

FOREWORD

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This volume brings together the papers presented at the 13th Banca d'Italia Public Finance Workshop, held in Perugia from 31 March to 2 April 2011.

The economic crisis has induced governments to take unprecedented action to support the economy. Deficits have increased in most advanced countries, leading to large rises in public debt ratios. In the coming years, many governments will have to achieve sizeable improvements in their structural budget balances. They will also have to cope with the further ageing of societies. The capacity to keep public expenditure under control will be crucial. The need for changes in fiscal policy is particularly pressing for those countries that entered the crisis with high deficit and debt ratios.

The design of adequate fiscal rules and institutions will be crucial in sustaining the fiscal consolidation effort and coping with the budget challenges of the future. The workshop aimed at providing an overview of the recent theoretical and empirical work in this field. It examined some relevant experiences with national fiscal frameworks, the evolving role of European Union fiscal rules and institutions, the policy debate on public expenditure rules and independent fiscal control, and the reforms envisaged in some countries.

Banca d'Italia is grateful to the institutions that contributed to the success of the initiative, to the experts who provided research papers and to all who came to Perugia to take part in the discussion.

This volume extends the analysis of fiscal policy issues carried out in the previous workshops, which were devoted to *Indicators of Structural Budget Balances* (1998), *Fiscal Sustainability* (2000), *Fiscal Rules* (2001), *The Impact of Fiscal Policy* (2002), *Tax Policy* (2003), *Public Debt* (2004), *Public Expenditure* (2005), *Fiscal Indicators* (2006), *Fiscal Policy: Current Issues and Challenges* (2007), *Fiscal Sustainability: Analytical Developments and Emerging Policy Issues* (2008), *Pension Reform, Fiscal Policy and Economic Performance* (2009) and *Fiscal Policy: Lessons from the Crisis* (2010).

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