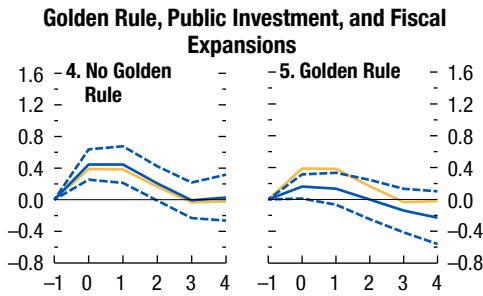
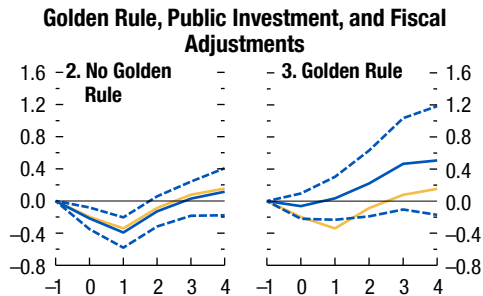
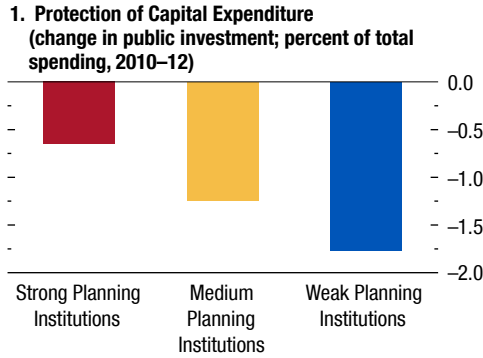


Figure 3.5.1. Fiscal Policies and Public Investment



Source: IMF staff calculations.
 Note: Panel 1 presents averages of scores on four dimensions: clear and transparent medium-term fiscal objectives, medium-term budget frameworks, performance orientation of the budget, and intergovernmental fiscal arrangements. Countries are categorized into one of three groups (strong, medium, weak) based on their average score in each of these four subgroups. Countries that scored in the top third overall are categorized as “strong,” those in the middle third “medium,” and those in the bottom third “weak.” See IMF 2014. For panels 2 through 5, $t = 0$ is the year of the shock, dashed lines denote 90 percent confidence bands, and solid yellow lines represent the baseline result. See note 2 in the text for a list of countries that had or currently have a golden rule.