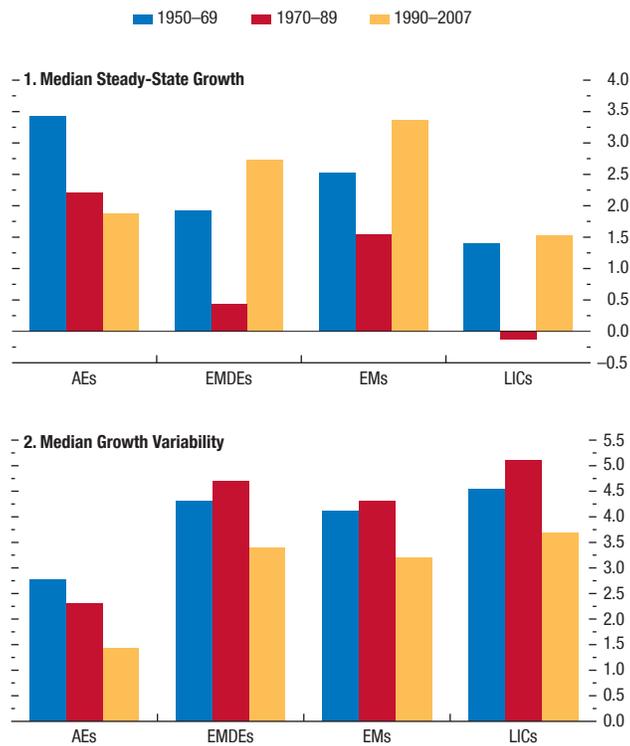


Figure 4.6. Why Have Emerging Market and Developing Economies Become More Resilient?
(Percent)

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.