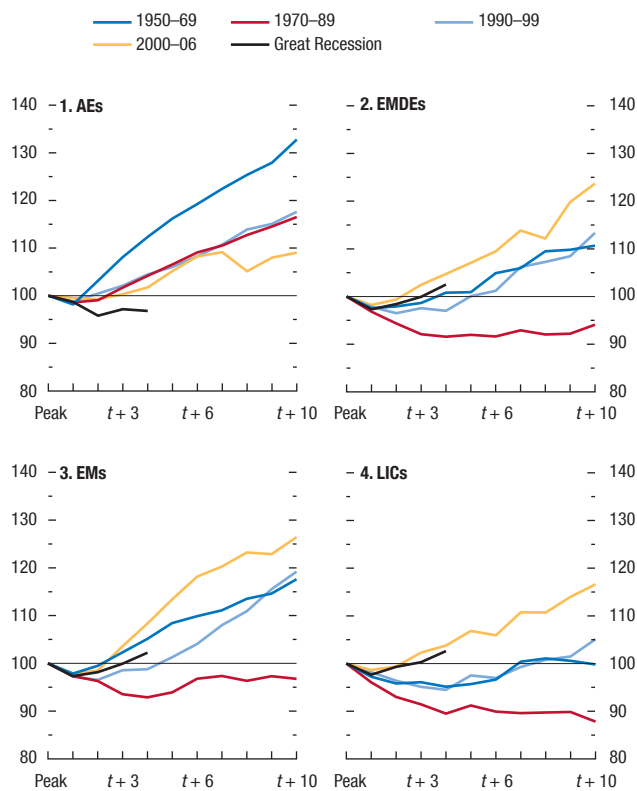


Figure 4.3. Dynamics of Output per Capita following Peaks
(Median output per capita; peak = 100; years on x-axis)

The 1950s and 1960s were good decades for emerging market economies—less so for low-income countries. But the 1970s and 1980s were cruel to both—median output per capita remained below predownturn levels 10 years after the peak. The 1990s saw shallower downturns and faster recoveries in emerging market economies, while the improvement in low-income countries was most evident during 2000–06. Both groups did comparatively well during the Great Recession.



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. Peaks in output per capita are identified using the Harding-Pagan algorithm (Harding and Pagan, 2002). Output per capita at the peak (t) is normalized to 100, and the median output per capita is plotted in years ($t + 1$) through ($t + 10$) for each group.