

1. Record Nr.	UNINA9910828556603321
Autore	Imam Patrick
Titolo	Introducing the Euro as Legal Tender—Benefits and Costs of Eurorization for Cape Verde // Patrick Imam
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
ISBN	1-4623-0632-2 1-4527-9042-6 9786612843600 1-282-84360-5 1-4518-7293-3
Edizione	[1st ed.]
Descrizione fisica	1 online resource (36 p.)
Collana	IMF Working Papers
Disciplina	332.4;332.45
Soggetti	Euro-dollar market Foreign exchange rates - Cape Verde Conventional peg Currencies Currency Dollarization Exchange rate arrangements Exchange rates Foreign Exchange Foreign exchange Government and the Monetary System Monetary economics Monetary policy Monetary Systems Money and Monetary Policy Money Payment Systems Regimes Standards Cabo Verde
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia

Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	<p>Contents; I. Introduction; II. Characteristics of Eurorization/Dollarization Countries; Tables; 1. List of Dollarized Economies; III. Potential Benefits and Costs of Eurorization for Cape Verde; Boxes; 1. Loss of Seignorage Revenue: Theory and Evidence; 2. Present Value Loss of Seignorage Revenue (as a share of GDP); Figures; 1. Debt With and Without Access to Seignorage Revenue, 2008-28; 3. Seignorage Gains for CEECs; 2. Growth Effect of Eurorization is Temporary, not Permanent; IV. Econometric Analysis of the Characteristics of Dollarized Economies; A. Determinants of Exchange Rate Choice</p> <p>4. Comparing Merits of Different Fixed Exchange Rate Regimes with Cape Verde Current PegB. Data; C. Estimation; 5. Choice of Exchange Rate Regime (Dollarized Economies); 6. Choice of Exchange Rate Regime (Hard Pegs); 7. Choice of Exchange Rate Regime (Dollarized, Other Hard Pegs and Non-Hard Pegs); V. Practical Aspects of Successful Eurorization; 2. Some Practical Aspects of Introducing the Euro; VI. Conclusion; References; Appendix; 1. History of Cape Verdean Exchange Rate Arrangements</p>
Sommario/riassunto	<p>In recent years, recommendations for countries to unilaterally dollarize/eurorize have become common, particularly when the countries lack economic credibility. After exploring the characteristics of dollarizing/eurorizing economies, we look at the merits and costs of unilateral eurorization for Cape Verde, a highly tourism based economy that has become increasingly integrated into the euro-zone area and that has a strong macroeconomic track record. We illustrate that neither the benefits nor the costs of unilateral eurorization are large and conclude that there is no compelling case to change the current exchange rate arrangement at this point in time. Econometrically, we assess the characteristics of dollarized economies and demonstrate that few of them apply to Cape Verde, further confirming that Cape Verde does not fit the pattern of most dollarizing countries.</p>