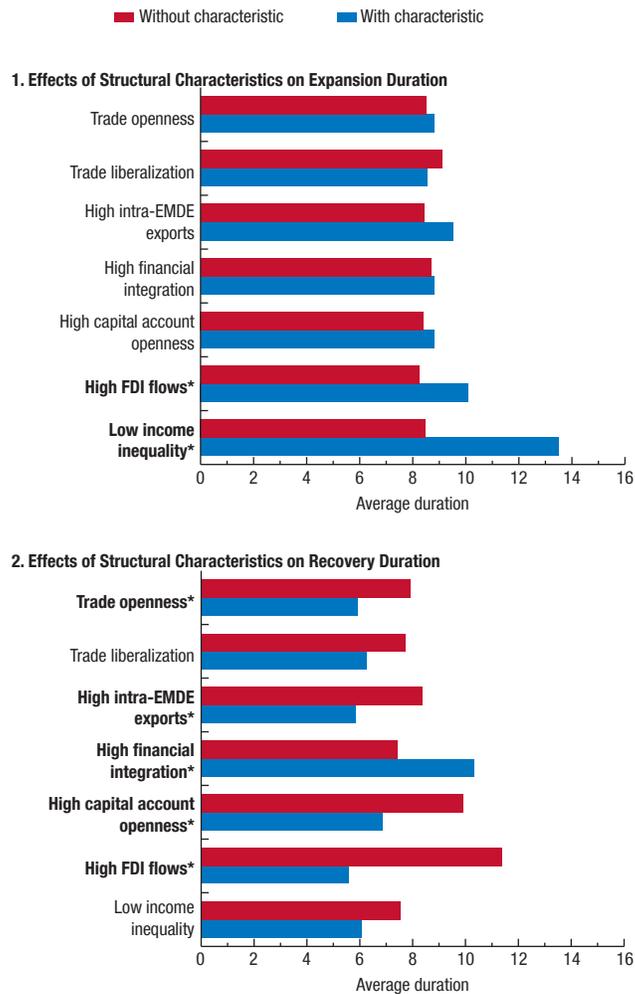


Figure 4.9. Emerging Market and Developing Economies: Effects of Structural Characteristics on Expansion Duration and Speed of Recovery (Years)

It is more difficult to tease out the effects of economies' structural characteristics—such as trade patterns, composition of capital flows, and the degree of financial integration—on resilience. Among these characteristics, only FDI flows and low income inequality were significantly associated with longer expansion. The effects of structural factors on the speed of recovery are more distinct: greater trade openness and diversification, lower financial integration, higher capital account openness, and higher FDI are all significantly associated with faster recoveries. Income inequality does not have a significant effect on the speed of recovery.



Source: IMF staff calculations.
 Note: EMDE = emerging market and developing economy; FDI = foreign direct investment. The bars show the average duration of expansions and recoveries in the absence or presence of the given characteristic. The average duration is used as a summary measure of the underlying duration distribution conditional on the characteristic. Statistically significant differences at the 10 percent level between the underlying distributions are denoted by starred and bolded labels.