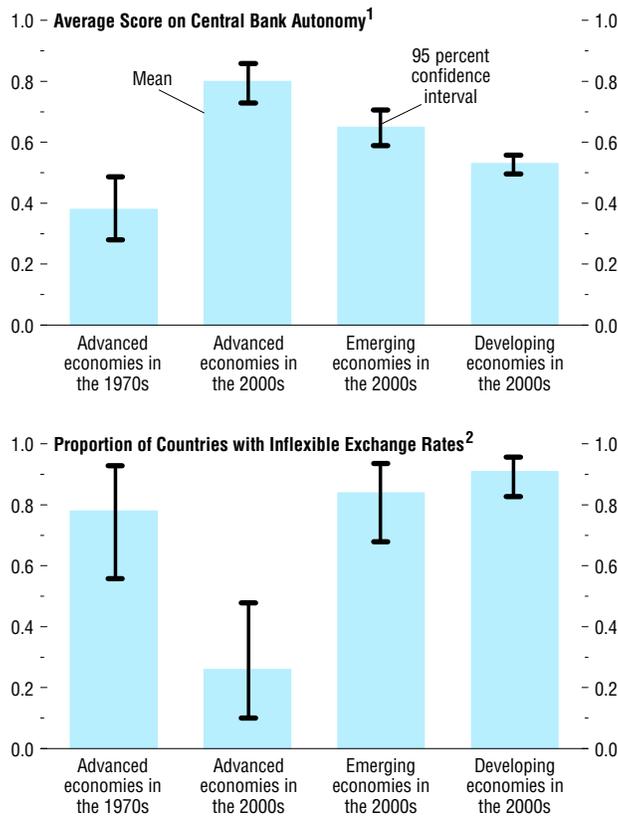


### Figure 3.10. Monetary and Exchange Rate Policies

Although the quality of monetary management has improved around the world, advanced economies score better in this area than emerging and developing economies, the majority of which continue to maintain inflexible exchange rate regimes.



Sources: Arnone and others (2007); Reinhart and Rogoff (2004, updated); and IMF staff calculations.

<sup>1</sup>The score for the 1970s is constructed using the methodology of Arnone and others (2007) for a somewhat narrower set of indicators.

<sup>2</sup>Inflexible exchange rate regimes include all de jure and de facto exchange rate pegs and bands and exclude currency unions.