Procyclical fiscal policies ultimately lead to greater average deficits, suggesting a deficit bias.

Figure 2.24. Procyclicality and Deficit Bias, 1975–2003\(^1\)
(Percent of GDP)

Sources: OECD analytical database; and IMF staff calculations.
\(^1\)Evidence based on the euro area countries (excluding Luxembourg), Australia, Denmark, Sweden, the United Kingdom, and the United States.
\(^2\)Ratio between the frequency of procyclical episodes and the frequency of countercyclical episodes.