

Should we adopt the euro?

[Economics](#), [Macroeconomics](#)



In recent years there has been much debate as to whether the benefits outweigh the costs of adopting the Euro currency. This argument, often a fierce and personal one, has covered the front pages of newspapers for a very long time, and continues to rage on today. But what are the arguments, and should we really join the Euro? Let us start off with the benefits of joining the Euro. One large benefit would be the ease of which one would be able to check different prices across Europe due to one, single and only currency.

This would mean that a great deal of time spent on checking, and comparing different prices in different countries with different currencies, would be a lot shorter. So, as a result, international trade and purchasing would be much easier and more time could be spent elsewhere. Another great benefit of the adoption of the Euro is the greater competition that it would induce in the market; the pressure to lower inflation and increase productivity would lead to the need for more innovation in the markets, thus creating a healthier and an ever-growing economy.

This would mean that the chance of falling into a recession would be lower, employment would be higher, and incomes would as well. A third benefit is the encouragement of foreign companies to invest in the Eurozone. In due course, more money would be pumped into the economies of Europe and therefore generally Europe would be richer, especially the countries that adopted the Euro. Finally, joining the Eurozone would cause Britain to join a large group of countries that could, when working together, play a large role on the stage of world politics, with the voices of smaller countries in the Euro able to have a say on various topics.

On the other hand, there are some strong arguments against joining the Euro. A rather surprisingly popular, if a little stupid, reason put forward is patriotic one - the centuries-old tradition of having the monarch's face on bank notes and coins would be ridded of if the country were to join the Euro, replaced with less patriotic images of Europe. This view is, quite unsurprisingly, not held with very high regard among those for joining the Eurozone.

Another argument against adopting the currency was the 20% devaluation of the pound sterling in 2008-10, resulting in not such a bad recession. It was possible that if the UK had been in the Euro at the time, the general economic situation would be a great deal worse than it already is. A third argument against joining the Euro the problem of one Eurozone country's economy failing resulting in more damage to the other countries that use the Euro.

This means that if a small country's economy failed, then the effects on other Eurozone countries would be greater due to the reliance on other countries in the Euro. In conclusion, I feel that, while the patriotic argument is quite weak, there isn't much use in joining the Euro, especially when its present situation is so bad considering the recession we find ourselves in. Perhaps, though, in a few years the UK may adopt this single currency, and instead of asking what the costs and benefits are, we must ask ourselves: "will it last? "