

FOREWORD

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This volume collects the papers presented at the Sixth Banca d'Italia Public Finance Workshop, held in Perugia on 1-3 April 2004.

The workshop aimed at providing an overview of the theoretical and empirical work concerning public debt. It included analytical papers examining the definition, the measurement, the role and the effects of public debt. It also included papers tackling policy issues from different angles and different national perspectives.

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

The papers illustrate the complexity of the definition of public liabilities. They examine the effects of public debt on saving, financial markets and intergenerational redistribution. They consider the role of public debt in the design and implementation of fiscal policy rules at the national and European levels. They evaluate the role of public debt in a context of demographic ageing. They examine the evolution of debt management.

The various methodological approaches of the papers highlight the wide variety of research in the field of public debt analysis. Some papers draw from theoretical models, others from empirical investigations and others from the policy debate.

Banca d'Italia thanks all institutions which contributed to the success of the initiative and all 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 workshop, 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) and *Tax Policy* (April 2003).

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