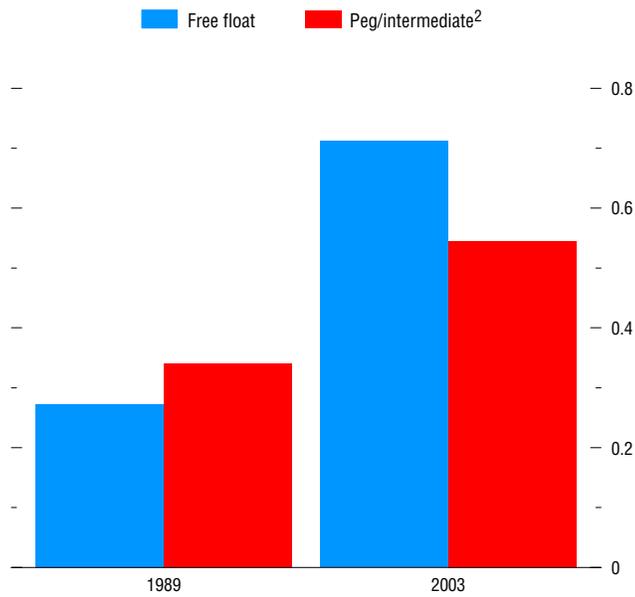


### Figure 2.13. Central Bank Independence in Emerging Markets<sup>1</sup>

(Countries classified according to exchange rate regime in 2003)

The central banks of emerging market countries that have free floats in 2003 appear to be, on average, more independent than the central banks of emerging market countries classified with peg/intermediate regimes.



Sources: Arnone and Laurens (2004); and IMF staff calculations.

<sup>1</sup>This measures central bank political and economic independence following the definition by Grilli, Masciandaro, and Tabellini (1991). The indicator ranges from 0 to 1, where a higher score indicates a higher level of central bank independence.

<sup>2</sup>This includes only one country with a peg in 2003.