



MEASURING FINANCIAL LIBERALISATION IN CARICOM

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Abstract

This paper produces an index of financial liberalisation for the member countries of CARICOM from 1979 to 1999. The measure employed assesses the many government policies regulating inward and outward financial transactions and allows comparison of the forms and intensity of regulation across time and space. It is based upon a coding of the domestic and international laws of the individual CARICOM states, most of whose legislation is available from 1979 to 1999. The resulting indices appear to be consistent with the observed changes in financial liberalisation in the individual territories.

1 Introduction

The success or failure of financial liberalisation has been highly debated and researched over the last twenty-five years. Capital Account liberalisation has become a euphemism for financial liberalisation, however financial liberalisation is much more than the 'lifting of capital controls'. The fundamental principle of financial liberalisation includes the removal of controls and restrictions¹ on financial services and freeing international capital flows. In essence, financial liberalisation symbolizes a profound adjustment in the rules governing economic transactions. To some extent financial liberalisation can be parcelled out into three measures: Firstly, it requires the country to open up to the free flow of international finance; secondly, it requires the removal of restrictions on the functioning of domestic banks and other financial institutions so that they get properly integrated as participants in the world financial markets; and thirdly, the

¹ Restrictions are defined as "official actions directly affecting the availability or cost of exchange, or involving undue delay ... other than restrictions imposed for security reasons" (IMF, AREAER).

provision of autonomy to the central bank from government so that its supervisory and regulatory role is disassociated from the political process of the country, and hence from any accountability to the people. These measures represent the ultimate goal of financial liberalisation.

It is widely speculated that, if countries are to benefit from the opportunities available in global financial markets, then they eventually have to liberalise domestic markets and international financial transactions. Early advocates for financial liberalisation, such as McKinnon and Shaw (1973), argue that liberalisation leads to greater efficiency in the allocation of resources and promotes productive investment and hence, a well-managed financial liberalisation process is an important tool in the pursuit of economic growth.

There seems to be a general consensus among developing countries, that financial liberalisation is essential for economic stability. However, the rate at which financial sector reforms should be implemented has been a controversial issue. McKinnon (1991) argues that the rapid implementation of financial sector reforms in some countries has not resulted in a priori expectations. He believes that the economy should be liberalised slowly, beginning with liberalisation of trade and domestic financial sectors followed by liberalisation on capital accounts. All this should take place within the framework of regulations and supervisions necessary for the stability of a liberalised economy.

Within the Caribbean, the goal of financial liberalisation is an essential part of the, soon to be created, CARICOM Single Market and Economy (CSME). Protocol II – Right of Establishment, Provision of Services and Movement of Capital envisages the creation of the Single Market by adding to the free movement of goods, the free movement of services, the unrestricted free movement of capital, the free movement of selected categories of skills and the right of CARICOM nationals to set up business in any CARICOM country. The objectives of protocol II, along with the speculation that financial liberalisation stimulates growth, have prompted CARICOM countries into adopting policies

aimed at liberalising their financial systems. This paper attempts to quantify these efforts by developing an index of financial liberalisation for the individual CARICOM countries. The usefulness of such an exercise cannot be overstated. First and foremost, it allows for comparison across the various countries as to the actual degree of financial liberalisation achieved; and secondly, it allows for further research into the affect of financial liberalisation on the economy, in particular, its impact on economic growth.

The remainder of the paper is divided as follows. The next section reviews different measures of financial liberalisation and their properties. This is very important because, according to Pill and Pradhan (1997), conventional measures of financial liberalisation may have exaggerated the success of countries' reform programmes. Therefore, the question arises as to whether the appropriate tools are being used to measure financial liberalisation. After investigating a number of financial liberalisation indicators, Quinn's measure (1997) seems to be the most comprehensive and as a result is used in this study to generate a set of indices of financial liberalisation for twelve CARICOM countries for the period 1979 – 1999. Section three presents the results for the twelve CARICOM countries and section four ends with some summary remarks.

2 Review of Literature

2.1 Measuring Financial Liberalisation

Over the last 20 years, economic scholars have tried to assess the consequences of financial liberalisation, mainly defined in the form of capital mobility, on various economic variables. The problem is that finding a true measure of financial liberalisation has not been easy.

Harberger (1980) argued that the effective degree of integration of capital markets should be measured by the convergence of private rates of return to

capital across countries. Harberger used the national accounts for a number of countries to estimate rates of return to private capital. He found that the rates of return to private capital were independent of the national capital - labour ratios, and he concluded that capital markets were more integrated than what a simple analysis of legal restrictions would suggest. In their attempt to find a true measure of financial liberalisation, again only defined as capital mobility, Feldstein and Horioka (1980) analysed the behaviour of savings and investments. They believed that if a country had perfect capital mobility then savings and investments would be uncorrelated. Their findings were similar to Harberger.

Both studies concluded that a number of countries had a significantly higher degree of capital mobility than that suggested by a simple analysis of the legal restrictions on capital. However, neither of the measures developed allow for the estimation of changes in the degree of capital mobility over time. Frankel (1989) applied the Feldstein-Horioka equations to a number of emerging countries; it confirmed the actual degree of capital mobility for Mexico, the Philippines and Korea but did not show that these countries experienced a significant increase in the degree of capital mobility between 1977 and 1989.

More recently, scholars have constructed indices to measure financial liberalisation, using information based on the IMF's Annual Report on Exchange Arrangement and Exchange Restrictions (AREAER) summary tables.

Alesina, Grilli and Milesi-Ferreti (1994), using information from the summary tables generated a 0/1 dummy variable index of capital control. The dummy variable took a value of one when there were no restrictions on payments for capital transactions and a value of zero otherwise. This index is extremely general and fails to take into account the different intensities of capital restrictions. Klein and Olivei (1999) also used the summary tables to produce a dummy variable for each country for each year. The dummy variable took the value of 1 if the country had no capital restrictions in place and a value of zero if

there were capital restrictions in place. They constructed an index of capital mobility by calculating the number of years between 1986 and 1995 for which the country had no capital control. The problem with this measure is that it only classified a country as either completely open or completely closed.

Using the AREAER summary tables Garrett (1995), summed across four categories (restrictions on capital account; bilateral payments with members; bilateral payments with non-members and import deposits) to construct an index to measure the extent of government restrictions on international financial flows. Also, Montiel and Reinhart (1999) constructed a similar measure. They based their index on the intensity of capital control in 15 countries with the dummy variable taking values of 0, 1 or 2. If there were intensive capital controls in place the dummy variable took on a value of 0, if there were no restrictions on capital the dummy variable took on a value of 2, for all other variations of capital controls the dummy variable took the value 1. Both these indices greatly improved upon the other summary based indices. However, as noted by Edwards (2001), an important limitation of the IMF summary based indices is that they are extremely general and do not distinguish between different intensities of capital restrictions. He further noted that the indices fail to distinguish between the types of flow that is being restricted, and that they fail to take into account the frequent circumvention of legal restrictions.

In their attempt to obtain a measure of financial liberalisation, Bekaert, Harvey and Lundblad (2000) constructed a liberalisation indicator by taking a simulated sample and randomly dating the time at which each country removed its financial restrictions. The indicator took a value of zero before the simulated liberalisation date and a value of one after that date. The results were a series of zeros and ones for each country over a specified time period. This measure is limited in the sense that it does not account for the different degrees of financial liberalisation since it is not able to distinguish between the different levels of a country's financial restrictions.

Perhaps the most comprehensive measure is that of Quinn (1997). This measure was created from the detailed description for each country in the text of the AREAER as opposed to the summary tables. The emphasis in the text of the AREAER, as cited by Quinn (1997), is on reporting the laws that govern the ability of private economic agents to undertake either the international transactions or the underlying transactions. The annual report gives detailed description on the limitations of private citizens to either pay or receive payments for economic transactions with foreign currencies. The report also reviews exchange restrictions such as the mandatory surrender of export proceeds and the laws that govern the underlying exchange transactions, for example, license requirements for direct foreign investments. It should be noted that the IMF text is qualitative. However, the continuity of the categories and the consistency of the collection and presentation of the information allow for the conversion of the qualitative text to quantitative indicators of each country's level of financial openness in each year.

2.2 The Quinn Index

To assess the extent of a country's financial restrictions, Quinn adopted a scale of 0, 0.5, 1.0, 1.5, and 2.0 for each dimension of each restriction to create an additive measure of a country's overall financial openness. Using the same categories as the IMF, Quinn generated a coding system for a country's financial restrictions on exchange payments (imports, invisibles and capital) and receipts (export, invisibles and capital). He also coded a country's ability to restrict exchange and capital flow (measured by the country's international agreements).

Quinn coding rules are as follows:

The decision rules for goods and invisible payments and receipts

If all receipts or payments are necessarily surrendered or blocked then $X = 0$. If all transfers require approval (unless automatic) then $X = 0.5$. If transfers require approval (usually automatic) and are heavily taxed then $X = 1.0$. If transfers are effected through the market mechanism and taxed then $X = 1.5$. If transfers are free then $X = 2.0$.

The decision rules for restrictions on capital payment and receipts

If approval is rare and surrender of receipts are required then $X = 0$. If approval is required and sometimes granted then $X = 0.5$. If approval is required and frequently granted then $X = 1.0$. If approval is not required and receipts are heavily taxed then $X = 1.0$. If approval is not required and receipts are taxed then $X = 1.5$. If approval is not required and receipts are not taxed $X = 2.0$.

The decision rules for international agreements and laws

If the country has IMF Article VIII status² then $X = 1.0$. If the country is a member of a free trade area then $X = 0.5$. If the country is a member of a currency zone then $X = 0.5$.

The inclusion of the last dimension, international legal agreements, is to capture those legal agreements that constrain a nation's ability to restrict exchange and capital flows. This is necessary because when a nation joins a group like the OECD, IMF, EU or, closer to our shores, CARICOM, they agree to liberalise certain aspects of their financial markets. Therefore, this dimension can be interpreted as a measure of a government's commitment to other governments to refrain from restricting its current and capital transactions.

² IMF members who have accepted Article VIII status are permitted to restrict capital account, but not current account transactions.

3 Results

Given the comprehensive nature of the Quinn's measure and the fact that it appears to capture the relative importance of each financial restriction on capital and current transactions by both residents and non-residents, and conveys changes in the financial regulations of each country, evidently it is the most appropriate measure to construct indices of financial liberalisation for CARICOM countries. Applying Quinn's coding rules, the indices for CARICOM countries were constructed based on the decision rules set out in Table 1 and the format illustrated in Table 2.

Table 1 illustrates the decision rules used in coding the IMF text. It gives descriptions of the different restrictions and the values assigned to each. Note that Quinn's coding rules are modified, for example Quinn assigns a value of 0 to surrender of proceeds, here we assign a value of 0.5 since in some cases permission is given to retain proceeds for specific purposes and explicitly included CARICOM. Also we replaced Quinn's "some payments require approval" with "authorised banks are allowed to provide foreign exchange for transactions within certain limits".

Table 2 demonstrates the process for constructing the indices using 1991 as an example. Capital Receipts and Payments are measured by Capital which is scored on a 0 – 4 scale. Inward and outward current account transactions are scored on a scale 0 – 8 (note that current account transactions include both goods and services, of which each is scored on a scale of 0 – 4). Finally, there is the category of international agreement which is scored on a 0 – 2 scale. The resulting 0 – 14 scale gives a measure of total liberalisation.

Table 3 illustrates the coding procedure for two specific countries, Barbados and Jamaica, using 1991 IMF data. The final scores are reflected in Table 2. The table is structured into four sections: the first column highlights the seven categories of exchange restrictions; the second column outlines the detailed text

on each restriction as presented in the IMF's AREAER; the third column gives a summary statement concerning the description of each restriction; and the final column presents the score on each restriction in accordance with rules set out in Table 1.

In constructing the indices a source of concern was the fact that the conversion of the qualitative text to a quantitative measure is, in some cases, somewhat subjective. This resulted from the wording of the text; for example, the export proceeds text for St. Lucia states that, "Proceeds must, in principle, be surrendered". Since the coding rule requires 0.5 if proceeds are surrendered, then St. Lucia gets 0.5 for 'Receipts for exports', but how should this phrase really be interpreted? The phrase "in principle" would seem to suggest that it is not a 'hard and fast' rule and perhaps should be given a higher score than 0.5. Another source of concern was that of "approval required". How does one really determine the severity of controls? Is approval required a matter of formality or do these central banks really have control over these transactions? The text for Belize alluded to the fact that approval was given freely for capital transactions, clearly this does not deserve a 1.0, but do we give Capital Receipts and Payments a 1.5 or a 2.0? We settled for 1.5. Finally, it was difficult to understand why Antigua & Barbuda being a member of the Organisation of Eastern Caribbean States was almost fully financially liberalised from the early 1980s as opposed to the other member countries. Attempts were made to confirm some of the interpretations by consultation with various market participants and this in some cases proved to be useful.

The financial liberalisation indices for twelve CARICOM countries for the period 1979 – 1999 are set out in Table 4. The table highlights the movement on capital flows and gives a total for financial liberalisation for each country.

The construction of these indices would be fruitless if they were not reflective of the actual or observed financial liberalisation processes in the region. Hence, a

check was done to see if movement in the indices were consistent with observed changes in financial liberalisation in some of the CARICOM countries.

In their working paper, "Measuring Financial Development in Barbados: 1978 – 1998", Bynoe - Mayers and Craigwell created a financial index for Barbados, which showed that Barbados was minimally liberalised until 1993. They noted that the Central Bank of Barbados began to liberalise exchange controls in 1994. This is consistent with the indices presented in Table 4 as the index for Barbados moved from 6.5 in 1993 to 7.5 in 1994. Doyle (1997) claims that there are many implicit and explicit hindrances to free capital movement. For example, the Central Bank approval is required for residents borrowing large sums abroad or by non-residents borrowing in Barbados, and any borrowing by authorised dealers to finance their domestic operations. This is captured in the indices with Capital being 2.0. An overall index of 7.5 for Barbados is reflective of the fact that the Central Bank still maintains a hold over capital account transactions and also that the surrender of proceeds for exports and invisibles are mandatory. Since Barbados operates under a fixed exchange rate regime, which it has steadfastly defended over the last three decades, it requires rigid capital controls to maintain the peg or else there would be a run on reserves. Controls break the link with the major country to which Barbados is pegged. For this reason we observe that the Capital index is currently one of the lowest in the region, even lower than that of the OECS area, who also operate a fixed exchange rate system. However, the pooling of reserves by the eight member countries of the grouping appears to permit more relaxed controls.

Nevertheless, even within the OECS, there are noticeable differences in the indices. More specifically, the index for Antigua and Barbuda shows that they are far more liberalised than say, Grenada or even Dominica. One view expressed by market participants is that this is because of precarious fiscal policies pursued. In order to sustain such "bad" fiscal policies, it was necessary for the authorities to open up to foreign capital to close the savings - investment gap.

El Hadj (1997) argues that Trinidad and Tobago had active government intervention in the financial sector in the 1980s; this is evident in an index of 5.5 for Trinidad and Tobago throughout the 1980s. The movement of the index from 6.5 to 7.5 in 1992 reflects the government decision to move to a dual exchange rate in the late 1980s and early 1990s and the removal of exchange controls on trade in services and capital flows in 1991 (El Hadj, 1997 p.24). In 1993, Trinidad & Tobago introduced a floating exchange rate; this is captured in the index, which moved from 7.5 to 13.0.

In the 1980s, Jamaica had one of the most complicated financial systems in the region, consisting of a number of restrictions and regulations. The index for Jamaica was 4.5 in the early 1980s highlighting the fact that restrictions on current account payments and capital flow controls were used extensively. Jamaica began financial sector reforms in 1985, but undertook an extensive process of financial liberalisation in its effort to achieve macroeconomic stability in 1991. Currently the index for Jamaica is 13.0 emphasising the fact that Jamaica is one of the most financially liberalised economies in CARICOM.

According to El Hadj (1997), Guyana had a highly restrictive trade regime consisting of trade prohibitions, quantitative restrictions and licensing for both exports and imports. The index for Guyana was 5.5 in the early 1980s. The movement of the indices from 6.5 in 1989 to 7.5 in 1990 and 8.5 in 1991 is indicative of the fact that the Guyanese government had begun a process of restructuring and privatising the financial sector. El Hadj also pointed out that the government of Guyana had undertaken the supervisory functions necessary for stabilising a liberalised financial system. This is captured in the indices as it reflects Guyana making steady steps to full liberalisation (6.0 to 6.5 to 7.5 to 8.5 etc) and not a major jump as Jamaica did in 1991 (6.5 to 13.0) and Trinidad in 1993 (7.5 to 13.0).

Overall the indices reflect that most of the CARICOM countries have liberalised their financial sector during the period 1979 – 1999, but only a few have

liberalised their capital accounts. Alesina, et al. (1994) postulates that strong governments are less likely to ease capital account restrictions. Correlation of the indices with financial conditions in some of the CARICOM countries allows one to conclude that overall the indices are reliable and accurately reflects the process and degree of financial liberalisation in the region.

Conclusion

This paper constructs a set of indices of financial liberalisation for twelve CARICOM countries based on Quinn's study using the text of the Annual Report on Exchange Arrangement and Exchange Restrictions. The indices produced were consistent with a priori knowledge of the level and degree of financial liberalisation, which currently exist in the specific countries.

The indices are quantitative financial liberalisation indicators based on the qualitative text on each country's level and degree of restrictions on international financial transactions. Given the consistency of the treatment of the laws governing international financial transactions over time and space in the AREAER, the indices can be updated as countries adjust their restrictive practices.

The construction of the financial liberalisation indices is the first of its kind for the CARICOM region and it is hoped that these indices will be useful tools in the assessment of financial liberalisation and its effect on various economic variables including growth.

Table 1 Decision Rules used in coding the IMF text

<i>Goods and Invisibles Payments and Receipts</i>	
<i>Values</i>	<i>Descriptions</i>
X = 0	All receipts and payments are blocked.
X = 0.5	All receipts and payments are necessarily surrendered.
X = 1.0	All receipts and payments require approval from the Central Bank.
X = 1.5	Receipts and payments heavily taxed.
	Authorised banks are allowed to provide foreign exchange for transactions within a certain limit.
X = 2.0	Transfers do not require approval but are taxed.
	Transfers are free.
<i>Capital Payments and Receipts</i>	
X = 0	Approvals are rare.
X = 0.5	Surrender of receipts is required.
X = 1.0	Approval is required from the Central Bank or Minister of Finance.
X = 1.5	Approval is not required but transfers are heavily taxed
	Approval is required but liberally or routinely given.
X = 2.0	Approval is not required but transfers are taxed.
	Approval is not required and transfers are not taxed.
<i>International Agreements</i>	
X = 0.5	Member of CARICOM
X = 1.0	Country is a member of a currency zone.
	IMF Article VIII Status

Source for qualitative statements is the IMF's Annual Report on Exchange Arrangements and Exchange Restrictions

Table 2 An example of the construction of the indices using 1991 IMF data

	Capital Payment	Capital Receipts	Payment for imports	Payment for invisibles	Receipts for exports	Receipts for invisibles	Agreement	Score	
								C	TL
Antigua & Barbuda	2.0	2.0	1.5	1.5	2.0	2.0	2.0	4.0	13.0
Barbados	1.0	1.0	1.5	1.5	0.5	0.5	0.5	2.0	6.5
Belize	1.5	1.5	1.5	2.0	0.5	0.5	1.5	3.0	9.0
Dominica	1.0	1.0	1.5	1.5	0.5	0.5	2.0	2.0	8.0
Grenada	1.0	1.0	1.5	1.5	0.5	0.5	1.0	2.0	7.0
Guyana	1.0	1.0	1.5	2.0	1.0	0.5	1.5	2.0	8.5
Jamaica	2.0	2.0	1.5	2.0	2.0	2.0	1.5	4.0	13.0
St. Kitts & Nevis	1.0	1.5	1.5	1.5	0.5	0.5	2.0	2.5	8.5
St. Lucia	1.0	1.0	1.5	1.5	0.5	0.5	2.0	2.0	8.0
St. Vincent & the Grenadines	1.0	1.5	1.5	2.0	0.5	0.5	2.0	2.5	8.5
Suriname	1.0	1.0	1.5	1.5	0.5	0.5	1.0	2.0	7.0
Trinidad & Tobago	1.0	1.0	1.0	1.5	1.0	0.5	0.5	2.0	6.5

C - Capital Liberalisation

TL - Total Liberalisation

Variables	Exchange Restrictions Text	Comments	Score
<i>Barbados</i> Agreement		No agreement. Assign 0.5 for being a member of CARICOM.	0.5
Current: Payment for imports	All imports from South Africa are prohibited, and certain imports originating in non-CARICOM countries require individual licences. Import-licensing requirements and quantitative restrictions are the chief tools of Barbados external commercial policy. The list of products subject to licensing is extensive.... Special licensing arrangements have been made for the regulation of trade between Barbados and other CARICOM countries in 22 agricultural commodities. Payments for the authorized imports are permitted upon application and submission of documentary evidence (invoices and custom warrant) to authorized dealers; payment for imports of crude oil and its derivatives are subject to approval of the Central Bank. Authorized dealers may release foreign currency for advance payments for imports into Barbados up to the equivalent of BD \$20,000 (c.i.f). Payments over BD \$20,000 require the prior approval of the Central Bank (p.46).	Imports and import payments closely monitored. Payments are permitted as long as documentary evidence is provided.	1.5

Source: Annual Report on Exchange Arrangements and Exchange Restrictions.

Table 3 (continues)

Variables	Exchange Restrictions Text	Comments	Score
Current: Payments for invisibles	Payments for invisibles require exchange control approval. Except for transactions involving residents of South Africa, payments for all commercial transactions are permitted freely when the application is supported by appropriate documentary evidence (p.46).	Require exchange control approval.	1.5
Capital: Payments	All outward capital transfer, including direct investments by residents and the purchase by residents of foreign currency securities and of real estate aboard require exchange control approval. Certificate of title to foreign currency securities must be lodged with an authorized depository in Barbados and earnings on these must be repatriated and surrendered to an authorized dealer (p.47).	Approval required.	1.0
Current: Receipts for exports	Exports to Africa are prohibited. Specific licenses are required for exportation of certain goods to any country; these include rice, cane sugar, rum, molasses, and certain other food products, sewing machines, Portland cement and petroleum products. All other goods may be exported without license. The collection of export proceeds is supervised by the Central Bank to ensure that proceeds in foreign currencies are surrendered within six months of the date shipment (p.46-47).	Administrative control to ensure eventual surrender of proceeds.	0.5

Source: Annual Report on Exchange Arrangements and Exchange Restrictions.

Table 3 (continues)

Variables	Exchange Restrictions Text	Comments	Score
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Current: Receipts for invisibles	Foreign currency proceeds from invisibles must be sold to authorized dealers. Travelers to Barbados may freely bring in notes and coins denominated in Barbados dollars or in any foreign currency. Residents are required to sell their holdings of foreign currencies to an authorized dealer upon return to Barbados (p.47).	Proceeds must be surrendered	0.5
Capital: Receipts	Direct investment by nonresidents may be made with exchange control approval. Remittance of earnings on, and liquidation of proceeds from, such investments is permitted, subject to the submission of documentary evidence as to the validity of the remittance, the discharge of any liabilities related to the investment and the registration of the original investment with the Central Bank. The issuance and transfer to nonresidents of securities registered in Barbados require exchange control approval, which is freely given provided that an adequate amount of foreign currency is brought in for the purchase.... The approval of the Central Bank is required for residents to borrow abroad or for nonresidents to borrow in Barbados (p.47).	Approval required	1.0

Source: Annual Report on Exchange Arrangements and Exchange Restrictions.

Table 3 (continues)

Variables	Exchange Restrictions Text	Comments	Score
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<i>Jamaica</i> Agreement	Jamaica formally accepted the obligations of Article VIII, Sections 2,3 and 4 of the Fund Agreement, as from February 22, 1963.	Assign one point on the basis of the agreement and 0.5 for being a member of CARICOM.	1.5
Current: Payment for Imports	Imports from, or originating in, South Africa and Haiti are prohibited/ Import licenses are required for pharmaceutical products and items that endanger public health or security. Otherwise, goods may be imported freely without license. Payments for imports may be made without references to the Bank of Jamaica. Imports are subject to customs tariffs in compliance with the Common External Tariff (CET) Arrangement of the CARICOM (p.258).	Approval not required but some items are taxed.	1.5
Current: Payment for invisibles	Commercial banks and other authorized dealers are authorized to provide foreign exchange for most service transactions. All interest and dividend payable to nonresident investors are approved, net of taxes, without restrictions, except for repatriation of profits during the first three years under the debt equity conversion program.... All proceeds from invisibles may be transacted in the foreign exchange market without restrictions (p.258-259).	Basically free	2.0

Source Annual Report on Exchange Arrangements and Exchange Restrictions

Table 3 (continues)

Variables	Exchange Restrictions Text	Comments	Score
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Capital: Payment	As of September 25, 1991, all capital (both inflows and outflows) became free of restrictions except that domestic financial institutions ... are required to match their Jamaica dollar liabilities to their clients with Jamaica dollar assets (p.258).	Free	2.0
Current: Receipts for exports	All goods may be exported to any country that is not on the prohibited list. However, specific licenses are required for exportation of certain agricultural products, ammunition, explosives, firearms, antique furniture, ready-made garments, gold bullion, mineral and metal ores, and antique paintings (p.258).	Free	2.0
Current: Receipts for invisibles	Receipts from invisibles are treated in the same manner as payment for invisibles.	Free	2.0
Capital: Receipts	See capital payments		2.0

Source Annual Report on Exchange Arrangements and Exchange Restrictions

Table 4 Indices of Financial Liberalisation: Capital Account Liberalisation and Total Liberalisation

	Antigua & Barbuda		Barbados		Belize		Dominica		Grenada		Guyana		Jamaica		St. Kitts & Nevis		St. Lucia & the Grenadines		St. Vincent & the Grenadines		Suriname		Trinidad & Tobago					
	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL	C	TL		
1979	4.0	11.0	2.0	6.0	3.0	7.0	2.0	6.5	2.0	6.5	1.0	5.5	0.5	4.5	2.5	8.0	2.0	7.0	2.0	6.5	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1980	4.0	11.0	2.0	6.0	3.0	7.0	2.0	7.0	2.0	6.5	1.0	5.5	0.5	4.5	2.5	8.0	2.0	7.0	2.0	7.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1981	4.0	11.0	2.0	6.0	3.0	7.0	2.0	7.5	2.0	6.5	1.0	5.5	0.5	4.5	2.5	8.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1982	4.0	11.5	2.0	6.0	3.0	7.5	2.0	7.5	2.0	6.5	1.0	5.5	0.5	4.5	2.5	8.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1983	4.0	11.5	2.0	6.0	3.0	8.5	2.0	7.5	2.0	6.5	1.0	5.5	0.5	4.5	2.5	8.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1984	4.0	12.5	2.0	6.0	3.0	8.5	2.0	7.5	2.0	6.5	1.5	6.0	0.5	5.0	2.5	7.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1985	4.0	12.5	2.0	6.0	3.0	8.5	2.0	7.5	2.0	6.5	1.5	6.0	0.5	5.0	2.5	8.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1986	4.0	12.5	2.0	6.0	3.0	8.5	2.0	7.5	2.0	6.5	1.5	6.0	1.0	5.5	2.5	8.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1987	4.0	12.5	2.0	6.0	3.0	8.5	2.0	7.5	2.0	6.5	1.5	6.0	1.0	5.5	2.5	8.0	2.0	7.5	2.5	8.0	2.0	6.5	1.5	5.5	2.0	6.5	1.5	5.5
1988	4.0	13.0	2.0	6.5	3.0	9.0	2.0	8.0	2.0	7.0	1.5	6.0	1.5	6.0	2.5	8.5	2.0	8.0	2.5	8.5	2.0	7.0	2.0	6.5	2.0	7.0	2.0	6.5
1989	4.0	13.0	2.0	6.5	3.0	9.0	2.0	8.0	2.0	7.0	1.5	6.5	1.0	6.0	2.5	8.5	2.0	8.0	2.5	8.5	2.0	7.0	2.0	6.5	2.0	7.0	2.0	6.5
1990	4.0	13.0	2.0	6.5	3.0	9.0	2.0	8.0	2.0	7.0	1.5	7.5	1.0	6.5	2.5	8.5	2.0	8.0	2.5	8.5	2.0	7.0	2.0	6.5	2.0	7.0	2.0	6.5
1991	4.0	13.0	2.0	6.5	3.0	9.0	2.0	8.0	2.0	7.0	2.0	8.5	1.0	6.5	2.5	8.5	2.0	8.0	2.5	8.5	2.0	7.0	2.0	6.5	2.0	7.0	2.0	6.5
1992	4.0	13.0	2.0	6.5	3.0	9.0	2.0	8.0	2.0	7.0	3.0	11.0	1.0	6.5	2.5	8.5	2.0	8.0	2.5	8.5	2.0	7.0	2.0	6.5	2.0	7.0	2.0	6.5
1993	4.0	13.0	2.0	6.5	3.0	9.0	2.0	8.0	2.0	7.0	3.0	11.0	1.0	6.5	2.5	8.5	2.0	8.0	2.5	8.5	2.0	7.0	2.0	6.5	2.0	7.0	2.0	6.5
1994	4.0	13.0	2.0	7.5	3.0	9.0	2.0	8.0	2.0	8.0	3.0	11.5	1.0	6.5	2.5	8.5	2.5	8.5	2.5	9.0	2.0	7.5	4.0	13.0	2.0	7.5	4.0	13.0
1995	4.0	13.0	2.0	7.5	3.0	9.0	2.0	8.0	2.0	8.0	4.0	12.0	1.0	6.5	2.5	8.5	2.5	11.5	2.5	9.0	2.0	7.5	4.0	13.0	2.0	7.5	4.0	13.0
1996	4.0	13.0	2.0	7.5	3.0	9.0	2.0	8.0	2.0	8.0	4.0	12.0	1.0	6.5	2.5	8.5	2.5	11.5	2.5	9.0	2.0	7.5	4.0	13.0	2.0	7.5	4.0	13.0
1997	4.0	13.0	2.0	7.5	3.0	9.0	2.5	9.0	2.5	8.5	4.0	13.0	1.0	6.5	3.0	9.0	2.5	11.5	2.5	9.0	2.0	7.5	4.0	13.0	2.0	7.5	4.0	13.0
1998	4.0	13.0	2.0	7.5	3.0	9.0	2.5	9.0	2.5	8.5	4.0	13.0	1.0	6.5	3.0	9.0	2.5	11.5	2.5	9.0	2.0	7.5	4.0	13.0	2.0	7.5	4.0	13.0
1999	4.0	13.0	2.0	7.5	3.0	9.0	2.5	9.0	2.5	8.5	4.0	13.0	1.0	6.5	3.0	9.0	2.5	11.5	2.5	9.0	2.0	7.5	4.0	13.0	2.0	7.5	4.0	13.0

C - Capital Liberalisation,
TL - Total Liberalisation

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