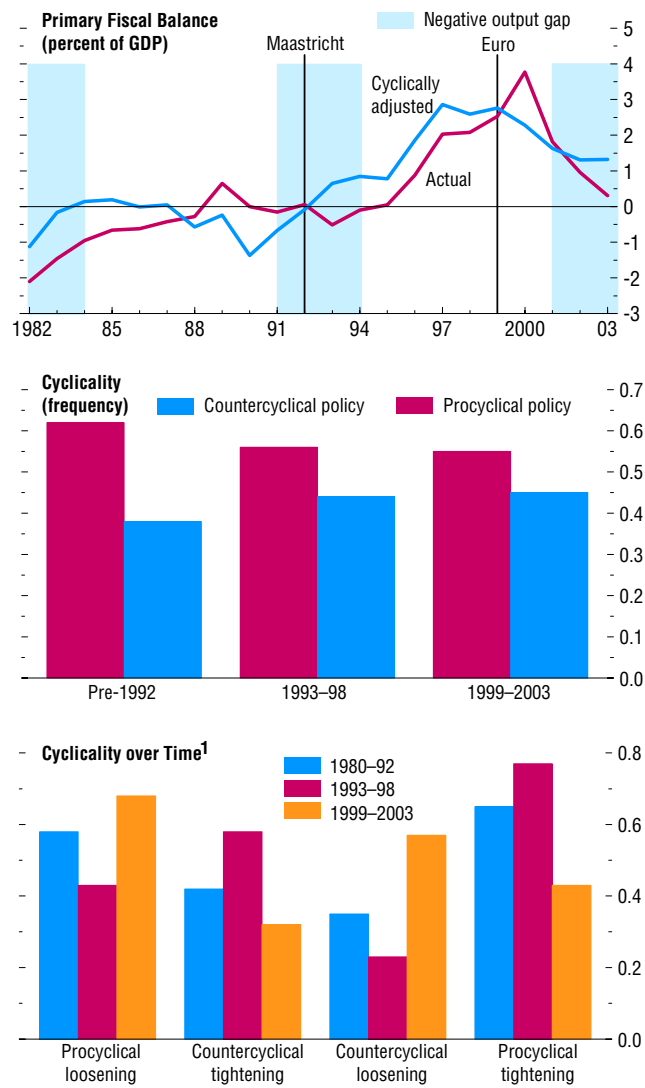


**Figure 2.23. Fiscal Stance in the Euro Area, 1982–2003**

While procyclicality remained a prominent feature of fiscal policy in the euro area, it has become tilted toward loosening under European Monetary Union. The same is true for countercyclical impulses.



Sources: OECD analytical database; and IMF staff calculations.

<sup>1</sup>Frequency adjusted for the occurrence of good versus bad times (defined as growth above or below potential, respectively).