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EURO'S POSITION IN THE EU DIGITAL STRATEGY

The creation of the theoretical model of the euro as a collective currency was at the time driven by a number of both objective and subjective reasons that, at a certain stage, determined the formation of the new monetary union and led to only minor fluctuations of the new currency in relation to the U.S. dollar, Swiss franc, British pound sterling, and other currencies of leading countries. It seemed that the solid methodological foundation in the form of the theory of optimal currency areas, along with the scientific authority of the euro's founder R. Mundell, would ensure its long-term stability. However, this did not happened. Significant fluctuations in the demand and supply for the new currency in global financial markets turned out to be contradictory, and the previously declared requirements for the euro's stability proved, in some cases, to be rather vague. There were also various interpretations of the new functions of the main monetary regulator of the EU – the European Central Bank (ECB) – as well as of the roles of national central banks within the eurozone, which now formed an integrated system.

Thus, the main challenges of monetary and financial harmonization became:

- the almost annual expansion of the eurozone and the fulfillment by its new members of all monetary and economic requirements of the ECB and the European Commission;
- the rigid peg of national currencies to the EU's main collective currency (the irrevocable exchange rate);
- the delay by some countries in introducing the euro, despite all promises made upon joining the EU (Czech Republic, Poland, Hungary). Denmark firmly declared its unwillingness to integrate into the eurozone, although it maintained its position within the EU;
- the beginning of the digital institutionalization of the European monetary and financial space. This process has involved a number of supranational bodies: the European Parliament's Committee on Economic and Monetary Affairs, the European Commission's Directorate-General for Communications Networks, Content and

Technology, and the Competitiveness Council. Alongside the EU’s core institutions that support digital transformation, a particularly important factor, according to V. Kukaryk, is “…accelerating the dual digital and green transitions, social integration, and gender equality” [1, p. 172].

Naturally, the systemic support of the euro has been and remains the primary responsibility of the European Central Bank. However, changes in the modernization of the EU's entire monetary policy are quite expected, although they will continue to be based on concrete economic achievements. In this regard, the joint report by the heads of the European Central Bank, C. Lagarde and L. de Guindos (April 17, 2025), appears to be quite informative. They made a rather optimistic forecast regarding the current state of the eurozone. In particular, they noted the alignment with projected inflation rates (no more than 2%), a slowdown in wage growth, an increase in the sustainability of the regional grouping, and its resilience to global and financial shocks.

At the same time, the eurozone economy faces increasing uncertainty due to new barriers in international trade. A significant positive development is the decline in the unemployment rate to a record low of 6.1% (February 2025), the strengthening impact of monetary policy, and the urgent need to increase defense spending.

According to C. Lagarde and L. de Guindos, the aforementioned risks and, at the same time, advantages should lead to the introduction of the digital euro [2], whose main indicator must be financial sustainability. A strong advocate for the introduction of the digital euro is ECB board member P. Cipollone [3]. In his opinion, the expansion and scaling of the euro’s functions will help preserve the EU’s monetary sovereignty as a unique European currency and, at the same time, implement powerful collective European measures that will block the displacement of the digital euro from global stablecoin markets. According to the ECB leadership, the graphic model of the future European currency developed by the European Central Bank includes several critically important trends, namely:

- a significant increase in digital euro transactions (online and offline payments, purchases, and mutual settlements between different citizens, which, to some extent, are already being implemented within the European currency space);
- a large daily volume of payments that will be based on the security and flexibility of the currency;
- digital payments are expected to become predominant in the EU, but under all circumstances, cash will be preserved;

- the expansion of both bank account–linked and non-bank-account–linked payments;
- simplified regulation of payments and settlements between individuals;
- support for the development of international tourism, in which individual payments play a key role;
- improvement of systemic payment protection.

It should be noted that the formation of the new digital euro model involves a large number of research networks, the most important of which include:

- the Capital Markets and Financial Integration in Europe Network;
- "Challenges for Monetary Policy Transmission in a Changing World (ChaMP)";
- the Euro Area Business Cycle Network (EABCN);
- the Eurosystem Research Network on Cash (EuRECA);
- the Inflation Persistence Network (IPN).

For Ukraine, within the framework of future integration, it is extremely important to pursue systemic convergence with the EU in the monetary sphere and for national regulators to take cautious steps in the implementation of large-scale global projects.

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