The Global Outlook for Government Debt over the Next 25 Years: Implications for the Economy and Public Policy

Joseph E. Gagnon with Marc Hinterschweiger

B 377103

PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS Washington, DC June 2011

Contents

Preface Acknowledgments The Global Outlook for Government Debt over the		vii xi 1			
			Next 25		
			Overvie		1
Introdu		3 4			
~	Projected Paths of Government Debt				
The Burden of Debt and Fiscal Limits		20			
Paths to Safety		40			
Conclu	sion	49			
References		51			
About the Authors		57			
Index		59			
Tables					
Table 1	Fiscal and economic assumptions	6			
Table 2	General government net debt projections (percent of GDP)	11			
Table 3	Effective interest rate on government debt (percent)	22			
Table 4	Net interest payments on government debt (percent of GDP)	29			
Table 5	Adjustment paths for general government net debt (percent of GDP)	41			