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ERASMUS – JMO – 2025 – 2028 MODULE
UNIVERSITY OF GJIROKASTRA
EU EDUCATION FOR BETTER GOVERNANCE IN THE REGIONS OF ALBANIA

EU4EduGovRegAl

EUROPEAN CENTRAL BANK
ECB

Lecturer: Dr. Arjan GJINI

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OPEN FORUM OVERVIEW: EU4EduGovRegAl

Academic Transformation: Strengthening European Union studies through innovative teaching, interdisciplinary approaches, and research on EU governance.

Institutional Capacity Building: Supporting the modernization of public administration by promoting European standards of transparency, accountability, and good governance.

Regional Engagement and European Awareness: Enhancing awareness of European integration and fostering cooperation among institutions, students, and regional stakeholders.

Sustainable Academic and Institutional Networks: Establishing long-term collaboration between universities, local governments, and international partners to support Albania's European integration process.

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🎯 FORUM OBJECTIVES

- 🇪🇺 Understanding EU Governance Principles
- 🏛️ Analyzing EU Institutions
- 📡 Promoting Active Citizenship
- 🤝 Connecting EU Governance with Albania
- 🏆 Applying Knowledge Practically

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IDENTITY AND MISSION: EUROPEAN CENTRAL BANK (ECB): THE COMPASS OF MONETARY STABILITY

Safeguarding the value of the Euro in a changing world

👉 "The ECB is not distant – it affects your daily life"

👉 European Central Bank https://www.ecb.europa.eu

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WHAT IS THE ECB? "THE GUARANTOR OF TRUST"

Key point: The institution that manages the world's second most important currency

Mission: Price stability = Citizens' purchasing power

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INDEPENDENCE AS A DOCTRINE (WHY FRANKFURT AND NOT BRUSSELS?)

Independence from political pressure: Politicians seek rapid growth, the ECB seeks long-term stability

Prevention of "hyperinflation" (a lesson from European history)

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ARCHITECTURE AND MANDATE
ESCB VS EUROSYSTEM

ESCB: All 27 EU central banks

Eurosystem: ECB + 20 countries using the Euro (Bulgaria as the 21st in 2026)

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THE DECISION-MAKING TRIAD

Governing Council: Governors who decide the "price of money"

Executive Board: The operational engine implementing decisions

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THE SUPREME OBJECTIVE: 2% INFLATION

Why 2%? Not too high (inflation), not too low (stagnation)

Promise to citizens: Your euro will retain its value tomorrow

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MONETARY POLICY IN PRACTICE
INTEREST RATES: "THE STEERING WHEEL AND THE BRAKES"

- Increasing rates = Cooling inflation (more expensive loans, more saving)
- Decreasing rates = Fuel injection (cheaper loans, more investment)

👉 "If the ECB raises rates → your mortgage becomes more expensive"

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OPEN MARKET OPERATIONS, HOW THE ECB CONTROLS THE MONEY SUPPLY THROUGH COMMERCIAL BANKS

Key idea: 👉 The ECB does not lend money directly to citizens – it acts through banks.

How does it work? The ECB lends money to commercial banks → Banks borrow liquidity to lend;

The ECB sets the interest rate → The "price of money" throughout the economy;

The ECB buys or sells bonds (bills) → Increases or decreases the amount of money in the market

Effect on the economy: More money in the system → cheaper loans → more investment & consumption.
Less money in the system → more expensive loans → lower inflation

👉 **"DECISIONS IN FRANKFURT DIRECTLY AFFECT YOUR POCKET."**

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BANKING UNION

Single Supervisory Mechanism (SSM)

ECB as a "Financial Policeman": Supervising the 110 largest European banks

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BREAKING THE "DOOM LOOP"

Protecting taxpayers from paying for bank failures

Stress tests: Are our banks ready for crises?

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EXTRAORDINARY TOOLS

- Non-Conventional Instruments ("Heavy Artillery")
- Quantitative Easing (QE): Creating liquidity to support the economy

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THE PANDEMIC SHIELD

How the ECB prevented economic collapse during COVID-19 by purchasing government debt

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CRISIS MANAGEMENT : "WHATEVER IT TAKES" – THE COURAGE OF MARIO DRAGHI

- The moment the ECB proved it would do everything to save the Euro
- From Frankfurt to your wallet

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MONETARY–FISCAL COORDINATION

Frankfurt (Monetary policy) must cooperate with Capitals (Taxes/Budgets)

Stability and Growth Pact

👉 "Have you felt rising loan interest rates in recent years?"

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REGIONAL IMPACT (BALKANS AND ALBANIA)

The Euro in the Western Balkans

Case of Kosovo: "Importing" stability without issuing its own currency

How ECB rates affect the cost of external debt

🌍 Also for Albania:

Affects interest rates on euro-denominated loans

Influences exchange rates and prices

Impacts the economy and investments

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BULGARIA 2026: A NEW MEMBER OF THE EURO FAMILY

Strategic importance of Eurozone enlargement in Eastern Europe

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ECB AS THE GUARANTOR OF ECONOMIC ORDER

The triumph of technocracy and monetary science over populism

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MESSAGE FOR STUDENTS AND ADMINISTRATORS

Good governance requires strong,
independent,
data-driven institutions

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CONCLUSION: WHY DOES THE ECB MATTER TO YOU?

- Price stability = your money keeps its value - Interest rates shape your loans & savings - Crisis decisions protect the economy

  Even Albania feels the impact

Why is the ECB effective? - Independent from politics - Trusted by markets - Data-driven decisions

🎯 "ECB decisions directly affect your daily life."

👉 For Albania: "A strong, independent central bank is key to protecting the currency and ensuring stable economic development."

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CONCLUSIONS AND QUESTIONS SUMMARY OF MAIN POINTS. SPACE FOR DISCUSSION.

THANK YOU

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