# Online Annex. Country Specific Variables

This annex graphically presents the five sets of variables that we use in the paper for all 27 sample countries during 1980–2022 or whenever the series starts: (1) the output gap, (2) cyclical government spending, (3) the cyclically-adjusted primary balance, (4) the debt-to-GDP ratio, and (5) effective interest rate differential vis-à-vis Germany.

Figure A1 Output Gap in Percent of Potential GDP (Continued)

Source: Authors’ calculations, and IMF World Economic Outlook Database (April 2024). The blue line represents output gap calculated by the authors using the HP filter and the dotted red line reports the output gap from the World Economic Outlook Database (April 2024).

Figure A1 Output Gap in Percent of Potential GDP (Continued)

Source: Authors’ calculations, and IMF World Economic Outlook Database (April 2024). The blue line represents output gap calculated by the authors using the HP filter and the dotted red line reports the output gap from the World Economic Outlook Database (April 2024).

Figure A1 Output Gap in Percent of Potential GDP (Concluded)

Source: Authors’ calculations, and IMF World Economic Outlook Database (April 2024). The blue line represents output gap calculated by the authors using the HP filter and the dotted red line reports the output gap from the World Economic Outlook Database (April 2024).

Figure A2 Cyclical Component of Real Government Spending in percent of GDP (Continued)

Source: Authors’ calculations.

Figure A2 Cyclical Component of Real Government Spending in percent of GDP (Continued)

Source: Authors’ calculations.

Figure A2 Cyclical Component of Real Government Spending in percent of GDP (Concluded)

Source: Authors’ calculations.

Figure A3 Cyclically-Adjusted Primary Balance in Percent of Potential GDP (Continued)

Source: Authors’ calculations, and IMF World Economic Outlook Database (April 2024). The blue line represents estimates based on authors’ calculation of the output gap and the dashed red line represents the estimates from the WEO Database (April 2024).

Figure A3 Cyclically-Adjusted Primary Balance in Percent of Potential GDP (Continued)

Source: Authors’ calculations, and IMF World Economic Outlook Database (April 2024). The blue line represents estimates based on authors’ calculation of the output gap and the dashed red line represents the estimates from the WEO Database (April 2024).

\* WEO does not publish the cyclically-adjusted primary balance for Norway.

Figure A3 Cyclically-Adjusted Primary Balance in Percent of Potential GDP (Concluded)

Source: Authors’ calculations, and IMF World Economic Outlook Database (April 2024). The blue line represents estimates based on authors’ calculation of the output gap and the dashed red line represents the estimates from the WEO Database (April 2024).

Figure A4 Debt-to-GDP Ratio in Percent (Continued)

Source: IMF Global Debt Database (April 2024).

Figure A4 Debt-to-GDP Ratio in Percent (Continued)

Source: IMF Global Debt Database (April 2024).

Figure A4 Debt-to-GDP Ratio in Percent (Concluded)

Source: IMF Global Debt Database (April 2024).

Figure A5 Effective Interest Rate Differential vis-à-vis Germany In Percent (Continued)

Source: Authors’ calculations. The blue line is the ex-post effective real interest rate; the dashed red line is the rate of growth of real GDP; and the green dashed line measures the difference between the domestic effective interest rate and the effective interest rate of Germany.

Figure A5 Effective Interest Rate Differential vis-à-vis Germany In Percent (Continued)

Source: Authors’ calculations. The blue line is the ex-post effective real interest rate; the dashed red line is the rate of growth of real GDP; and the green dashed line measures the difference between the domestic effective interest rate and the effective interest rate of Germany.

Figure A5 Effective Interest Rate Differential vis-à-vis Germany In Percent (Concluded)

Source: Authors’ calculations. The blue line is the ex-post effective real interest rate; the dashed red line is the rate of growth of real GDP; and the green dashed line measures the difference between the domestic effective interest rate and the effective interest rate of Germany.