

51 Views | 2 CrossRef citations to date | 0 Altmetric

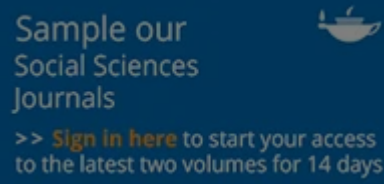
Original Articles

Overvalued or Undervalued Euroland Entry?

Jens Hölscher & Mariusz Jarmużek

Pages 235-250 | Published online: 23 Jan 2007

 Cite this article  <https://doi.org/10.1080/14631370500104968>



 Full Article

 Figures & data

 References

 Citations

 Metrics

 Reprints & Permissions

Read this article

Abstract

This study addresses the question of the conversion rate upon joining the European Union with respect to the accession countries of Eastern Europe. The article argues in favour of an undervalued exchange rate in order to promote income generation in the new member states.

We Care About Your Privacy

We and our 842 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. [Privacy Policy](#)

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

[List of Partners \(vendors\)](#)

 I Accept

Essential Only

Show Purpose



This study was carried out in collaboration with ACE-Project Nr. P98-1065-R, 'Monetary and Exchange Rate Strategies related to the Current European Union's Enlargement Process'.

Parts of this study were written during Hölscher's research stay at the Halle Institute for Economic Research. Stimulating discussions with staff, in particular Hubert Gabrisch, Axel Brüggemann, Bogdan Gorokhovski, Thomas Linne and Johannes Stephan as well as financial support are gratefully acknowledged. The views expressed are those of the authors and do not necessarily reflect those of the National Bank of Poland.

1. The original ERM-II system worked under the conditions of partly symmetrical economies with one dominant player in Frankfurt, whereas now a number of relatively small economies are entering an economic mega-bloc. The original regulations on intervention are seen as in particular need of inflation adjustment and revision.

2. The author's anecdotal evidence points to ski-lifts in Zakopane imported from Austria.

3. This 'Balassa-Samuelson effect' features prominently in the transition literature despite the fact that it is a long-run (based on PPP for tradable goods) empirical approach.

4. This is the difference between transition countries and the US, where the Federal Reserve has been able to keep the exchange rate of the US dollar stable.

5. 'The Central Bank of the Czech Republic and the market with the aim of maintaining the stability of the bank, 4 April 2002).

6. The reason why the proposed...



Stimulating discussions with staff, in particular Hubert Gabrisch, Axel Brüggemann, Bogdan Gorokhovski, Thomas Linne and Johannes Stephan as well as financial support are gratefully acknowledged. The views expressed are those of the authors and do not necessarily reflect those of the National Bank of Poland.

Ryosuke
Applied Economics Letters
Published online: 25 Oct 2023



