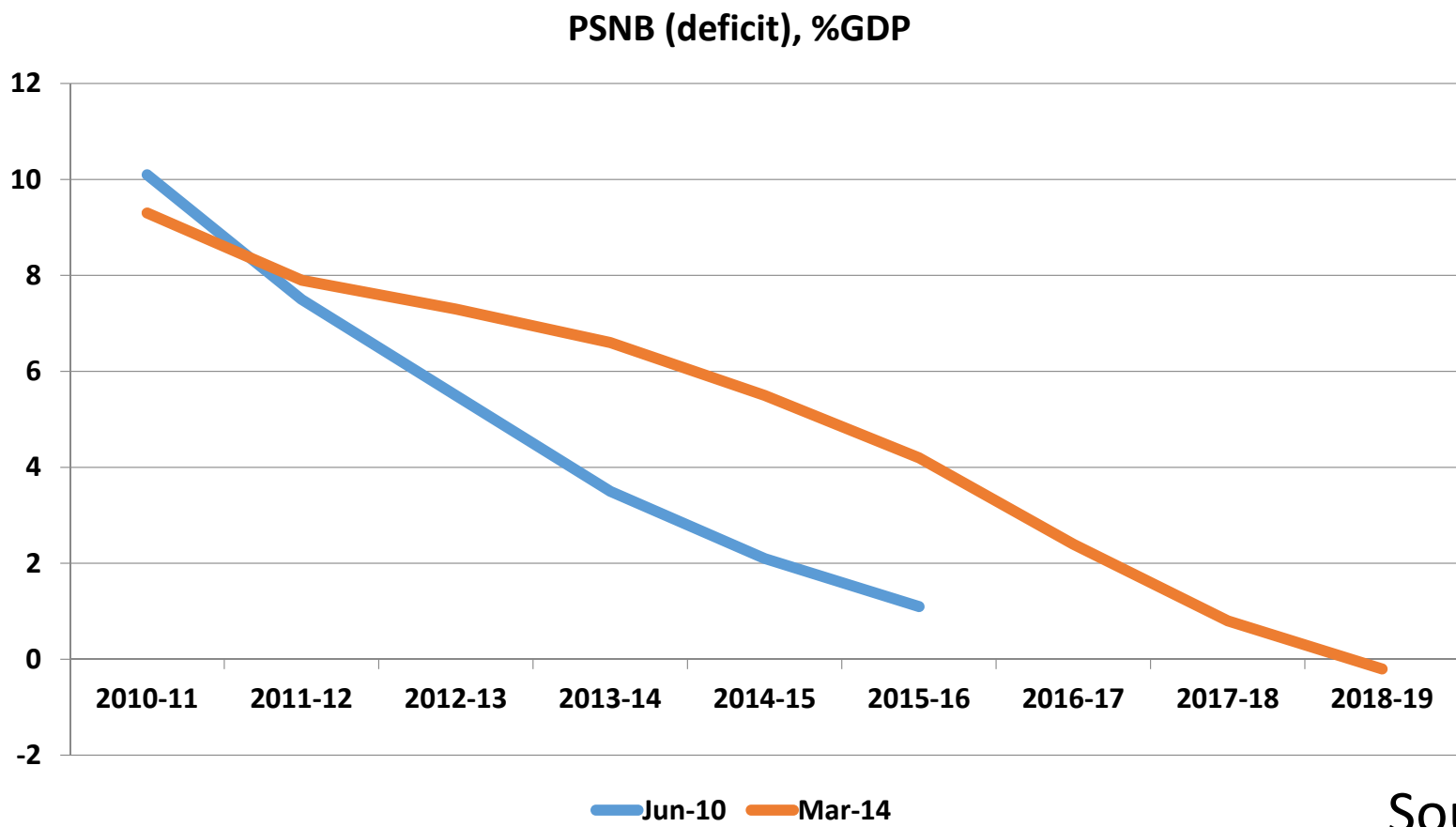
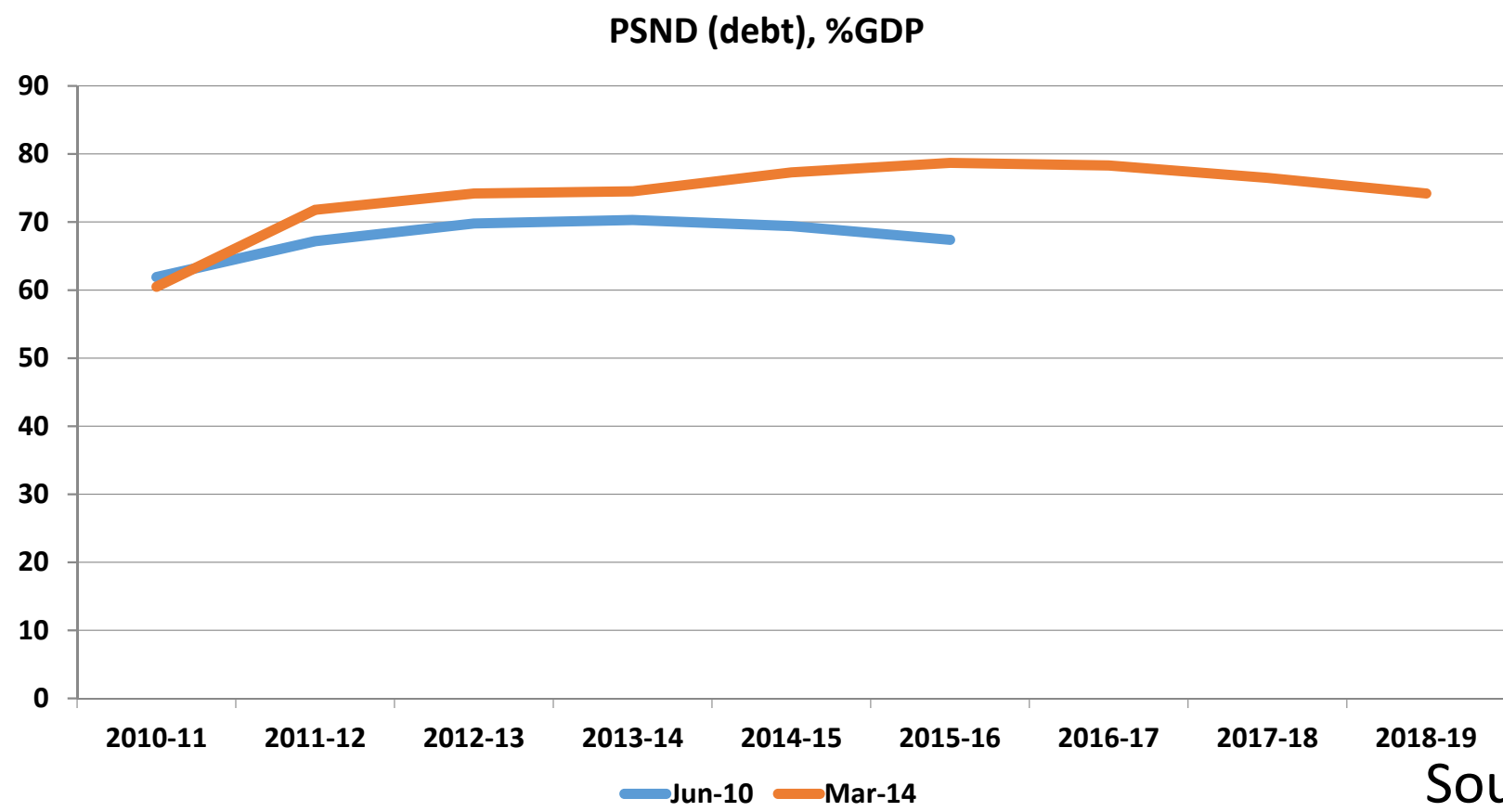


Targets vs. Reality - Deficit



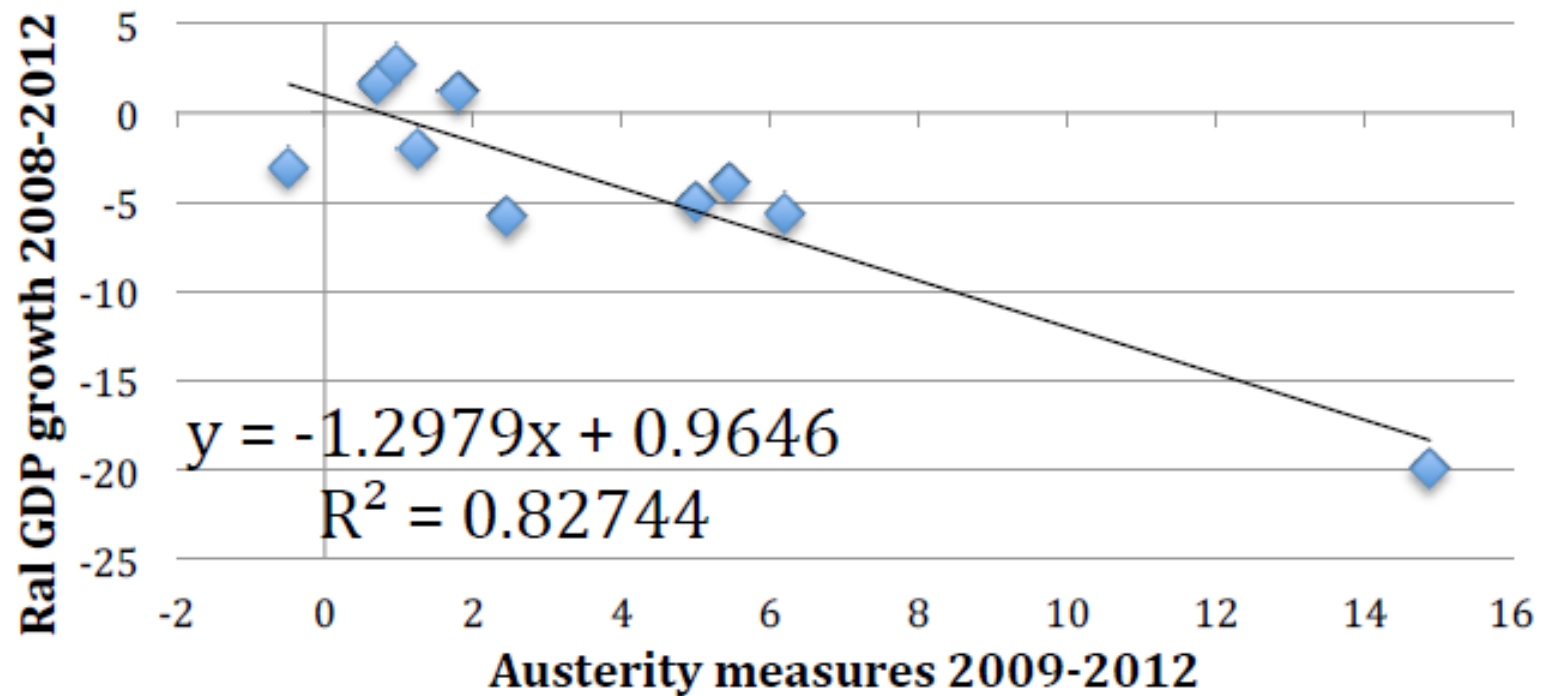
Source: OBR

Targets vs. Reality - Debt



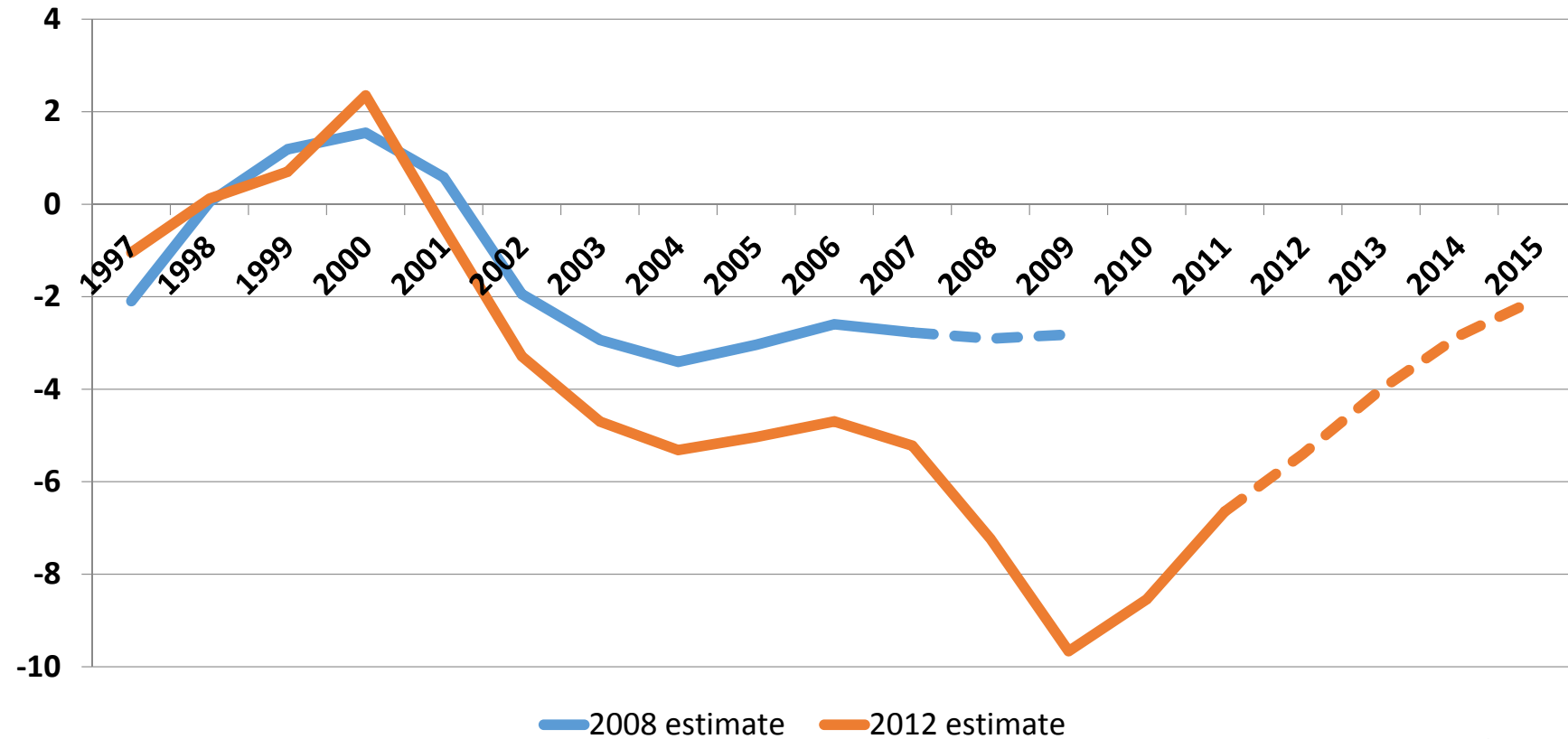
Source: OBR

Austerity and Growth



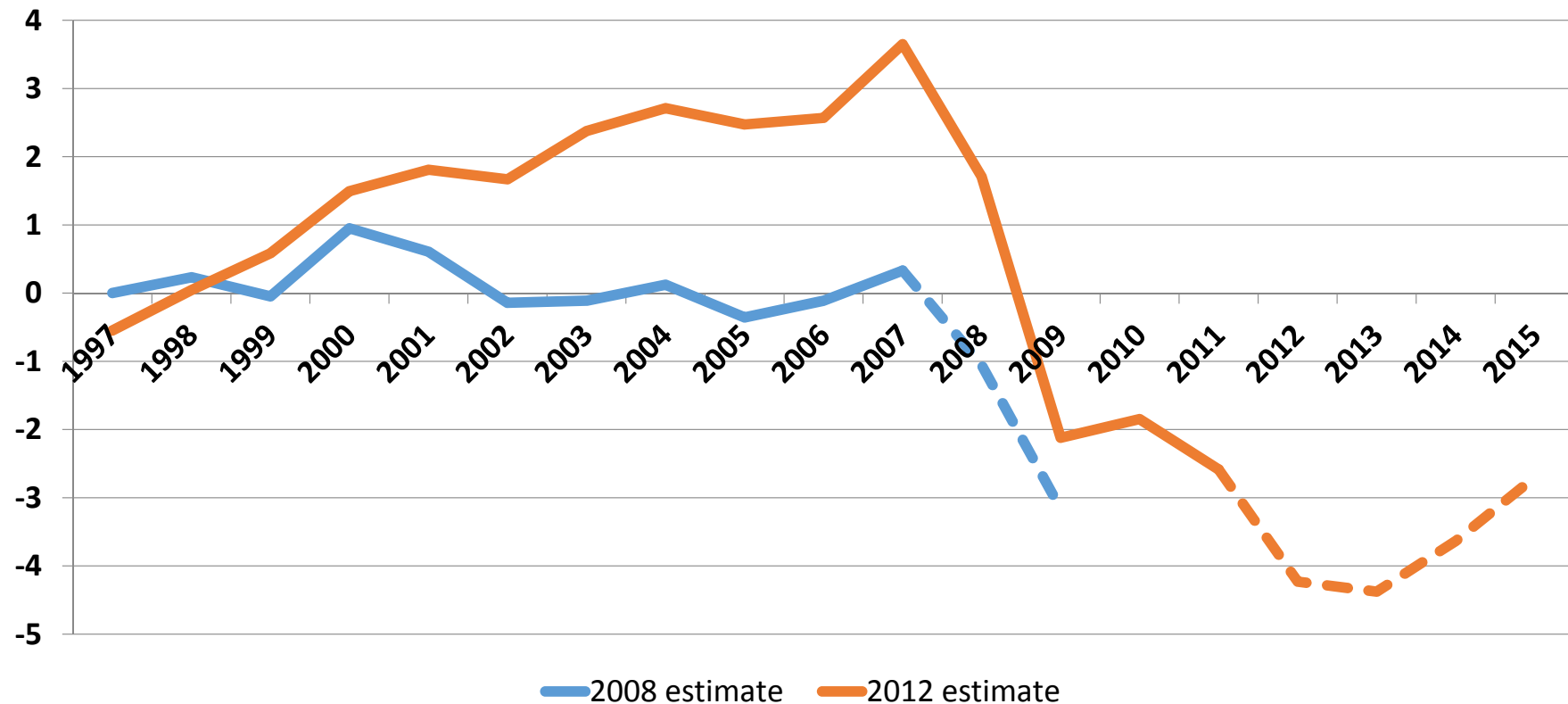
Source: Fiscal Monitor 2012, IMF

Projection of Structural Deficit Pre- and Post-Recession



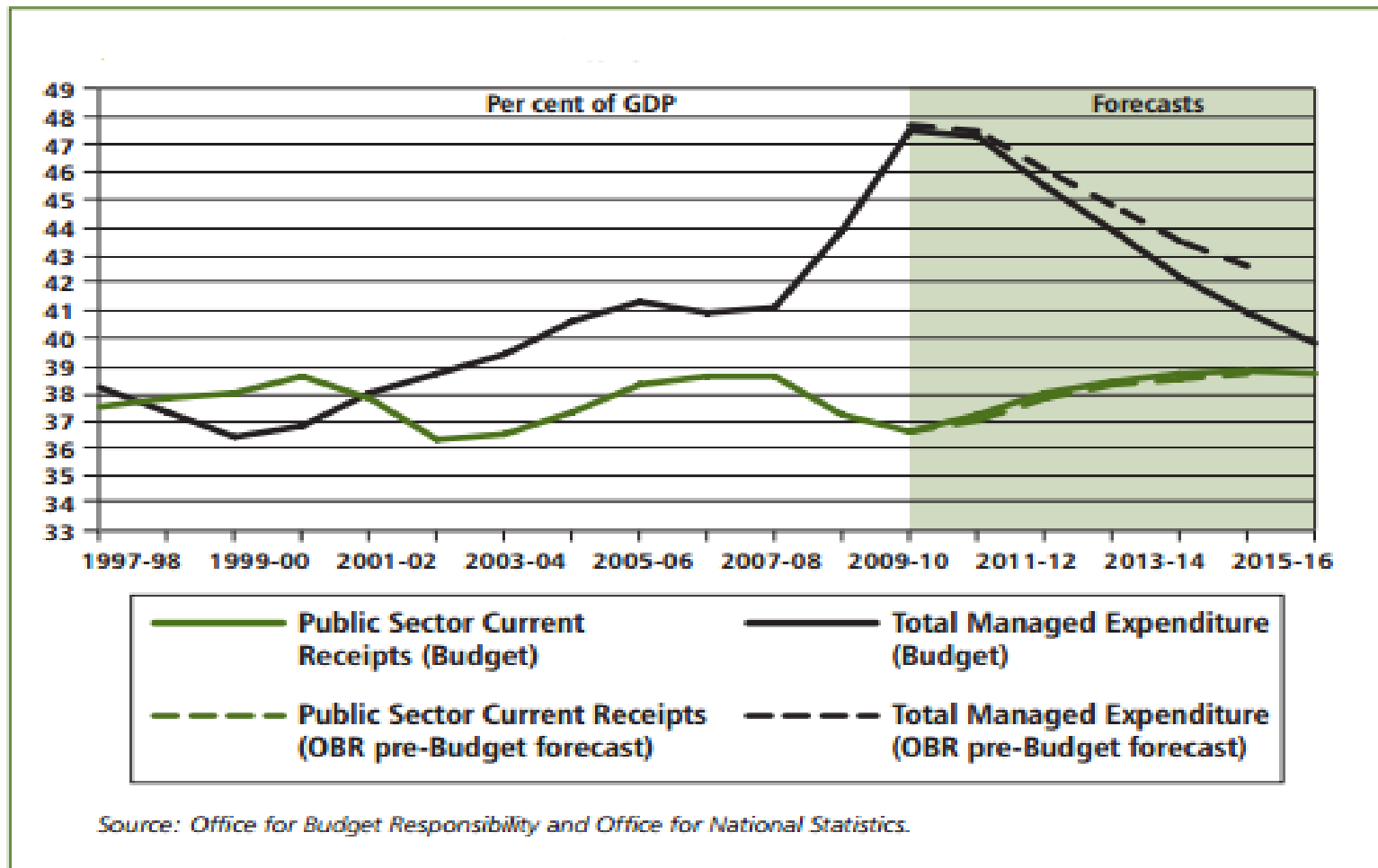
Source: IMF

Projection of the Output Gap Pre- and Post-Recession

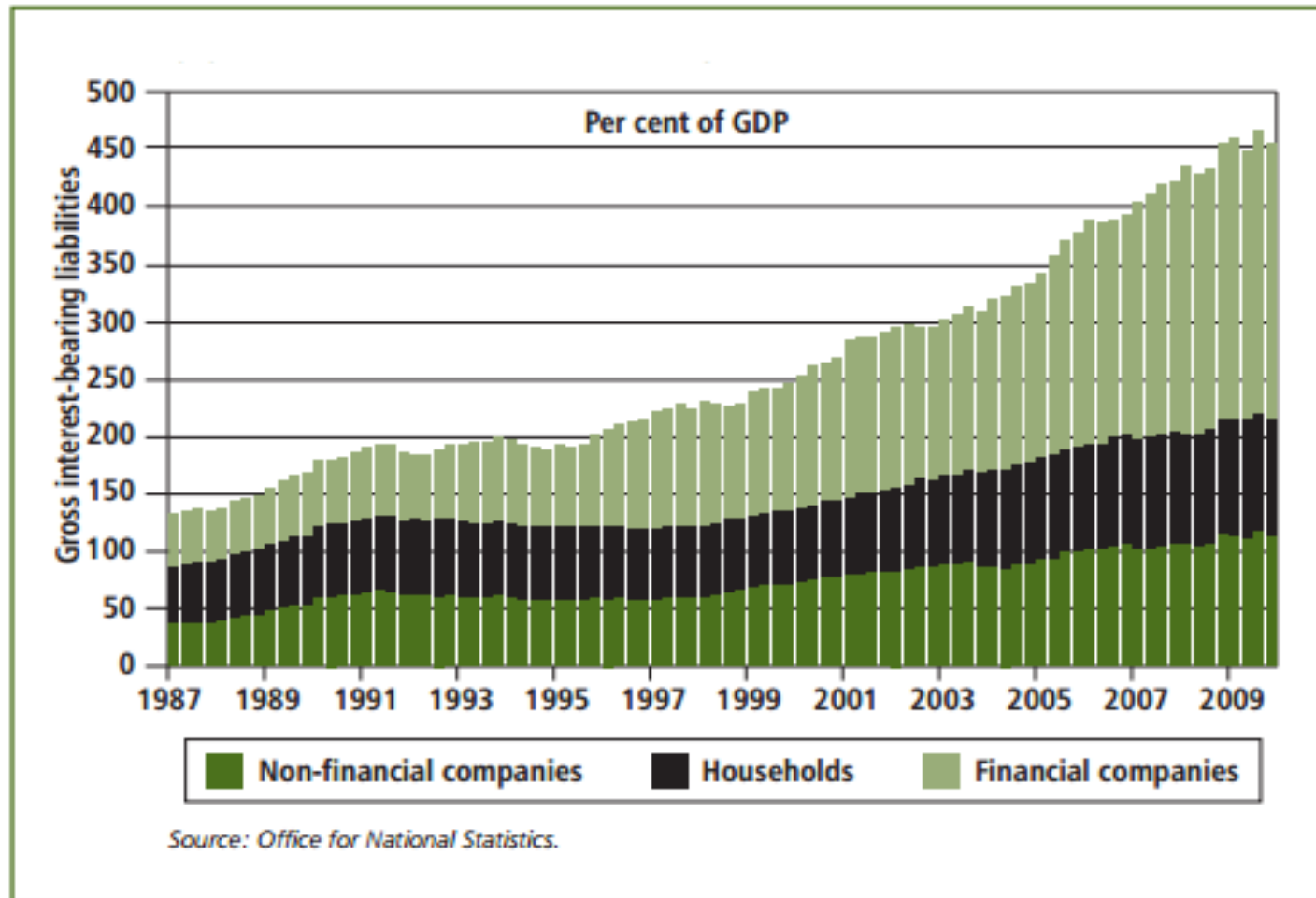


Source: IMF

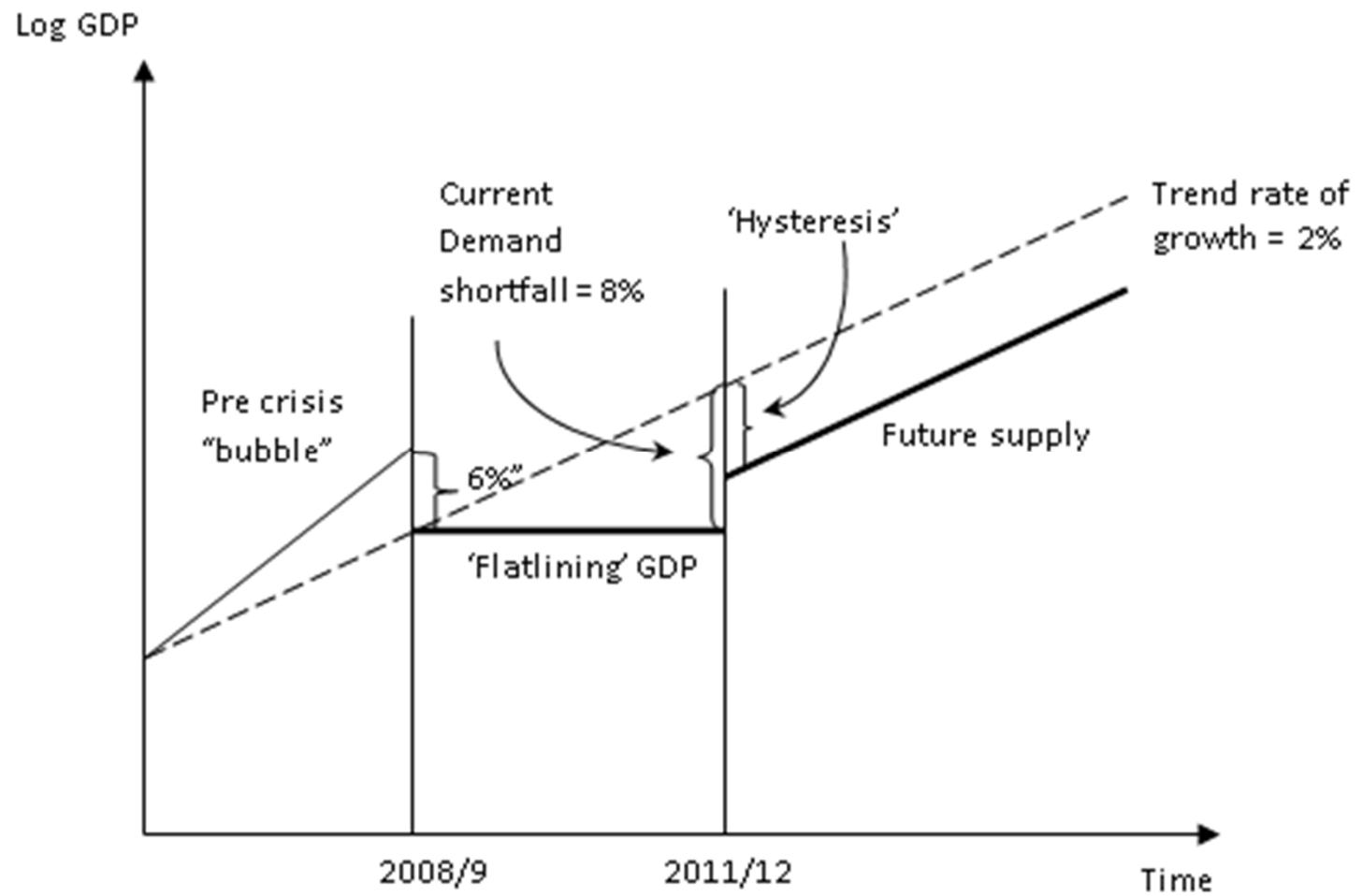
Receipts and Expenditure



Private Sector Debt in the UK



Hysteresis



Source: Miller and Roberts (2012)