

Introduction

The evolving landscape of European monetary policy continues to present complex legal and economic challenges. Since the global financial crisis (2007) and the sovereign debt crisis in the euro area (2010), the European Central Bank (ECB) has implemented a range of non-standard monetary policy measures (NSM), such as the Outright Monetary Transactions (OMT), the Public Sector Purchase Programme (PSPP), and the Pandemic Emergency Purchase Programme (PEPP) or Targeted Longer-Term Refinancing Operations (TLTROs). These measures supplement traditional instruments such as interest rate adjustments. The announcement of the Transmission Protection Instrument (TPI) in July 2022 shows that the era of NSM has not come to an end.

Against the background of an expanding policy toolkit, the ECB adopted a new monetary policy strategy in 2021,¹ signaling a shift in priorities. Notably, the ECB has committed to integrating climate change considerations into its policy framework.

Beyond the internal evolution of ECB policies, global developments also shape the legal and economic landscape of the Eurozone. Central bank digital currency (CBDC) projects around the world raise issues of money sovereignty. Meanwhile, the ongoing economic consequences of Russia's war in Ukraine have resulted in persistent financial sanctions, which, in turn, affect the ECB's decision-making and broader monetary governance.

All of these measures highlight the broader legal and institutional challenges confronting the ECB as it seeks to adapt to a rapidly changing economic environment while remaining within the legal framework established by the Treaties. The legal yardsticks set forth in *Gauweiler and Others*² and *Weiss*³ play a crucial role in determining the extent to which these measures are consistent with the ECB's mandate. A key issue is whether the ECB's expanding role remains within the boundaries set by the Treaties, particularly with regard to its primary and secondary objectives, the demarcation between monetary and economic policy, and the demands of the open-market and the proportionality principle.

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1 See ECB, The ECB's monetary policy strategy statement, available at: https://www.ecb.europa.eu/home/search/review/html/ecb.strategyreview_monpol_strategy_statement.en.html (25/3/2025).

2 ECJ, Case C-62/14, *Gauweiler and Others*, ECLI:EU:C:2015:400.

3 ECJ, Case C-493/17, *Weiss and Others*, ECLI:EU:C:2018:1000.

4 Austrian Central Bank, Anniversary Fund, project number: 18778.

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Rainer Palmstorfer
University of Linz (Austria)
e-mail: rainer.palmstorfer@jku.at