

## FOREWORD

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This volume collects the papers presented at the seventh Banca d'Italia Public Finance Workshop, held in Perugia on 31 March - 1-2 April 2005.

The workshop aimed at providing a comprehensive overview of the theoretical and empirical work concerning the role and effects of public expenditure and the policy debate about public expenditure management and reforms.

The workshop included papers examining public expenditure trends, the efficiency and effects of public spending, the role of public spending in fiscal policy management and public expenditure reforms.

The papers highlight the wide variety of research in the field of public expenditure analysis and the complexity of the policy issues. Some papers draw from theoretical models, others from empirical investigations, others directly from the policy debate.

The workshop allowed experts from the central banks, the ministries and economic institutions of several countries, the main international economic organisations and the academic world to discuss the economic effects of public expenditure and policy options.

Banca d'Italia thanks all the institutions which contributed to the success of the initiative and all the experts who provided research papers and who came to Perugia to take part in the discussions.

This volume develops further the analysis of fiscal policy issues carried out in the proceedings of the previous workshops, which were devoted to *Indicators of Structural Budget Balances* (November 1998), *Fiscal Sustainability* (January 2000), *Fiscal Rules* (February 2001), *The Impact of Fiscal Policy* (April 2002), *Tax Policy* (April 2003) and *Public Debt* (March 2004).

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