

A proverb says that 'success has many fathers'. This is certainly true for EMU. It is the merit of this book to have highlighted, with the CMUE and AMUE, contributions of the private sector in the process of European monetary integration.

IVO MAES

*National Bank of Belgium*

*The Politics of Economic and Monetary Union: Integration and Idiosyncrasy*, by E. Jones (Lanham, MD: Rowman and Littlefield, 2002, ISBN 0847690342 hb, 0847690350 pb); ix + 214 pp., £56.00 hb, £15.99 pb.

EMU is in almost equal measures fascinating and frustrating for the academic: fascinating because it is a unique and important experiment which will throw light on a whole host of questions, frustrating because it will be years before sufficient data have accumulated to answer them. It is into this arena that Erik Jones ventures with his new book, developing themes he has pursued for a number of years (three of the ten chapters have appeared in earlier studies).

The analysis starts from the proposition that the politics of the single currency should be understood in terms of the distribution of its associated costs and benefits, but that these costs and benefits are hard to assess. In general EMU is seen as increasing the range of options available for European macroeconomics. The difficulty of assessing the distributional effects of EMU has some interesting implications. It is seen as a source of stability for the system, making it difficult to mobilize against EMU. The rules of the system are also more significant than the operation of policy instruments, so the legitimacy of EMU lies in the democratic legitimacy of the process of setting these rules. Given the difficulties of changing these rules, national economies are going to have to adjust to work with them. But it is not the pressures on individual countries that are a threat to the stability of EMU but rather cleavages that cut across the Union associated with its costs and benefits.

Some aspects of the analysis can be criticized. There seems to be an over-emphasis on the fall in the value of the euro against the dollar, which has of course now been reversed. This is not just a matter of hindsight; any long view of floating exchange rates indicates the futility of trying to read any great significance into short-term movements in bilateral rates. Similarly the suggestion that the European Employment Strategy has 'a significant potential for the reconstruction of employment policy at the European level in the future' (p. 42) seems an overstatement of the capacity of the open method of co-ordination in this domain.

These are minor reservations; the analysis also stands up well even in the light of developments since it was written. Although the prediction that it would be countries with high levels of debt that would have problems with the Stability and Growth Pact has not proved correct, the suggestion that 'as a last resort, it is even possible for states to ignore the pact' (p. 187) has proved prescient. Overall a thoughtful and stimulating analysis of the politics of EMU

BRIAN ARDY

*London South Bank University*