Figure 4.6. Why Have Emerging Market and Developing Economies Become More Resilient? (Percent)

The longer expansions and shorter recoveries observed in these economies during the past two decades are a manifestation of two underlying changes: higher steady-state growth and less variability in growth.

Source: IMF staff calculations.

Note: Economy groups are defined in Table 4.3 of Appendix 4.1. AE = advanced economy; EM = emerging market economy; EMDE = emerging market and developing economy; LIC = low-income country. Growth in output per capita is modeled as an AR(1) process, and the model is estimated for all countries over three subperiods—1950–69, 1970–89, and 1990–2007. See Appendix 4.2 for further details. The results are nearly identical for 1990–2011 and 1990–2007.