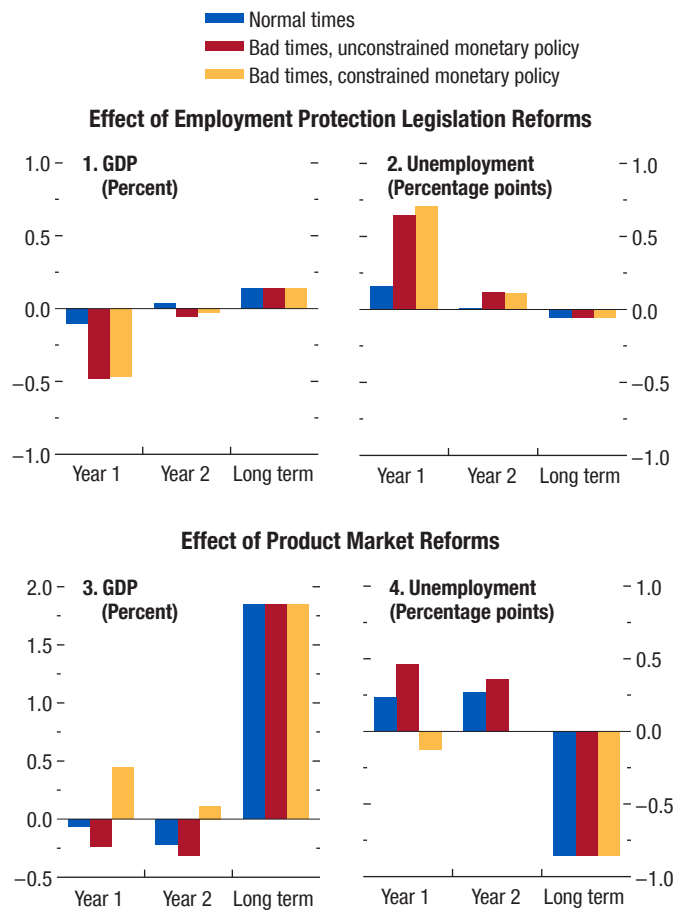


Figure 3.4. Selected Model Results

Employment protection legislation and product market reforms raise output over the long term, but they pay off only gradually and can entail short-term costs, particularly in bad times. Constraints on monetary policy do not weaken the simulated effects.



Source: IMF staff estimates.
 Note: "Long term" refers to the steady state.