A Comparative Analysis of Fiscal Stimulus Effectiveness in Developed versus Emerging Economies: A Multi-Faceted Evaluation

Rowan Mitchell
PhD
University of Mannheim
L 9, 1-6, 68161 Mannheim, Germany

Jordan Hall
Associate Professor
University of Toronto
27 King's College Circle, Toronto, ON M5S 1A1, Canada

Oliver White
Professor
London School of Economics and Political Science
Houghton Street, London WC2A 2AE, United Kingdom

Abstract. In the wake of unprecedented global economic disruptions, this paper investigates the differential impacts of fiscal stimulus measures across developed and emerging economies. Utilizing a comprehensive dataset spanning 2020 to 2023, we employ econometric modeling to appraise the efficacy of diverse fiscal strategies in bolstering economic recovery and growth. Our findings underscore significant disparities; specifically, developed economies demonstrate a more pronounced positive response to targeted fiscal interventions compared to their emerging counterparts. These insights are crucial for policymakers aiming to optimize fiscal strategies in diverse economic contexts. We conclude by proposing tailored recommendations for future fiscal policy design, enhancing resilience against potential economic shocks.

Keywords: Fiscal Policy, Economic Recovery, Developed Economies, Emerging Economies, Stimulus Measures, Comparative Analysis, Efficacy, Macroeconomic Stability

Introduction

The global economy is facing unprecedented challenges in the aftermath of the COVID-19 pandemic, which has exacerbated existing vulnerabilities and highlighted the importance of effective fiscal responses. The divergent impacts of such measures across developed and emerging economies raise critical questions about their respective efficacies and optimal design. As countries grapple with rising unemployment, inflation, and public debt, understanding the nuances of fiscal stimulus becomes paramount. This paper aims to dissect the effectiveness of fiscal stimulus strategies implemented in developed versus emerging economies during the recovery phase following the pandemic. Numerous studies have documented the significance of fiscal policy as a tool for economic stabilization;

however, the variations in economic structures, institutional capacities, and market dynamics necessitate a meticulous comparative approach. By integrating case studies from various regions and employing advanced econometric techniques, this research elucidates the strengths and weaknesses of different fiscal strategies. Moreover, the interplay between fiscal measures and macroeconomic indicators provides a deeper understanding of the broader economic landscape. This paper is structured as follows: First, we review the existing literature on fiscal stimulus efficacy. Next, we outline our methodology and data sources, followed by a detailed analysis of our findings. Finally, we discuss the implications of our results for policymakers and suggest pathways for future research.

References

1. Рагимов, Д. Р. О. (2010). О подходе к технико-экономической и экологической эффективности применения газобаллонных автомобилей. Экономические стратегии, 12(11), 88-91.