

# Fiscal Policy and Economic Growth: Lessons for Eastern Europe and Central Asia

## Corrections

### Chapter 2

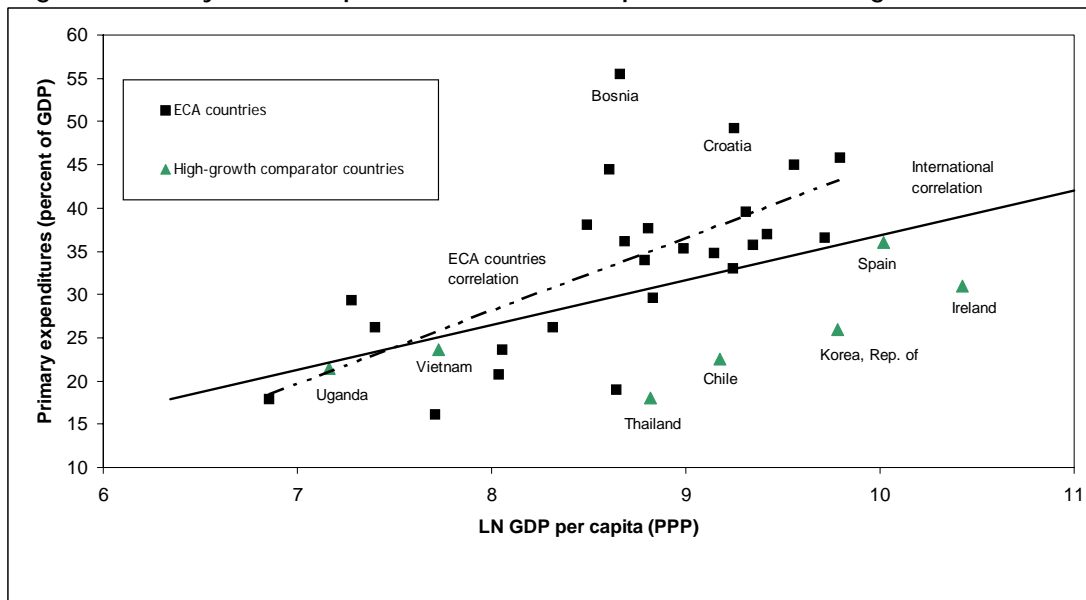
Page 37: First full paragraph should read as follows:

“Primary spending as a share of GDP is positively correlated with per capita GDP (in purchasing power parity [PPP]) for ECA countries (figure 2.9), as is the general pattern worldwide. However, most ECA subregions (EU-8, SEE, and middle-income CIS countries) lie above the international trend line, and only the low-income CIS countries lie below it. Clearly, the ECA sample group is diverse, with Bosnia and Croatia being particular outliers. The high-growth comparator countries, irrespective of per capita income levels, are all below—in some cases well below—the international norm for government size. Croatia and Thailand are two interesting cases, with primary expenditures almost three times higher in Croatia (a difference of over 30 percent of GDP) despite the two countries being at relatively similar levels of per capita income.”

Page 38: Croatia is mislabeled in Figure 2.9. See corrected figure below:

FIGURE 2.9

Regional Primary Public Expenditures and Per Capita Incomes, Average 2000-2004



Sources: WDI, WEO, and ECA fiscal database

Note: The solid regression line is for a sample of 48 countries (not shown) and does not include the high-growth comparators or ECA countries (shown), with R2 of 0.42. The dashed regression line is for ECA countries only, with an R2 of 0.39, based on the 2000-2004 average for 26 ECA countries.

## **Chapter 5**

Page 176: The reference to Ross and Levacic (1999) should instead be to Levacic and Downes (2004).

## **Chapter 6**

Page 214: Last sentence of the second paragraph should read “These issues of tax policy are discussed further in chapters 8 and 9.”

## **Chapter 8**

Page 267: The title of Table 8.6 should be “Slovak Personal Income Tax Rates and Income Brackets Before and After Reform, 2003 and 2004”.