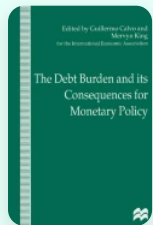


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Global Government Securities Markets: Economics and Politics of Recent Market Microstructure Reforms

| Chapter

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The Debt Burden and its Consequences for Monetary Policy.

[Randall S. Kroszner](#)

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Abstract

As government securities markets have grown during the last two decades, they have come to play an increasingly important role in both domestic monetary and fiscal policy and in the global capital markets. In many developed and developing nations, government securities have become the largest and most liquid segment of the debt market, and international participation in these markets has been increasing rapidly. The figures in Table 4.1 show the extent of the recent growth of government debt in both nominal dollars and relative to GDP. For the major

industrial nations, for example, the ratio of government debt to GDP has risen from roughly 43 per cent in 1980 to approximately 68 per cent by the mid-1990s (IMF, 1994; p. 20).

I am grateful to the conference participants, particularly John Pitchford and Michael Woodford, for helpful comments.

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Author information

Authors and Affiliations

University Of Chicago, USA

Randall S. Kroszner

Editor information

Editors and Affiliations

Center for International Economics, University of Maryland, USA

Guillermo Calvo (Professor) (Professor)

Bank of England, London, UK

Mervyn King (Professor) (Professor)

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