

Lecture Notes in
Economics and
Mathematical Systems **476**

Roland Demmel

**Fiscal Policy, Public Debt
and the Term Structure
of Interest Rates**



Springer

1st
edition

1999, X, 282 p.

Printed book

Softcover

Printed book

Softcover

ISBN 978-3-540-66243-3

\$ 109,99

Available

Discount group

Professional Books (2)

Product category

Monograph

Series

Lecture Notes in Economics and
Mathematical Systems

Economics : Public Economics

Demmel, Roland

Fiscal Policy, Public Debt and the Term Structure of Interest Rates

The introduction of the thesis consists of four parts: first, we motivate our chosen macroeconomic setting by looking at some real world phenomena. For a better understanding of these phenomena, we argue that the mutual dynamic interactions between fiscal policy and financial markets need to be closely examined in a macroeconomic framework. Second, we review different strands of the economic literature in order to show that most of the literature has so far exclusively concentrated either on financial market dynamics or on fiscal policy issues. We conclude that a more integrated model setting is called for in order to explain the dynamic interactions observed in reality. Third, we discuss at length the economic assumptions underlying our model. This avoids multiple repetition later on. Finally, we outline the structure of the thesis and the objectives we pursue in the different chapters. 1. 1 Motivation Fiscal policy and financial market reactions are increasingly receiving world- wide attention. The most recent examples are the Maastricht criteria about fiscal control, the South-East Asia financial crisis and the resulting IMF policy stance, the high level of public debt in developed and developing countries and the effect on interest rates and economic growth. In contrast to the still underdeveloped theoretical literature on these dynamic links, finding empirical evidence that supports the existence of these links is not a very hard task.

Order online at springer.com/booksellers

Springer Nature Customer Service Center LLC

233 Spring Street

New York, NY 10013

USA

T: +1-800-SPRINGER NATURE

(777-4643) or 212-460-1500

customerservice@springernature.com



ISBN 978-3-540-66243-3 / BIC: KFFD / SPRINGER NATURE: SCW34000

Prices and other details are subject to change without notice. All errors and omissions excepted. Americas: Tax will be added where applicable. Canadian residents please add PST, QST or GST. Please add \$5.00 for shipping one book and \$ 1.00 for each additional book. Outside the US and Canada add \$ 10.00 for first book, \$5.00 for each additional book. If an order cannot be fulfilled within 90 days, payment will be refunded upon request. Prices are payable in US currency or its equivalent.

Part of **SPRINGER NATURE**