

Monetary unions in history

A financial history conference

1 July 2022

Hyatt Regency Sofia Hotel
Vasil Levski Square
1504 Sofia
Bulgaria

Jointly organised by

The Bulgarian National Bank (BNB)

and eabh (The European Association for Banking and Financial History e.V.)

bankinghistory.org

This conference will discuss the phenomenon of currency unions in a global historical context with a special focus on the challenges brought about by trends of isolationism and confrontation. Motivation, design and factors explaining the resilience (or the lack thereof) of currency unions will be among the themes to discuss; – against a backdrop of captivating historical, geographic and institutional experiences. As history continues into modern-day initiatives like the Economic and Monetary Union in the EU, a glimpse into the future of currency unions may also engage the conference agenda.

Programme

30 June 2022

20.00 Dinner (Vivacom Art Hall)

1 July 2022

08.30 Coffee

09.00 Welcome

Governor/Deputy Governor of the Bulgarian National Bank tbc

09.15 Introduction

Hugo Bänziger (*eabh*)

09.30 Keynote Speech

- *Functions of money*
Thomas Mayer (Flossbach von Storch)

Economists regard money as a means for transactions, store of value, and unit of account. But it can also assume the role of a funding instrument, notably for states. The difference between the first and second role of money has always led to conflicts. But these conflicts have been especially severe when sovereign states gave up their command over money to enter a monetary union.

10.15 Session 1: Monetary unions and economic integration

This session will look at monetary unions in the context of political authority and other historical currencies. Were monetary unions a cause or an effect of economic integration? In the very long run, was the common currency of the Roman Empire (1559) a success? And how does this more ancient experience compare to the outcomes of the much younger Latin Monetary union (1865-1917)? In which ways can a monetary union affect market outcomes and market imbalances? Can we draw lessons for modern era monetary unions?

- *How successful was Germany's first common currency? A new look at the imperial monetary union of 1559*
Olivier Volckart (London School of Economics)
- *The financial consequences of the Latin monetary union*
Thomas Pellet & Giovanni Sciacovelli (Northwestern University)
- *Application of the Latin monetary union standards in Serbia, 1868-1918*
Sonja Jerković & Saša Ilić (National Bank of Serbia)

Moderator: Hugo Bänziger (*eabh*)

11.45 Coffee

12.00 Session 2: Monetary unions between continuity and confrontation

The second panel will look at the polarities of monetary unions through the lens of the Irish and Northern European experiences. Both histories clearly indicate the political costs of keeping or breaking such unions, showcase the resilience of monetary arrangements in the wider context of political confrontation and discuss today's not less charged relationship between economic and political economy and the need to follow the 'great power conductor'.

- *The Anglo-Irish monetary union 1922-1979: From confrontation to conciliation*
Eoin Drea (Wilfried Martens Centre for European Studies)
- *Finding common ground? The attempts at rebuilding the Scandinavian monetary union in the interwar years*
Gjermund Forfang Rongved (Inland Norway University of Applied Sciences)

Moderator: Kalin Hristov (Bulgarian National Bank)

13.00 lunch

13.45 Session 3: Markets, states and monetary unions

This part of our meeting will take a close look at the common currencies of the Habsburg empire and the international socialist monetary system; highlighting the common and varying features of market-based and state led monetary arrangements. We'll further discuss potential discrimination by stronger partners within these unions.

- *Functioning and decay of the international socialist monetary system: The council for mutual economic assistance (1949-1991)*
Tsvetelina Marinova (New Bulgarian University), Adrien Faudot (University of Grenoble Alpes) & Nikolay Nenovsky (University of Picardie Jules Verne & Bulgarian National Bank)
- *Central bank discrimination in a multinational monetary union: Evidence from the Austro-Hungarian Bank*
Kilian Rieder (Oesterreichische Nationalbank & CEPR)

Moderator: Chris Colvin (Queen's University Belfast)

14.45 Parallel currencies in history: A policy panel

Central bankers, fintech & historians

- Hugo Bänziger (*eabh*)
- Sergio Ernesto Casanueva Reguart (Casa de Moneda de México)
- Kalin Hristov (Bulgarian National Bank)
- Clemens Jobst (University of Vienna)
- François R. Velde (Federal Reserve Bank of Chicago)

Moderator: Nathan Sussman (Graduate Institute Geneva)

15.45 Coffee

16.00 Session 4: Inflation, sovereignty and monetary unions

This final session will turn to history to ask how to maintain currency stability of foreign exchange markets in the wake of inflation? We will take up the making of the European Monetary Union and before ('the Snake'), its special relationship with Great Britain and the red threat of our meeting: Which are the goals higher than sovereignty; and in the long run, are they worth it?

- *The strong and the weak: European currencies during the snake*
Alain Naef (Banque de France)
- *A question of sovereignty: Great Britain, the European Monetary System and the formation of a European monetary union*
Juliane Clegg (University of Potsdam)

Moderator: Lilia Costabile (University of Naples)

17.00 Closing remarks

Harold James (Princeton University & *eabh*)

19.00 Visit to the BNB building and museum & cocktail