PREFACE

Fiscal Policy, Stabilization, and Sustainability

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The 2008–09 global financial crisis and the Eurozone crisis sequel had a profound impact on fiscal balances of a number of countries and led to an intensive discussion about the design of fiscal policies, the sustainability of public debt and the linkages between fiscal and financial stability. The papers published in this issue examine many of these fiscal policy challenges. They were presented at a conference, titled “Fiscal Policy, Stabilization, and Sustainability,” at the European University Institute in Florence on June 6–7, 2011. The conference was organized jointly by the European University Institute, the International Monetary Fund, and the *IMF Economic Review*. We would like to thank Giancarlo Corsetti (University of Cambridge) who joined us on the conference committee.

The papers went through a rigorous refereeing process. In addition, they benefited from extensive feedback provided by the discussants, conference participants, and members of the Editorial Board. We are extremely pleased with the quality of the final contributions. All of the papers in the issue do an excellent job in addressing the questions they set out to explore, but at the same time point to very exciting research challenges for the future.

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