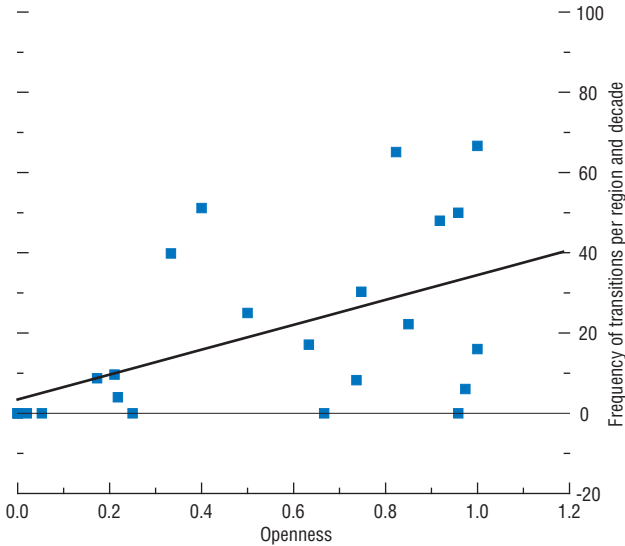


Figure 3.7. Openness and Economic Transitions¹

Economic transitions take place more often in open economies.



Sources: Gwartney and Lawson (2004); Wacziarg and Welch (2003); and IMF staff calculations.
¹Frequency of transitions is calculated as the ratio of the number of regional transitions and the regional sample size, converted into percent. In the figure, each point corresponds to the frequency of transitions and the average openness in a region over a decade from 1970–2004.