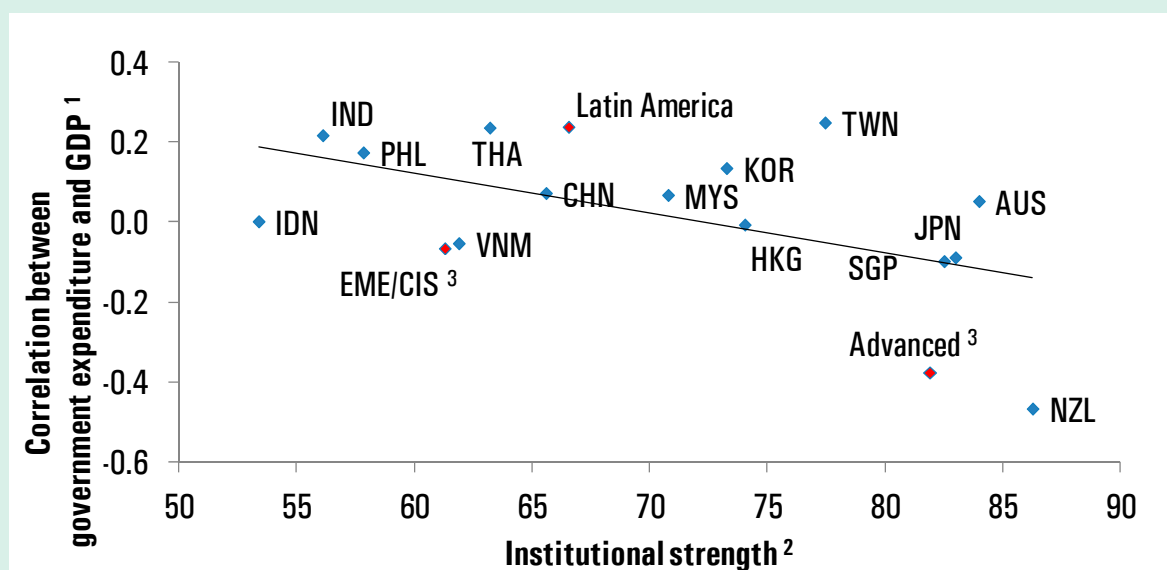


Figure 2.3. Procyclicality and Institutional Strength (1980–2011)



Sources: IMF, World Economic Outlook; International Country Risk Guide; and IMF staff estimates.

¹ Correlations between the cyclical components of real government expenditure per capita and real GDP per capita. A positive (negative) correlation indicates procyclical (countercyclical) fiscal policy.

² Index ranging between 0 and 100, with a higher score indicating higher political stability, better bureaucracy quality, fewer conflicts and less corruption.

³ Advanced economies excluding Asia. EME/CIS stands for Emerging Europe and Commonwealth of Independent States.