

ABSTRACT

**The Eastern Caribbean Central Bank:
An Historical Analysis of the Development of
A Sub-Regional Monetary Institution**

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This study is an examination and assessment of the operations of the Western Hemisphere's only multi-state Central Bank, with special emphasis on the development of the Bank's monetary arrangements.

The analysis begins in 1950 with the establishment of a regional monetary authority, the British Caribbean Currency Board, by the colonial administrators and concludes with a look at the Eastern Caribbean Central Bank as a multi-state Central Bank shouldered with wide responsibilities for the economic development of its member countries.

The study is divided into six chapters. Chapter I covers the establishment of the British Caribbean Currency Board which is examined in the context of its operation during the colonial era. Chapters II

and III deal with the East Caribbean Currency Authority and its role as successor to the British Caribbean Currency Board. It is assessed in two phases. Chapter IV deals with the establishment of the Eastern Caribbean Central Bank, its powers, functions and developmental role within the Organisation of Eastern Caribbean States region. Chapter V makes a comparative analysis between the Eastern Caribbean Central Bank and the two monetary unions in West and Central Africa. Chapter VI is the conclusion which summarises my findings and evaluates the contribution of the Bank.

The entire analysis is considered against the background that the distribution of political control over the Eastern Caribbean Central Bank among the seven member states of the Organisation of Eastern Caribbean States produces a system of checks and balances on the process of creating money. No individual government possesses the licence to monetize its deficits through the Central Bank and all participating territories are forced to conduct prudent financial and fiscal policies within the constraints of their national incomes and any available foreign loans and grants which they may negotiate.