







Q

Home ► All Journals ► Politics & International Relations ► Review of International Political Economy ▶ List of Issues ▶ Volume 14, Issue 5 ▶ Democratic accountability and the exchan ....

Review of International Political Economy > Volume 14, 2007 - Issue 5

259 9

Views CrossRef citations to date Altmetric

**Original Articles** 

## Democratic accountability and the exchangerate policy of the euro area<sup>1</sup>

C. Randall Henning

Pages 774-799 | Published online: 31 Oct 2007

**66** Cite this article

> Sample our Politics & International Relations Journals >> Sign in here to start your access to the latest two volumes for 14 days

Full Article

Figures & data

References

**66** Citations

**Metrics** 

Repri

ABSTE

This arti

monetar

compari

policyma

overs State policy di

interests

can prov

Eurogro

Chinese

outcome

## We Care About Your Privacy

We and our 899 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting "I Accept" enables tracking technologies to support the purposes shown under "we and our partners process data to provide," whereas selecting "Reject All" or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the ["privacy preferences"] link on the bottom of the webpage [or the floating icon on the bottom-left of the webpage, if applicable]. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. Here

We and our partners process data to provide:

I Accept

Reject All

olicy, **Show Purpose** 

> rate bank;

the

ne United

rride' when

sector

o institution

he ECB and

toward

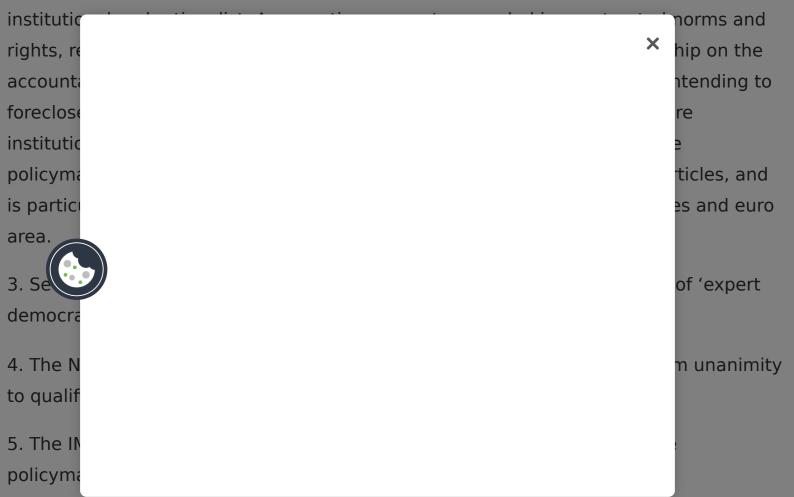
iffect policy

**KEYWORDS:** 

The euro exchange-rate policy accountability interest groups China euro governance

## Notes

- <sup>1</sup> Sources: Eurostat database and U.S. Census Bureau, Foreign Trade Division.
- <sup>1</sup> Sources: Eurostat database and U.S. Census Bureau, Foreign Trade Division.
- 1. Prepared for the project on 'Legitimacy and Efficiency: Revitalizing EMU ahead of Enlargement', organized by Erik Jones, Tal Sadeh and Amy Verdun. The author would like to thank Jacqueline Best, Daniel Daco, Andreas Falke, Kathleen McNamara, Jonathan Kirshner, Georges Pineau, Jens van Scherpenberg and two anonymous reviewers for comments on previous versions, as well as the editors and other authors and participants at the project meeting at SAIS Bologna in December 2005. He also wishes to acknowledge the valuable research assistance of Alina Milasiute and Bella Nestorova.
- 2. This framework thus adopts a concept of accountability that is procedural,



6. The latter is examined in <u>Henning (2006)</u>.

available

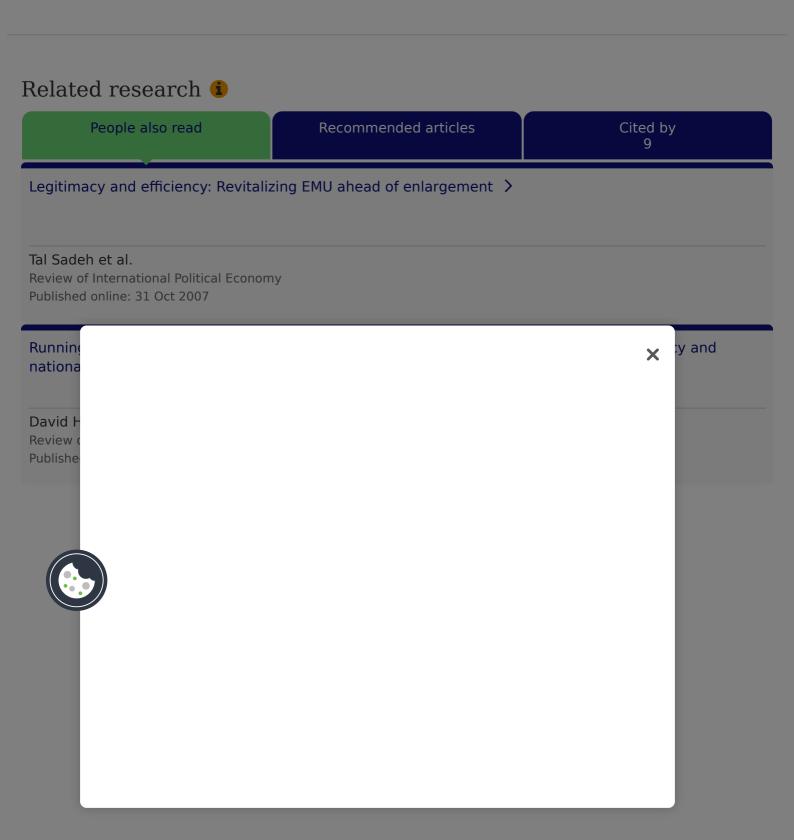
underva

- 7. These are critical contributions to a debate over global current account adjustment that is broad ranging. This paper does not hinge on the normative questions in this debate such as the sustainability of the imbalances and the responsibility of the United States, euro area and East Asia, among other actors, for reducing them interesting as such questions are. The argument developed here hinges instead on the impact of China's exchange rate policy on the economies of the United States and euro area and the responses of the two authorities.
- 8. See <a href="http://www.chinacurrencycoalition.org/members.html">http://www.chinacurrencycoalition.org/members.html</a>. Accessed December 11, 2006.
- 9. Search conducted on <a href="http://thomas.loc.gov/home/c109query.html">http://thomas.loc.gov/home/c109query.html</a> in December 2006. Hufbauer et al. (2006) count 23 such bills between February 2003 and March 2006.
- 10. European Commission, 'Bilateral Trade Relations with China', accessed June 22, 2006 at <a href="http://ec.europa.eu/comm/trade/issues/bilateral/countries/china/index\_en.htm">http://ec.europa.eu/comm/trade/issues/bilateral/countries/china/index\_en.htm</a>
- 11. 'We continue to monitor exchange markets closely and cooperate as appropriate. In this context, we emphasize that more flexibility in exchange rates is desirable for major countries or economic areas that lack such flexibility to promote smooth and

widespre rket X mechan ors (2004). 12. A se exchange 2 at which rate' ge the phra times, and dressed more that China http: d December 13. Conf 2005, as http://ww 14. UNIC 006,

. rather

- than through EU or euro area machinery. Confindustria, Economic Outlook, December 2003: 10
- 15. To the extent that the available data allow a comparison. See Eurostat database, Foreign Direct Investment, available at <a href="http://epp.eurostat.ec.europea.eu">http://epp.eurostat.ec.europea.eu</a>.
- 16. While applauding China's modest revaluation in mid-2005, <u>Weber (2005)</u> and <u>Issing (2005)</u> take this essential position. Ahearne and von Hagen (2005) and <u>Pisani-Ferry and Sapir (2005)</u> inveigh against European complacency with respect to the renminbi, which they also describe as pervasive.



Information for Open access **Authors** Overview R&D professionals Open journals Editors **Open Select** Librarians **Dove Medical Press** Societies F1000Research Opportunities Help and information Reprints and e-prints Advertising solutions Newsroom Accelerated publication Corporate access solutions Books Keep up to date Register to receive personalised research and resources by email Sign me up X or & Francis Group Copyright