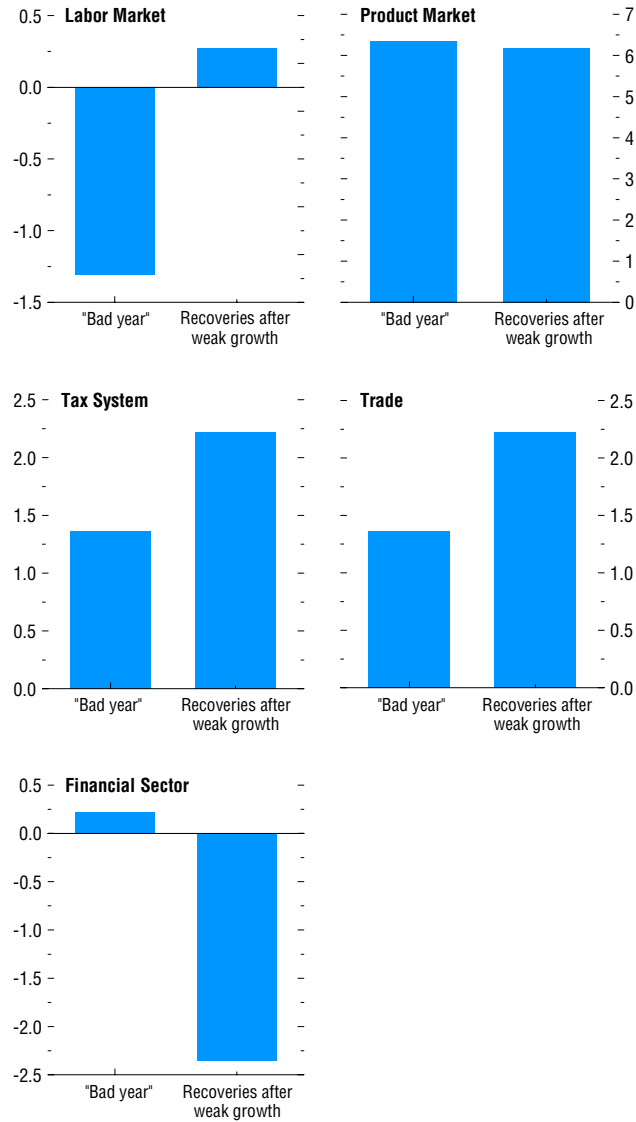


Figure 3.6. More Reforms in Bad Times?

(Average reforms in bad times minus reforms in good times multiplied by 1,000 on y-axis; x-axis as stated; 1982–98)¹

Bad years (GDP growth below 1 percent) are often conducive to reforms, except for labor reforms, as are recoveries after periods of prolonged weakness in growth (more than one bad year in the previous three years).



Source: IMF staff calculations.

¹Good times denote years for which real GDP growth was above 1 percent.