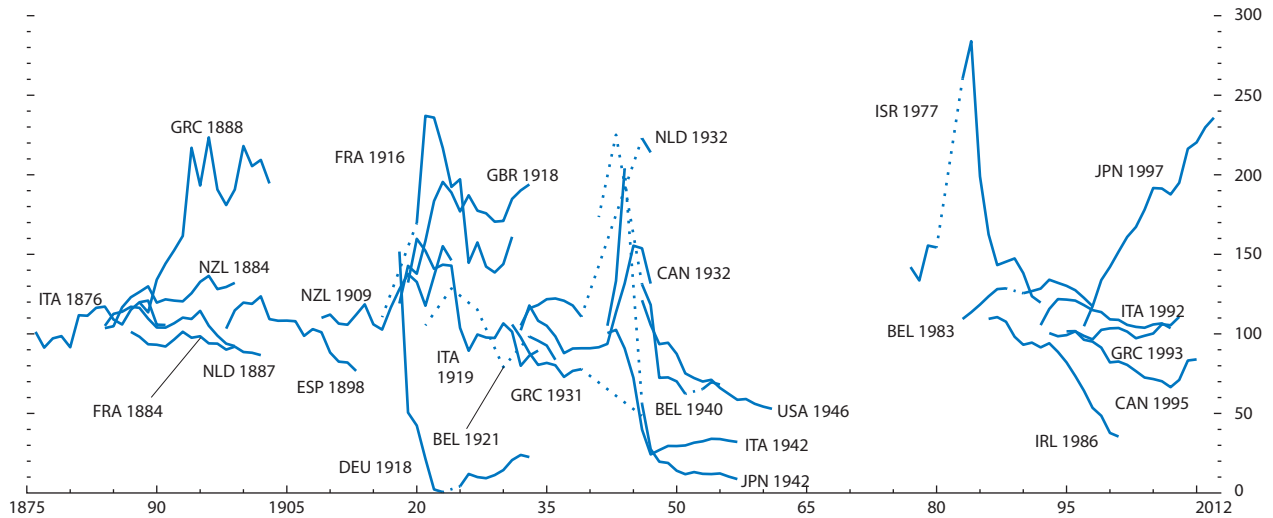


Figure 3.2. Debt-to-GDP Dynamics after Public Debt Reaches 100 Percent of GDP
(Percent of GDP, advanced economies)

Increases in public debt to above 100 percent are reasonably frequent, with very diverse dynamics of the debt-to-GDP ratios. These episodes are clustered around four major eras: the last quarter of the 19th century, the periods following the two world wars, and the last quarter of the 20th century.



Sources: Abbas and others (2010); and IMF staff calculations.

Note: BEL = Belgium; CAN = Canada; DEU = Germany; ESP = Spain; FRA = France; GBR = United Kingdom; GRC = Greece; IRL = Ireland; ISR = Israel; ITA = Italy; JPN = Japan; NLD = Netherlands; NZL = New Zealand; USA = United States. We consider all historical episodes when gross public debt rose above 100 percent of GDP and trace the evolution of the debt-to-GDP ratios for the subsequent 15 years. Where data are missing, dotted lines represent linear interpolations between available