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Abstract

The central hypothesis of this study is that Post-neoliberalism in Latin America is a fallacious narrative insofar as it is based on unsound arguments and flawed evidences. At the beginning of the 21st century the post-neoliberal narratives started as an attempt to understand the causes of the resurgence of leftist, nationalist, populist and reformist political forces in the region. In this paper, emphasis has been laid on the actual trends of economic liberalization in Latin American countries, mostly in the 21st century. At issue is the extent to which actual economic changes have accompanied shifts in ideological narratives and political processes. The empirical evidence is conclusive insofar as only a minority of countries actually experienced falling economic liberalization.

Introduction

The central hypothesis of this study is that Post-neoliberalism in Latin America is a fallacious narrative insofar as it is based on unsound arguments and flawed evidences. At the beginning of the 21st century the post-neoliberal narratives started as an attempt to understand the causes of the resurgence of leftist, nationalist, populist and reformist political forces in Latin America. These forces have won democratic elections and held central governments. The benchmark was, for sure, the election of Hugo Chávez as president of Venezuela in 1998. Since then, the narratives have proliferated on the basis of the argument that the new governments have shifted away from the neoliberal strategic directives of the Washington Consensus. Post-neoliberalism has also been known as the Pink Tide, Third Way, Twenty-first-century Socialism, New Left, After Neoliberalism, Anti-liberal Alternatives, Soft Neoliberalism, Not-quite-neoliberal Era, New Developmentalism and other equally dubious terms.

By and large, post-neoliberal narratives have been associated with left and centre-left governments in Latin America. Nevertheless, it is worth noting that centre or even centre-right governments, with an anti-liberal orientation, have been included in these narratives, as well. It is wise to be cautious about classifications of parties, leaders and governments according to metrics for gauging ideological and political preferences. It is an open question whether some governments and leaders in Latin America can be actually classified as, for instance, leftists.¹

These narratives have pushed forward the argument that the political changes in the region brought about new strategies and policies (economic policies, social policies and democratic governance) (Levitsky and Roberts, 2011, p. 19-26). According to the post-neoliberal narratives, these political changes have led to greater social inclusion and welfare, lower poverty and inequality, institutional reforms, enhanced citizenship

¹ For instance, Lucio Gutiérrez (Peru), Álvaro Colom (Guatemala), Hipólito Mejía (Dominican Republic) and Manuel Zelaya (Honduras); see Levitsky and Roberts (2011, p. 27).

participation, improved state-society relations and independent foreign policy (Ruckert, Macdonald and Proulx, 2017).

Nevertheless, it is a platitude to say that these strategies and policies were not monolithic, homogeneous or consistent (Brand and Sekler, 2009, p. 6). As a matter of fact, there are extreme divergences among leaders, political parties, governments and dominant political forces (Levitsky and Roberts, 2011, p. 11-16). The huge differences are also found in political discourses, strategies, policies, power structures, processes, conduct, performance and time paths. However, the post-neoliberal narratives have the social justice rhetoric as a common factor and, therefore, they are usually associated with leftism.

In their literature review, Ruckert, Macdonald and Proulx (2017, p. 1584) conclude that “despite the controversy attached to the term, the notion of post-neoliberalism remains useful if we understand it not as a complete break with neoliberalism, but rather as a tendency to break with certain aspects of the neoliberal policy regime”. This argument seems of dubious value given that the evidence analysed in the literature review is scattered and anecdotal. Besides, a tendency is not a fact but a predisposition for something or the likelihood that an event will happen in the future. By contrast, a trend is a fact that involves an actual movement in a certain direction, that is, trend is a fact supported by empirical evidence. Therefore, of foremost importance is the question: What are the empirical trends of key aspects of neoliberalism in Latin America in the 21st century?

Central to neoliberalism is its emphasis on economic liberalization. Far from being a theory, neoliberalism is a set of strategies and policies related to trade and financial liberalization, privatization, deregulation and the low profile of state regarding social provision.

Surely, there are other equally important dimensions of Neoliberalism (social policies, State-society relations, institutions etc.) (Cerny 2004; Harvey, 2007). And, moreover, neoliberalism is not a monolithic phenomenon (Springer, 2015, p. 15). Nevertheless, the most basic marker of neoliberalism is economic liberalization, that is, the imposition of market imperatives that can take different forms (Saad-Filho and Johnston, 2005, p. 3).

In this connection it might be said that the notion of Post-neoliberalism can only make sense if we identify clear breaks in trends of economic liberalization in Latin America in the 21st century. Therefore, the hypothesis can be advanced that Post-neoliberalism is a fallacy given that there is no robust empirical evidence on breaks in trends of economic and financial liberalization indicators from 2000 onwards.

To the extent that Post-neoliberalism is a fallacious notion, it is useless for understanding the changes in Latin America in the 21st century. Moreover, it is a biased belief that brings about dogmatic generalizations, hinders rational discussions and bolsters political manipulation. Even more noteworthy is the fact that in Latin America it is quite common that political leaders, during the electoral campaigns, have leftist, nationalist or anti-neoliberal discourses. However, when they come to power they follow orthodox or neoliberal strategies and policies. In Latin America post-neoliberal narratives hide much more than they reveal.

The paper is divided into three sections. The first section briefly presents the conceptual and methodological framework. The second section deals with the empirical evidence on indicators and measures of economic liberalization in Latin America and the focus is on the changes over time. The third and last section is a summary of the main results of the study.

1 Conceptual and methodological framework

Far from being a theory, Neoliberalism is a political phenomenon historically dated and conditioned by specific factors, namely, the resurgence of liberal ideas, policies and strategies in the early 1980s. The spread of Neoliberalism on a world scale was determined by political disputes in developed countries, and was influenced by the process of economic globalization, as well. The birth places of Neoliberalism are the United States and the United Kingdom (Harvey, 2007, p. 1-4). In these countries the severe political disputes in the late 1970s and early 1980s led to the victory of right-wing political forces. The significant hard and soft powers of both countries were determinants of the ascension of neoliberalism. The effective power of Neoliberalism was so remarkable that it was one of the causes of the collapse of the Soviet bloc.

Neoliberalism is an historical phenomenon with economic, social, cultural, political and institutional dimensions (Cerny, 2004, p. 10-14). The remarkable distinction of this phenomenon is the “change of signs” regarding the nature, direction and extension of State intervention, mostly, in the economy. At the risk of some oversimplification, Neoliberalism implies the basic contrasts: protectionism *versus* liberalization; regulation *versus* deregulation; state intervention *versus* market mechanism; and public enterprises *versus* private enterprises. Therefore, the main pillars of Neoliberalism are economic liberalization, deregulation, free interplay of market forces and privatization.

In Latin America the shift towards neoliberal strategies and policies became stronger after the outbreak of the external debt crisis in the early 1980s. Economic globalization, macroeconomic stabilization processes, external financial needs and political disputes opened the way to neo-liberal strategies, policies and reforms in the region. In this connection, it is worth calling attention to the influence of multilateral organizations (mainly, the International Monetary Fund, the World Bank and the World Trade Organization) in the diffusion of Neoliberalism in Latin America.

The regional version of Neoliberalism was conceived in the late 1980s and has been known since then as the Washington Consensus. It is, basically, a combination of questionable macroeconomic policies and liberal development strategies (Williamson, 2004). The guidelines of the Washington Consensus are as follows: public finance

discipline (to avoid large deficits); fiscal policy (to reorient public expenditures for health, basic education and infrastructure); taxation reform (broad tax base and moderate marginal tax rates); currency and finance (financial liberalization, prudential supervision and market-determined interest rate); foreign exchange regime and policy (competitive rate, stable purchasing power parity and managed float); international trade (liberalization and non-discrimination); foreign direct investment (liberalization and national treatment); privatization (aiming at efficiency); deregulation (free interaction of market forces); and property rights (guarantee of rights).

The combination of neoliberal strategies and reforms with severe adjustment policies had important impact on Latin American economies, societies and institutions. It is hardly possible to overrate this impact. To illustrate, there were rises of inequality and poverty in the region in the 1980s, the so-called “lost decade” (CEPAL, 1993, p. 26 and p. 100). In the 1990s the economic and social performance improved in Latin American countries. Nevertheless, a huge backlog of problems intensified political rivalries by the turn of the century. Moreover, the turbulences in the global economy had affected the vulnerable Latin American economies since the outbreak of the financial crisis in Asia in 1997. As a result of the external economic vulnerability of the region, the situation was made worse by the cyclical downturn of the world economy in 2000-02. These facts led to significant changes in political processes, popular protests, systemic crisis and the resurgence of leftist forces (Levitsky and Roberts, 2011, p. 7-11).

In this connection, since the electoral victories of leftist leaders in presidential campaigns, there has been a growing literature on the resurgence of the left forces (Pink tide) and the diffusion of post-neoliberal narratives, as well. According to these narratives, the resurgence of left and centre-left governments and the rollback of economic liberalization are interconnected insofar as leftist governments would have shown a tendency to break with or shift away from Neoliberalism. Post-neoliberalism would imply the rollback of deregulation, financialization, free trade and the weakening of labour relations (Sader, 2009, p. 174).

In the review of the literature carried out by Ruckert, Macdonald and Proulx (2017), the authors have a well-defined set of issues to analyse Post-neoliberalism in Latin America. These issues are grouped as follows: economic policies and strategies, social policies,

institutional reform, environment and state-society relations. The variety and complexity of issues are undeniable. There are economic issues such as public ownership, labour markets and land reform. Social policies involve, for instance, spending in social programs, gender, race and sexuality. As regards institutional reforms, the main issues are citizen participation and direct democracy. The analysis of environmental problems is to a large extent concerned with tax revenue and dependence on natural resources. Finally, state-society relations deal with the role of social movements and indigenous people.

After all is said and done, the reader of this literature review has the impression that major changes, namely ruptures with or rollbacks of neoliberal policies, seem to have occurred only in Venezuela and Bolivia and, to a lesser extension, in Ecuador and Argentina (Ibid, p. 1595). The rupture with Neoliberalism is evident in the case of Venezuela (Twenty-first-century Socialism), while Bolivia, Argentina and Ecuador seem to have shifted away from Neoliberalism and experienced not-quite-neoliberal or new-developmental policies.

What strikes one at once about the writings on Post-neoliberalism is that the large majority of studies on the subject do not provide a substantial body of empirical evidence. While it is true that changes in ideological and political paradigms require a multivariate approach, it is probably even truer that changes in economic development models have to give great attention to the actual evolution of economic variables. It is a matter of fact that economic liberalization is a central issue in Neoliberalism. Nevertheless, it has received only scant attention in writings on Post-neoliberalism. The present study is aimed at adding to the literature by an empirical analysis of the evolution of economic liberalization in Latin America in the 21st century. The focus is on the changes over time.

2 Economic liberalization in Latin America: empirical evidence

As noted above, key elements of Neoliberalism, in general, and the Washington Consensus, in particular, are the nature and the extension of state intervention in the economy. Therefore, an outstanding marker for the analysis of Neoliberalism is the evolution of economic liberalization. Empirical studies of trends of economic liberalization may rely on indicators related to production, trade, technology, money and finance in both the domestic and external economic relations. Three summary indicators have been widely used in empirical studies: the Economic Freedom Index of the Heritage Foundation, the Economic Freedom Index of the Fraser Institute and the Financial Liberalization Index (known as the Kaopen Index) computed by Menzie D. Chinn and Hiro Ito.

The index of the Heritage Foundation is based on twelve factors, grouped into four categories: rule (property rights, government integrity and judicial effectiveness); [government size](#) (government spending, tax burden and fiscal health); [regulatory efficiency](#) (business freedom, labour freedom and monetary freedom); and [open markets](#) (trade freedom, investment freedom and financial freedom). For each one of the 12 factors there is a set of variables. The variables have equal weights and are standardized so that the overall index ranges from 0 to 100. The latest editions include a set of 183 countries. As regards Latin America, there are at least 18 countries in the database.²

The index of the Fraser Institute is based on variables related to size of government, legal structure, security of property rights, access to sound money, freedom to trade internationally, and regulation of credit, labour and business. The indicators are standardized and the index is presented in a scale from 0 to 10. The overall index can be

² For a discussion of the methodology and the data, see the site of the Heritage Foundation: <http://www.heritage.org/index/book/methodology#government-size>. Given the absence of data in some years, the panel used in this study was limited to 142 countries.

multiplied by 10 so that the scale goes from 0 to 100. The latest reports compare 159 countries. There are at least 18 Latin American countries in the database³

The Kaopen(Chinn-Ito) index measures the degree of capital account openness. The source of data is the *Annual Report on Exchange Arrangements and Exchange Restrictions* of the International Monetary Fund. This report registers restrictions on cross-border financial transactions of IMF member countries. The database covers 164 countries. The capital transactions controls are grouped into thirteen categories: capital market securities; money market instruments; collective investment securities; derivatives and other instruments; commercial credits; financial credits; guarantees, sureties and financial backup facilities; direct investment; liquidation of direct investment; real estate transactions; personal capital transactions; provisions specific to commercial banks and other credit institutions; and provisions to institutional investors. The index is standardized and the scale goes from 0 to 1. The multiplication by 100 changes the scale to the range between 0 and 100.⁴ With respect to Latin America, there are at least 18 countries in the database.

Given the technical complexity and data problems regarding these indicators, it is evident that the empirical evidence should be interpreted with some care. Different indicators can lead to different results. These are the reasons why we decided to work with the three indices and not with a single one.

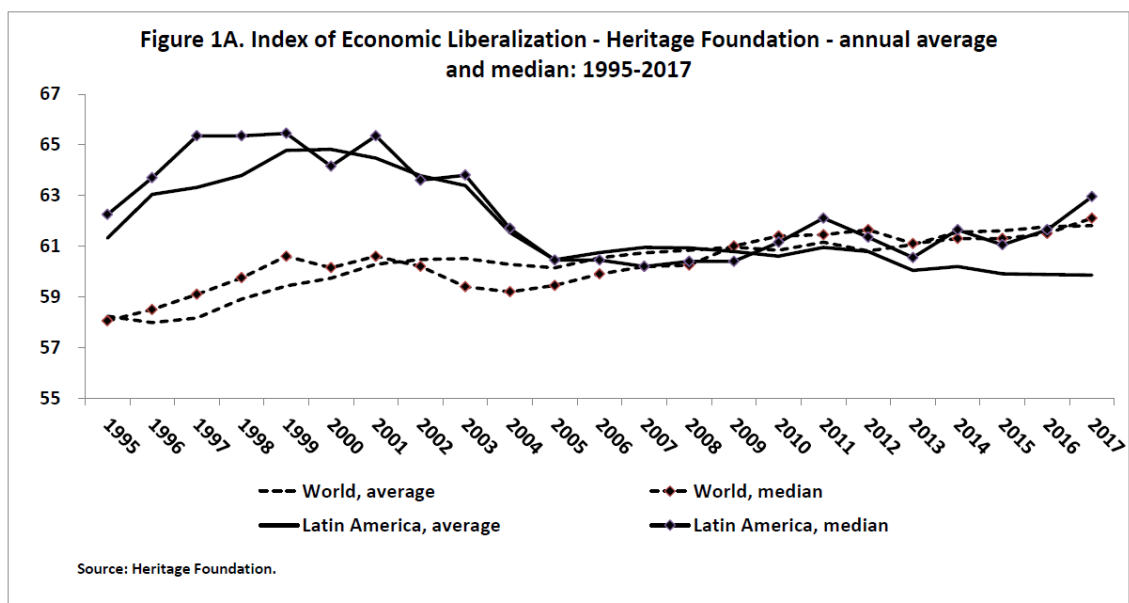
The broad picture related to the evolution of the Index of Economic Freedom calculated by the Heritage Foundation is shown in Figure 1A. The continuous time series goes from 1995 to 2017. Both the annual average index and the median of the world index (represented by dashed lines) rise gradually. By contrast, the Latin American indices (represented by solid lines) rise in the late 1990s and start to fall by the beginning of the

³ Details of the methodology and data are found in the site of the Fraser Institute: <https://www.fraserinstitute.org/studies/economic-freedom>. Given the absence of data in some years, the panel used in this study was limited to 105 countries.

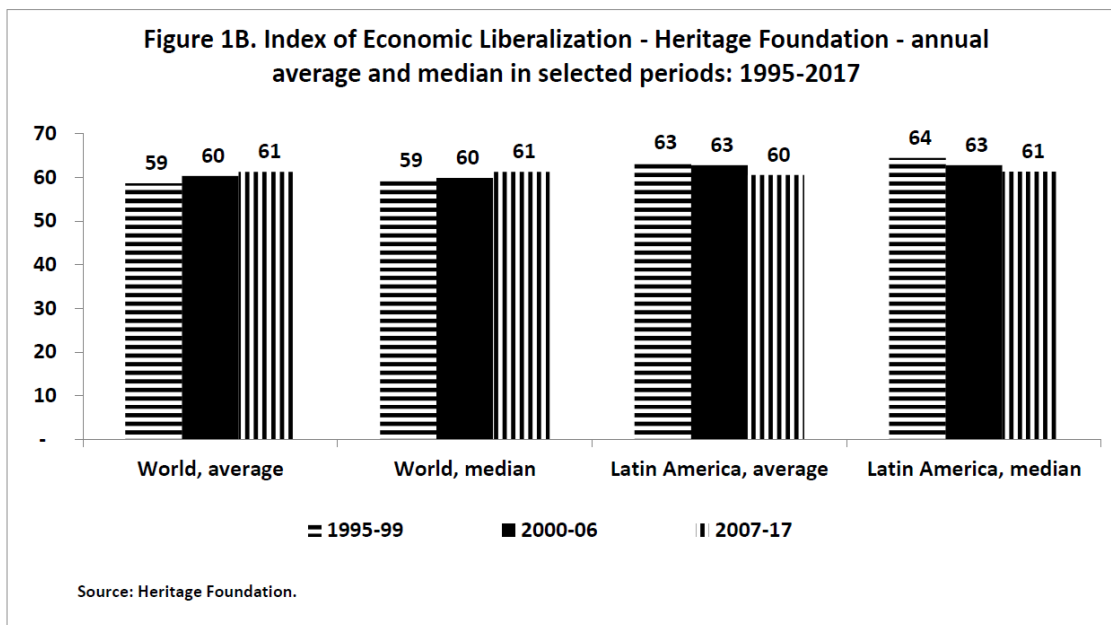
⁴ The methodological procedures are discussed in Chinn and Ito (2008). The data are in the site: http://web.pdx.edu/~ito/Chinn-Ito_website.htm. Given the absence of data in some years, the panel used in this study was limited to 164 countries.

21st century. It is worth noting that, during the peak of Neoliberalism in the late 1990s, the indices of economic liberalization of Latin American countries were higher than the world's indices. This period was the zenith of the Washington Consensus in the region.

The average index of Latin America shows a strong trend to fall from 2000 to 2005, stabilizes in 2005-10 and falls again after 2011. This last fall of the average index is rather small, whereas the median (solid line with squares) shows a trend to rise.



A central fact is that, after 2005, the average economic liberalization indices of Latin America converge to the average world levels. The bar graphs in Figure 1B present clearly this phenomenon. The categorical data refer to the periods 1995-99, 2000-06 e 2007-17. When we compare Latin American indices with world indices, the most important result is the significant difference of averages and medians in 1995-99 and the similarity in 2007-17. In 1995-99 (bars with horizontal lines) the average indices are 59 and 63 for the world and Latin America, respectively. The correspondent indices for the median are 59 and 64. In 2007-17 (bars with vertical lines) the convergence is total given that the medians are equal to 61 and the average indices are nearly equals (World = 61 and Latin America = 60).

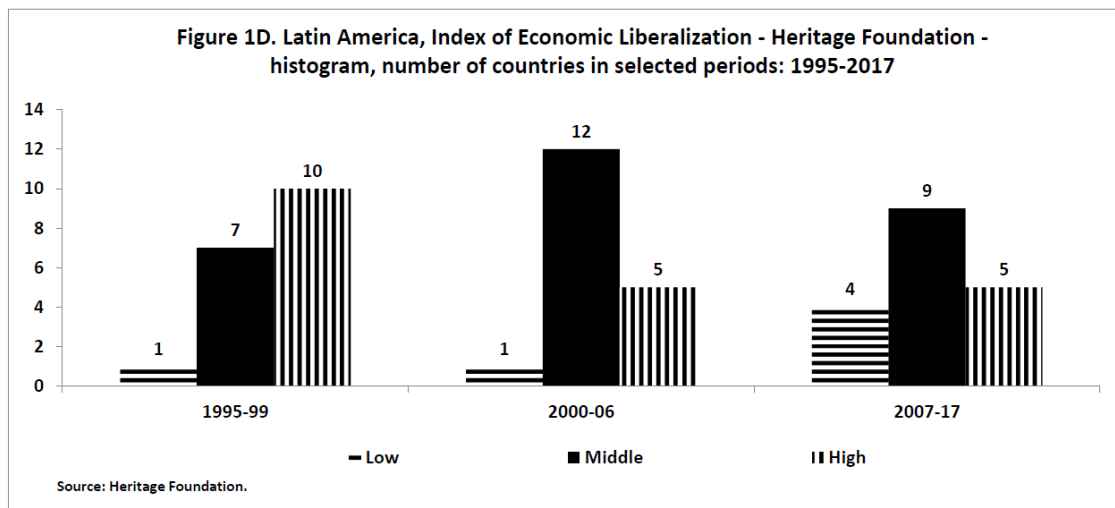
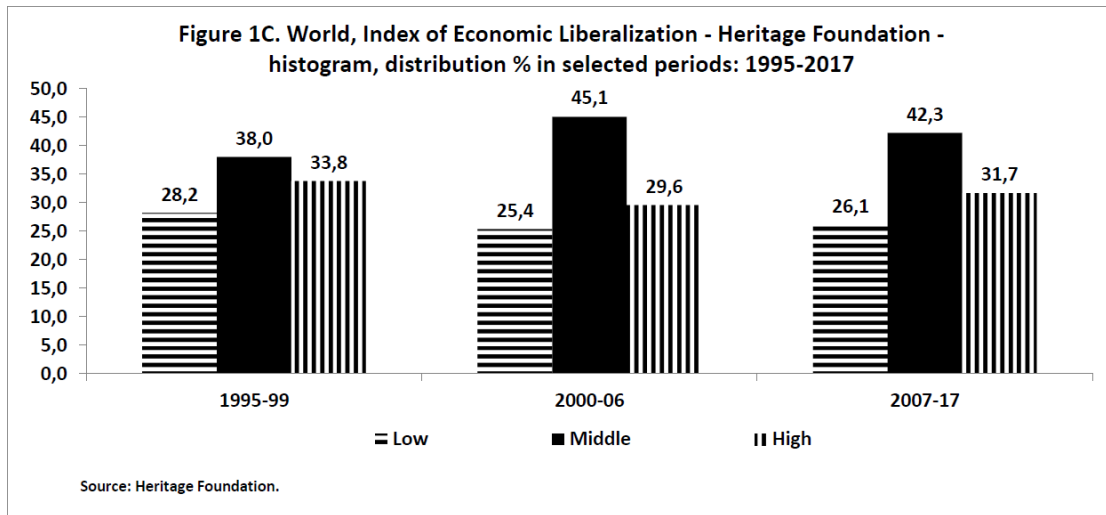


The histograms of the economic liberalization indices of the Heritage Foundation are shown in Figure 1C (World) and Figure 1D (Latin America). The categorical data refer to three groups according to the annual average index of economic liberalization: low, middle and high.⁵ The bar graphs are quite different in 1995-99 and 2000-06 and are similar in 2007-17.

In 1995-99, as shown by the bars with vertical lines, nearly one third (33,8%) of the number of countries in the world panel were in the high-liberalization group whereas in Latin America 10 countries (more than half of the panel) were in this group. As regards the low-liberalization group (bars with horizontal lines), the contrast is even more striking inasmuch as this group accounts for 28,2% of the total number of countries in the world panel whereas in Latin America only Nicaragua is in this group.

The picture is different in 2000-06 given that there was a significant fall of Latin American countries in the high-liberalization group (from 10 to 5 countries; see bars with vertical lines in Figure 1D).

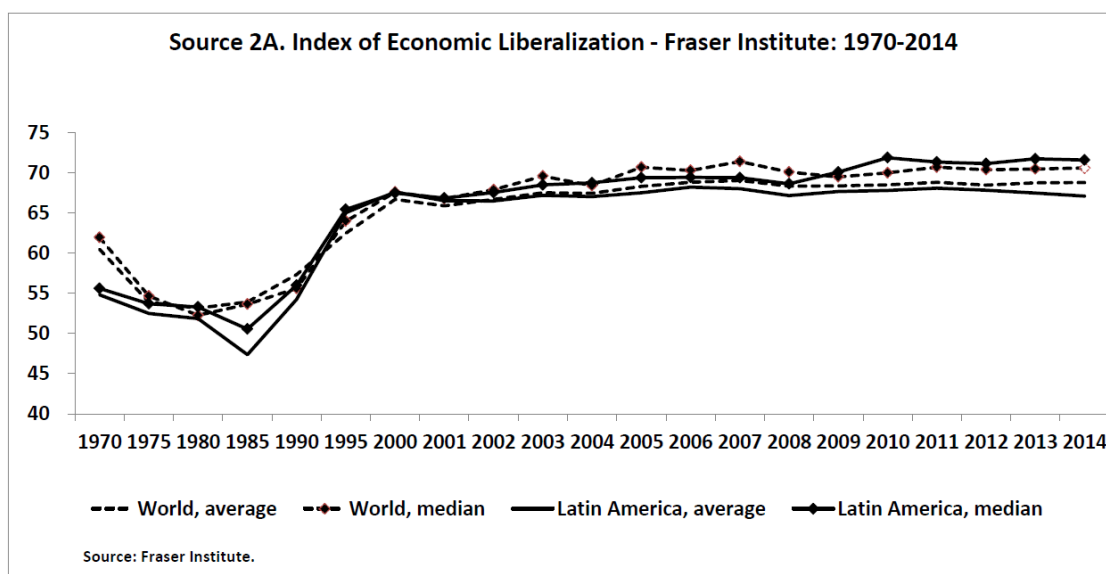
⁵ The ranges of the histograms are: Group Low: $Z\text{-score} < -0,50$; Group Middle: $-0,50 \leq Z\text{-score} \leq 0,50$; and Group High: $0,50 < Z\text{-score}$.



In 2007-17 the picture is also different and the Latin American histogram becomes quite similar to the histogram of the world economy. Looking at the low-liberalization group (bars with horizontal lines), the evidence is that nearly one fifth (26,1%) of countries in the world panel are in this group while in Latin America only 4 countries are in this group (22,2% of the panel). These countries are Argentina, Bolivia, Ecuador and Venezuela. Therefore, on the basis of index of the Heritage Foundation and by international standards, the evidence points out that the post-neoliberal narrative broadly applied to Latin America is devoid of empirical support.

The Index of Economic Freedom of the Fraser Institute covers a longer time span with seven selected years in 1970-2000 and a continuous series from 2000 onwards. The outstanding result is that the trends of the annual average indices and the medians for both

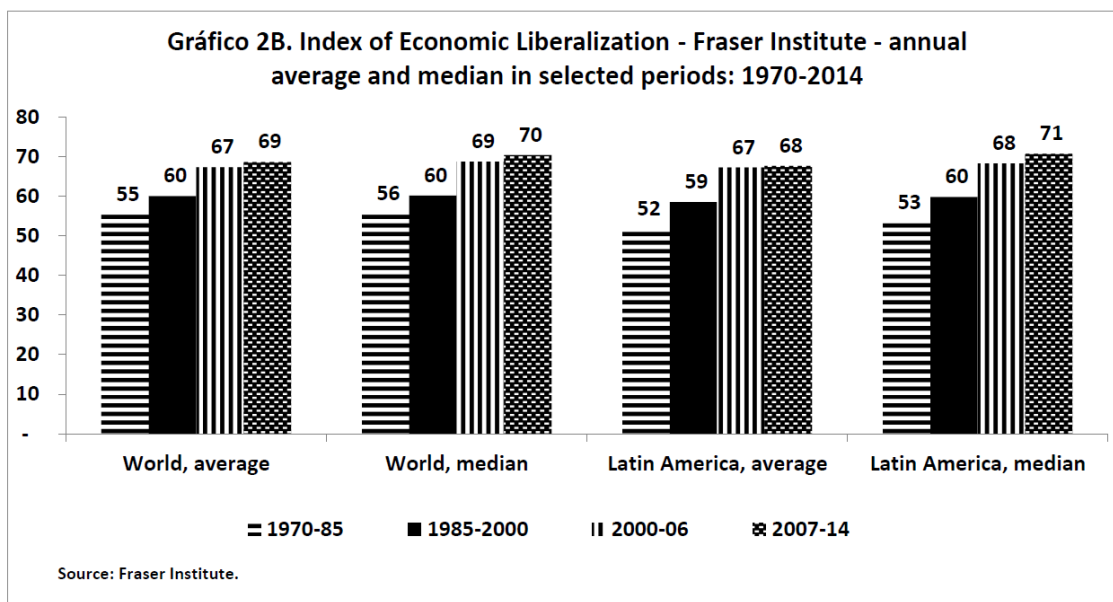
the World and Latin America follow the same trends. By and large, there is sharp fall between 1970 and 1985, significant rise in 1985-2000 and stability from 2000 onwards (see Figure 2A). The underlying dynamics of these trends result from well-known changes in economic and political processes on a world scale. The benchmarks are the deep economic crisis of the developed countries in the 1970s that brought about adjustment policies based on multivariate state interventions (protectionism, capital controls etc.). In the early 1980s the political changes in the United States and Europe were the platform for the taking off of Neoliberalism that spread on a world scale. As might be expected, Latin America, with its quite dependent economies and satellite countries, followed these trends. Nevertheless, the first two decades of the 21st century have been characterized by the stability of economic liberalization at annual indices higher than those observed in the last quarter of the 20th century. It is the pinnacle of the Globalization Era.⁶



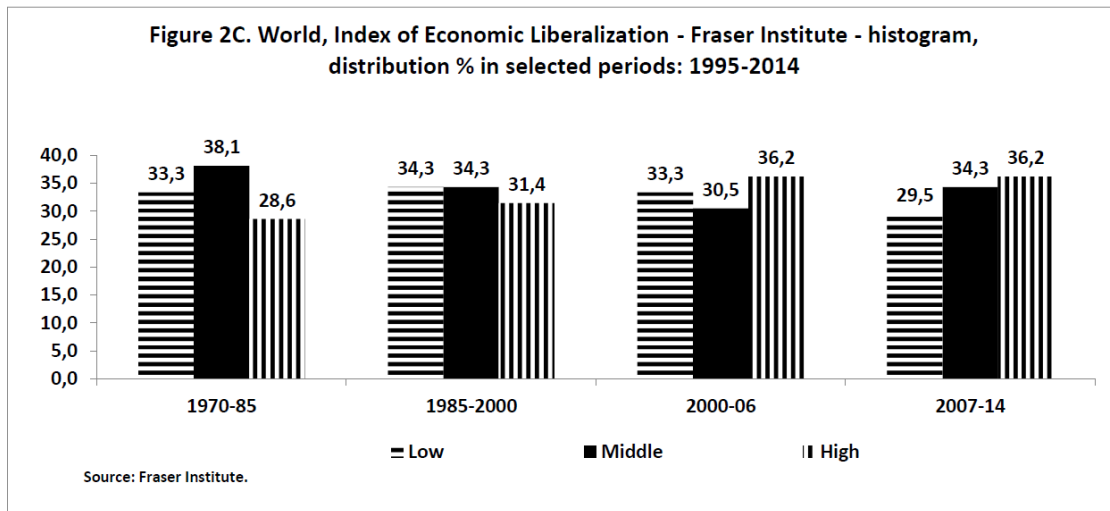
The annual average indices of the World and Latin America are shown in Figure 2B in selected periods: 1970-85, 1985-2000, 2000-06 and 2007-14. It is worth noting that in 1970-85 (see bars with horizontal lines) the annual average indices and the medians of

⁶ For a didactic discussion of globalization, see Jackson and Sorensen (2013), chapter 7.

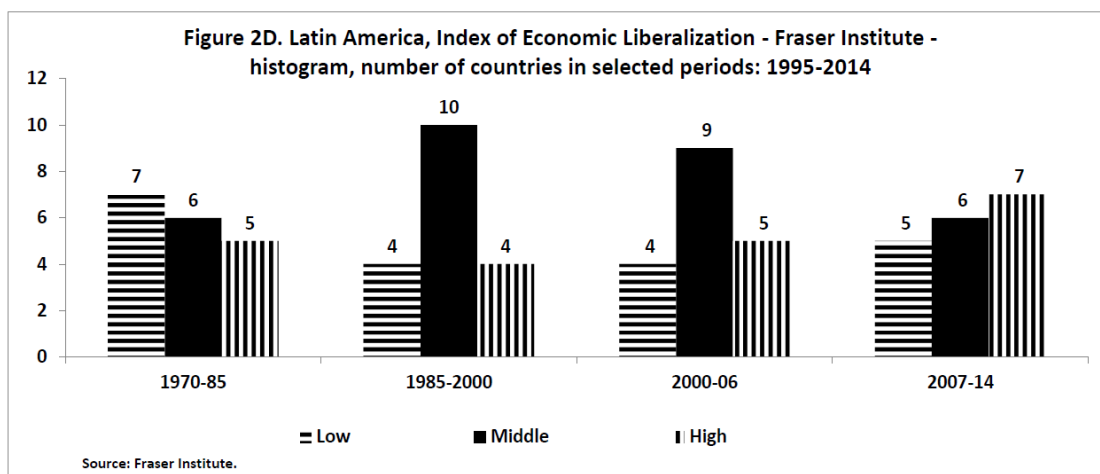
Latin America were lower than the correspondent measures for the World. However, in the other periods the differences practically disappear.



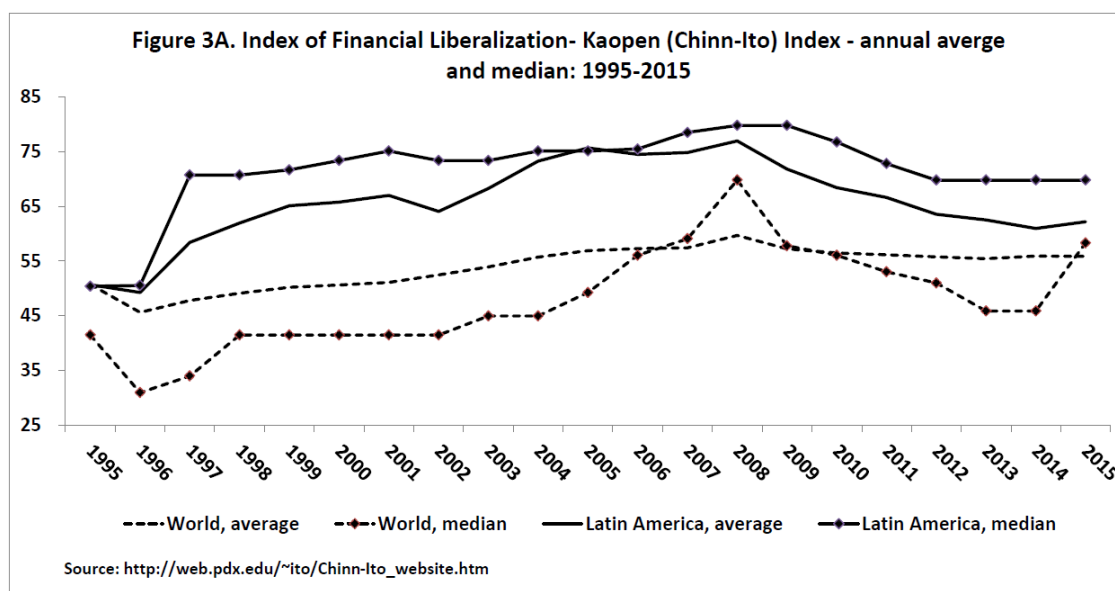
These descriptive statistics can be misleading insofar as there is great dispersion of data. As mentioned above, the categorical data in the histograms refer to three groups according to the annual average index of economic liberalization: low, middle and high-liberalization groups. In Figure 2C the bar graphs for the world panel show that the share of the number of countries in the high-liberalization group (bars with vertical lines) has a clear trend in 1975-2014. It increases continuously from 28,6% in 1975-85 to 36,2% in 2007-14. The share of countries in the low-liberalization group (bars with horizontal lines) is nearly one third and only presents a fall in 2007-14 (from 33,3% in 2000-06 to 29,5% in 2007-14).



The histograms of Latin America are shown in Figure 2D. It seems that the single remarkable fact is the change in the relative importance of the middle-liberalization group. The number of countries in this group (solid fill bars) increases significantly, from 6 countries in 1970-85 to 10 in 1985-2000 and 9 in 2000-06. In 2007-14 it goes back to 6. It is worth noting that the high-liberalization group (bars with vertical lines) increases from 4 countries in 1985-2000 to 5 in 2000-06 and 7 in 2007-14. As regards the low-liberalization group (bars with horizontal lines), there is a fall from 7 countries in 1970-85 to 4 in both 1985-2000 and 2000-06, and 5 in 2007-14. That is, the number of Latin American countries that have low levels of economic liberalization by international standards in the 21st century is nearly equal to the number in the zenith of Neoliberalism in the last two decades of the 20th century. The 5 countries in the low-liberalization group are Argentina, Bolivia, Brazil, Ecuador and Venezuela. Again, the generalization of post-neoliberal narratives for Latin America as a whole is devoid of empirical support.



The Chinn-Ito index (*Kaopen*) measures financial liberalization, more specifically the degree of capital account openness. It goes from 1995 to 2015 as shown in Figure 3A. Of foremost importance is the clear trend of rising financial liberalization in 1995-2008 (Chesnais, 1994, chapter 10). The global financial crisis of 2008 represents a break in this trend. These trends and breaks apply to both the world economy and the Latin American economies. Broadly speaking, the adjustment process to the crisis seems to have implied, to some extent, a greater regulation of international financial flows.

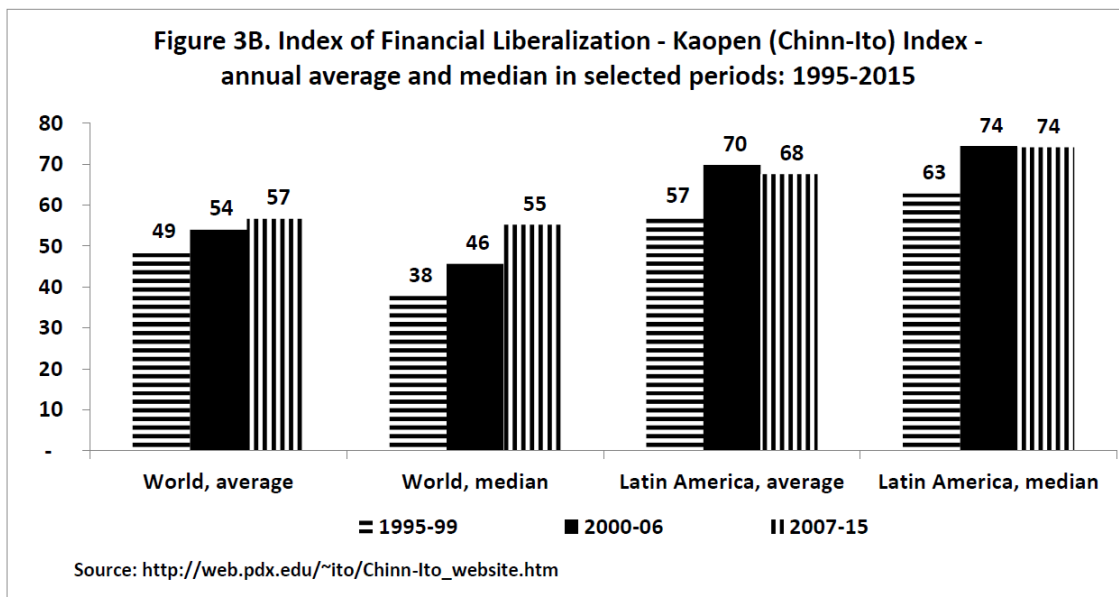


It is also worth pointing out that the annual average indices and the medians of capital account liberalization of Latin American economies are significantly higher than those of the world economy as a whole. As a matter of fact, Latin American economies are well

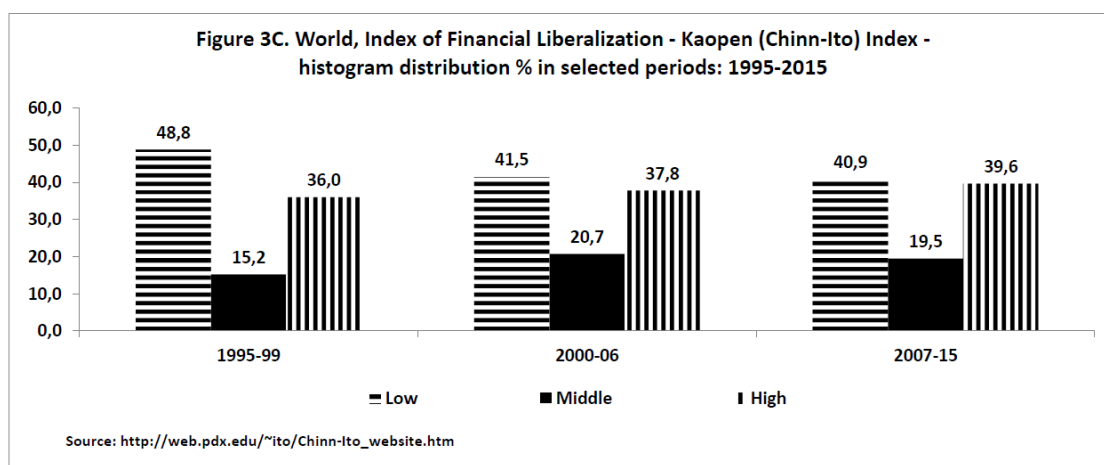
known by their high external financial vulnerability. This vulnerability requires balance-of-payments adjustment policies that may imply greater openness of the capital account and incentives to foreign investors. But cause and effect are highly confused as regards the relation between external financial vulnerability and capital account liberalization.⁷

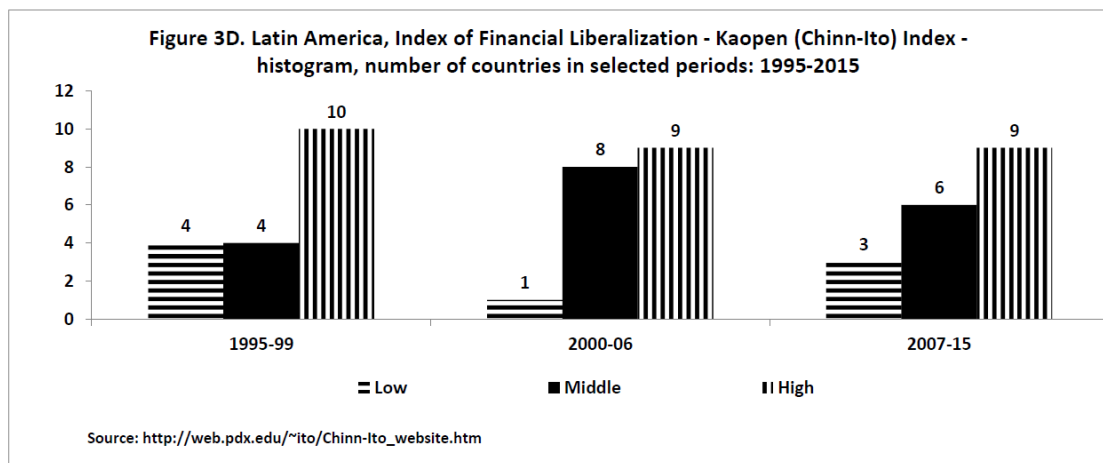
The significantly higher levels of financial liberalization in Latin America comparatively to the world economy are shown in Figure 3B. This phenomenon is persistent for two decades (1995-2015). To illustrate, on a world scale, in 1995-99, the annual average index and the median were 49 and 38, respectively (see bars with horizontal lines). These indices increased significantly to 57 and 55, respectively (bars with vertical lines) in 2007-15. With respect to Latin America, there were also significant increases given that the annual average index increased from 57 in 1995-99 to 68 in 2007-15, and the median also increased from 63 in 1995-99 to 74 in 2007-15. In this regard, it is worth noting that there was a movement of rollback of financial liberalization after the outbreak of the global financial crisis in 2008. However, despite this movement the average indices of financial liberalization in 2007-15 were higher than in 1995-99. This evidence is irrefutable to the world economy, in general, and to Latin America, in particular.

⁷ The complexity of the matter precludes a full analysis in this paper. There is an abundant literature on these subjects and relations; see UNCTAD (2015).



The histogram of the liberalization indices for the world panel is shown in Figure 3C. The evidence of increasing liberalization is evident given that the countries in the low-liberalization group (bars with horizontal lines) fell from 48,8% in 1995-99 to 40,9% in 2007-15. On the other hand, the high-liberalization group (bars with vertical lines) presents a gradual rise from 36,0% in 1995-99 to 39,6% in 2007-15. As regards Latin America, the evidence points out that the high-liberalization group had 10 countries in 1995-99 and 9 countries in both 2000-06 and 2007-15 (Figure 3D. bars with vertical lines). That is, half of Latin American countries in the panel had relatively high levels of financial liberalization for the whole period 1995-2015. It implies that financial liberalization has been particularly higher in Latin America in comparison with the rest of the world.

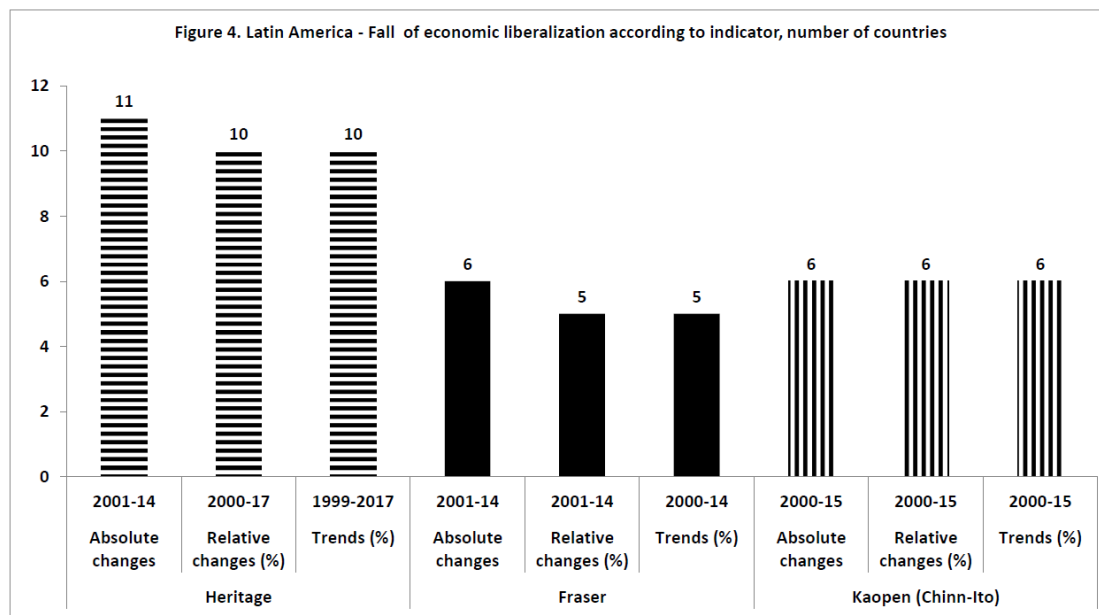




After the analysis of each one of the three indicators (Heritage, Fraser and Kaopen), it is worth making comparisons of indicators over time. We use three measures of changes: relative change, absolute change and trend coefficient. The focus is on the period from 2000 onwards. The numbers of countries with falls of liberalization indices are shown in Figure 4. In the Annex, Table 1 presents a broad picture of the data. The basic result for the three measures is that only the Heritage's index shows a majority of Latin American countries with falls of economic liberalization in 2000-17. In this group there are 10 or 11 out of 18 countries, according to the measure. The intersection set of the 3 measures includes nine countries: Venezuela, Argentina, Bolivia, Ecuador, El Salvador, Brazil, Panama, Guatemala and Costa Rica.

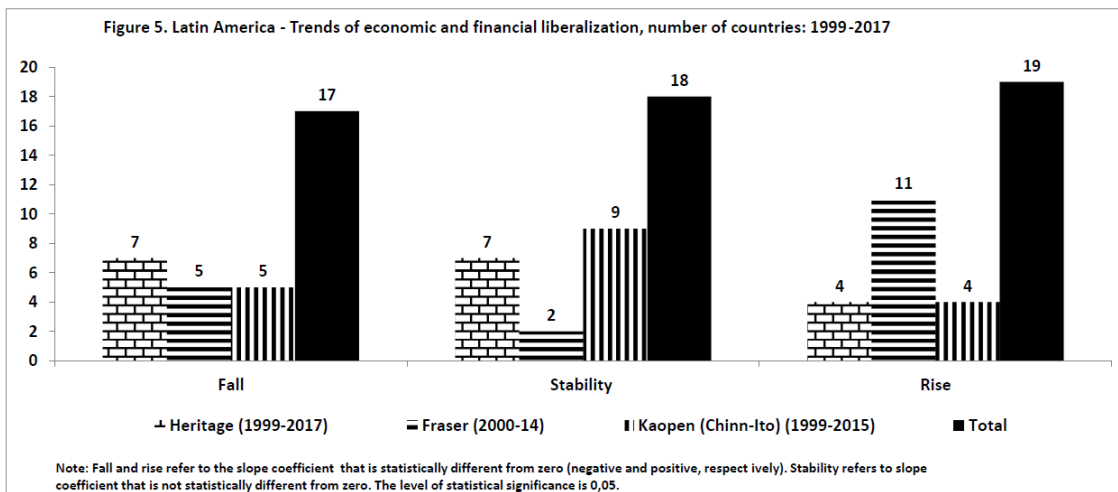
As regards the Fraser's index, the fall of liberalization occurred in 5 or 6 countries according to the measure in 2000-14. The intersection set of the three measures includes 5 countries: Argentina, Venezuela, Bolivia, El Salvador and Panama.

The Kaopen (Chinn-Index) index shows that falls are observed in 6 countries: Venezuela, Honduras, Argentina, Bolivia, Paraguay and El Salvador in 2000-15.



However, there are some falls of economic liberalization that are not significant. In this regard it is worth focusing on the trends identified by the slope coefficient of the linear regression equation. Fall and rise refer to the slope coefficient that is statistically different from zero (negative and positive, respectively). Stability refers to a slope coefficient that is not statistically different from zero. The level of statistical significance is 0,05. The slope coefficient and its *p-value*, the coefficient of determination (R^2), the annual average indices and the group according to the average level of liberalization of the country are presented in the Annex (Tables 2, 3 and 4).

The first result is that the total number of observations with trends of fall (17), stability (18) and rise (19) are nearly the same according to the 3 indicators (Figure 5). Consequently, there is no clear evidence of a generalized trend of falling economic liberalization in Latin America in the 21st century. Once again, the Post-neoliberal narratives have no empirical support.



Of foremost importance, however, is the fact that the numbers of countries that have falling trends are very similar: Heritage (7), Fraser (5) and Kaopen (5). These countries are shown in Table 1. Moreover, the intersection set of the 3 lists includes only 3 countries: Bolivia, El Salvador and Venezuela. Therefore, unequivocal trends of falling economic and financial liberalization were experienced by a small number of Latin American countries (3 out of 18). As far as the fallacy of post-neoliberal narratives is concerned, this is an important result.

Taking into account the classification of countries according to the average economic liberalization index after 2007, it is worth noting that only Venezuela has unequivocally low economic liberalization. The situation of El Salvador is the opposite given that the country has, without any doubt, high economic liberalization. Bolivia has low economic liberalization, but its financial openness is in the middle by international standards. Besides these 3 countries, there two other countries (Argentina and Panama) that show trends of falling economic liberalization; but, as regards financial liberalization, they present stability trends.

Table 1
Latin America in the XXI Century – trends of the indicators of economic and financial liberalization according to the group of economic liberalization

Index of Economic Liberalization – Heritage Foundation				
Group	Fall	Stability	Rise	Countries
Low	Argentina Bolivia Ecuador Venezuela			4
Middle	Brazil Panama	Costa Rica Guatemala Honduras Nicaragua Paraguai	Mexico Dominican Republic	9
High	El Salvador	Peru Uruguai	Chile Colombia	5
Countries	7	7	4	18
Index of Economic Liberalization – Fraser Institute				
Group	Fall	Stability	Rise	Countries
Low	Argentina Bolivia Venezuela	Ecuador	Brazil	5
Middle			Colombia Honduras Mexico Paraguay Dominican Republic Uruguay	6
High	El Salvador Panama	Costa Rica	Chile Guatemala Nicaragua Peru	7
Countries	5	2	11	18
Index of Financial Liberalization – Kaopen (Chinn-Ito) Index				
Group	Fall	Stability	Rise	Countries
Low	Honduras Venezuela	Argentina		3
Middle	Bolivia Paraguay	Brazil Ecuador Mexico	Colombia	6
High	El Salvador	Chile Nicaragua Panama Peru Uruguay	Costa Rica Guatemala Dominican Republic	9
Countries	5	9	4	18
Total observations	17	18	19	64

Sources and notes: The indices are: H = Index of Economic Freedom (Heritage Foundation); F = Index of Economic Freedom (Fraser Institute); and K = Kaopen Index (Chinn-Ito Index of Financial Liberalization). The countries are classified into three groups according to the average index in the following periods: Heritage = 2007-17; Fraser = 2007-14; and Kaopen (Chinn-Ito) = 2007-15. The classification is based on the histograms with three groups of countries according to the average index: B = low; M = middle; and A = high. Histograms have the following ranges: Group B: z-score < -0,50; Group M: -0,50 ≤ z-score ≤ 0,50; and Group A: 0,50 < z-score. Trend reported by the slope coefficient of the linear trend regression equation in the following periods: Heritage = 1999-2017; Fraser = 2000-14; and Kaopen (Chinn-Ito) = 2000-15. Fall and rise refer to coefficient that is statistically different from zero (negative and positive, respectively). Stability refers to coefficient that is not statistically different from zero. The level of statistical significance is 0.05.

As regards the rise of economic liberalization, as evidenced in Table 1, there are only 2 countries (Colombia and Dominican Republic) that show clear rising trends of the 3

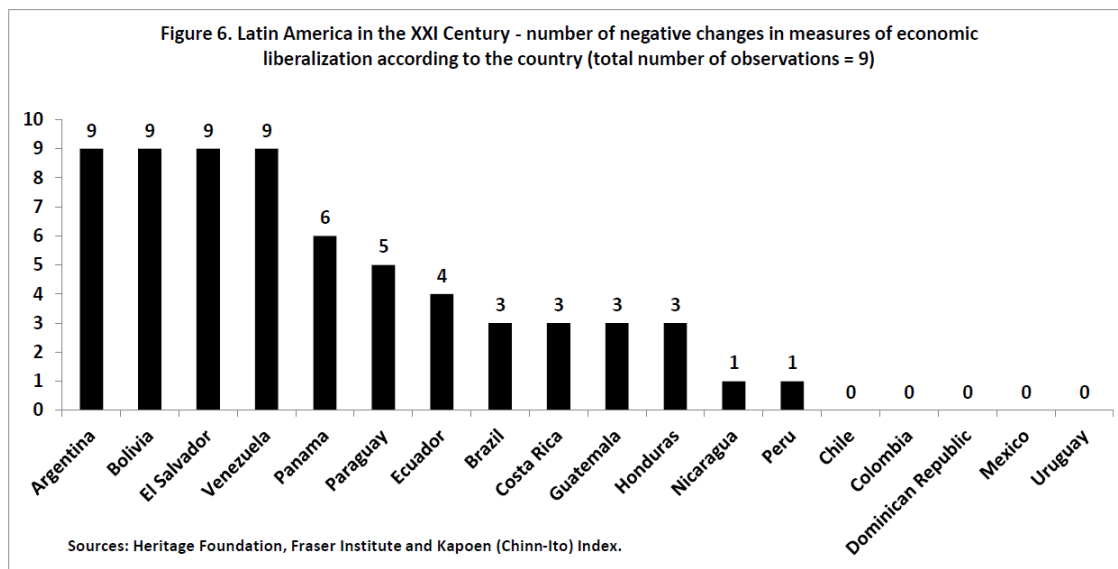
indicators. Besides these 2 countries, there are 3 other countries that have rising trends in at least 2 indicators: Chile, Guatemala and Mexico.

The intersection set of the 9 sets of observations (3 indicators and 3 measures for each one of the indicators) includes 6 countries that have at least 5 negative changes; that is, the majority of observations are negative (see Table 2). These countries are: Argentina, Bolivia, El Salvador, Venezuela, Panama and Paraguay (see Figure 6). These are the Latin American countries that have shown some rather conclusive evidence of falling economic liberalization from 2000 onwards.

Table 2
Latin America in the XXI Century – indicators measure of economic and financial liberalization

Indicator	Heritage			Fraser			Kaopen (Chinn-Ito)			Negative changes
	Absolute changes	Relative changes (%)	Trends (%)	Absolute changes	Relative changes (%)	Trends (%)	Absolute changes	Relative changes (%)	Trends (%)	Total number
Measure	2001-14	2000-17	1999-2017	2001-14	2001-14	2000-14	2000-15	2000-15	2000-15	
Argentina	-20,2	-1,9	-2,4	-25,9	-3,1	-2,3	-81,9	-9,9	-6,3	9
Bolivia	-17,9	-1,8	-2,3	-6,3	-0,7	-0,4	-30,2	-3,2	-4,2	9
Brazil	-8,4	-0,8	-0,7	2,7	0,3	0,5	0,0	0,0	3,1	3
Chile	2,4	0,2	0,2	4,2	0,4	0,3	53,2	9,0	4,6	0
Colombia	4,4	0,4	0,7	9,2	1,1	1,4	24,9	5,7	6,9	0
Costa Rica	-2,4	-0,2	-0,1	0,5	0,0	0,2	28,3	2,1	1,9	3
Dominican Republic	4,8	0,4	0,4	5,6	0,6	0,9	63,8	11,5	15,4	0
Ecuador	-13,6	-1,4	-1,2	-0,2	0,0	0,0	22,3	2,4	1,5	4
El Salvador	-11,0	-0,9	-0,8	-3,0	-0,3	-0,4	-24,2	-1,9	-2,4	9
Guatemala	-3,2	-0,3	-0,2	9,3	0,9	0,7	28,3	2,1	1,2	3
Honduras	2,1	0,2	0,1	5,6	0,6	0,6	-30,9	-6,6	-7,6	3
Mexico	5,1	0,5	0,5	4,3	0,5	0,3	0,0	0,0	1,0	0
Nicaragua	5,2	0,5	-0,1	6,5	0,7	0,8	6,0	0,4	0,1	1
Panama	-6,3	-0,5	-0,6	-0,9	-0,1	-0,3	0,0	0,0	0,0	6
Paraguay	-1,3	-0,1	0,2	4,4	0,5	0,6	-24,2	-2,7	-3,8	5
Peru	-0,3	0,0	0,2	0,5	0,0	0,2	0,0	0,0	0,0	1
Uruguay	1,2	0,1	0,1	0,0	0,0	0,2	6,0	0,4	0,1	0
Venezuela	-29,1	-4,1	-3,6	-25,4	-4,1	-3,3	-94,0	-27,4	-26,3	9
Total	11	10	10	6	5	5	6	6	6	65

Sources and notes: The indices are the Index of Economic Freedom (Heritage Foundation), the Index of Economic Freedom (Fraser Institute), and the Kaopen Index (Chinn-Ito Index of Financial Liberalization). Trend reported by the slope coefficient of the linear trend regression equation. The data cover the following periods: Heritage = 1999-2017; Fraser = 2000-14; and Kaopen (Chinn-Ito) = 2000-15. Relative changes and trends are average rates of annual percentage changes. Absolute change is the average annual change of the economic or financial liberalization index and is presented in 100 basis points.



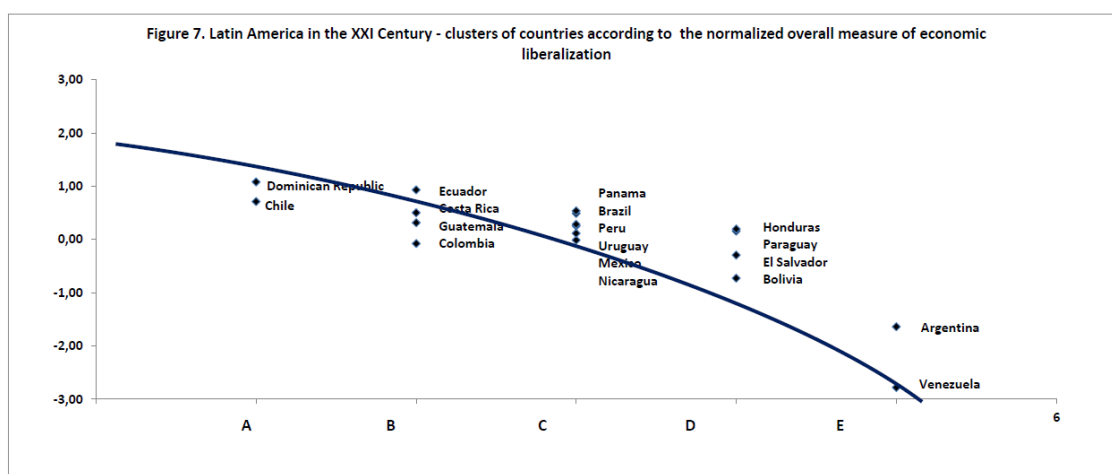
This evidence can be complemented with exercises of cluster analysis of the 9 observations.⁸ This technical procedure requires that the analyst make judgments about the fitness of the results. There is no doubt that it should be the subject of further research. These caveats notwithstanding, we decide to carry out the analysis with 5 clusters. The clusters are built up with the 9 measures, namely, absolute changes, relative changes and slope coefficients that are computed separately by indicator (Heritage, Fraser and Kaopen). The data are shown in the Annex (Table 1). Moreover, we calculated an overall measure of changes in levels of economic liberalization with the 9 observations for the 18 Latin American countries. This procedure was based on normalized variables computed on the basis of standardized Z-scores.⁹ The Z-score shows how many standard deviations any observation is below or above the population [mean](#). At this point it is worth remembering that the average indices of economic liberalization (Heritage's and Fraser's indices) of Latin America are quite close to the world averages. As regards the Kaopen (Chinn-Ito) index of financial liberalization, the average indices of Latin America are higher than the world average.

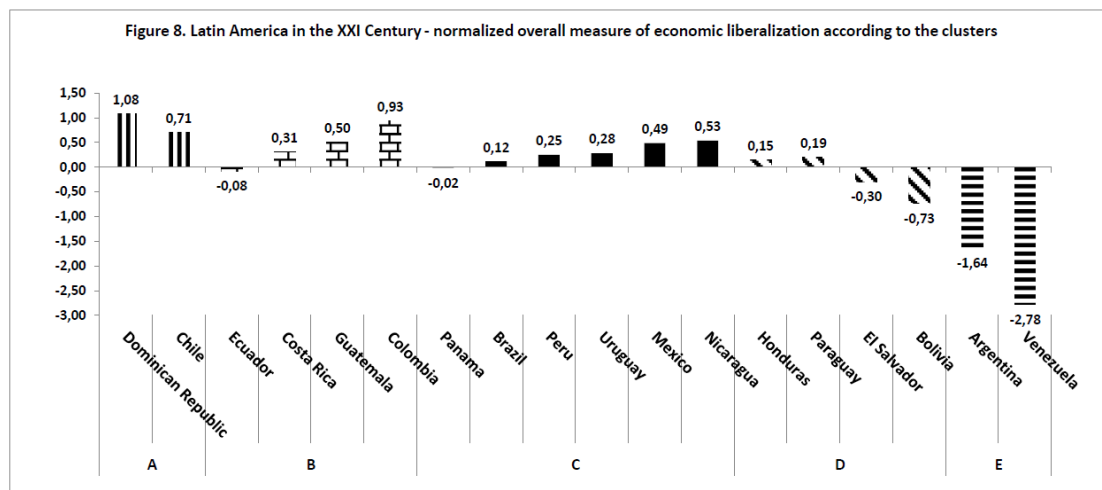
⁸ The exercise is based on the K-Means Cluster Analysis with a total number of 10 iterations.

⁹ The standardized variable (Z-score) is: $Z_j = (X - \bar{X}) / \sigma$, where X is the value of the observation, \bar{X} the average and σ the standard deviation.

The overall measure is computed as the simple arithmetic average of the Z-scores for each country in the region. In Figure 7 the clusters are represented in the vertical axis and the overall measure is in the horizontal axis. In Figure 8 we find the standardized overall measures of economic liberalization according to the clusters.

As shown in Figure 7, there are only 2 countries in Cluster E – Venezuela e Argentina – that show the lowest overall measures of changes in economic liberalization. In these countries the fall of economic liberalization is indisputable insofar as the 9 measures of changes were negative and, as a consequence, the overall measures of economic liberalization are negative (see Figure 8, bars with horizontal lines). It is worth noting that the overall (Z-score) measure of Venezuela is higher than 2 (2,78 standard deviations below the mean), that is, Venezuela can be considered an outlier. Indeed, these 2 Latin American countries have unequivocally moved towards anti-liberal economies since the beginning of the 21st century (the reference years are 1999 for Venezuela and 2003 for Argentina). No doubt, anti-liberalism has been a remarkable phenomenon in Argentina and, mainly, Venezuela from the beginning of the 21st century.





There is another cluster composed of countries that seem to have shifted away from Neoliberalism: Cluster D (bars with diagonal lines in Figure 8) includes Bolivia, El Salvador, Honduras and Paraguay. These countries also show negative changes (fall of economic liberalization) in all or in the majority of the observations, with the exception of Honduras that only presents negative changes in 3 out of 9 observations. As shown in Figure 8, the overall measures of Bolivia and El Salvador are negative whereas the overall measures of Honduras and Paraguay are positive. Therefore, it might be conclusively said that Bolivia and El Salvador have shifted away from Neoliberalism.

By contrast, the remotest cluster (Cluster A) consists of 2 countries (Dominican Republic and Chile) that have the highest overall measures of changes in economic liberalization (bars with vertical lines in Figure 8). In these countries all the 9 indices have positive signs (rise of economic liberalization), that is, there is unquestionable evidence of rising liberalization in the Dominican Republic and Chile. These countries have, surely, followed pro-neoliberal paths.

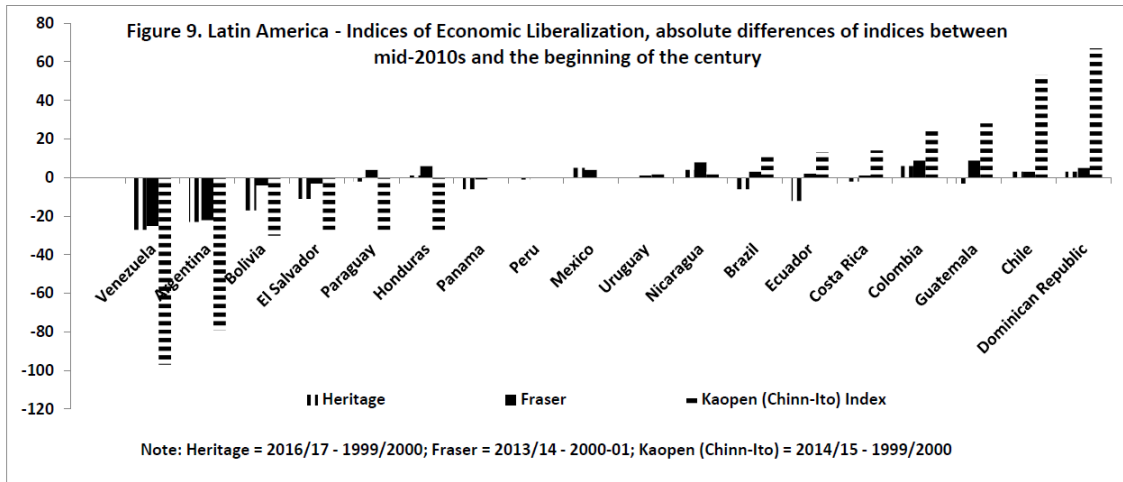
There is another cluster (Cluster B) that includes 4 countries that also have shown a pro-liberal orientation (bars with horizontal bricks in Figure 8). These countries are: Colombia, Costa Rica, Guatemala and Ecuador. In this group, Colombia seems to be the country with the highest liberal bias in their policies insofar as it is the single country whose all 9 measures had positive changes (increase in economic liberalization). In Costa Rica, Guatemala and Ecuador nearly one third of the measures has negative signs. Moreover, Ecuador is the single country in this cluster that has a negative overall measure.

It implies that Ecuador has, to some extent, moved away from neoliberal policies. However, the overall index (-0,08) does not seem to be significantly different from zero; that is, Ecuador seems to be in a neutral position as regards trends of economic liberalization.

The medial-position cluster (Cluster C) consists of Panama, Brazil, Peru, Uruguay, Mexico and Nicaragua (solid fill bars in Figure 8). The pro-liberal orientation in Peru, Uruguay, Mexico and Nicaragua is unquestionable insofar as all or nearly all measures show positive signs (increase of economic liberalization over time). The overall measures of these countries are in the range between 0,25 and 0,53. The situation of Panama is rather controversial given that the majority of measures (6) indicate a fall of economic liberalization. As regards Brazil, only 3 out of 9 measures present negative signs and the overall measure is positive (0,12). Consequently, it can be pointed out that the Brazilian economy has followed a pro-liberal path in the 21st century.

To sum up, as far as falls of economic liberalization are concerned, the empirical evidence indicates that only a minority of Latin American countries have shifted away from Neoliberalism in the 21st century. Indeed, two countries (Venezuela and Argentina) followed unequivocally anti-liberal paths. There are also two countries (Bolivia and El Salvador) that, to a lesser extent, have shifted away from Neoliberalism. Moreover, there are four other countries (Ecuador, Paraguay, Honduras and Panama) that have, to some extent, restrained Neoliberalism even though the last three have kept economic liberalization levels near the world average.

Indeed, these conclusions are further confirmed by the difference of indices between the final years and the initial years of our period of analysis. The absolute differences of indices between mid-2010s and the turn of the century are shown in Figure 9. The evidence is that only 4 countries (Venezuela, Argentina, Bolivia and El Salvador) have negative differences in the 3 measures used in this study. That is, only 4 Latin American countries have average indices of economic liberalization in the mid-2010s lower than in the turn of the century.



Indeed, just a minority of countries seems to have implemented policies that implied both standstill and rollback of Neoliberalism in Latin America. Once more, the post-neoliberal narratives find no support on the empirical evidence.

3 Conclusion

The present study is aimed at adding to the controversy brought about the Post-neoliberal narratives in Latin America. In this paper, emphasis has been laid on the actual trends of economic liberalization in Latin American countries, mostly in the 21st century. At issue is the extent to which actual economic changes have accompanied shifts in ideological narratives and political processes.

The empirical evidence is conclusive insofar as only a minority of countries actually experienced falling economic liberalization. These countries are Venezuela, Argentina, Bolivia and El Salvador.

In the zenith of the Washington Consensus in the late 1990s, economic liberalization in Latin America was, by and large, higher than the world average. Since the mid-2000s another relevant fact is that economic liberalization levels in Latin America (average and median) have converged to the world levels.

As regards financial liberalization, Latin American economies have had consistent and significantly higher indices than the world economy as a whole. There is clear trend of rising financial liberalization in 1995-2008, but the outbreak of the global financial crisis in 2008 represents a break in this trend. Trends and breaks apply to both the world economy and the Latin American economies.

By and large, unequivocal trends of falling economic and financial liberalization were experienced by a small number of Latin American countries (3 out of 18). These countries are Bolivia, El Salvador and Venezuela.

There is no doubt that in Venezuela anti-liberalism has unequivocally reduced economic liberalization to quite low levels. The situation of El Salvador is the opposite given that the country has kept, surely, high economic liberalization. Bolivia has low economic liberalization, but its financial openness is in the middle position by international standards.

Indeed, the basic fact is that only 4 countries (Venezuela, Argentina, Bolivia and El Salvador) have average indices of economic liberalization in the mid-2010s lower than in the turn of the century.

Of course, there are other countries (Ecuador, Paraguay, Honduras and Panama) that have, to some extent, restrained Neoliberalism. However, this fact does not contradict the conclusion that just a minority of countries seems to have experienced both standstill and rollback of Neoliberalism in Latin America. Therefore, the post-neoliberal narratives find no support on the empirical evidence.

Indeed, this conclusion is convergent with the impression given by the reading of the recent literature review (Ruckert, Macdonald and Proulx, 2017) and specific studies (Grugel and Ruggirozzi, 2012) on the subject. This conclusion is also convergent with the persistence of the neoliberal economic models adopted in the region in the last decades of the 20th century (Katz, 2015, p. 10; Peck, Theodore and Brenner, 2009, p. 111-112).

However, we disagree with the authors who believe that the notion of Post-neoliberalism remains useful. It is wise to be cautious in adopting such fallacy given that the movement of shifting away from Neoliberalism only applies to a handful of countries. Post-neoliberal narratives are fallacious and, therefore, they should be discarded as a perspective to understand the dynamics of economic, social, political and institutional processes in Latin America in the 21st century.

The partisan politics theory seems to have dubious value in explaining economic and social policies in Latin American countries.¹⁰ As a matter of fact, ethics and integrity in politics are rooted in societies and institutions. In Latin America, treacherous and

¹⁰In principle, left-wing and right-wing governments have different revealed preferences with respect to ideologies, strategies and policies. Therefore, it is conceivable to raise specific hypotheses about the impact of politics on economic performance. As regards OECD countries, the empirical studies are focused on the impact on economic growth and public finance and the evidence is non-conclusive; see, for instance, Osterloh (2012, p. 319) and Potrafke (2012, 156-158). As might be expected, the empirical results depend on the specification procedures in the models.

“walking-metamorphosis” leaders thrive on invertebrate societies, systemic corruption and footloose political parties.¹¹

In this regard, Brazil is a paradigmatic case with the Workers’ Party and the former presidents Luís Inácio Lula da Silva (2003-10) and Dilma Rousseff (2011-16). The Workers’ Party was an example of an institutionalized partisan Left that was detached from popular movements (Levitsky and Roberts, 2011, p. 13-14). The dominant leader of the Workers’ Party (Lula) was elected on the basis of a leftist platform in 2002. Since the beginning of his government, Lula has started to build up a populist machine which was controlled by himself and his acolytes. Lula was, surely, the dominant political personality in both the Party and the government and, unilaterally, chose his successor, the controversial bureaucrat Rousseff.

Lula’s government shifted away from the original leftist directives of the Workers’ Party and towards Social Liberalism (Ibid, p. 24). Moreover, during his presidency he declared bluntly: “I’ve never been a leftist”¹² and that “I’d rather be seen as a walking-metamorphosis”.¹³ Moreover, Lula’s government had close and obscure connections with the Brazilian plutocracy.¹⁴ After all is said and done, Lula has been involved in several criminal processes related to criminal organization, passive corruption, influence

¹¹As regards “walking-metamorphosis” leaders, it is possible to point out the cases of Lucio Gutiérrez (Peru), Álvaro Colom (Guatemala), Hipólito Mejía (Dominican Republic), Manuel Zelaya (Honduras) and Luís Inácio Lula da Silva (Brazil). It is worth noting that Alan García, who is honorary president of the International Socialist, in his second presidency (2006-11) adopted neoliberal policies in Peru.

¹²Interview in July 14th, 2006; see <http://noticias.terra.com.br/eleicoes2006/interna/0,,OI1070437-EI6652.00.html>. Access: January, 23rd, 2018.

¹³ Statement in December 5th, 2007; see g1.globo.com/Noticias/Economia_Negocios/0,,MUL205291-9356.00html. Access: March 4th, 2018.

¹⁴ These connections have been revealed by the *Operação Lava-Jato* (Car-Wash Operation) in which the major Brazilian construction firms have been charged with corruption in Brazil and abroad. More than 100 people had been convicted by January 2018; see <http://www.mpf.mp.br/para-o-cidadao/caso-lava-jato/atuacao-na-1a-instancia/atuacao-na-1a-instancia/parana/resultado>. Access: January, 23rd, 2018.

peddling and money laundering.¹⁵ He was duly sentenced to twelve years imprisonment in a single criminal process!¹⁶

While in government the Workers' Party shifted away from leftist directives, adopted social liberalism, carried out orthodox macroeconomic policies, kept unchanged economic liberalization, pushed forward crony capitalism, further fragmented the Left bloc, manipulated civil society organizations, promoted large-scale corruption and made unscrupulous alliances with the most conservative and corrupt local political chieftains. Is it Post-neoliberalism? How can we seriously argue that the Workers' Party governments fit into any post-neoliberal narratives?

Indeed, as far as Latin America is concerned, it is usual to find enormous gaps between, on the one hand, the programs of the political parties and the narratives of politicians and, on the other, the actual conduct and policies of governments. The fallacy of the post-neoliberal narratives can be explained, by and large, by the disconnection between words and actions that is rooted in Latin American social and political formation. Therefore, Post-neoliberalism is not only a fallacy but it is also a useless notion that must be rejected.

As regards the performance of the so-called post-neoliberal governments in Latin America, to make a long story short, it is worth citing the interruption of presidencies in Honduras (2009), Paraguay (2012) and Brazil (2016), the electoral defeats in Argentina (2015) and Chile (2017), and the systemic crisis in Venezuela since 2013. Frustration of voters, corruption, poor economic performance and bad governance are the reasons usually found to explain these political changes in Latin America.

Regardless of the success or failure of the so-called post-neoliberal governments, the notion of Post-neoliberalism must be rejected because, surely, it hides much more than it reveals about Latin America in the 21st century.

¹⁵ See <https://oglobo.globo.com/brasil/entenda-os-processos-sobre-lula-na-justica-22148229>. Access: January, 23rd, 2018.

¹⁶ See <http://www.bbc.com/news/world-latin-america-42810464>. Access: January 25th, 2018.

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Annex

Annex Table 1

Latin America - Evolution of economic liberalization according to indicator, number of countries

	Heritage			Fraser			Kaopen (Chinn-Ito)		
	Absolute changes	Relative changes	Trends	Absolute changes	Relative changes	Trends	Absolute changes	Relative changes	Trends
	2001-14	2000-17	1999-2017	2001-14	2001-14	2000-14	2000-15	2000-15	2000-15
Argentina	-20,2	-1,9	-2,4	-25,9	-3,1	-2,3	-81,9	-9,9	-6,3
Bolivia	-17,9	-1,8	-2,3	-6,3	-0,7	-0,4	-30,2	-3,2	-4,2
Brazil	-8,4	-0,8	-0,7	2,7	0,3	0,5	0,0	0,0	3,1
Chile	2,4	0,2	0,2	4,2	0,4	0,3	53,2	9,0	4,6
Colombia	4,4	0,4	0,7	9,2	1,1	1,4	24,9	5,7	6,9
Costa Rica	-2,4	-0,2	-0,1	0,5	0,0	0,2	28,3	2,1	1,9
Dominican Republic	4,8	0,4	0,4	5,6	0,6	0,9	63,8	11,5	15,4
Ecuador	-13,6	-1,4	-1,2	-0,2	0,0	0	22,3	2,4	1,5
El Salvador	-11,0	-0,9	-0,8	-3,0	-0,3	-0,4	-24,2	-1,9	-2,4
Guatemala	-3,2	-0,3	-0,2	9,3	0,9	0,7	28,3	2,1	1,2
Honduras	2,1	0,2	0,1	5,6	0,6	0,6	-30,9	-6,6	-7,6
Mexico	5,1	0,5	0,5	4,3	0,5	0,3	0,0	0,0	1
Nicaragua	5,2	0,5	-0,1	6,5	0,7	0,8	6,0	0,4	0,1
Panama	-6,3	-0,5	-0,6	-0,9	-0,1	-0,3	0,0	0,0	0
Paraguay	-1,3	-0,1	0,2	4,4	0,5	0,6	-24,2	-2,7	-3,8
Peru	-0,3	0,0	0,2	0,5	0,0	0,2	0,0	0,0	0
Uruguay	1,2	0,1	0,1	0	0,0	0,2	6,0	0,4	0,1
Venezuela	-29,1	-4,1	-3,6	-25,4	-4,1	-3,3	-94,0	-27,4	-26,3
Total	11	10	10	6	5	5	6	6	6

Sources and notes: Heritage Foundation, Index of Economic Freedom; Fraser Institute, Index of Economic Freedom; and Chinn and Ito (2008), Index of Financial Liberalization. The absolute changes are cumulative changes over time of indices that range between 0 and 100. Trends are the slope coefficients of the linear regression equations. Trends and relative changes are shown as average annual rates of percentage change.

Annex Table 2
Latin America – Index of Economic Liberalization – Heritage Foundation – linear trend equations: 1999-2017

	Slope coefficient	<i>p-value</i>	<i>R</i> ²	Annual average index		Group classification 2007-17
				1999-2000	2016-17	
Argentina	-0,024	0,000*	0,815	70	47	B
Bolivia	-0,023	0,000*	0,925	65	48	B
Brazil	-0,007	0,000*	0,688	61	55	M
Chile	0,002	0,002*	0,429	74	77	A
Colombia	0,007	0,002*	0,452	64	70	A
Costa Rica	-0,001	0,431	0,037	68	66	M
Dominican Republic	0,004	0,002*	0,433	59	62	M
Ecuador	-0,012	0,000*	0,736	61	49	B
El Salvador	-0,008	0,000*	0,922	76	65	A
Guatemala	-0,002	0,082	0,167	65	62	M
Honduras	0,001	0,362	0,049	57	58	M
Mexico	0,005	0,003*	0,421	59	64	M
Nicaragua	-0,001	0,700	0,009	55	59	M
Panama	-0,006	0,000*	0,573	72	66	M
Paraguay	0,002	0,329	0,056	64	62	M
Peru	0,002	0,368	0,048	69	68	A
Uruguay	0,001	0,408	0,041	69	69	A
Venezuela	-0,036	0,000*	0,931	57	30	B

Source and notes: Heritage Foundation. Index of Economic Freedom. The level of statistical significance is 0,05. Countries are classified into three groups according to the average index in 2007-17. The classification is based on the histograms with three groups of countries according to the average index: B = low; M = middle; and A = high. Histograms have the following ranges: Group B: z-score < -0,50; Group M: -0,50 ≤ z-score ≤ 0,50; and Group A: 0,50 < z-score.

Annex Table 3

Latin America – Index of Economic Liberalization – Fraser Institute – linear trend equations: 2000-14

	Slope coefficient	<i>p-value</i>	<i>R</i> ²	Annual average index		Group classification 2007-14
				2000-01	2013-14	
Argentina	-0,023	0,000*	0,847	71	49	B
Bolivia	-0,004	0,028*	0,319	68	64	B
Brazil	0,005	0,001*	0,578	60	63	B
Chile	0,003	0,020*	0,350	75	78	A
Colombia	0,014	0,000*	0,888	56	65	M
Costa Rica	0,002	0,122	0,174	74	75	A
Dominican Republic	0,009	0,015*	0,378	68	73	M
Ecuador	0,000	0,933	0,001	57	59	B
El Salvador	-0,004	0,002*	0,528	76	73	A
Guatemala	0,007	0,000*	0,651	66	75	A
Honduras	0,006	0,002*	0,537	66	72	M
Mexico	0,003	0,041*	0,284	64	68	M
Nicaragua	0,008	0,000*	0,760	66	74	A
Panama	-0,003	0,22*	0,341	75	74	A
Paraguay	0,006	0,000*	0,771	65	69	M
Peru	0,002	0,043*	0,278	73	73	A
Uruguay	0,002	0,024*	0,334	70	71	M
Venezuela	-0,033	0,000*	0,856	58	33	B

Source and notes: Fraser Institute. Index of Economic Freedom. The level of statistical significance is 0,05. Countries are classified into three groups according to the average index in 2007-17. The classification is based on the histograms with three groups of countries according to the average index: B = low; M = middle; and A = high. Histograms have the following ranges: Group B: z-score < -0,50; Group M: -0,50 ≤ z-score ≤ 0,50; and Group A: 0,50 < z-score.

Annex Table 4

Latin America – Index of Economic Liberalization – Kaopen (Chinn-Ito) Index – linear trend equations: 1999-2015

	Slope coefficient	<i>p-value</i>	<i>R</i> ²	Annual average index		Group classification 2007-15
				1999-2000	2014-15	
Argentina	-0,063	0,095	0,233	79	0	B
Bolivia	-0,042	0,000*	0,846	75	45	M
Brazil	0,031	0,181	0,116	17	29	M
Chile	0,046	0,089	0,181	17	70	M
Colombia	0,069	0,001*	0,550	17	41	M
Costa Rica	0,019	0,005*	0,424	72	86	A
Dominican Republic	0,154	0,000*	0,615	12	79	A
Ecuador	0,015	0,397	0,048	44	57	M
El Salvador	-0,024	0,000*	0,692	97	70	M
Guatemala	0,012	0,020*	0,312	72	100	A
Honduras	-0,076	0,000*	0,589	44	17	B
Mexico	0,010	0,188	0,113	70	70	M
Nicaragua	0,001	0,104	0,167	97	100	A
Panama	0,000	-	-	100	100	A
Paraguay	-0,038	0,000*	0,759	72	45	M
Peru	0,000	-	-	100	100	A
Uruguay	0,001	0,104	0,167	97	100	A
Venezuela	-0,263	0,000*	0,912	97	0	B

Source and notes: Chinn and Ito (2008), Index of Financial Liberalization. The level of statistical significance is 0,05. Countries are classified into three groups according to the average index in 2007-17. The classification is based on the histograms with three groups of countries according to the average index: B = low; M = middle; and A = high. Histograms have the following ranges: Group B: z-score < -0,50; Group M: -0,50 ≤ z-score ≤ 0,50; and Group A: 0,50 < z-score.