

Alumni Newsletter No 3

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Joint Vienna Institute



It is my great pleasure to share with you the third JVI Alumni Newsletter, which focuses on the 20th Anniversary Celebrations of the JVI. Fortunately, before my assignment started at the JVI in September, I was able to join the two-day conference in July. The celebrations were an excellent opportunity for the JVI to showcase its achievements, and they gave us a chance to dialogue with all stakeholders to get new ideas (see interview below). I am looking forward to a very fruitful cooperation with all of you and would very much appreciate any comments and suggestions you may have for the future direction of the JVI. Please send your ideas to me at nfunke@jvi.org.

Interview with the New JVI Director Norbert Funke

How do you feel about your new role?

I feel very privileged to be part of the Joint Vienna Institute, which so well embodies the vision of its founding members to provide training of the highest standard to beneficiary countries, helping them making the transition to full market-based economies but also adjusting to new global challenges.

After two and a half months, what are your first impressions?

All those involved with the JVI are incredibly enthusiastic, dedicated, professional, and committed to its work. Looking at course evaluations, feedback, and survey results before I started, I was struck by how much our participants seemed to value the training. But seeing the JVI in action, sitting in on some lectures, and talking with participants, I could see how much the JVI spirit really sparkles. The lively classroom discussions and intense economic policy debates will hopefully help build many close networks among public officials and policymakers in the region. Equally impressive is the motivation of our lecturers and JVI staff to make every single event successful.

What comes next for the JVI?

We want to serve our recipient countries in the best possible way. To build on the success of the past, I see five areas that merit special attention:

First and foremost, let's not try to fix what isn't broken: JVI does core policy-oriented training very well, and we want to keep on doing that. But at the same time our courses must continue to adapt to

changes in the global economic environment. Topics the JVI has recently begun to address, such as inclusive growth, the implications of unconventional monetary policies, and improving fiscal institutions, to name a few areas, deserve more attention.

Second, we should explore how we can fully unlock the synergies of JVI's partner model and bring together the best from various national and international organizations in single events more often. We already offer a number of collaborative courses, including the course on Applied Economic Policy (AEP) and courses on growth policies and sound fiscal institutions. But maybe we can broaden and deepen these aspects.

Third, in cooperation with our partners I would like to explore opportunities to make more use of innovations in teaching and training, for instance, by integrating new technologies more consistently in our delivery. Videoconferencing allows JVI to bring in experts in more specialized areas who would not otherwise be able to come to Vienna. And some other institutions require online learning before participants come in for residential training. If we did this, it could help ensure that participants arrive with a similar body of knowledge, which could either shorten the course delivery period or give them more time for hands-on case studies while here.

Fourth—a point very close to my heart—is to think deeply about how we can leverage the impact of our training and measure it. We should discuss, for example, how to bring technical assistance and training closer together. While both areas have in the past been treated at times separately, I see them as part of a continuum. This theme figures also very prominently in the IMF's review of its capacity development strategy. For example, to help countries improve their debt management policies, we could think about a fully integrated package of capacity development support. Starting with a regional training course for countries that want to strengthen their debt management capacity, followed by country-specific technical assistance, and then followed by regional or country-specific training to foster implementation and share experience. Measuring the impact of what we do is equally challenging.

But the international community, and in particular many donors, rightly ask for more results-based management. We plan to start experimenting soon with different ways of obtaining feedback from participants.

Fifth, I would like to intensify the outreach activities of the JVI. The JVI is ideally placed – geographically, through its governance structure, and in terms of its objectives – to play a role in bringing

together members of the international community and to facilitate knowledge exchange among them. As a start, we have begun to think about strengthening our internet presence and making our alumni network more active. I also hope that the JVI could become a more frequently used platform for policy debates between participants and the international community.



How does your experience help you with your new work, and what will be new?

For the past 12 years, I was at the IMF in Washington DC, working on program and non-program countries, coordinating technical assistance, and teaching. Many elements of the IMF work should also be critical at the JVI: understanding the needs of country authorities, discussing appropriate policy responses to economic challenges, and working with a variety of stakeholders. At the same time, the JVI is a much smaller organization where my work touches more directly on many aspects that in a large organization are often done by specialized operational departments. This is definitely a nice addition to previous tasks. In the end, though, everything is directed to serving our countries and country authorities in addressing their economic challenges and helping to unlock the economic development potential.

I very much look forward to working closely with our stakeholders, our target countries, and with our course participants.

A Celebration of Two Decades of Training: the JVI's 20th Anniversary¹



In 1992, a process of political and economic transition started that even today, 20 years on, has not been completed. At the time, no one could foresee how this process would turn out—after all, in the words of the famous Yogi Berra, making predictions is hard, especially about the future² – but the JVI's founders presciently saw the enormous need for training that these historical dynamics would bring and seized the opportunity to jointly establish the JVI. Just like the transition process is ongoing, so is the need for training and institutional capacity development. It is thanks to the farsightedness and determination of the JVI's founding members – the Austrian Authorities (the Federal Ministry of Finance and the Oesterreichische Nationalbank (OeNB)), the IMF, the BIS, the EBRD, the OECD, the WB, and, joining shortly after, the WTO – that the JVI's 20-year anniversary could be celebrated this year.

Thus, during July 12-13, 2012, the JVI, in cooperation with its Primary Members (Austria and the IMF), organized a high-level conference that brought together prominent policymakers, academics, and representatives of various international institutions to discuss lessons from the financial



crisis and their implications for training and capacity development. Notably, all of the JVI's Contributing Members, and the European Commission (EC),³ were represented on the program. The event took place at the OeNB's beautiful Kassensaal. Following opening remarks by Mr. Eduard Hochreiter, Director of the Joint Vienna Institute, the conference was opened by Ms. Maria Fekter, Minister of Finance, Republic of Austria, and Mr. Ewald Nowotny, Governor Oesterreichische Nationalbank.

Thematically, the conference was split into two parts. The first day went under the heading of “The Way Forward: Central, Eastern, & Southeastern Europe (CESEE)” and focused on the lessons from the global economic crisis, the measures needed for monetary and financial stability, and new growth models for CESEE economies. A key lesson, succinctly summarized by Minister Fekter, was the “need to spend the taxpayers’ money in a more sustainable way.” Less credit- and debt-fueled growth, in both the private and the public sectors, was seen by most to be a desirable feature of future growth models. But caution was also advised against draw-

¹ This article draws on the conference opening speech by the former JVI Director, Mr. Eduard Hochreiter, and an IMF Survey article on “Strengthening the Foundations of Growth in Emerging Europe” (<http://www.imf.org/external/pubs/ft/survey/so/2012/CAR071912A.htm>), published on July 19, 2012.

² While this quote is typically attributed to Yogi Berra, Niels Bohr, the physicist, has also been credited with a variant of the phrase (http://en.wikiquote.org/wiki/Yogi_Berra).

³ The EC obtained Observer Status on the JVI Board in 2007.



ing the wrong conclusions: in Professor Thorvaldur Gylfason's (University of Iceland) view, "we need more Europe, not less Europe."

The second day on "Past, Present & Future of the JVI" centered on the lessons from the JVI's two decades of operation and their implications for the JVI's future strategy, especially in light of the policy challenges posed by the current global environment and the new training and capacity needs by its member countries. Looking back, Ms. Nemat Shafik, the IMF's Deputy Managing Director, recalled that many of the countries emerging from communism "will say that it was the Fund's work on capacity building and training which they valued even more than the financing and policy advice." Looking ahead, Ms. Sharmini Coorey, Director of the IMF's Institute for Capacity Development, noted that "the challenge is now: how are we going to adapt to the future? What impact are we having?" Ensuring that countries' training needs are met and figuring out how best to evaluate the training efforts were key themes of the second conference day. Mr. Ewald Nowotny, Governor of the OeNB,

touched on both when saying that the JVI "is not a one-way street, it is not just about teaching or giving assistance, it is something where we want to have a two-way communication."

Discussion among the panelists pointed to several areas where such two-way communications could take place. An obvious one is that of training evaluation, most importantly in regards to effectiveness—does the training provide skills that actually improve outcomes? Another area for two-way communication is the coordination between technical assistance (TA) and training activities: many potential synergies exist in combining them, but in addition, as Mr. Bojan Marković, Vice Governor of the National Bank of Serbia, pointed out, TA could help curriculum development activities in that TA may pinpoint areas where more training is needed. Two-way potential was also seen in the possibility of strengthening alumni networks, peer-to-peer training, and "train the trainer" efforts. Discussions also revolved around the mode of training delivery. What should be the role of e-learning? Should courses be shorter and more specialized? To what





extent can country-specific training, or training for small clusters of countries, be done? Panelists recognized that given tight budget constraints, not all avenues of innovation could be pursued.

The well-received conference was concluded with the 2012 JVI Annual Lecture on “Growth and the Smart State,” which was delivered by Professor Philippe Aghion, Harvard (see separate article).

In sum, all conference participants seemed to agree that the JVI is a unique and important institution today, just as it was in 1992, even though—or rather, because—it changed substantially during those two decades. A short video, prepared by the IMF’s External Relations Department, “Growing People, Building Institutions” highlights these



achievements. It is accessible at the JVI’s homepage. The JVI is likely to remain relevant also in the future, filling important capacity development needs in its member countries. But to do so, the JVI itself must continue to learn and evolve.

Martin Schindler
Senior Economist, JVI



End notes: Additional materials on the conference can be found at the conference homepage (<http://www.imf.org/external/np/seminars/eng/2012/jvi/index.htm>), including videos of the full conference. More details especially on the first day of the conference are provided in an article in the IMF Survey Magazine (<http://www.imf.org/external/pubs/ft/survey/so/2012/CAR071912A.htm>) and a blog entry by Ms. Shafik (<http://blog-imfdirect.imf.org/2012/07/27/convergence-crisis-and-capacity-building-in-emerging-europe/>)



The JVI 20th Anniversary Feedback from Former Participants ⁴

“I came to the JVI for a course on Monetary and Financial Statistics. I was flooded with enthusiasm because I was opening a small window for big opportunities for my institution.”

*Gani Gerguri, Governor,
Central Bank of Kosovo*

“The Ministry of Finance of Montenegro has been developing its institutional, analytical, forecasting and statistical capacities in order to reach EU requirements on its road to EU membership, as well as creating a solid base for decision making. The JVI is recognized as a partner in that process. Your institute became an important instrument to the Ministry of Finance and the Central Bank of Montenegro for upgrading the knowledge on macroeconomic, fiscal and structural projections and policies.”

*Tijana Stankovic, Deputy Minister
Ministry of Finance, Government of Montenegro*

“I would describe myself as a former rocket scientist. I see the JVI as one of the milestones in my life because it provided – speaking the language of a rocket scientist – a good “launching platform”.

*Oleksandr Liakh, Deputy Director General,
AutoInternational Metropolis, Ukraine*

“The educational activities undertaken by the Joint Vienna Institute are excellent and informative programs that meet the needs of specialists in the financial and banking sector. No doubt, issues discussed at the training courses and seminars were very useful, and we are sure that the knowledge obtained will be a solid support not only for the NBKR specialists but will also lead to further improvement in development of commercial banks of the Kyrgyz Republic.”

*Zina Asankojoeva, Chairman
National Bank of the Kyrgyz Republic*

⁴ Including excerpts from the IMF's JVI video “Growing People, Building Institutions”, which can be accessed via www.jvi.org



The 2012 JVI Annual Lecture: “Growth and the Smart State” by Prof. Philippe Aghion

This year, the JVI's Annual Lecture, one of the highlights of its yearly schedule of events, was held on July 13, 2012 in conjunction with, and concluding, the JVI's 20th Anniversary celebration (see article).



Professor Philippe Aghion (Harvard) delivered a lecture on “Growth and the Smart State.” Prof. Aghion's main thesis was that while there is currently much discussion of fiscal consolidation in many countries, the focus should not actually be on reducing the state per se, but on making sure that it is a “smart” state. He saw three main roles of a “smart state:” (1) as a strategic investor—Prof. Aghion called for an “industrial policy” that targets skill-intensive sectors and fosters competition; (2) as an insurer—such a role would be especially important in the context of labor market and business cycle risks, for which private insurance markets are largely missing; and (3) as a redistributor—ensuring fair and efficient tax systems and inclusive growth was in Prof. Aghion's view important not least to gain support for reforms toward more market flexibility. Professor Jan Svejnar (Columbia) acted as the discussant and put Prof. Aghion's work into a broader context, and Mr. Burkhard



Drees, Deputy Director at the JVI, moderated the lecture. The lecture concluded with a lively Q&A session with the audience.



How Emerging Europe Came Through the 2008/09 Crisis? IMF Book Launch

The JVI recently hosted the launch of the new IMF book on “How Emerging Europe Came Through the 2008/09 Crisis? An Account by the Staff of the IMF's European Department?,” edited by Bas B. Bakker and Christoph Klingen, senior staff of the IMF's European Department, which contains contributions from over fifty IMF staff who worked on Emerging Europe before, during and/or after crisis of 2008/09.

A brief presentation of the book by Messrs. Bakker and Klingen was followed by a discussion with a panel of experts as well as with the audience. The panel was balanced equally between representatives of government, academia, and private sector, including Ms. Doris Ritzberger-Grünwald, Head of the Foreign Research Division at the Oesterreichische Nationalbank; Mr. Zoltán Bakay, Senior Researcher at Erste Group Bank AG; and Professor Michael Landesmann, Scientific Director of the Vienna Institute for International Economic Studies. The presentations by the editors and panelists were followed by numerous questions from audience, which included representatives of universities, embassies, the Austrian government and central bank, the private financial sector, and the media.

The book's main goal was to bring together the work done by IMF staff on the 2008/09 crisis in the region. First, it provides a detailed account of vulnerabilities, which were accumulating in Emerging Europe before the crisis. Second, it surveys the development of the crisis itself and the macroeconomic strategies that were implemented by countries in the region to mitigate its impact.

Finally, the book provides the IMF's view on the way forward, outlining the reforms needed to tackle remaining challenges and to put the region on a path of sustainable growth. There was broad agreement among the participants that the book constituted an excellent source of information for any economist working on Emerging Europe.

Successful Scaling up - Reflections on the Evolution of Training at the JVI over the Past Six Years



The past six years witnessed unprecedented stress in the world economy that impacted massively the content and volume of training at the JVI, challenging its staff and its stakeholders on an extraordinary scale.

Back in 2006, when I joined the JVI, the world looked comparatively bright: strong, growth, low inflation, surging world trade coupled with low macroeconomic volatility. Most transition economies were in a good, if not fast catching-up mode, with some of them having already graduated. Warning signals such as rising internal and external disequilibria, bubbles, and massive credit expansions flashed in many countries. Insufficient structural reforms, weak governance, and financial supervision were other potential trouble spots. By and large, markets and policy makers were confident that these vulnerabilities could be handled in a timely manner.

In this environment, training at the JVI, of course, did not become obsolete. However, it seemed that an evolutionary approach, based on the well-tried approaches of the day, appeared to be appropriate.

Then, in 2008, the financial crisis struck. It, and later on the European sovereign debt crisis, hit the JVI target countries particularly hard. At the JVI, these developments had fundamental consequences

for the demand for its courses and their structure. Initially, there was a surge of interest in finance topics, in the economics of IMF-supported adjustment programs, and in measuring and assessing external vulnerabilities. Later on, demand for courses dealing with the sovereign debt crisis increased sharply. Hence, courses had to be revamped on a large scale and many new courses had to be developed.

The stakeholders reacted promptly, generously, and with determination to the new challenges: Austria provided additional infrastructure including more space, and, together with the IMF, agreed to finance an expansion of training as well as the establishment of a resident economist faculty. This provided for an increase in yearly training capacity from around 1,500 participants in 2006-2008 to more than 2,000 participants per year from 2011/2012 onward. Course offerings by stakeholders other than Austria and the IMF, such as the World Bank and the WTO, also gathered pace. By the end of 2012, more than 30,000 participants will have passed through the JVI.

Today the JVI is an invigorated, outstanding, and unique training institution, ready to meet the challenges ahead. It is blessed with a dedicated and highly professional staff and enjoying steadfast support from its stakeholders and it is also able to draw on their intellectual support. I wish the JVI success, and am sure it will succeed.

Eduard H. Hochreiter,

Former JVI Director, August 2006 – August 2012

Coordinating with Partners



The JVI and the WTO

The World Trade Organization (WTO) is very pleased to cooperate with the Joint Vienna Institute (JVI) in the delivery of trade capacity-building programs. The WTO organizes annually between three to eight

training courses, covering mostly trade policy and macroeconomic theory and practice. It undertakes topic-specific courses and teaches on the WTO agreements, but also does joint teaching with the Bretton Woods institutions, thus shedding light on trade issues from different angles. What makes the JVI such an attractive partner?

The creation of the JVI was both visionary and timely. Visionary, as it clearly responded to an important need to assist the CIS countries in transforming their centrally planned system to market-based economies. Timely, because the end of the cold war and collapse of the Wall implied some urgency in carrying out the transformation process and the JVI is ideally located at cross roads between East and West to provide the required support. Hence, it provided the gateway for training and capacity building for former Eastern European countries. The JVI is a lead agency in debating international economic issues, sharing and transferring knowledge to beneficiaries in a targeted and focused manner. What is equally appealing is that the JVI has the state of the art high tech facilities and an excellent Secretariat providing logistical support. The JVI was visionary in locking in multilateral agencies and promoting co-teaching between the Bretton Woods institutions on a broad range of issues, such as trade, macroeconomics, exchange rate policies, fiscal policies, and finance. The global macroeconomic approach advocated at the JVI is fundamental for the underpinning of trade liberalization and economic growth theories. The multi-disciplinary approach ensures coherence in policy

making and this has been JVI's main strength: deepening an interagency culture and multi-stakeholders approach. The inter-linkages between agencies, through co teaching, enrich the programmes. Strong support and guidance was given from the outset by the Austrian authorities and the IMF. The JVI is taking a lead and is ahead of the curve. The WTO is pleased to be a contributing member and playing its parts in the debates.

One of the many advantages of having a small and lean Secretariat is that it can easily respond to shifting demands. As has been witnessed in recent years, while the JVI was essentially focusing on countries in Central, Eastern and Southeastern Europe, the CIS and selected countries in Asia, it has gradually opened up to also cover countries in other regions. Also, as some of the 'traditional' topics have partly lost relevance today, the JVI moved forward to address new challenges and covers topics with immediate policy relevance: e.g. issues related to the financial crisis, economic growth models, sustainable growth, employment, debt restructuring, debt management, economic and monetary integration, bank reforms and legal frameworks and financial stability. The JVI Board is currently discussing a range of future topics. In these circumstances, it should not come as a surprise that there continues to be a strong demand for high-quality courses, even if the initial paradigm has shifted.

In short, the JVI has demonstrated a capacity to remain flexible in order to adjust and adapt to changing requirements. The JVI has just celebrated its 20th Anniversary this summer and shown it is up to the task of dealing with the key challenges that lie ahead, be it in the field of macroeconomics, trade and/or finance.

*Maarten Smeets, Head of TA Coordination,
Institute of Training and Technical Cooperation, WTO*

Coordinating with Partners



The JVI and the OECD

The political and economic transition in Central and Eastern Europe of the early 1990s presented the OECD with an opportunity. Rooted in the Marshall Plan, its predecessor – the Organisation for European

Economic Co-operation – had successfully managed the West European post-war recovery, but it had never gained a toehold in what would become the Soviet bloc. Now the OECD was called to complete its unfinished business on the continent. It was only logical for the Organisation to become a co-founder of the JVI and familiarize officials of the newly liberated countries with the tools and skills necessary to manage and operate successfully in a market-oriented economy.

Not being endowed with a training institute (unlike the JVI's other members), the OECD has been a relatively minor player in the JVI, but it has filled an important niche, offering courses on subjects not covered by the other members. Its focal areas have been the business and investment climate, as well as social issues. Its courses and seminars over the past years have included tax modeling, competition policy, migration, labor market and social policies and, more recently, private sector development. Feedback from the JVI's clientele indicates that this has provided added value to the JVI curriculum and has given the Organisation visibility and recognition among participants, many of whom would become key policy makers in their countries.

The OECD distinguishes itself from other JVI members by its committee-based working method. It convenes policy makers from its Members, and many non-Members, in committees, working groups and Global Forums, thus building networks

of policy makers that develop standards for good policies, based on evidence. This makes it a natural partner for the JVI, whose own training helps to build networks of officials of the beneficiary countries, somewhat in the same way that the OECD builds networks among officials of its Members and other countries. The OECD also derives benefits from working in association with the other founding organisations. Regular contacts lead to the identification of possible joint projects in areas that may go beyond the orbit of the JVI.

As OECD Secretary-General Angel Gurría stated when he delivered the JVI's 2011 Annual Lecture, the OECD takes pride in being a founding member of this Institute and to have contributed to the JVI's programs. In 2011, the OECD Council recognized this by renewing the OECD's membership of the JVI for an indefinite period. The OECD intends to be present in the Institute's curriculum in the coming years.

Indeed, new opportunities will arise for the OECD to provide value to, and benefit from, the JVI. The Organisation has lost its exclusive Euro-Atlantic focus, but continues to work with the countries that constitute the JVI's core constituency in areas such as competitiveness, investment, public governance, the combat of corruption, competition, taxation and environment policy. The JVI will continue to provide one of the attractive venues at the Organisation's disposal to organize seminars and to take full advantage of the possibilities it offers to create networks and to leave a legacy among the policy makers in the region for which the JVI provides.

*Jan Schuijjer, Senior Counsellor,
Global Relations Secretariat, OECD*

Introduction of the New JVI Staff Members

Eugenia Shevtsova joined the JVI as a Research Officer in June 2012. She previously worked as a Post-Doctoral Teaching Fellow in the Department



of Economics and Related Studies at the University of York, UK. Her primary expertise and research interests lie in the areas of international economics, development economics, applied microeconometrics,

productivity analysis and economics of innovation. Eugenia holds an M.A. degree in Economics from Kiev School of Economics, Ukraine, and a Ph.D. in Economics from the Heriot-Watt University, UK. She has worked on several academic and business-related projects and has co-authored several policy papers and reports. In her free time, Eugenia enjoys swimming and archery.

Adam Geršl joined the JVI as a Senior Economist in June 2012. Before assuming this position, he was Deputy Director of the Financial Stability Department



in the Czech National Bank where he focused on macroprudential policy, analyses of banks and financial markets, banking regulation and stress testing. He was actively involved in technical assistance projects under the IMF and UNDP and acted as a representative

in various international working groups and task forces in Europe. Previously he worked in the Czech central bank as a senior economist in the Economic Research Department, as an adviser to Vice-Governor and as an assistant to the Governor. In 2004-2006, he worked for the European Central Bank where he analyzed developments in the then

new EU Member States. Adam studied in Prague, Konstanz and Freiburg, and holds a Ph.D. in economics from the Charles University in Prague. He regularly publishes in academic journals on topics related to banking and political economy. In his free time, Adam enjoys his family, sports, travelling, guitar playing and yoga.

Promotions at the JVI

Maksym Ivanyna, previously Research Officer, was promoted to Economist in June 2012. His new responsibilities now are to teach and develop courses.

He already taught in some courses:

Financial Programming and Policies, Macroeconomic Management in Times of High Capital Mobility, Macroeconomic Management in Natural Resource Rich Countries and others. Teaching is not Maksym's only passion – he is also committed to doing research in fiscal policy, growth and governance.



Denis Borisov was promoted to Senior IT Officer in June 2012 and now leads the IT team. To this new position he will bring his dedication and diligence, coupled with a decade and a half of experience in the industry. In his new position, he will face many challenges, such as the migration of the Access database and the upgrade of the IT hardware next year. Denis intends to hold IT services at their already high standard, and we all look forward to what technological innovations Denis has in store for us.



Alumni Relations Corner - Interviews

Some Thoughts on the JVI's Decades of Training, by Gabriela Mihailovici (Advisor to the Governor, National Bank of Romania) and Igor Blazevic (Head of the International Macroeconomic Analysis Unit, National Bank of Serbia)

How has the JVI changed for you over the last two decades?

GABRIELA MIHAILOVICI: "In 1995, when I got accepted into the 4th JVI Comprehensive Course, Vienna faced a deep transformation to get the EU membership. So did the JVI, as a manifestation of Vienna's European role. The JVI has been, since then, a rich and complex laboratory. Since the beginning of the 21st century, the JVI has reinvented itself in an attempt to capture the attention of Lady Gaga's generation in the same professional manner as it was done for Madonna's generation of young professionals. Since 2006, when I came back to the JVI as a lecturer, I have witnessed how simple but smart ideas are now transferred successfully to a new generation of participants by creating a better way to launch a more diversified, fully customizable portfolio of courses for selected EU and non-EU member states."

IGOR BLAZEVIC: "After the fall of the Berlin Wall, Central and East European countries found themselves at a historic crossroads. One of the key challenges was how to steer a centrally planned economy towards market-based principles in the least painful way and within the shortest period possible. For that reason, training centers were set up, with the aim to provide education about finance and macroeconomics – one of these centers is the JVI, which recently celebrated its 20th Anniversary. We should look back at the beginning when we were hosted in a building that served as the training center for Austrian customs officers. The comfort and location then and now are hardly comparable. Though modest, lacking in comfort and far away from the city center, the erstwhile JVI had an air of family about it and made learning a joyous experience. Today, the JVI is a modern scientific institute, occupying three floors of a business building in the

center of Vienna. The conditions for work are excellent and the JVI staff kind and eager to respond even to the most delicate of requests."

How has the JVI changed you over the same time span?

IGOR BLAZEVIC: "I came to the JVI for the first time in December 1999, and have been returning ever since. I have always looked forward to coming to the JVI, mostly because of the people who accepted and befriended me, holding one part of me in Vienna forever. The JVI is not only about professional development and seminars, but still more so about the good, almost family atmosphere, which makes participants feel as if they were at home. There is no question that the JVI is first and foremost a training institute, but I can't stress enough the importance of this other aspect of the JVI, which makes it complete and very special. This human aspect, the warm, congenial, family atmosphere is what sets the JVI apart, and I'm confident that the JVI will face not only many new professional challenges in the future, but also joyous jubilees."

GABRIELA MIHAILOVICI: "For people like me, educated in former communist universities, we had little practical experience to exercise the profession of economist. The message I took with me after leaving Vienna in December 1995, was 'Rather than predict the future, try to create it by translating thinking into immediate action.'

For me, now also as a lecturer, investing in the new JVI generations means a fantastic opportunity to help improve the skills of promising young professionals in the field of competence from their country. On a personal side, the JVI gave me confidence, lifelong extraordinary friends and strong ties for the rest of my life."

Course News and Upcoming Courses

During the past 6 months, cutting-edge teaching continued. All courses received again high marks from participants. Unfortunately, we cannot talk about all of them here, but the following were a few highlights:



The 10-week course on **Applied Economic Policy** (May 21—July 27) brought again together a group of 29 talented and highly motivated officials from 18 countries. Taught jointly by the JVI's member organizations, it covered the latest thinking on macroeconomics, European and financial sector issues, governance and private sector management, labor market and social policies.

Sound risk management is a prerequisite for building a profitable and sustainable financial institution. An **SME Credit Risk Workshop** (September 16—21), sponsored by the EBRD's Financial Institutions Team, focused on the knowledge and skills required to make sound lending decisions with particular emphasis on lending to small and medium size enterprises. It included topics such as the SME banking landscape, key elements of a business strategy and risk models, and the EBRD's experience in SME Lending. For the first time participants from Egypt and Jordan joined the course.

The two-week course on **External Vulnerabilities – Early Warning Exercise** (October 15 —26) broadened and deepened the participants understanding of analytical frameworks to assess vulnerabilities. This year, a larger focus was on quantitative meth-

ods and fiscal aspects. During a guest lecture, Mr. Gerhard Steger, Director General Budget, Federal Ministry of Finance Austria, talked about fiscal risk analysis in practice, using the Austrian example. Participants also learned more about federal budget reform, an area where Austria provides a leading example internationally. With the 2013 federal budget, accrual-based accounting and performance budgeting was introduced. The focus on results means a much more stringent comparison of resources used and outputs and outcomes achieved, with the intention to improve resource allocation and value for taxpayer money.

The financial crisis of the past few years has drawn attention to widening income disparities. While there is some evidence of cross-country convergence, within-country inequality has increased markedly in many economies. The new course on **Tools and Policies for Inclusive Growth** took place during October 29—November 9. Jointly organized by the Austrian Authorities, the World Bank, and the JVI, it provided an understanding of economic growth and its determinants, with a particular emphasis not just on its pace but also on the pattern of growth. Lecturers from five institutions, including academia, discussed many aspects of inclusive growth: how to define it, how to measure

it, and how to devise macroeconomic policies to spur growth, job creation, education, employment, and productivity. The course also was a good example of how different teaching methods can be integrated in JVI courses. For example, in one of several videoconference lectures, Mr. Indermit Gill, the chief economist of the Europe and Central Asia Region of the World Bank, discussed with participants the Eurozone's Growth Prospects and Implications for the World Economy, drawing on the World Bank's new report on "Golden Growth: Restoring the Luster of the European Economic Model."

A course on **National Accounts Statistic** (October 22 – November 2) covered theoretical and practical aspects in the compilation of National Accounts. The System of National Accounts 2008 (2008 SNA) is the latest version of the international statistical standard for the national accounts, adopted by the United Nations Statistical Commission (UNSC), which all countries should adopt in the coming years.

WTO Regional Seminar on WTO Dispute Settlement Procedures and Practices (October 22–26) covered specific issues related to WTO agreements, including legal and economic foundations of WTO rules, the effect of WTO agreements on trade-related economic policies, and how the WTO helps in resolving trade disputes.

Many countries face challenges to realize the full potential of their non-renewable natural resources and avoid the pitfalls that have plagued resource-rich countries in the past. During October 29–31, a **Global Seminar for Parliamentarians on the Role of Parliaments and Extractive Industries**, jointly organized by the IMF, the World Bank Institute, the Commonwealth Parliamentary Association (CPA) and the Revenue Watch Institute (RWI), reviewed recent research, focused on good practices, and shared knowledge and experience around strategies parliaments and development agencies can employ to build sustainable capacity.

These are just a few examples of the courses and seminars that were held at the JVI during the past 6 months. Other offerings included courses on Economic Policies for Financial Stability, Economic and Monetary Integration in Europe: CIS-Related Aspects, Financial Market Analysis, Financial Programming and Policies, Public Private Partnerships, and many others.

We hope to see many of you (again) in Vienna. Please find below a list of upcoming courses. The 2013 brochure will be distributed in December.

Winners of the Essay and Video Contest

Dear JVI Alumni!

As you already know, to celebrate our 20th Anniversary, the JVI held an Essay and Video Contest earlier this year in February.

We opened the contest not only to our Alumni, but also to all friends of the JVI. The aim was to submit a short essay and/or a video illustrating the role of training and education in transitioning from planned to market-based economies.

We received over 70 entries of exceptional essays and videos and, as you can imagine, it was a very difficult process to choose the best submissions. After intensive discussions, the Contest Committee, which included JVI Management, Economists and Board Members from the Ministry of Finance of Austria, Oesterreichische Nationalbank and the International Monetary Fund, came to a final decision and chose two winners.

It is an honor and a great pleasure for me to inform you that Ms. Irene Melnikova, from Belarus, was the winner in the category of "Best Video"; and Ms. Albina Demollari, from Albania and JVI Alumna, won in the category of "Best Essay". Both winners were invited to attend the JVI's 20th Anniversary Conference, and the audience had the possibility of receiving a copy of Ms. Demollari's essay and watching Ms. Melnikova's video. I cordially invite you to visit our website and view both master pieces!

I will be in touch with you with more JVI news in the next edition!

With best wishes from Vienna,
Tamara Tsikhistavi



JVI Course Schedule January - May 2013

DATES	ORG.	ID	TITLE	TIME	L	ATTENDANCE
Jan 14 - 25	IMF	(MFP)	Macroeconomic Management and Fiscal Policy (JV13.01)	2 weeks	E/R	Application by Oct 12, 2012
Jan 21 - 24	OeNB	(STB)	Financial Stability Stress Testing for Banking Systems: An Introduction	4 days	E	By invitation
Jan 28 - Feb 8	IMF	(BPS)	Balance of Payments Statistics (JV13.02)	2 weeks	E/R	By invitation
Jan 28 - Feb 8	IMF	(FPP)	Financial Programming and Policies (JV13.03)	2 weeks	E/R	Application by Oct 19, 2012
Feb 6 - 8	IBRD	(ATT)	Audit Training-of-Trainers Workshop	3 days	E	By invitation
Feb 11 - 22	BMF/IMF/JVI/ OeNB/WBI	(SFI)	Sound Fiscal Institutions: The Basis for Stability, Growth, and Prosperity	2 weeks	E	By invitation
Feb 11 - 22	IMF	(MFMA)	Macro-Fiscal Modeling and Analysis (JV13.04)	2 weeks	E	Application by Oct 31, 2012
Feb 18 - 22	WTO	(TP)	Trade Policy	1 weeks	E	By invitation
Feb 25 - 28	Banque de France	(PDSS)	Public Debt Sustainability and Sovereign Risk	4 days	E	Application by Dec 21, 2012
Feb 25 - Mar 8	IMF	(MMF)	Macroeconomic Management and Financial Sector Issues (JV13.05)	2 weeks	E/R	Application by Nov 2, 2012
Mar 4 - 8	IBRD	(MTDS)	Medium-Term Debt Management Strategy	1 week	E	By invitation
Mar 11 - 15	OeNB	(ICS)	Institutional Challenges for Candidate and Potential Candidate Countries on the Road to the EU and EMU	1 week	E	By invitation
Mar 11 - 20	IMF	(FSMP)	Financial Stability, Systemic Risk, and Macro-Prudential Policy (JV13.06)	1 ½ weeks	E	By invitation
Mar 18 - 22	EBRD	(EB1)	To be announced	1 week	E	By invitation
Mar 25 - 29	JVI	(MPCM)	Macroeconomic Policies in Times of High Capital Mobility	1 week	E	By invitation
Mar 25 - Apr 5	IMF	(EFS)	Economic Policies for Financial Stability (JV13.07)	2 weeks	E	By invitation
Apr 1 - 12	IMF	(MMNR)	Macroeconomic Management and Natural Resource Management (JV13.08)	2 weeks	E/R	Application by Nov 16, 2012
Apr 8 - 12	IMF	(SAC)	Safeguards Assessments of Central Banks (JV13.09)	1 week	E	By invitation
Apr 15 - 19	IMF	(AML)	Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Methodology for the New Standard (JV13.10)	1 week	E	By invitation
Apr 15 - 19	IMF	(PRS)	Price Statistics (JV13.11)	1 week	E/R	By invitation
Apr 22 - 26	AA	(PGS)	Public Governance and Structural Reforms	1 week	E	By invitation
Apr 29 - May 10	IMF	(MDS)	Macroeconomic Diagnostics (JV13.12)	2 weeks	E	Application by Nov 30, 2012
May 6 - 10	IBRD	(DeMPA)	Government Debt Management Performance Assessment Tool	1 week	E	By invitation
May 6 - 17	IMF	(MERP)	Monetary and Exchange Rate Policy (JV13.13)	2 weeks	E/R	Application by Dec 16, 2012
May 13 - 17	IMF	(BSO)	Risk-Based Banking Supervision (JV13.21)	1 week	E	Application by Dec 21, 2012
May 14 - 15	IMF	(ECHI)	European Corporate and Household Insolvency (JV13.14)	2 days	E/R	By invitation
May 20 - 24	EBRD	(EB2)	To be announced	1 week	E	By invitation
May 20 - 24	IMF	(SNA-GFS)	Linkages between the Government Finance Statistics Manual and the System of National Accounts (JV13.15)	1 week	E/R	By invitation
May 13 - 31 (May 27 - 31 in Vienna)	JVI/SCG	(MOFP)	Monetary and Fiscal Policy	3 weeks (3rd week in Vienna)	E	By invitation
May 20 - Jul 19	JVI	(AEP)	Applied Economic Policy Course	10 weeks	E	Application by March 1, 2013