

The European Central Bank, an institution sui generis

The European Central Bank (ECB) is in the context of the European Union an organ sui generis. It is a by Katja Stelcar institution with juridical personality, which was created 1998 in the context of the European economic and monetary union and their seat in the Eurotower in Frankfurt.

Its job is to manage the euro - the EU's single currency, and to safeguard price stability for the more than two-thirds of the EU's citizens who use the euro. The ECB is also responsible for framing and implementing the EU's economic and monetary policy.

To carry out its role, the ECB works with the European System of Central Banks (ESCB), which covers all 27 EU countries. However, only 16 of these countries have so far adopted the euro. The 16 collectively make up the 'euro area' and their central banks, together with the European Central Bank, make up what is called the 'Eurosystem'.

Jean-Claude Trichet, from France, became President of the ECB in November 2003.

What does the Bank do?

First, by controlling the money supply. If the money supply is excessive compared to the supply of goods and services, inflation will result.

Second, by monitoring price trends and assessing the risk they pose to price stability in the euro area

Katja Stelcar

I think that this is very interesting subject. ECB allows us to have countries that are in EU the same

currency (€) - I think this is okay, because it allows us to maintain its purchasing power and price stability in euro area. I asked some people about this bank, but the most of them didn't know anything about it. One answer was: they can use money for sponsors to organize some projects in the EU.