

254 | 9 | 0  
Views | CrossRef citations to date | Altmetric

Original Articles

# Democratic accountability and the exchange-rate policy of the euro area<sup>1</sup>

C. Randall Henning

Pages 774-799 | Published online: 31 Oct 2007

🗨️ Cite this article 🔗 <https://doi.org/10.1080/09692290701642648>

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   🗨️ Citations   📊 Metrics

📄 Reprints & Permissions   📄 **Read this article**

## We Care About Your Privacy

We and our 861 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
- Show Purpose



# 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, institutional and rationalist. A normative concept, grounded in constructed norms and rights, represents an alternative that is certainly worth pursuing in scholarship on the

accountability... intending to  
foreclose... re  
institutional... e  
policyma... articles, and  
is partic... es and euro  
area.

3. See a... of 'expert  
dem...

4. The N... m unanimity  
to qualif...

5. The IM...  
policyma...

6. The la...



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 <http://www.chinacurrencycoalition.org/members.html>. Accessed December 11, 2006.

9. Search conducted on <http://thomas.loc.gov/home/c109query.html> in December 2006. [Hufbauer et al. \(2006\)](#) count 23 such bills between February 2003 and March 2006.

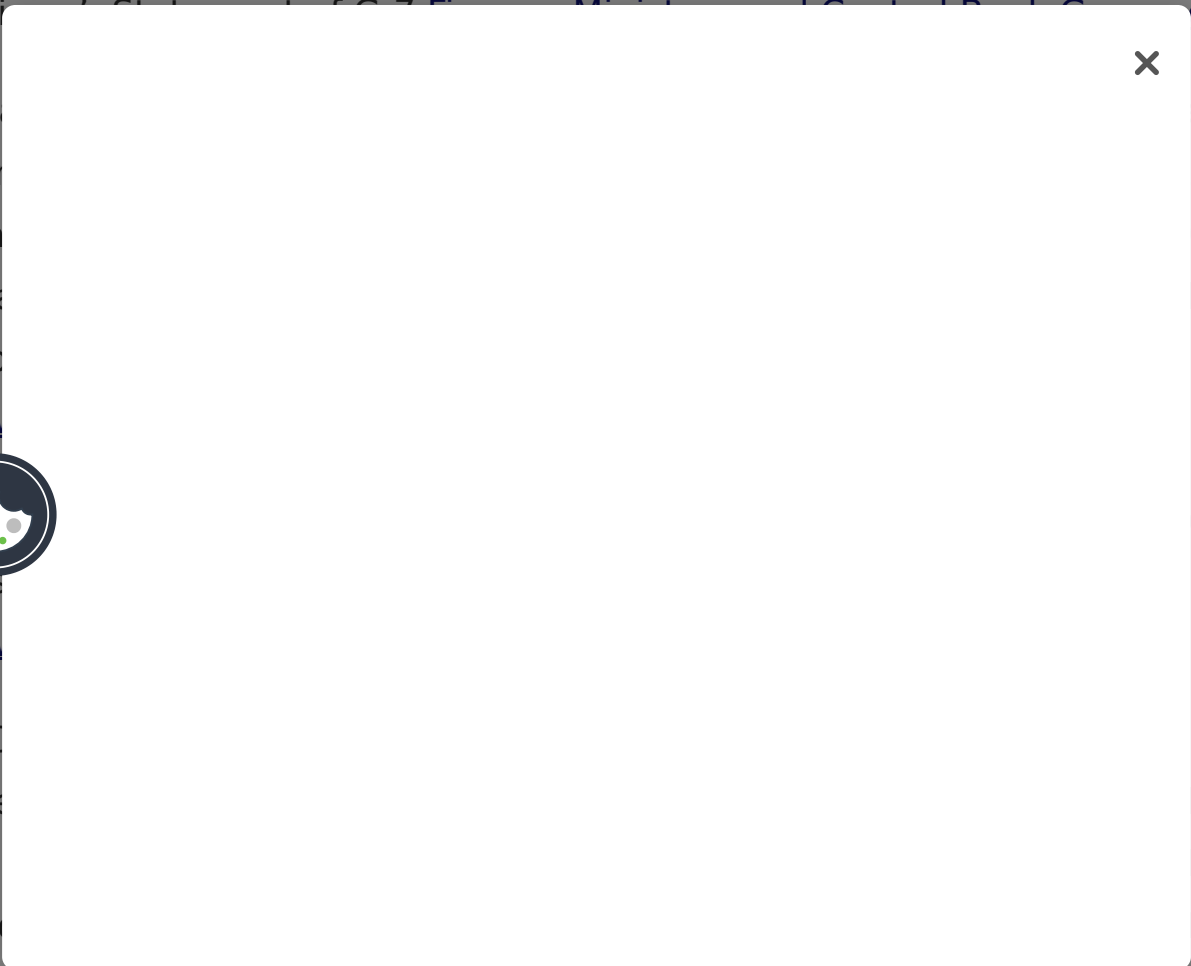
10. European Commission, 'Bilateral Trade Relations with China', accessed June 22, 2006 at [http://ec.europa.eu/comm/trade/issues/bilateral/countries/china/index\\_en.htm](http://ec.europa.eu/comm/trade/issues/bilateral/countries/china/index_en.htm)

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 widespread adjustments in the international financial system, based on market mechanisms.' [G-7 Finance Ministers and Central Bank Governors \(2004\)](#).

12. A series of 'exchange rate' generalizations in the phrase 'exchange rate' at which the phrase is used more than 20 times, and China's exchange rate is addressed <http://www.fedreserve.gov/press/20051215a.htm>

13. <http://www.fedreserve.gov/press/20051215a.htm> December 15, 2005, as cited in [Hufbauer et al. \(2006\)](#).

14. UNICEF, 'China's Exchange Rate Policy', 2006, available at <http://www.unicef.org/press/20061215a.htm>, rather than through the exchange rate, December 15, 2003: 10



15. To the extent that the available data allow a comparison. See Eurostat database, Foreign Direct Investment, available at <http://epp.eurostat.ec.europa.eu>.

16. While applauding China's modest revaluation in mid-2005, [Weber \(2005\)](#) and [Issing \(2005\)](#) take this essential position. Ahearne and von Hagen (2005) and [Pisani-Ferry and Sapir \(2005\)](#) inveigh against European complacency with respect to the renminbi, which they also describe as pervasive.

## Related research

People also read

Recommended articles

Cited by  
9

[Legitimacy and efficiency: Revitalizing EMU ahead of enlargement >](#)

Tal Sadeh et al.

Review of International Political Economy

Published online: 31 Oct 2007

[Running an enlarged euro-zone - reforming the European Central Bank: Efficiency, legitimacy and national economic interest >](#)

David H

Review of

Publishe



Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

- 
- 
- 
- 
- 

Copyright

Accessib

Registered  
5 Howick Pl

or & Francis Group  
orma business



✕