Contents

	Acknowledgments	ix
	Introduction Alberto Alesina and Francesco Giavazzi	1
1.	Government Spending and Private Activity Valerie A. Ramey Comment: Roberto Perotti	19
2.	Fiscal Multipliers in Recession and Expansion Alan J. Auerbach and Yuriy Gorodnichenko <i>Comment:</i> Robert E. Hall	63
3.	The Household Effects of Government Spending Francesco Giavazzi and Michael McMahon <i>Comment:</i> Lawrence J. Christiano	103
4.	The Role of Growth Slowdowns and Forecast Errors in Public Debt Crises William Easterly Comment: Indira Rajaraman	151
5.	Game Over: Simulating Unsustainable Fiscal Policy Richard W. Evans, Laurence J. Kotlikoff, and Kerk L. Phillips Comment: Douglas W. Elmendorf	177
6.	How Do Laffer Curves Differ across Countries? Mathias Trabandt and Harald Uhlig Comment: Jaume Ventura	211

viii	Contents
VIII	Contents

7.	Perceptions and Misperceptions of Fiscal Inflation Eric M. Leeper and Todd B. Walker Comment: Jordi Galí	255
8.	The "Austerity Myth": Gain without Pain? Roberto Perotti Comment: Philip R. Lane	307
9.	Can Public Sector Wage Bills Be Reduced? Pierre Cahuc and Stéphane Carcillo Comment: Paolo Pinotti	359
10.	Entitlement Reforms in Europe: Policy Mixes in the Current Pension Reform Process Axel H. Börsch-Supan Comment: David A. Wise	405
11.	"Fiscal Devaluation" and Fiscal Consolidation: The VAT in Troubled Times Ruud de Mooij and Michael Keen Comment: James M. Poterba	443
12.	Fiscal Rules: Theoretical Issues and Historical Experiences Charles Wyplosz Comment: Lucio R. Pench	495
13.	The Electoral Consequences of Large Fiscal Adjustments Alberto Alesina, Dorian Carloni, and Giampaolo Lecce Comment: Thomas Romer	531
	Contributors	573
	Author Index	577
	Subject Index	583