

< The Political Economy of the European Economic and Monetary Union: Political Sources of an Economic Liability



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# The Political Economy of the European Economic and Monetary Union: Political Sources of an Economic Liability

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## Abstract

EMU would be an economic liability. A single currency would cause, at most, small trade and investment gains but would raise average cyclical unemployment and possibly raise inflation, perpetuate structural unemployment, and increase the risk of protectionism. EMU is nevertheless being pursued in order to create a political union

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