Glossary:Economic and monetary union (EMU)

Statistics Explained

Economic and monetary union , abbreviated as **EMU** , refers to the economic and monetary integration of the 27 Member States of the European Union (EU) . It involves three stages:

- coordinating economic policy;
- achieving economic convergence (bringing economic cycles broadly in step);
- adopting the euro , the EU's single currency.

All Member States are expected to participate in EMU and all, except Denmark, have committed themselves by treaty to join EMU. Nineteen EU Member States have entered the third stage and adopted the euro as their currency, together making up the euro area . Denmark, Latvia, and Lithuania are the current participants in the Exchange rate mechanism (ERM) . Of the pre-2004 members, Sweden have not joined ERM II and Denmark remains in ERM without proceeding to the third stage. The 5 remaining Member States that joined the EU in 2004 or 2007 have yet to achieve sufficient convergence to participate. As a result 10 EU members continue to use their own currencies.

The Copenhagen criteria, the current set of conditions for countries wanting to join the EU, contain the requirements a country has to fulfil in order to join economic and monetary union, as well as the time frame in which this has to be achieved.

Related concepts

- Convergence criteria
- euro area
- European Union (EU)
- Exchange rate mechanism (ERM)