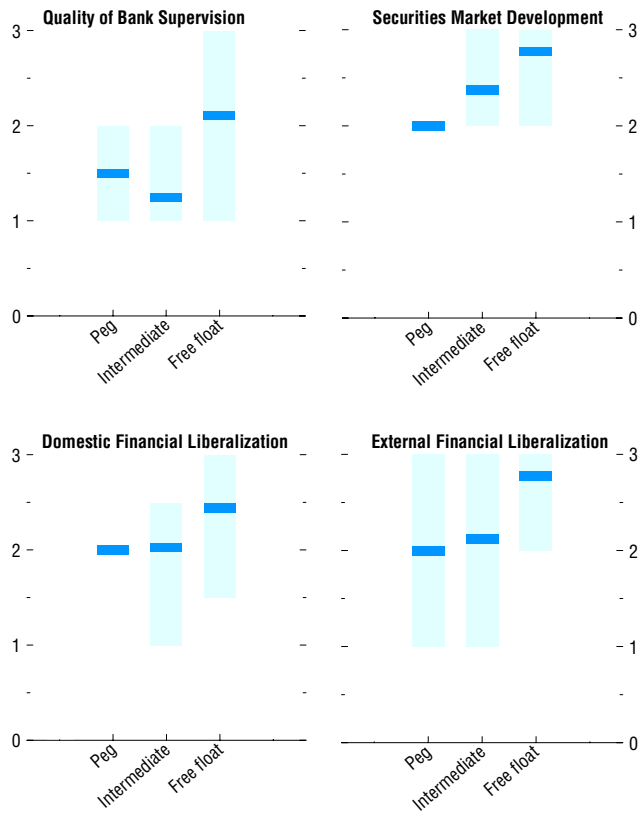


### Figure 2.16. Financial Policy Frameworks, 2002<sup>1</sup>

(Averages across countries by type of exchange rate regime; scale 0 to 3 with 3 representing strongest policy frameworks)

Although emerging market countries classified as free floats on average have stronger financial policy frameworks than emerging market countries classified as having pegs or intermediate regimes, there is substantial variation in the quality of bank supervision even among the free floaters.



Sources: Abiad and Mody (2003); and IMF staff calculations; see Appendix 2.2 for variable definitions.

<sup>1</sup>The top of the bar represents the maximum; the dark blue line represents the mean; and the bottom of the bar represents the minimum value. Peg includes Morocco and Malaysia; intermediate includes Argentina, Egypt, Israel, Thailand, India, Indonesia, Pakistan, and Venezuela; free float includes Brazil, Chile, Colombia, Korea, Mexico, Peru, the Philippines, South Africa, and Turkey.