

Criteria for Country Assessments

1. Risk Exposure at the Outset of the Crisis	
1.1 Economic structure and macroeconomy	<ul style="list-style-type: none"> • What was the structure of demand (e.g., share of private/state consumption, gross capital formation, exports and imports in GDP/GNI)? • To what extent was the economy exposed to macroeconomic imbalances (e.g., foreign debt, trade or fiscal imbalances)? • Was/is the financial system primarily bank- or market-based?
1.2 Policy priorities prior to crisis	<ul style="list-style-type: none"> • What was the government's economic record (e.g., growth, unemployment rate, inflation and fiscal position) prior to the crisis? • What was on the economic agenda prior to September 2008 (e.g., anti-inflation, efficiency-oriented, redistributive, supply vs. demand-side policies)?
1.3 Executive, fiscal & monetary capacities to respond to downturn	<ul style="list-style-type: none"> • How stable was the executive branch in the years/months prior to September 2008 (e.g., credibility/legitimacy of leaders/parties in government, cabinet stability/reshuffles, parliamentary/electoral support)? • How much room did fiscal conditions provide for a major stimulus (e.g., budget surpluses/deficits, conditions for issuing additional treasury bonds)? • How much room was there for monetary policy initiatives (e.g., pre-crisis level of interest rates, required reserve ratios, flexibility of foreign exchange rate regime)?
1.4 Exposure to specific market and trade risks	<ul style="list-style-type: none"> • To what extent has the country been exposed to global financial market risks, particularly contagious/toxic financial instruments (e.g., open capital account, floating or pegged/fixed currency)? • How important was/is the financial sector for the national economy? What was/is the extent of interdependence between the financial sector and real economy? • To what extent was the economy integrated into regional/global trade flows? How dependent was the economy on foreign demand for manufactures and commodities? • Did property, equity or other markets display excessive growth and a bubble-like situation prior to September 2008? • In what condition was the banking sector (e.g., size/structure of banking sector, non-performing loans, capital adequacy ratios of major banks, if available)?
1.5 Structural or policy advantages and disadvantages	<ul style="list-style-type: none"> • Did policymakers/executive agencies have any experience in handling financial crises? Did this experience play a role in the 2008–2009 policy response? • Were there independent regulatory institutions or prevention/response schemes in place to contain financial risks? • Were there internal veto players (e.g., federalist powers, courts) or international obligations that thwarted swift action on the part of the government? • Have executive powers been extended in times of crisis? Has this been based on formal or informal mechanisms?
1.6 Initial impact of economic downturn	<ul style="list-style-type: none"> • How strongly has the national economy been hit during the period under review? Where has it been hit most severely thus far (e.g., growth rate, production, trade, employment)?
2. Agenda-Setting and Policy Formulation	
2.1 Agility and credibility	<ul style="list-style-type: none"> • When did state organs (e.g., government, central bank) begin setting a crisis response agenda? How long did it take to adopt the first crisis measures? • Who were the driving forces (e.g., government, central bank, foreign actors, media, trade unions, employers' associations) in getting stabilization/stimulus policies started? • Were these measures launched as executive orders or parliamentary laws? How closely did constitutional bodies (e.g., executive, legislative, central bank) cooperate? • What kind of role did sectoral or regional lobbies play in policy formulation?
2.2 Consultation with external experts and openness to international collaboration	<ul style="list-style-type: none"> • Did policymakers actively consult domestic and/or foreign experts outside of government? • Did the government actively seek collaboration with other governments or international organizations? • Did the government participate in multilaterally coordinated rescue efforts? • Was the government curtailed in its response through IMF support programs?
3. Policy Content	
3.1 Scope of stabilization and stimulus policies	<ul style="list-style-type: none"> • How large is the stimulus package as expressed as a percentage of GDP (including compensations to those hit particularly hard by the crisis through social/labor policies)? • The stimulus is spread over a period of how many years?
3.2 Targeting and coverage of policy tools	<ul style="list-style-type: none"> • How is stimulus spending distributed across sectors? How and to what extent is the financial sector supported (e.g., through loans, guarantees, capital injections)? • Which industrial and structural policies (e.g. corporate tax cuts, subsidies, company bail-outs) can be observed? • What kinds of measures target the expansion of public spending on infrastructure? Which ones are designed to sustain business and consumer spending? • Are policies in support of businesses adequately targeted and delineated (e.g., at creating employment, supporting competitive firms)?

3.3 Development as an objective of stimulus policies	<ul style="list-style-type: none"> • Are stimulus measures influenced/limited by pre-crisis development strategies (e.g., industrial policies) or have novel/additional (e.g., environmental) policy objectives been inserted? • Is the response to the crisis grounded in a broader developmental perspective (i.e., crisis as development opportunity) or predominantly short-term political constituency logic? • Do stimulus policies address prevailing structural deficits and future growth potential?
3.4 National bias and protectionism	<ul style="list-style-type: none"> • Has the stimulus included “buy national” clauses? Have import-restricting mechanisms been newly established or re-established? • Has the country’s executive/central bank manipulated the exchange rate or intervened in the foreign exchange market (if so, in which direction)? • Have there been measures to prop up export industries (e.g., tax rebates, direct export subsidies)?
3.5 Social protection	<ul style="list-style-type: none"> • Which labor market policies have been enacted (e.g., unemployment benefits, rise in public-sector employment)? • Which social policies have been included (e.g., expansion of support, additional investment in health and education system)? • Which measures have been taken to support purchasing power (e.g., consumer checks, tax cuts, cash transfers)?
4. Implementation	
4.1 Political communication	<ul style="list-style-type: none"> • Does the government actively communicate and justify the rationale/goals of its stimulus policies to the public? • Over time, how has the public responded to the government’s management of the crisis (e.g., consumption/investment trends, public opinion polls)?
4.2 Modes and time frame of implementation	<ul style="list-style-type: none"> • How large has the time lag been between adoption and implementation of selected major stimulus components? • What are the reasons for delay in implementation (e.g., legal barriers, insufficient capacities, corruption)? • Have sectoral or regional interest groups influenced the workings of policy implementation in any way?
4.3 International or regional cooperation	<ul style="list-style-type: none"> • Beyond emergency stand-by programs with the IMF, has the government collaborated with other governments or international organizations in implementing its response to the crisis?
5. Funding, Tax and Monetary Policies	
5.1 Tax policies in support of stimulus/stabilization	<ul style="list-style-type: none"> • Has the government initiated tax reductions/incentive schemes? • Have these been aimed at the private and/or the corporate, domestic and/or the foreign sectors?
5.2 Monetary and currency policies in support of stimulus/stabilization	<ul style="list-style-type: none"> • What kind of policies did the central bank contribute to the national crisis response? Which unconventional measures were used to fight the crisis? • If an independent national monetary policy is not feasible, were there substituting measures in the country’s exchange rate policy?
5.3 Credibility of funding mechanisms	<ul style="list-style-type: none"> • Relative to conditions at the outset of the crisis, does stimulus funding have a solid foundation in monetary policy or in bond/credit markets? • Is the program part of the normal budget/integrated into the budgetary cycle, or is it financed primarily from sources outside of the formal budget? • Is there cross-level burden-sharing between center and regions (e.g., debt issuance, fund transfers)? • Is financial aid given to banks/companies/households in a discretionary way or based on well-defined formulas (e.g., conditionalities)? • Did the government make credible commitments to terminate its expansionary fiscal and monetary policies under (what kind of) post-crisis conditions?
6. Feedback and Lesson-Drawing	
6.1 Policy feedback and adaptation	<ul style="list-style-type: none"> • Have there been revisions or additions to the original policy packages or a sequence of distinct stimulus policies in response to unexpected new developments?
6.2 Institutional restructuring	<ul style="list-style-type: none"> • Has major institutional reorganization/capacity-building been undertaken in financial supervision? • Do we find new institutions that were not in place prior to the crisis (e.g., bad banks)?
7. Tentative Economic Impact	
7.1 Economic and political effectiveness of the crisis response	<ul style="list-style-type: none"> • What do major economic performance indicators tell us about the short-term effectiveness of the crisis response (e.g., growth rate, unemployment rate, industrial output, private consumption, consumer/producer confidence, inflation, exports, bank balance sheets, credit squeezes)? • How has the political logic of crisis management (i.e., crisis as an opportunity to broaden political support) worked out for the major decision-makers so far? How has the reputation of major government leaders at the center of the crisis response evolved (e.g., based on polls, election results, backing within their political party)?
7.2 Structural distortions	<ul style="list-style-type: none"> • Is there early evidence that the structure of the economy will change (e.g., greater role of the state, changes in sectoral shares in GDP)? • Could old structural imbalances be aggravated? Can we already identify new structural imbalances? Have previously existing imbalances been tackled?