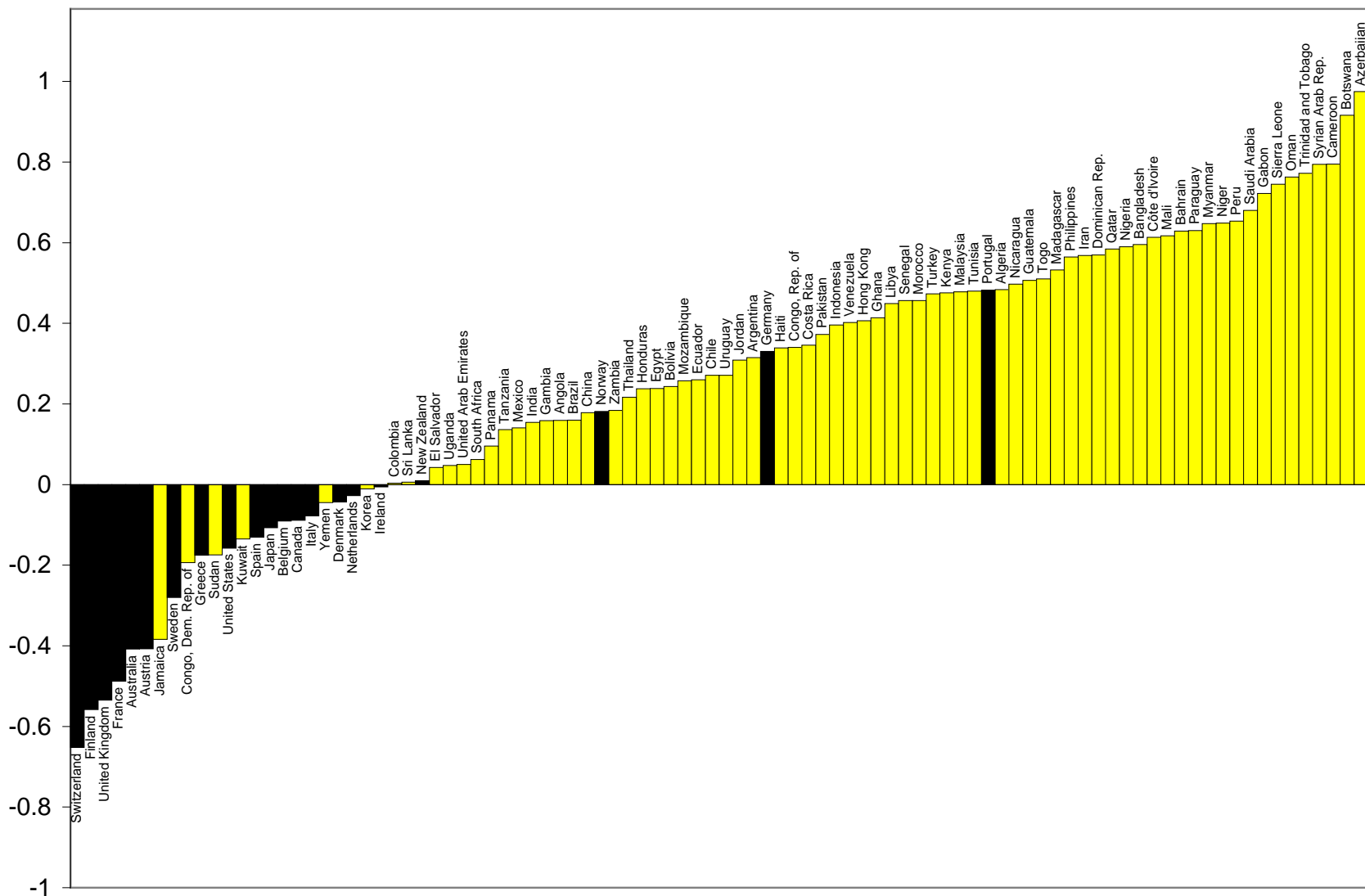


Figure I. Country correlations between the cyclical components of the real government expenditure and real GDP, 1960-1999



Notes: Dark bars are OECD countries and light ones are non-OECD countries. The cyclical components have been estimated using the Hodrick-Prescott Filter. A positive (negative) correlation indicates procyclical (countercyclical) fiscal policy. Real government expenditure is defined as central government expenditure and net lending deflated by the GDP deflator.

Source: World Economic Outlook and International Financial Statistics (IMF).