

Doctoral Thesis: European Central Bank as an Institution of the European Union and Its Role During the Eurozone Crisis

This thesis deals with the institutional aspects of the European Central Bank (the ECB or the Bank) and the active role it played during the Eurozone Crisis and afterwards. It examines how a position of the ECB within the European Union institutional system evolved in the last 20 years and whether this position is fully reflected in the primary law. Recent developments in the Eurozone have resulted in a growing position of the ECB among the institutions of the European Union. The Bank has mitigated potential threats to financial stability in the Zone, however, selected measures applied by the Bank in the area of monetary policy were questioned as “*ultra vires*”. The Court of Justice (CoJ) recently settled this discussion in favour of the ECB arguing that the line between the economic and monetary policy is thin and requires further analysis in each case. Having the CoJ on its side the ECB seems to be the strongest institution within the European Union even if this is not reflected in the Treaties. In addition the Bank received a valuable supervision toolkit enabling it to conduct microprudential and macroprudential supervision across the Eurozone and potentially the whole European Union. The Bank is also a very important “player” due to its contentious role as a Lender (or Buyer) of Last Resort. The competences of the ECB are strong in comparison with the other institutions and bodies in the European Union. Its increasing role raising questions about the effectiveness of the “check and balance” rule and accountability and transparency mechanisms.

Nowadays the further development of Bank’s position depends on willingness of the Member States to move forward with the Paneuropean project. Such rapid turnaround is however questionable due to a so-called democratic deficit. This research presents the current legal framework and the potential challenges that the ECB faced and may face in the future due to its increasing role in the European Union and demand to act more vigorously. Its positive influence on the financial stability in the Eurozone is not questionable in terms of economic figures, however, some gaps and shortcomings in the constitutional framework have been revealed. If the European Union is about to stay “alive” some important steps have to be taken in the near future. This research analyses what the most efficient step would be. In addition it proposes some changes in the institutional framework of the European Union and accountability mechanisms. Significant part of this thesis deals with new functions of the EBC within the Single Supervisory Mechanism and Resolution framework. It also raises some questions about the role of the Court of Justice in the context of so-called legitimization of the EBC measures. This research analyses also the impact that the ECB had on the Member States economies and the condition of the EU financial market.

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