

10 Years of EU Membership: The OeNB in a Changing Environment

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This study discusses the integration developments which have had an institutional, legal and functional effect on the Oesterreichische Nationalbank (OeNB) since Austria joined the European Union. The first stage of Austria's EU membership (1995 to 1998) brought about three major challenges for the OeNB: integration into European bodies and forums, achievement of economic and legal convergence and preparation for monetary union. Once Stage Three of Economic and Monetary Union (EMU) began on January 1, 1999, the OeNB became a member of the European System of Central Banks (ESCB) and the Eurosystem, which went hand in hand with fundamental changes in the structure of the OeNB's tasks in almost all business areas. The introduction of euro banknotes and coins on January 1, 2002, an undertaking requiring an effective communication policy coupled with sophisticated cash logistics, posed a formidable challenge. The OeNB has succeeded in maintaining its role as a think tank and decision-making body for economic policy in Austria, and in making a contribution to stability and peace in the enlarged EU within the framework of European institutions and the Eurosystem.

1 Introduction

When Austria acceded to the EU on January 1, 1995, Stage Two of Economic and Monetary Union (EMU) had already been in progress for one year. Once Stage Three of EMU was launched on January 1, 1999, Austria was among the founding 11 Member States of the euro area that from then on determined the single monetary policy. This step implied sweeping changes for the OeNB, which became an integral part of the European System of Central Banks (ESCB).²

This study discusses the integration developments which have had an institutional, legal and functional effect on the OeNB since Austria joined the EU, and describes the OeNB's response to the challenges associated with these rapidly changing framework conditions.

2 First Stage of EU Membership: 1995 to 1998

When Austria joined the EU and thus participated in the European Monetary System (EMS) and its Exchange Rate Mechanism (ERM), the OeNB also embarked on preparations for Stage Three of EMU. As the OeNB had

already successfully pursued stability-oriented goals since the 1970s, participating in EMU was the logical next step in the continued development of this stability policy. Therefore, from the outset the OeNB was clearly committed to ensuring that Austria would take part in the monetary union as early as possible.

The seamless transition to the single monetary policy brought about three major challenges for the OeNB, specifically its integration into European bodies and forums, the achievement of economic and legal convergence and preparation for monetary union, in particular the irrevocable fixing of exchange rates.

2.1 The OeNB Participates Actively in European Bodies and Forums

Austria's accession to the EU afforded the OeNB equal rights to participate³ in the EU's bodies and forums and in the European Monetary Institute (EMI) founded in 1994. This meant that the OeNB participated actively in the preparations for monetary union from the very beginning. The most important objectives pursued by the OeNB were continuing a stability-ori-

¹ The authors would like to thank Gerhard Hohäuser and Wolfgang Ippisch for their valuable suggestions.

² See section 3 for a definition of the term "ESCB."

³ After the signing of the Accession Treaty in March 1994, the OeNB had been granted observer status in European bodies and forums.

ented monetary policy, strengthening the Austrian financial market and implementing the principle of subsidiarity in the ESCB.

In order to prepare early for effective and competent participation in EU institutions, the OeNB had already set up a representative office in Brussels in 1988. This office greatly facilitated and accelerated the exchange of information between the OeNB and the EU. Since 1995, the governor of the OeNB has attended the semiannual informal Ecofin Council meetings, which deal with strategically significant fiscal and economic policy issues in the EU. In addition, OeNB representatives became members of the EU's Monetary Committee⁴, the Economic Policy Committee and the Banking Advisory Committee (now the European Banking Committee), which are responsible for preparing the Ecofin ministers' meetings in their respective areas of expertise.

Since the signing of the Maastricht Treaty, the OeNB had already made intensive preparations for its potential role in the ESCB and maintained close relations with the other central banks in the EU. As a result, the OeNB was accepted as a full member of the EMI without difficulties from the very beginning. Owing to the high credibility of Austria's economic and monetary policies, the OeNB quickly managed to make itself heard within the EMI in the process of designing the single monetary policy. The EMI undertook preparatory work for implementing Stage Three of EMU, which included the introduction of a common European

currency, and geared up for the establishment and development of the European Central Bank (ECB) and the ESCB. In cooperation with the (then) 14 other EU central banks, the OeNB prepared for a common set of monetary and foreign exchange policy instruments, a single currency, an EU-wide payment system, a harmonized statistical data basis, a comprehensive information system and banking supervision (OeNB, 1995, p. 52). In order to tackle the abundance of different tasks and to coordinate the activities of the national central banks (NCBs), a committee structure was devised for the work of the EMI. The OeNB was represented at all hierarchical levels of this structure. The body with the highest decision-making power was the EMI Council, which consisted of the EMI's president as well as the 15 NCB governors, including the governor of the OeNB.⁵ The work of the EMI Council was supported by the Committee of Alternates, which consisted of senior representatives of the EU central banks and contributed to preparing the meetings of the EMI Council. In addition, a Financial Committee was in charge of the EMI's annual budget and annual accounts, as well as three subcommittees and six working groups.⁶ The active participation of OeNB representatives within the committee structure of the EMI posed new challenges in terms of organization and human resources. For example, as early as in 1996 more than 70 experts from the OeNB prepared a total of 385 meetings in Frankfurt and represented the OeNB's inter-

⁴ Known as Economic and Financial Committee (EFC) from January 1, 1999, onward.

⁵ The EMI Council convened ten times per year. The current chair of the EU Council and one member of the European Commission also had the right to participate in EMI Council meetings, but without voting rights (EMI, 1997, pp. 32–36).

⁶ For a detailed description of the EMI's committee structure as well as the focuses of the subcommittees and working groups, see OeNB, 1996, pp. 39–41, OeNB, 1997, pp. 42–45 and OeNB, 1998a, pp. 22–26.

ests in various committees, subcommittees and working groups (OeNB, 1997, p. 42).

As an institution which had primarily dealt with national duties in the past, the OeNB was faced with the task of adapting its everyday operations to the EU environment. Constant benchmarking against other NCBs generated clearly increasing pressure to invest in human capital with a view to optimizing the output. Overall, the OeNB's regular participation in the internationally attended meetings of these committees and subgroups brought about a large number of new tasks in the field of intercultural management, for example in the formation of political and tactical coalitions when negotiating in the EU context. The intense decision making at the European level basically sparked a race for brilliant arguments. This development gave rise to one very positive insight at the OeNB: Even representatives of a relatively small country can have a considerable impact on EU decision making (Tumpel-Gugerell, 2002, p. 12).

2.2 The OeNB Supports Austria's Path to Economic and Legal Convergence

Since the early 1970s, Austria's monetary policy had already enjoyed success in its orientation toward stability goals and macroeconomic fundamentals, which largely concurred with the convergence criteria set forth in the Maastricht Treaty. For this reason, participation in EMU did not constitute a fundamental paradigm shift for Austria, but was merely the logical next step in the continued development of Austria's stability-oriented policy. From the

OeNB's perspective, it was crucial to fulfill the convergence criteria sustainably and in compliance with the Treaty.⁷ The OeNB therefore supported the Austrian government's efforts to ensure conditions which were conducive to stability. On January 9, 1995, just a few days after its entry into the EU, Austria joined the ERM within the EMS, thus taking an important step toward meeting the economic convergence criteria.⁸

As one of Austria's main economic policymakers and a declared proponent of monetary integration in Europe, the OeNB, with its experts, made a substantial contribution to the process of economic convergence. For example, OeNB representatives were actively involved in the committee work on drawing up the EMI's decisive 1998 Convergence Report, which required extensive preparatory work and expertise in the fields of statistics, economics and law on the OeNB's part in order to represent Austria's interests in the relevant committees. At the request of the Austrian Federal Ministry of Finance, the OeNB also carried out a separate assessment of convergence in the EU and presented its own convergence report in 1998 (see OeNB, 1998a, pp. 20–24 for a detailed description of these economic convergence assessments).

In November 1996, the EMI had already published its first convergence report, which, in addition to providing an initial assessment of economic convergence, identified necessary adaptations in the statutes of the individual NCBs. A number of adaptations to the relevant Austrian legislation⁹ were also suggested (EMI, 1996, p. 134). In

⁷ *Treaty on European Union, February 7, 1992.*

⁸ *The effects which Austria's ERM participation had on the OeNB are discussed in OeNB, 1996, pp. 28–29.*

⁹ *Federal Act on the Oesterreichische Nationalbank (Nationalbankgesetz – NBG) 1984, BGBl. (Federal Law Gazette) No. 50/1984, as amended by BGBl. No. 532/1993.*

order to fulfill the requirements of the Treaty and the Statute of the ESCB¹⁰ regarding the independence of central banks and the integration of the OeNB into the ESCB, an amendment introducing substantial changes to the Federal Act on the Oesterreichische Nationalbank was put into effect in 1998.¹¹ In this context, the OeNB's monetary policy objectives¹² were reformulated, and its monetary policy instruments were completely adapted to comply with the requirements of the Statute of the ESCB. This was done in order to equip the OeNB with all of the powers necessary to carry out monetary policy operations once monetary union began (OeNB, 1998a, p. 57). Moreover, the amendment to the Federal Act on the Oesterreichische Nationalbank reinforced the independence of the OeNB, set a five-year term of office for all members of the Governing Board and defined possible grounds for dismissal in line with the Statute of the ESCB. Instead of the provisions previously in force, the provisions prohibiting the monetary financing of public deficits pursuant to Article 101 of the Treaty were adopted. In order to implement the transfer of monetary policy powers to the Governing Council of the ECB, it was also necessary to amend the mandate of OeNB bodies, which subsequently led to fundamental organizational changes in the OeNB as an enterprise: In particular, the OeNB's General Council, following the monetary policy transfer, was

invested with functions similar to those of a publicly held company's supervisory board. Moreover, the number of members in the Governing Board was reduced from the previous maximum of six to four, including the governor, vice governor and two other members. Along with the changes in general conditions due to the start of monetary union, this reduction called for far-reaching restructuring measures within the OeNB, which were implemented step by step between 1997 and 1999. A comparison of the OeNB's organizational charts reveals that the six previously existing units were merged into four departments: Central Bank Policy; Economics and Financial Markets; Money, Payment Systems and Information Technology; as well as Investment Policy and Internal Services (OeNB, 1997, pp. 12–13 and OeNB, 1999, pp. 12–13).

On March 25, 1998, the EMI as well as the European Commission published their convergence reports, in which Austria was given a favorable assessment by both institutions (EMI, 1998, pp. 199–203 and p. 303; European Commission, 1998, p. 41 and pp. 55–56). On May 3, 1998, the European Council, meeting in the composition of the Heads of State or Government, finally decided that Austria and ten other EU Member States had fulfilled all of the requirements for the introduction of a single currency. As of June 1, 1998, the President, Vice President and four other members

¹⁰ Protocol (No. 18) on the Statute of the European System of Central Banks and of the European Central Bank, 1992, referred to as the "Statute of the ESCB" in this study.

¹¹ With regard to the time at which this amendment went into effect, it is necessary to note that the amendment contains various effective dates due to different requirements under EU law and Austrian law: The regulations ensuring the independence of the OeNB took effect on May 3, 1998, when the resolution on the participation of Austria in the monetary union was taken. Those provisions which secure the full administration of ESCB duties and powers by the OeNB went into effect on January 1, 1999 (start of Austria's participation in Stage Three of EMU). For more information, see also OeNB, 1998a, p. 57.

¹² The monetary policy objectives were adapted to Article 105 paragraphs 1 and 2 of the Treaty.

of the ECB's Executive Board were appointed, thus the ECB was formally established.¹³

2.3 The OeNB Prepares for the Start of Monetary Union

In December 1995, the European Council in Madrid had approved a scenario for the transition to the euro as the European common currency. The transition was divided into stages in order to create reliable guidelines for the private sector with regard to which measures would be taken by the authorities at what time (European Commission, 2005, p. 42). On the basis of this overall transition plan, the EMI's master plan was revised and also used as a model for the OeNB's introduction of the euro. At the same time, the OeNB was also heavily involved in the general preparations for the start of monetary union in Austria.

For example, together with the Austrian Federal Ministry of Finance, the OeNB held the chair of the EMU task force established in June 1996 for the purpose of coordinating measures in the transition to the euro within Austria. A steering committee coordinated the activities of five working groups, which covered the areas of public information, banks and financial markets, legal affairs, administration and economic policy. In addition to Austrian federal ministries and the OeNB, the financial sector, social partners, economic research institutions as well as Austrian provinces and municipalities were also represented in the working groups. Their main tasks were to coordinate domestic preparatory measures for Austria's accession to the monetary union and to provide

decision support to the government in the fields of general policy, economic policy and law.

In order to ensure the actual participation of Austria in the monetary union, the OeNB also had to meet the organizational, technical and operational prerequisites for ESCB membership by the end of 1998: For example, the monetary policy instruments used in Austria were rapidly harmonized with those of the future Eurosystem. Likewise, the OeNB's statistical framework was adapted, and a number of operational and technical adaptations were required, for instance in the areas of payment and IT systems. Moreover, it was necessary to prepare for the production and issue of euro banknotes. At the same time, organizational processes were streamlined and modernized, and business processes were networked within the Eurosystem (OeNB, 2000b, pp. 7–18). These varied measures (developed within the EMI's committee structure and coordinated internationally) affected all of the OeNB's business areas. As mentioned above, in order to ensure that all activities would be coordinated appropriately, the OeNB developed a master plan describing the process of introducing the euro in great detail. In the course of this large-scale project, nearly 70 subprojects were coordinated and human resources totaling some 350 personnel years were deployed (OeNB, 1998b, p. 2).

In order to meet the increased qualitative demands on its staff, the OeNB quickly launched a training program on EU topics and took these changing demands into consideration in its recruitment policies. The Economic

¹³ This meant that the EMI had completed its tasks and was thus dissolved as of June 1, 1998.

Studies Division was established within the OeNB's Economic Analysis and Research Section, and the number of economists and statisticians grew in line with new qualitative demands in the fields of research, forecasting and statistical reporting. The structure of the OeNB as a group of companies also saw fundamental changes in anticipation of Austria's participation in the monetary union, mainly in the form of further horizontal diversification in money production due to the OeNB's acquisition of AUSTRIA CARD-Plastikkarten und Ausweissysteme Gesellschaft m.b.H. The OeNB also reinforced its position in the payments sector by taking a stake in Austrian Payment Systems Services GmbH (APSS). Furthermore, the OeNB's securities printing office was spun off as a new subsidiary called OeBS (Oesterreichische Banknoten- und Sicherheitsdruck GmbH; OeNB, 2000b, pp. 17–18).

3 Second Stage of EU Membership: 1999 to 2005

The irrevocable fixing of exchange rates as of January 1, 1999, brought about a fundamental transformation of overall monetary and economic policy conditions for the OeNB. By transferring formal sovereignty over monetary policy to the ECB, the Member States which adopted the euro saw a new distribution of roles between the ECB and the individual central banks in the EU. The OeNB's institutional and functional areas of activity thus

changed substantially.¹⁴ However, the *de iure* transfer of monetary sovereignty *de facto* increased the OeNB's influence on decision processes related to European monetary and central bank policies than before (Hochreiter, 2000, p. 308).

3.1 The OeNB Joins the ESCB and the Eurosystem

With the start of Stage Three of EMU, the OeNB became an integral part of the ESCB, which comprises the ECB and the NCBs of all EU Member States, and of the Eurosystem, which consists of the ECB and the NCBs of the Member States which have adopted the euro.¹⁵

The governor of the OeNB is a voting member of the ECB's Governing Council, the body which is responsible for monetary policy decisions and consists of the six members of the ECB's Executive Board and the (currently 12) NCB governors in the Eurosystem (ECB, 1999, pp. 55–56). Participating in the Eurosystem has increased the OeNB's influence in that the governor of a relatively small central bank can now participate actively in decisions on the single monetary policy on the basis of the "one member, one vote" principle.¹⁶ In this context, however, it is necessary to emphasize the fact that in monetary policy decisions and in the fulfillment of the ESCB's other duties, the governor of the OeNB – like all other members of the ECB's Governing Council – acts completely

¹⁴ For more information on the monetary policy implications of Austria's accession to the EU, see Gnan et al. in this issue of *Monetary Policy & the Economy*.

¹⁵ To enhance transparency and enable the public to grasp more easily the complex structure of the ESCB more transparent and comprehensible, the ECB's Governing Council decided to adopt the term "Eurosystem" for that part of the ESCB which includes the ECB and the NCBs of the 12 Member States currently participating in Stage Three of EMU (OeNB 2000a, p. 16). Since May 1, 2004, the ESCB has consisted of 25 NCBs and the ECB.

¹⁶ In the light of the expected enlargement of the euro area and the resulting increase in the number of members in the ECB Governing Council, voting modalities were amended in March 2003 to provide for a rotation scheme based on three groups of countries. In this context, the principle of "one member, one vote" was generally upheld (for details see Dvorsky and Lindner, 2003).

independently and in the interest of the euro area as a whole, as he was appointed for this office in a personal capacity. The governor of the OeNB is also a member of the General Council, which includes the President and Vice-President of the ECB as well as the NCB governors of all 25 EU Member States.¹⁷

The Governing Council of the ECB generally meets at 14-day intervals. In addition to monetary policy, the topics discussed include the entire spectrum of issues related to central banking. Therefore, the relevant decisions of the ECB Governing Council require well-founded expert analyses from the ECB as well as the NCBs. This is an essential prerequisite for efficient decision making. The EMI's committee structure was retained and adapted in order to ensure the regular exchange of views among experts at the ECB and the NCBs and to prepare the meetings of the ECB's Governing Council and General Council. In practice, the work of the committees is highly important because many topics cannot be discussed in sufficient detail in the Governing Council and General Council due to their complexity and scope (Bartik et al., 2004, pp. 31–34). Since the start of Stage Three of EMU, the number of committees and subordinate groups has continued to rise, so that the committee structure currently consists of 14 committees and 111 subordinate groups in total (subcommittees, working groups and task forces; Bartik et al., 2004, p. 66). Par-

ticipating in the committees and subordinate groups has brought about fundamental changes in the organizational and professional demands placed on OeNB experts: The topics discussed in the various committees and subordinate groups concern nearly all core business areas and hierarchical levels at the OeNB, and the working language is invariably English. On average, each committee convenes ten times per year for one to two days, and the meetings are nearly always held in Frankfurt. The OeNB sends a total of 26 representatives to the 14 committees and 109 representatives to the respective subordinate groups¹⁸ (Bartik et al., 2004, p. 69).

3.2 The OeNB Assumes New Tasks as a National Central Bank in the Eurosystem

The ESCB/Eurosystem is basically structured as a federal system in accordance with the principle of subsidiarity laid down in the Treaty. One essential issue which already arose during the preparations for monetary union was the question of how powerful the central components of the system should be. While fundamental decisions on monetary policy are made centrally, the corresponding measures are implemented at the national level wherever possible. In this context, it was necessary to strike a balance between the centralization of those activities for which it seemed appropriate in terms of efficiency and a decentralized orientation in order to opti-

¹⁷ The General Council can be regarded as a transitional decision-making body. It performs those duties which were originally assigned to the EMI and which the ECB must carry on due to the fact that not all Member States have adopted the euro. The General Council meets four times per year. For more information, see Scheller, 2004, pp. 61–62.

¹⁸ This divergence in numbers arises from the fact that the OeNB does not participate in several subordinate groups due to the topics covered, while in some cases two representatives are nominated for certain committees and subordinate groups.

mize the use of resources and experience available in the NCBs (Bartik et al., 2004, p. 3).

Accordingly, the OeNB now performs its main tasks in the following specific areas within the ESCB/Eurosystem: Preparation of monetary policy information for the governor, implementation of monetary policy decisions, management of reserve assets, public relations, cooperation in the supervision of domestic credit institutions as well as payment systems oversight in order to ensure the stability of the financial markets, provision of analyses and statistics, domestic cash supply and payment processing.

Participating in the monetary union also required the OeNB to intensify its economic analysis activities, which serve as the basis for the positions taken by the OeNB governor in the Governing Council and General Council of the ECB. In the implementation of monetary policy, a number of changes were made in the policy instruments deployed as well as the responsibilities of the OeNB in this area. In the Eurosystem's open market operations, the OeNB's main duties are to collect tender offers and forward them to the ECB, to inform credit institutions of the allotment results and to settle the transactions. The OeNB also acts as the credit institutions' counterparty for the standing facilities (OeNB, 1999, pp. 42–43). As regards the management of reserve assets, the bulk of Austria's reserves has remained in the hands of the OeNB but is managed according to rules defined by the ECB's Governing Council. In order to ensure a comparable information basis within the Eurosystem, statistical requirements also increased with regard to accuracy, level of detail and timeliness. In addition, efforts to harmonize statistical data at the international level were

also enhanced. Supplying banknotes and coins has remained one of the OeNB's main duties. As of January 1, 1999, the Austrian RTGS payment system ARTIS was integrated into the TARGET network interlinking national payment systems (OeNB, 1999, p. 43). In its public relations work for the Eurosystem, the OeNB plays a special role as an "ambassador" for European monetary policy in Austria and thus makes a valuable contribution to the Eurosystem's communication policy (Hochreiter, 2000, p. 307).

The precise distribution of tasks in the Eurosystem is subject to ongoing adaptation and discussion. While the debate about the centralized or decentralized orientation of the system has not subsided since its inception, the Eurosystem is still clearly decentralized with regard to the execution of tasks. Activities have only been centralized in the area of payment systems among several NCBs and in representation by the ECB in several EU bodies. For example, since Austria's EU accession the OeNB has been represented in the EFC, but the OeNB's – and other NCBs' – level of participation was reduced in the course of EU enlargement. However, the OeNB is still represented in the EU bodies responsible in the fields of banking supervision, international cooperation (IMF) and technical preparation for the euro introduction in additional Member States.

Furthermore, decisions of the ECB Governing Council and the resulting legal acts sometimes allow – but do not require – all national central banks to take part in a given task and its implementation. For this reason, it appeared especially sensible for the OeNB (as a relatively small NCB) to establish itself as a universal central bank with selected areas of specializa-

tion within the Eurosystem. For example, the focus of economic research and analysis at the OeNB¹⁹ has shifted due to monetary policy integration, and the following three specialist areas have emerged: 1) economic analysis of the euro area as a whole, 2) analysis of the Austrian economy and 3) specialization in the analysis of Central and Eastern European countries as well as the economic analysis of the transition process. Through a number of targeted measures which were already initiated in the early 1990s, the OeNB succeeded in developing its focus on Central and Eastern Europe into a special area of economic analysis and research within the Eurosystem and in building up an outstanding network of working contacts.²⁰ In response to the enlargement of the EU in 2004, the OeNB has redefined its research priorities over the last year and will sharpen its focus on the countries of Southeastern Europe, which constitute the future generation of EU candidate and accession countries. Consequently, the OeNB has also started to intensify its bilateral contact with the central banks in these countries.

3.3 The Euro Cash Changeover Poses a Challenge to Communication Policy and Logistics

In parallel to the activities mentioned above, the OeNB also had to deal with very important agendas on the domestic front, especially preparing and implementing the changeover to euro banknotes and coins as of January 1, 2002. In terms of logistics and external communication, this transition was one of the greatest challenges the OeNB has ever faced. Given the scale

of the project, planning began at a very early stage. The new currency was given the name “euro“ in 1995, and the decision to use the banknote designs submitted by the OeNB (Robert Kalina) was taken in 1996. One significant activity in the run-up to the euro cash changeover was the production of the banknotes and coins themselves. Another important measure was the establishment of GELD-SERVICE AUSTRIA Logistik für Wertgestionierung und Transportkoordination G.m.b.H. (GSA), which was put in charge of developing efficient cash logistics in Austria (see OeNB, 2002, pp. 17–20 for a detailed description of all measures taken in this context). It can be regarded as a particular success on the OeNB’s part that the euro banknotes and coins enjoyed swift acceptance among the vast majority of Austrians from the very beginning. Just two weeks after the introduction of the new currency, some 90% of all cash transactions were settled in euro. Taking the Austrian schilling out of circulation imposed very different logistical demands, especially because the decision as to when, how much and which denominations of the old currency to turn in was left to the discretion of the people. For this reason, numerous activities were carried out in order to remove the schilling from circulation (OeNB, 2002, pp. 21–23). In early 2001, the OeNB launched a campaign which aimed to create a positive attitude toward the euro among the population and preceded the main campaign “Mit der Nationalbank zum Euro” (The OeNB – Making the Euro Yours) in the fall of 2001 (OeNB, 2002, pp. 23–26). However, even after

¹⁹ In addition, the OeNB has been supporting Austrian research with considerable funds for almost 40 years now.

²⁰ For an overview of the OeNB’s concrete activities in connection with its focus on Central and Eastern Europe, see OeNB, 2003, pp. 55–57.

the smooth transition to euro banknotes and coins, the OeNB made (and is still making) efforts to continue this communications drive and to carry out trust-building measures on an ongoing basis. Such measures have included assisting the population in getting a feel for the value of the new currency and combating the problem of (subjectively) “perceived inflation” in the Austrian population (OeNB, 2003, pp. 19–20).

4 Concluding Remarks

In conclusion, we can state that as an institution the OeNB was (and is) heavily influenced by Austria’s accession to the EU. This can mainly be attributed to the fact that the intensity of European integration has increased markedly in the last ten years, especially in the area of monetary policy.

From the very outset, the OeNB clearly demonstrated its commitment to the objective of ensuring that Austria would take part in the monetary

union as early as possible. The transition to a single European currency in early 1999 as well as the euro cash changeover in 2002 were among the greatest challenges the OeNB has had to face in its entire 190-year history.

The integration of the OeNB into European decision-making bodies and forums has changed the bank’s working methods at all hierarchical levels and in all fields. In particular, the OeNB’s cooperation with the ECB and other NCBs in the ESCB/Eurosystem has also brought about significant pressure in terms of quality and competition as a result of ongoing changes and adaptation requirements.

However, the OeNB has succeeded in maintaining its role as a think tank and decision-making body for economic policy in Austria, and in making a contribution to stability and peace in the enlarged EU within the framework of European institutions and the Eurosystem.

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