies (values), as well as the characteristics of markets and the markets of countries in which is importantly represented the currency of the particular Union member country (so-called, "second" currency, which is collected after the national currency), could be the basis for a research in the Union countries. These researches should include all kinds of recent money, that is:

- circulating money (including its variant - the occasional circulating money)
- numismatic sets of the circulating money
- occasional circulating coins (with the power of the legal means of payment)
- money, which is outside the existing monetary system
- money of "bars" (Barrenmiinze or Bullion coins), regardless the precious metal from which it has been made (silver, palladium, gold, platinum)
- all kinds of later forgings.

Moreover, it will be necessary, on the basis of the research results, to define the issuing policy of the numismatic bodies, which will:

- assure greater numismatic penetrating power than the amount of the former individual numismatic policies

- assure the diversity and the acceptability of the chosen numismatic solutions for already traditional markets of the particular Union member countries, as well as for the gravitating markets, in other words, markets earlier set in some other way.

The previous experience shows that all Union members won't accept the common currency in 2002, so the transitive solutions must be assured.

In the production, the Union member countries will be faced with problems of assuring the appropriate raw materials for the money production, because there are various solutions on this plan today and the various habits considering the money mintage are made (various "classical" alloys, twopart alloys - "bimetal", the platinum money, many-sided coins, a smoothly rim, a rim made in any other way etc.).

Moreover, the Union member countries will have to overcome the differences in the forging quality, which are present among them. In the close connection with this is also the qualification of the existing mints with regard to the construction of the safety elements (a hologram, for example), because some of coins are not able to apply these high standards.

Further, the exceptionally important aspect of coins is sanitary and its influence on the human environment, what must be specially taken care of.

To sum up, euro and euro cent coins will be faced with great temptations on the market. Their users and time will give the final judgement about this currency.

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