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# Parliamentary scrutiny of central banks in the United Kingdom and overseas

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*This article reviews the parliamentary<sup>(3)</sup> scrutiny of central banks in 14 countries using the results from a new survey. There is wide variation in the nature of parliamentary scrutiny within the sample. There is no firm evidence in these data, however, to suggest that particular types of framework are associated with different overall levels of parliamentary scrutiny. The Bank of Japan, Bank of England, European Central Bank (ECB) and Federal Reserve each make higher-than-average appearances before their respective parliaments to discuss monetary policy issues, and the technical support provided to the relevant committees is relatively high in the US Congress and in the European Parliament. The level of scrutiny can be circumstance specific, and some inflation-targeting frameworks have defined specific conditions that would trigger scrutiny and the form it would take.*

## Introduction

A number of countries have considered how to achieve an appropriate level of scrutiny of the conduct of monetary policy within a framework of central bank independence. There are a variety of ways in which such scrutiny can be exercised (for example through the press or by the legislature). In a parliamentary democracy—where it is for the parliament to hold the executive to account—an important method will be through the appearance of central bankers in front of parliament or its representatives.

Parliaments may call central bank officials to account for their monetary policy actions at regular calendar intervals. In some countries, predetermined appearances may be supplemented by additional appearances should these be warranted by economic conditions. And in several inflation-targeting frameworks, there exist predefined conditions under which central banks account for their actions.

Using results from a specially constructed survey (see Annex 1), this article examines in detail the parliamentary scrutiny of central banks. It quantifies (i) how frequently parliamentary committees call central

bank officials in front of them; (ii) how often these appearances are to discuss monetary policy; and (iii) the level of technical support provided to the parliamentary committee in advance of each hearing. And it asks more qualitative questions on (iv) how the number of appearances of central bank officials before parliament is decided; (v) who is responsible for appointing the policy-making board of the central bank; and (vi) who in the central bank is responsible for monetary policy. The article also uses information on recognised procedures that are undertaken when a target is missed, using data from Fry *et al* (2000).

## Issues in defining and measuring accountability and parliamentary scrutiny

The concepts of transparency and accountability have become a focus among policy-makers and academic researchers in recent years. One aspect of accountability is the formal duty to justify what has been done. In its *Codes of Good Practice on Transparency* (Section IV), the IMF (2000) argues that 'Officials of the central bank should be available to appear before a designated public authority to report on the conduct of monetary policy, explain the policy objective(s) of their institution, describe their performance in achieving

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(1) Currently Economic Adviser, HM Treasury.

(2) The authors are very grateful to all those who completed the questionnaires and checked the compiled responses for their countries. These included the staff of the various central banks, parliaments and British Embassies in the countries surveyed. The views in this article and any mistakes in the data reported are, however, solely the responsibility of the authors and not those of the Bank of England, HM Treasury, or any of the survey respondents.

(3) The term 'parliament' is used throughout the paper as a generic reference to the law-making assembly of a country.

their objective(s), and as appropriate, exchange views on the state of the economy and the financial system.’ This approach is in line with the aims set out by the UK [House of Commons] Treasury Committee, which, in its 1997 report on the ‘Accountability of the Bank of England’, examined how it might best hold the MPC to account and concluded that:

‘... by bringing information into the public domain we can help clarify the thinking and actions of those responsible for the formulation and delivery of monetary policy and the rigorous scrutiny of the basis for policy decisions will enhance the credibility and effectiveness of the monetary framework as a whole.’

Parliamentary scrutiny is an important aspect of central bank accountability. There is no single definition of parliamentary accountability of central banks, although a number of authors have defined and measured aspects of accountability. Briault, Haldane and King (1996) suggest that both legal aspects of accountability and more subtle forms of accountability or transparency may be important. In a similar vein, De Haan, Amtenbrink and Eijffinger (1999) and De Haan and Eijffinger (2000) define central bank accountability to have three main features: the explicit definition and ranking of objectives; the transparency of monetary policy; and who bears final responsibility for monetary policy. In presenting a comprehensive index of transparency in nine central banks, Eijffinger and Geraats (2002) discuss a sub-index of political transparency that includes measures consistent with broadly accepted notions of accountability, whereas Fry *et al* (2000) provide a number of measures of parliamentary accountability. Some of these studies have analysed whether the central bank is subject to monitoring by parliament, though none in such detail as presented here.

## Survey method

The analysis in this article is based on a small survey of 14 countries. We sent a short questionnaire<sup>(1)</sup> to each country asking for details about the number of parliamentary hearings held with central bank officials in the year to May 2001, the proportion of these hearings related to monetary policy, the proportion attended by the head of the central bank, and whether the parliamentary committee conducting the hearings had the power to veto appointments to the monetary

policy board. The questionnaire also requested details on the number of technical staff available to the parliamentary committee and whether they required additional advice from outside experts. In addition, the questionnaire asked for supplementary details about the method of appointment of the policy-setting committee in each central bank. We also report results on measures of scrutiny that may be triggered if the central bank misses its target. Some information was taken from results published in Fry *et al* (2000) and has been revised and extended in this survey. In aggregate, the present results provide more detail than previously, though we recognise that it is impossible to measure the precise quality of parliamentary scrutiny with such summary information. We subsequently asked each central bank to check an earlier draft of the article for factual accuracy and general comments.

The sample chosen includes various monetary frameworks. Monetary policy instruments are set independently of government in all countries in our sample. Government<sup>(2)</sup> is to varying degrees involved in setting numerical targets for inflation in all frameworks, except in the United States and Japan, while in the euro area, the Treaty establishing the Community specifies a mandate for price stability and the ECB has quantified the objective. The ECB is accountable to the European Parliament for monetary policy actions affecting all twelve member countries, including France, Germany and Italy, so the inclusion of these countries in the sample is not intended to represent a direct comparison in terms of the overall level of parliamentary scrutiny of monetary policy in these countries.

## Results

### (i) Quantity of parliamentary appearances

In the majority of countries surveyed a minimum number of appearances before parliament is either laid out in statute or determined by a formal agreement between the parliament and the central bank. For example, Article 40 of the European Parliament rules of procedure states that the ECB President shall appear at least four times a year. In most of these cases, parliament also has the option of holding additional hearings. For instance, Article 113 of the Treaty stipulates that ‘the President of the ECB and the other members of the Executive Board may, at the request of

(1) See Annex 1 for full questionnaire.

(2) Government is taken to be the executive policy-making body of a state, parliament is the legislative authority.

the European Parliament or on their own initiative, be heard by the competent committees of the European Parliament.'

In four countries (Canada, New Zealand, Norway and the United Kingdom), there is no statutory number of appearances and the decision on the number rests with parliament. In the United Kingdom, the Governor and members of the Monetary Policy Committee (MPC) are regularly invited to appear in front of Select Committees of both the lower and upper Houses of Parliament to discuss monetary policy issues. Appearances in front of the House of Commons Treasury Committee usually follow publication of the February, May and November *Inflation Report*, although the Treasury Committee reserves the right to call the Governor more often should economic conditions warrant it. In Japan there is no statutory minimum and the number of appearances is decided through co-ordination between the Diet and the Bank of Japan dependent upon the economic and financial conditions at the time. Some appearances in the Diet, however, may be relatively short.

Table A shows the number of parliamentary hearings attended by central bank officials in the year to May 2001 and the percentage of those hearings attended by the head of the central bank. Central bank officials from Israel, the Czech Republic, Japan, the United States and the United Kingdom attended the highest number of parliamentary hearings.

**Table A**  
**Number of parliamentary appearances in the year to May 2001**

|                | Numbers of parliamentary appearances (a) by central bankers | Percentage of appearances by head of central bank |
|----------------|---|---|
| Australia      | 4   | 50  |
| Canada         | 1-5   | 100   |
| Czech Republic | 21-30   | 1-20  |
| Euro area      | 9   | 66  |
| France         | 6-10  | 81-100  |
| Germany        | 0   | n/a   |
| Israel         | 51-100  | 1-20  |
| Italy          | 1-5   | 61-80   |
| Japan          | 34  | 81-100  |
| Korea          | 1-5   | 81-100  |
| New Zealand    | 4   | 100   |
| Norway         | 1   | 100   |
| United Kingdom | 14  | 41-60   |
| United States  | 18  | 41-60   |

n/a = not applicable.

(a) Questionnaire asked respondents to tick boxes indicative of the range of appearances (eg 1-5). Exact number of appearances is included when supplied.

There was considerable diversity in the number of parliamentary appearances by central bank officials in the year to May 2001. Such diversity may reflect variation across countries in the requirements and preferences with respect to accounting for monetary

policy actions, but also that some central banks are more likely to make appearances not directly related to monetary policy, and that in some countries there is more than one chamber of parliament before which the central bank appears. The number ranged from between 51 and 100 in Israel, to zero in Germany, where the Finance Committee of the Bundestag does not monitor the Bundesbank and has a limited role in holding it to account. The Bundesbank may, however, decide to appear on a voluntary basis before parliament (or relevant committees) and has done so in the past. In Norway constitutional custom has focused on the Minister as the responsible official to Parliament, not the head of public bodies under a Minister's domain. In the year to May 2001 the Governor of the Norges Bank attended one parliamentary hearing to discuss a non monetary policy related matter.

The total number of appearances tends to be higher, and the proportion attended by the head of the central bank lower, in countries where there are appearances during which the focus is not directly related to monetary policy. In Israel, the central bank is an official economic adviser to the government and its staff appear before Parliament to discuss this advice. Relatively few of these appearances are by the Governor. In the Czech Republic, the year to May 2001 was atypical with a large number of hearings being held with officials to discuss work on amendments of the Act on the Czech National Bank. The Governor of the Czech National Bank attends all the hearings on monetary policy. Likewise, the Governor of the Reserve Bank of Australia attends all the hearings on monetary policy matters, but here too the year to May 2001 was atypical with a number of more specialised issues being considered which the Governor did not attend. In the United States, Federal Reserve officials appear before Congress to discuss a wide range of economic and financial issues in addition to monetary policy. In the United Kingdom, Bank of England officials also appeared in front of Parliamentary Committees to discuss European Monetary Union, globalisation and cash and debt management.

The Governors of the central banks in Canada and New Zealand attended all the meetings. The Bank of Canada endeavours to appear four times a year, twice before a House Committee and twice before the Senate Committee. In addition, special interest items may also cause one or other of the committees to invite the Bank to appear. The President of the ECB attends a quarterly dialogue at the European Parliament. Of the remainder

of the scheduled hearings one is attended by the vice-president to present the annual report and one by ECB board members.

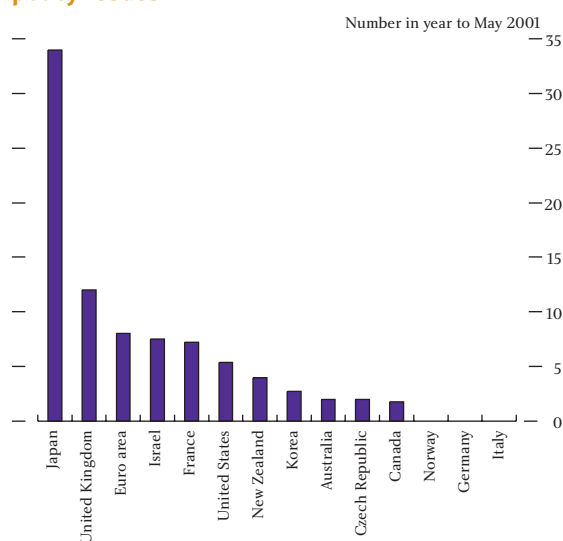
In Israel, the Governor appears before the Knesset about five times a year, on a range of matters relating to the activity of the Bank, mostly before the Finance Committee. In the United States Chairman Greenspan attended about half of the testimonies given by Fed officials to Congress, and in the United Kingdom the Governor of the Bank of England attended 50% of all the parliamentary hearings conducted with Bank officials. (A number of the parliamentary hearings were with the House of Lords where Monetary Policy Committee members attended without the Governor.) The ECB is accountable to the European Parliament for monetary policy actions affecting the euro area, including France, Germany and Italy. Nevertheless, the President of the Banque de France is also called to give evidence on monetary policy to the French Parliament where he takes collective responsibility for the actions of the ECB.

In the United Kingdom, Canada, Japan and the United States the number of hearings may be larger due to requirements to appear before both houses of their respective parliaments.<sup>(1)</sup> In the United States the prepared testimony may be the same to both the Senate and the House of Representatives, though responses to questioning may, of course, be different. There are four annual 'official' monetary policy testimonies (two in each chamber) and in addition there are usually a few each year on the macroeconomy as background for congressional consideration of the budget.

Chart 1 shows the number of parliamentary hearings conducted in total or in part on monetary policy issues. It shows a ranking of countries similar to that in Table A, with the number of appearances ranging from 34 in Japan to zero in Germany, Italy and Norway. Taken at face value the chart perhaps overstates the difference between Japan and other countries. The number of annual parliamentary hearings conducted solely on monetary policy issues is only four, which are the biannual hearings in two houses of the Diet. Some other

hearings before Diet committees deal not only with monetary policy actions, but also a broad range of other themes that falls in their jurisdiction. The duration of appearances by Bank of Japan officials to account for monetary policy actions may be relatively short, occasionally lasting only 15 minutes. The US Congress holds fewer hearings on monetary policy than the European, French and UK parliaments, both in absolute terms and in proportion to the total number of hearings.

**Chart 1**  
Parliamentary appearances to discuss monetary policy issues



Note: Some observations are based on mid-points of ranges in questionnaire responses.

There is no significant statistical relationship between the number of parliamentary appearances and central bank independence in this sample.<sup>(2)</sup> The Bundesbank has been widely cited as a central bank whose high degree of independence was coupled with a low level of parliamentary scrutiny; yet there is no evidence in this sample that such a negative relationship holds more widely.

## (ii) Scrutiny that depends upon prespecified circumstances

Certain events might trigger pre-ordained actions whereby the central bank is required to explain its policies. The results are shown in Table B, using updated information that was originally collected by Fry *et al* (2000).

(1) The European Parliament, Israel, New Zealand, Norway and South Korea have a unicameral parliamentary system. Australia, Canada, the Czech Republic, France, Germany, Italy, Japan, the United Kingdom and the United States have a bicameral parliamentary system. Central banks operating in the context of a bicameral system may be called to appear before both houses of parliament. Even in circumstances where prepared testimony is the same, however, the questions asked to central bank officials will be different, and this justifies including each appearance as distinct in Table A.

(2) In regressions of the number of appearances on a constant and a measure of independence taken from the Fry *et al* (2000) survey and of the log of the number of appearances on this measure of independence there was no evidence for a significant relationship, even at the 20% level.

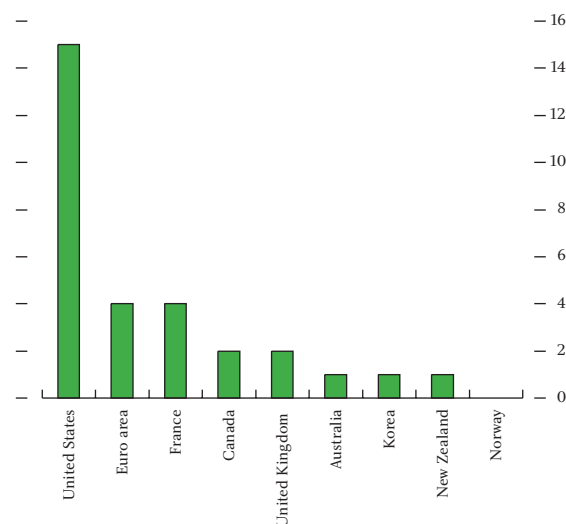
The table illustrates that a number of central banks are required or have themselves committed to provide detailed explanations when and if a target is missed. Sometimes these explanations may be provided in existing publications (the Czech Republic, Norway and the United States). In New Zealand special measures may be initiated by the government. In other cases additional (open) letters may be required (the United Kingdom and, although not in our sample, Sweden). Of the countries in our sample the procedures are not a legal requirement in any country. In the United Kingdom the initial remit set for the MPC requires the Governor of the Bank of England to write an open letter to the Chancellor whenever inflation deviates by more than 1 percentage point from its target. The remit is not, however, in the Act of Parliament providing the legal basis for independence.

### (iii) Level of support for parliamentary committees

An assessment of the degree of parliamentary scrutiny may be enhanced by considering not only the number of hearings conducted but also the *effectiveness* of each hearing.<sup>(1)</sup> The survey asked about the number of

parliamentary analytical research staff supporting each committee. Nine countries provided details of staffing arrangements for parliamentary committees. As Chart 2

**Chart 2**  
Number of parliamentary committee technical research staff



Notes: In Canada, the staff can vary considerably because the committees consider many issues in addition to monetary policy and may add staff for certain items.  
The US number is approximate. Committees and legislatures employ large numbers of staff, but the precise number with specific economic expertise is difficult to estimate precisely.

**Table B**  
Are there procedures when a target (or numerical objective) is missed? Are they a legal requirement?<sup>(i)</sup>

|                | Established | Legal requirement | Details   |
|----------------|-------------|-------------------|---|
| Australia      | No          | No                |   |
| Canada         | Yes         | No                | The Renewal of the Inflation-Control Target, May 2001, available at <a href="http://www.bankofcanada.ca/en/press/pr01-9.htm">http://www.bankofcanada.ca/en/press/pr01-9.htm</a> states that 'If CPI inflation persistently deviates from the 2 per cent target midpoint, the Bank will give special attention in its Monetary Policy Reports or Updates to explaining why inflation has deviated to such an extent from the target midpoint, what steps (if any) are being taken to ensure that inflation moves back to this midpoint, and when inflation is expected to return to the midpoint.'   |
| Czech Republic | Yes         | No                | Explanations as to why the target is missed are presented in the <i>Inflation Report</i> . The Board's discussion of explanations is presented in the minutes which are included in the <i>Inflation Report</i> .   |
| Euro area      | Yes         | No                | The ECB has provided a numerical quantification of its primary objective of price stability. In its <i>Monthly Bulletins</i> and at appearances before the European Parliament, the ECB reports about its monetary policy and whether it has achieved its objective, and if not, why this has been the case.  |
| France (ii)    | No          | No                |   |
| Germany (ii)   | No          | No                |   |
| Israel         | No          | No                |   |
| Italy (ii)     | No          | No                |   |
| Japan          | No          | No                | There is no published numerical policy target or objective.   |
| Korea          | No          | No                |   |
| New Zealand    | Yes         | No                | When in 1995 and 1996 the inflation target was missed, the Minister of Finance wrote to the non-executive Directors of the Bank asking for their opinion on the Governor's performance.   |
| Norway         | Yes         | No                | When the inflation target was adopted in March 2001 the Norges Bank undertook to provide an assessment in its annual report to the government if there were significant deviations between the actual price inflation and the target. Particular emphasis would be placed on deviations outside the plus or minus one percentage point range. The Ministry of Finance stated in a White Paper in March 2001 that other circumstances might necessitate such an assessment to the government on occasions other than the annual report.  |
| United Kingdom | Yes         | No                | Under the initial remit set for the MPC the Governor is required to send an open letter to the Chancellor of the Exchequer following a Monetary Policy Committee meeting and referring as necessary to the <i>Inflation Report</i> .  |
| United States  | No          | No                | The semi-annual reports to Congress were initiated in 1978 by the Humphrey-Hawkins Act but the Federal Reserve is no longer required to explain any deviations from the intermediate monetary targets in its semi-annual report to Congress. The Act now requires that 'the Chairman of the Board shall appear before the Congress at semi-annual hearings, as specified in paragraph (2), regarding (A) the efforts, activities, objectives and plans of the Board and the Federal Open Market Committee with respect to the conduct of monetary policy; and (B) economic developments and prospects for the future described in the report required in subsection (b) of this section.' |

Source: Fry *et al* (2000), extended and updated in the current survey.

- (i) Most central banks in the sample may, to some extent, explain misses to any target or numerical objective in standard bulletins and parliamentary appearances. The extent to which such procedures may be characterised as 'established' was assessed by each central bank. The authors recognise the possibility of subjectivity in responses.  
(ii) The French, German and Italian central banks are not responsible for the conduct of monetary policy in the euro area.

(1) A concern raised by Svensson (2001) is that 'There [is] a range of experience and monetary policy expertise amongst members [of the Finance and Expenditure Select Committee of the New Zealand Parliament], which may act to reduce the effectiveness of the monitoring function.'

shows, apart from the United States, which has between 10 and 20 technical research staff, the level of internal technical support offered to parliamentary committees is relatively limited in the countries for which information is available.

To complement the internal staffing the parliamentary committees in Australia, the European Parliament and the United Kingdom also receive additional briefing from panels of outside monetary policy experts. In the United States, congressional committees frequently call experts to provide both written and oral testimony. Of the nine countries that replied only in Norway did the parliamentary committee receive no technical support.<sup>(1)</sup>

#### (iv) Monetary policy decision-makers and their appointment

The nature of central bank independence and scrutiny may in some circumstances be affected by the degree to which the executive branch of government is involved in the appointment of the members of the monetary policy making board. Table C summarises where the responsibility for setting monetary policy and appointments to the central bank rests.

**Table C**  
**Responsibility for central bank appointments**

|                | Monetary policy set by: | Policy board appointed by: | Parliamentary veto on appointment to monetary policy boards: |
|----------------|-------------------------|----------------------------|--|
| Australia      | CB Com                  | Exec                       | No   |
| Canada         | CB Com                  | Board of CB                | No   |
| Czech Republic | CB Com                  | Pres                       | No   |
| Euro area      | CB Com                  | Heads of Govt              | No   |
| Israel         | Head of CB              | Exec                       | No   |
| Japan          | CB Com                  | Exec                       | Yes  |
| Korea          | CB Com                  | Exec                       | No   |
| New Zealand    | Head of CB              | Exec                       | No   |
| Norway         | CB Com                  | Exec                       | No   |
| United Kingdom | CB Com                  | Exec                       | No   |
| United States  | CB Com                  | Exec                       | Yes  |

CB = Central Bank; Com = Committee; Exec = Executive branch of government; Pres = president

Notes: According to the Bank of Canada Act, the Governor is responsible for monetary policy. Since 1994, however, the Governor has made decisions through the Governing Council—the group that in addition to the Governor, consists of the Senior Deputy Governor and the Deputy Governors (currently four). According to the Act the Bank Board of Directors appoints the Senior Deputy Governor and Deputy Governors. Executive Board Members of the ECB are appointed by the Heads of State and Government. Governors of euro-area national central banks, who automatically become members of the Governing Council of the ECB, are appointed by their respective national authorities. In the United Kingdom, two Executive Directors of the nine-member Monetary Policy Committee are appointed by the Governor after consultation with the Chancellor. The three Governors are crown appointments. The other appointments are made by the Chancellor.

The executive branch of government<sup>(2)</sup> is involved in the appointment of monetary policy decision-makers in all countries surveyed, apart from Canada, where the central bank board chooses the head of the Bank of Canada, although the Minister of Finance must approve

the board's decision. In Japan and the United States the Diet and Congress have statutory powers to veto the appointments. In the case of the ECB Article 112(b) of the Treaty Establishing the European Community states that the European Parliament needs to be consulted before the appointment of ECB executive board members by Heads of State and Government. Other countries' parliaments do not possess such vetoes.

New Zealand and Israel are, in practice, the only countries in the sample where decisions on monetary policy rest solely with the head of the central bank rather than with a committee. Nevertheless it is the head of the central bank who is most frequently (in the case of Japan and Korea exclusively) called before parliament to be held to account for monetary policy actions.

## Conclusions

In this small sample of 14 central banks there is considerable diversity in the number of appearances by central bankers before parliament to discuss monetary policy issues. Bank of Japan officials appear around 30 times each year—albeit relatively briefly on average—and Bank of England and ECB officials also make higher-than-average appearances before parliament. In contrast, officials from both the Bundesbank (even before European Monetary Union) and the Norges Bank have not appeared before parliament to discuss monetary policy.

There is no firm evidence in these data to suggest that particular types of framework are associated with different overall levels of parliamentary scrutiny. Neither is there significant evidence of a correlation between the degree of independence of central banks in the sample, and the number of appearances related to monetary policy. The nature of parliamentary scrutiny of monetary policy may, however, vary according to framework type. Some inflation-targeting frameworks have defined *ex ante* both the specific circumstances in which scrutiny will be triggered (when the target is missed by more than a particular amount), and the form it would take.

The survey provides detailed information about the nature of parliamentary scrutiny of monetary policy. In-house technical support offered to parliamentary committees is usually limited to five members of staff or

(1) This is unsurprising since the Norges Bank, as well as the Bundesbank and Banca d'Italia, did not appear before parliament to account for monetary policy in the year in question.

(2) In the Czech Republic the President is responsible for appointing the policy board.

fewer (although a number of committees supplement in-house support with additional advice from outside experts). Parliamentary hearings on monetary policy are in the main held with the head of the central bank, even when monetary policy decisions are made on a committee basis.

The survey also asks about parliamentary scrutiny of appointments to monetary policy making committees. We find that government is almost universally involved in executive appointments in the sample. Generally, however, there is no requirement for a parliamentary check on this appointments procedure.

## Annex 1 Parliamentary scrutiny questionnaire

*This questionnaire is part of a pilot study making a global comparison of the level of parliamentary scrutiny of central banks. If you have any questions regarding the completion of the questionnaire please see the contact details at the end of the questionnaire.*

*Please mark (eg ring or underline) the appropriate answer or answers where applicable. Any additional information you may wish to provide can be given at the end of each question.*

*We intend to make the results available to you for comment by the end of July.*

Name of Central Bank: .....

### Question 1

- a) **How many separate times did central bank officials appear before Parliament or its representatives in the last year?** (Please count joint appearances by two or more officials at the same hearing as a single appearance)  
 none    1–5    6–10    11–20    21–30    31–40    41–50    51–100    100+
- b) **What percentage of these appearances were by the Chairman/Governor of the central bank?** (either alone or accompanied by other central bank officials)  
 1–20    21–40    41–60    61–80    81–100
- c) **What percentage of the total number of hearings was, in the main, related to monetary policy concerns?**  
 1–20    21–40    41–60    61–80    81–100
- d) **Is this number of hearings, division of subjects, and percentage of appearances, representative of a typical year?** (If not, please explain, eg if it varies owing to the state of the economy?)

**Additional comments:**

### Question 2

- a) **How many members of staff work full time for the parliamentary committee(s) responsible for holding the central bank to account?**  
 1–5    6–10    10–25    25–50    50+
- b) **What percentage of this staff provides research/analytical support?**  
 1–20    21–40    41–60    61–80    81–100
- c) **Does anybody advise the committee(s) on a part-time basis, if so who?** (eg in the UK parliament a panel of expert economists briefs the Treasury Committee in advance of hearings on monetary policy)

**Additional comments:**



### **Question 3**

- a) **How is the number of appearances before Parliament, made by central bank officials, decided?**

By statute (ie set out in law)      By the parliamentary committee  
Both      Other (please specify)

**Additional comments:**

### **Question 4**

- a) **Who is responsible for appointing the Chairman/Governor of the central bank?**

Central bank board      Parliament      Council of ministers  
Prime Minister/Finance Minister      Other (please specify)

- b) **Does Parliament have the power to veto the appointment of the Chairman/Governor of the central bank?**

Yes      No

**Additional comments:**

### **Question 5**

- a) **Who in the central bank is responsible for determining monetary policy?**

Chairman/Governor      Committee of officials including chairman

*If the answer to question 5a is 'Chairman/Governor' then you have completed the questionnaire. See end of page 4 for details on how to return the questionnaire.*

*If the answer to question 5a is 'Committee of officials including chairman' please go on to question 5b.*

*Questions 5b and 5c concern the membership of the monetary policy making committee other than the chairman.*

- b) **Who is responsible for appointing the members of the committee?**

Central bank board      Parliament      Council of ministers  
Prime Minister/Finance Minister      Other (please specify)

**Additional comments:**

- c) **Does Parliament have the power to veto appointments to the committee?**

Yes      No

**Additional comments:**

## Annex 2

To obtain a more precise dataset answers to the following questions would be a helpful addition to the original questionnaire:

1. What is the principal objective of the parliamentary committee when it holds hearings with central bank officials?
2. How many members of parliament make up this committee?
  - On average how many attend meetings with central bank officials?
  - How many members of the parliamentary committee have any formal economic expertise (eg academic training)?
3. **[If less than 20]** Exactly how many parliamentary hearings did central bank officials attend in the last year?
  - How many of these appearances were made by the head of the central bank?
4. **[If less than 20]** Exactly how many hearings on monetary policy did central bank officials attend in the last year?
  - How many of these were appearances made by the head of the central bank?
5. How often does the parliamentary committee request that the central bank provide written evidence on the conduct of monetary policy?
6. **[If less than 10]** Exactly how many members of staff work full time for the parliamentary committee responsible for holding the central bank to account?
  - How many of these members of staff provide analytical/technical support?

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