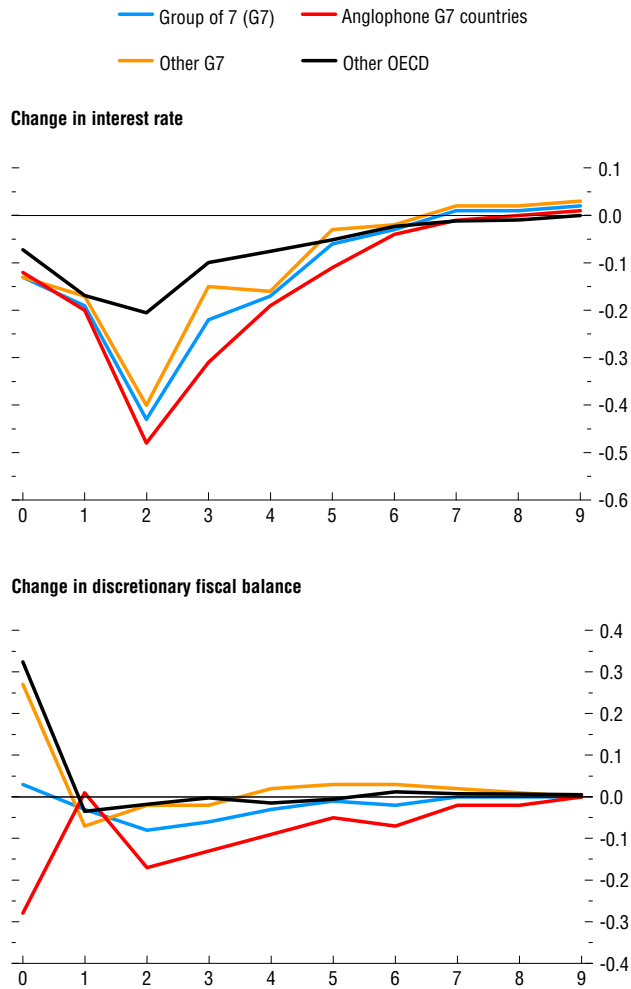


Figure 5.3. How Have Fiscal Policy Responses Varied across Advanced Economies?

(Percentage point deviation; quarters on x-axis; shock occurs in period zero)

Following an unexpected 1 percentage point fall in growth below potential, Anglophone countries have provided both monetary and fiscal stimulus; the rest of the Organization for Economic Cooperation and Development (OECD) countries have provided a weaker monetary response and procyclical discretionary fiscal tightening. The figure displays policy responses for the late sample (1992:Q1–2007:Q4).



Source: IMF staff calculations.