<table>
<thead>
<tr>
<th>Monday, June 3</th>
<th>Introduction to Seminar / Austria’s Economy and Economic Policy</th>
</tr>
</thead>
</table>
| 08:30 – 09:00 | Registration and Administrative Briefing  
_Luka Zupancic, Program Officer, JVI_ |
| 09:00 – 10:30 | Opening Remarks, Getting-to-Know Each Other, and AEP Course  
_Overview_  
_Thomas Richardson, Director, Holger Flörkemeier, Deputy Director JVI_ |
| 10:30 – 10:45 | Coffee Break |
| 10:45 – 12:00 | L-1  
L-2  
_Introduction to the AA Segment and ‘What to Do in Vienna’_  
_Elisabeth Hagen, Course Director, The Vienna Institute for International Economic Studies, wiiw_ |
| 12:00 – 13:30 | Lunch Break |
| 13:30 – 15:00 | L-3  
_Long-run Economic Developments of Austria_  
_Mario Holzner, Executive Director, wiwi_ |
| 15:00 – 15:30 | Coffee Break |
| 15:30 – 17:00 | L-4  
_Key Aspects of Austria’s Economic Development: Current Challenges_  
_Klaus Weyerstrass, Institute for Advances Studies (IHS)_ |

<table>
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<tr>
<th>Tuesday, June 4</th>
<th>Austria’s Economy and Macropolicies</th>
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</thead>
</table>
| 09:00 – 10:30  | L-5  
_Fiscal Policies in International Perspective_  
_Philipp Heimberger, wiwi_ |
| 10:30 – 11:00  | Coffee Break |
| 11:00 – 12:30  | L-6  
_The Eurozone 20 years from now_  
_Kurt Bayer, wiwi_ |
| 12:30 – 14:00  | Lunch Break |
| 14:00 – 15:30  | L-7  
_Tax Policies in a Small Open Economy: Austria as an Example_  
_Simon Loretz, Austrian Institute of Economic Research (WIFO)_ |
| 15:30 – 16:00  | Coffee Break |
| 16:00 – 17:00  | L-8  
_Gender Budgeting_  
_Benedikt Gamillscheg, Ministry of Finance_ |
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Title</th>
<th>Speaker/Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 - 10:30</td>
<td>L-9</td>
<td>Austria’s Labour Markets and Labour Market Policies</td>
<td>Johannes Schweighofer, Austrian Federal Ministry of Labour, Social Affairs, Health and Consumer Protection</td>
</tr>
<tr>
<td>10:30 - 11:00</td>
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<td>Coffee Break</td>
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<tr>
<td>11:30 - 13:00</td>
<td>L-10</td>
<td>Trade, Trade Relations and Value chains</td>
<td>Olga Pindyuk, wiiw</td>
</tr>
<tr>
<td>13:00 - 14:00</td>
<td></td>
<td>Lunch</td>
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<tr>
<td>14:00 - 15:30</td>
<td>L-11</td>
<td>Demographic Developments and Automation</td>
<td>Sandra Leitner, wiiw</td>
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<tr>
<td>15:30 - 15:45</td>
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<td>Coffee Break</td>
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</tr>
<tr>
<td>15:45 – 16:45</td>
<td>L-12</td>
<td>Infrastructure Policies</td>
<td>Marko Koren, ÖBB-Infrastruktur AG</td>
</tr>
</tbody>
</table>
Concept

Public communication
Team work
effective negotiating/influencing
Training for high-potential government officials

12th May 2019
Terms of Reference

It is planned to give a two-day segment on soft skills - mainly presentation skills, public communication, team work, effective negotiating/influencing - in JVI’s flagship Applied Economic Policies course. This five-week program is targeted at young, high-potential government officials (25-35 years of age) at an early stage of their public service careers. It aims to give participants a comprehensive understanding of a range of economic policy areas, and to strengthen their analytical skills and ability to provide sound policy advice.

About 30 participants from close to 20 countries throughout Central, Eastern, Southeastern Europe, the Caucasus, Central Asia, and Turkey will participate. Within the course the will do a lot of group work, presentations, debates, hands-on workshops, and also a gender awareness program in the course of the five-week program, and the planned soft skills training should help them to better prepare for this kind of interactive engagement in an intercultural environment, with English as the working language.
Aims and Objectives

Public communication
- my communication style
- communication with my colleagues
- communication models (Shannon and Weaver - sender receiver, Schulz von Thun - 4 ears of a message, Ice Berg Modell)
- public communication

Team work
- Getting to know my team - strength and weaknesses (DISG - Model)
- My part in a team
- Theoretical input: Tuckmans stages of group development
- Different methods in team work

Effective negotiating/influencing
- Key motivators
- Trust-building elements
- How to – negotiation
- How to – influencing
# Plan of the day

<table>
<thead>
<tr>
<th>Time</th>
<th>Content</th>
<th>Method</th>
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<tbody>
<tr>
<td>9:00</td>
<td>Welcome</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Getting to know the trainer</td>
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<td></td>
<td>• Organisational issues for the day</td>
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<tr>
<td>9:15</td>
<td>Team / Getting to know my colleagues</td>
<td>Group exercise</td>
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<tr>
<td></td>
<td>• Communication – BINGO</td>
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<tr>
<td></td>
<td>• Work out what we have in common</td>
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<tr>
<td>9:30</td>
<td>Communication – what do we know already</td>
<td>Moderation cards – Pinnwall</td>
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<tr>
<td>9:45</td>
<td>Know – How Input: Communication Models</td>
<td>Power Point presentation</td>
</tr>
<tr>
<td>10:15</td>
<td>Partner interview</td>
<td>Working in pairs</td>
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<tr>
<td>10:35</td>
<td>Break</td>
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<tr>
<td>10:50</td>
<td>Presentation: Introducing my partner</td>
<td>Presentation</td>
</tr>
<tr>
<td>11:30</td>
<td>Exercise: Building with instructions</td>
<td>In groups of 3</td>
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<tr>
<td>12:15</td>
<td>Lunch break</td>
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<tr>
<td>13:15</td>
<td>Activation Exercise: Planetary system</td>
<td>Short reflection</td>
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<tr>
<td>13:30</td>
<td>Team Work – what do we know already</td>
<td>Presentation of the findings</td>
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<tr>
<td>13:50</td>
<td>Know – How Input</td>
<td>Presentation</td>
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<tr>
<td>14:05</td>
<td>Team Exercise: Blind Square</td>
<td>Exercise</td>
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<td></td>
<td>Reflection – what worked well – what are the success factors?</td>
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<tr>
<td>15:00</td>
<td>Break</td>
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<tr>
<td>15:15</td>
<td>Negotiation and Influencing</td>
<td>Brainstorming technique</td>
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<td>When and where do we need it?</td>
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<td>15:30</td>
<td>Practicing through role plays</td>
<td>Exercise</td>
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<td>rhetorical fine tuning, which types of questions do we use, positive wording, trust building factors</td>
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<tr>
<td>16:15</td>
<td>Summary Negotiation and Influencing – Know-How collection</td>
<td>Collection and clustering</td>
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<tr>
<td>16:30</td>
<td>End of Seminar – Feedback</td>
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<td>What do I take with me</td>
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</table>
Note:

- Due to groupdynamics it may come to changes in the program – it is advised not to communicate the detailed programme to the participants
Monday, June 10

9:00 a.m. – 9:15 a.m.  Opening Remarks and Introductions
Mr. Thomas Richardson, Director, JVI,
Mr. Holger Flörkemeier, Deputy Director, JVI,
Mr. Asel Isakova, Senior Economist, JVI

9:15 a.m. – 9:45 a.m.  Quiz

10:15 a.m. – 12:30 p.m.  L – 1
Overview of Basic Macroeconomic Accounts and interrelationships
Mr. Richardson
- Main economic sectors and accounts
- Role of economic agents
- Interrelations between accounts

2:00 p.m. – 5:30 p.m.  L – 2
Macroeconomic Stabilization Policies, Structural Reforms, and the Role of the IMF
Mr. Flörkemeier
- Concept of macroeconomic stability
- Internal and external balance
- Overview of stabilization policies and the role of the IMF

Tuesday, June 11

9:00 a.m. – 12:30 p.m.  L – 3
Economic Growth and Structural Policies
Ms. Isakova
- Growth accounting methodology
- Economic growth theories
- Role of institutions and reforms

2:00 p.m. – 5:30 p.m.  W – 1
Workshop on Economic Growth: Growth Accounting and Growth Regressions
Facilitated by Counselors
- Growth accounting
- Estimating potential growth
- Growth regressions and role of reforms
### Wednesday, June 12

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Event</th>
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<tbody>
<tr>
<td>9:00 a.m. – 12:30 p.m.</td>
<td>L–4</td>
<td><strong>Choice of Monetary and Exchange Rate Policy Framework</strong>&lt;br&gt;Mr. Flörkemeier  &lt;br&gt;• Monetary and exchange rate policy objectives  &lt;br&gt;• Transmission mechanisms  &lt;br&gt;• Factors relevant to the choice of monetary policy and exchange rate</td>
</tr>
<tr>
<td>2:00 p.m. – 5:30 p.m.</td>
<td>W–2</td>
<td><strong>Workshop on the Choice of Monetary/ Exchange Rate Framework: Country Case Studies</strong>&lt;br&gt;Facilitated by Counselors  &lt;br&gt;• Choice of monetary and exchange rate regime  &lt;br&gt;• The broader macro policy framework  &lt;br&gt;• Discussion of alternative scenarios in plenary</td>
</tr>
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### Thursday, June 13

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<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Event</th>
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<tbody>
<tr>
<td>9:00 a.m. – 10:30 a.m.</td>
<td>L – 5</td>
<td><strong>Role and Objectives of Fiscal Policy</strong>&lt;br&gt;Ms. Isakova  &lt;br&gt;• How does fiscal policy work?  &lt;br&gt;• Measuring the fiscal stance  &lt;br&gt;• Fiscal policy in the aftermath of the crisis</td>
</tr>
<tr>
<td>11:00 a.m. – 12:30 p.m.</td>
<td>W–3</td>
<td><strong>Workshop on Calculating the Structural Balance</strong>&lt;br&gt;Facilitated by Counselors  &lt;br&gt;• Definition of Structural Balance  &lt;br&gt;• Calculating Structural Balance – Aggregated Approach  &lt;br&gt;• Example in Calculating Structural Balance</td>
</tr>
<tr>
<td>2:00 p.m. – 3:30 p.m.</td>
<td>L – 6</td>
<td><strong>Fiscal Sustainability</strong>&lt;br&gt;Ms. Isakova  &lt;br&gt;• Overview of the public sector debt sustainability analysis (DSA)  &lt;br&gt;• IMF approach to DSA</td>
</tr>
<tr>
<td>4:00 p.m. – 5:30 p.m.</td>
<td>W–4</td>
<td><strong>Workshop: Public Debt Sustainability</strong>&lt;br&gt;Facilitated by Counselors  &lt;br&gt;• Understanding the debt sustainability algebra  &lt;br&gt;• Construct debt trajectories in presence of shocks</td>
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### Friday, June 14

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<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Event</th>
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<tbody>
<tr>
<td>9:00 a.m. – 10:30 a.m.</td>
<td>L – 7</td>
<td><strong>Fiscal Policy: Role of Taxation and Government Spending</strong>&lt;br&gt;Ms. Isakova  &lt;br&gt;• Types of public expenditure  &lt;br&gt;• Tax revenue sources  &lt;br&gt;• Recent trends</td>
</tr>
</tbody>
</table>
• Policy issues: expenditure rationalization and tax reform

**Principles of Exchange Rate Analysis**
11:00 a.m. – 12:30 p.m.  L – 8  Mr. Richardson
• Exchange rate concepts/definitions
• Arbitrage and parity conditions
• Exchange rate regimes and competitiveness
• Multilateral assessments, EBA/ESR

2:00 p.m. – 3:30 p.m.  W – 5  **Workshop on Exchange Rate Analysis** Facilitated by Counselors
• Equilibrium real exchange rates
• Use of the EBA – ESR approach

4:00 p.m. – 5:30 p.m.  GD – 1  **Group Debates on Key Policy Issues** Facilitated by Counselors
• Introduction to group debates
• Preparation by participants

### Monday, June 17

<table>
<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Presentation/Session</th>
</tr>
</thead>
</table>
| 9:00 a.m. – 10:30 a.m. | L – 9    | **Macro-Financial Linkages**  Ms. Isakova  
• Financial risk cycles
• Financial intermediaries and the macro-economy
• Macro-prudential tools |

11:00 a.m. – 12:30 p.m. | L – 10   | **International Capital Flows: Drivers, Benefits, Risks, Policy Response**  Mr. Richardson  
• Stylized facts about capital flows
• Benefits and risks of capital flows liberalization
• Policy response and IMF’s institutional view |

2:00 p.m. – 5:30 p.m.  | L – 11   | **Labor Market Policy in a Changing Environment**  Mr. Cyrille Schwellnus, OECD  
• The role of labor market in promoting productivity gains: OECD Jobs Strategy
• Public policies for good labor market performance
• The future world of work: Digitalization, globalization and gig economy |

### Tuesday, June 18

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<thead>
<tr>
<th>Time</th>
<th>Location</th>
<th>Presentation/Session</th>
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<tr>
<td>9:00 a.m. – 10:30 a.m.</td>
<td>L – 12</td>
<td><strong>External Sustainability and Vulnerability</strong></td>
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<thead>
<tr>
<th>Time</th>
<th>Room</th>
<th>Activity</th>
<th>Presenter</th>
<th>Topics</th>
</tr>
</thead>
</table>
| 11:00 a.m. – 12:30 p.m. | W – 6 | **External Sustainability** Facilitated by Counselors | Mr. Flörkemeier | - External Debt Sustainability Analysis  
- Foreign Exchange Reserve Adequacy  
- External Risk Indicators |
| 2:00 p.m. – 3:30 p.m. | L – 13 | **External Sustainability and Crises**  
| Mr. Flörkemeier | | - Models of Currency Crises  
- Sectoral links: Twin Crises  
- Macroeconomic Policies for Crisis Prevention |
| 4:00 p.m. – 5:30 p.m. | GD – 2 | **Group Debates on Key Policy Issues** | | - Preparation by participants |
| **Wednesday, June 19** | | | | |
| 9:00 a.m. – 10:00 a.m. | L – 14 | **The IMF, Mission Work: Selected Aspects and Introduction to Role Play**  
| Mr. Richardson | | - Working of IMF missions  
- Diagnostics  
- Negotiations |
| 10:00 a.m. – 10:45 a.m. | W – 7 | **IMF Mission Work: A Country Case** Facilitated by Counselors | | |
| 11:00 a.m. – 12:30 p.m. | W – 8 | **Case Study and Role Play: Group Preparation** Facilitated by Counselors | | - Demand stimulus versus debt sustainability  
- Implications of infrastructure development  
- Formulate initial policy suggestions |
| 2:00 p.m. – 3:30 p.m. | W – 8 (cont’d) | **Case Study and Role Play: Simulation of Discussion and Continued Group Preparation** Facilitated by Counselors | | - Discussions between authorities and mission  
- Integrate new information in analyses  
- Refine reform proposals |
| 4:00 p.m. – 5:30 p.m. | W – 8 (cont’d) | **Case Study and Role Play: Simulation of Discussions** Facilitated by Counselors | | |
### Thursday, June 20

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<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
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</thead>
</table>
| 9:00 a.m. – 11:00 a.m. | L – 15   | Rethinking Macroeconomics  
Mr. Flörkemeier  
- Economic Thinking Before/after the crisis  
- Implications for monetary, fiscal, and macro-prudential policies  
- The New-Normal |
| 11:15 a.m. – 12:30 p.m. | G – 1    | Macro Policy Jeopardy!  
Facilitated by Counselors |
| 2:00 p.m. – 5:30 p.m. | W – 9    | Workshop on Macroeconomic Policy Frameworks: Country Case Studies  
Facilitated by Counselors  
- Identify major macroeconomic challenges and fiscal risks  
- Discuss policy measures to respond to challenges  
- Group presentations |

### Friday, June 21

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<tr>
<th>Time</th>
<th>Location</th>
<th>Activity</th>
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</table>
| 9:00 a.m. – 10:30 a.m. | GD – 3   | Group Debates on Key Policy Issues  
Facilitated by Counselors  
- Final group presentations |
| 11:00 a.m. – 12:30 p.m. | O – 1    | Guest Lecture on Gender, Technology and the Future of Work  
Ms. Era Dabla-Norris, IMF |
| 1:15 p.m. – 2:00 p.m. |         | Quiz |
| 2:00 p.m. – 2:45 p.m. |         | Segment Evaluation and Concluding Session |
# Workshop on Financial Stability Risks

**JVI AEP Segment "FINANCIAL SECTOR ISSUES", 24th - 28th June 2019**  
Covered by Oesterreichische Nationalbank (OeNB)

<table>
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<th>Time</th>
<th>Topic</th>
<th>Presented by</th>
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<tr>
<td>9.00-9.10</td>
<td><strong>Introduction</strong></td>
<td>Holger Flörkemeier, Deputy Director (JVI)</td>
<td>10</td>
</tr>
<tr>
<td>9.10-10.00</td>
<td><strong>Introduction to Financial Stability</strong></td>
<td>Gernot Ebner (OeNB)</td>
<td>50</td>
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<tr>
<td></td>
<td>Dimensions of financial stability, systemic risk monitoring and</td>
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<td></td>
<td>assessment, financial stability policy, cross-border linkages,</td>
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<td>brief overview of the supervisory architecture in the EU.</td>
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<tr>
<td>10.00-10.30</td>
<td><strong>Segment Introduction</strong></td>
<td>Eva Ubl (OeNB)</td>
<td>30</td>
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<tr>
<td>10.30-10.45</td>
<td>Coffee Break</td>
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<td>15</td>
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<tr>
<td>10.45-12.15</td>
<td><strong>Macroprudential Policy in the Banking Union</strong></td>
<td>Balazs Zsamboki (ECB)</td>
<td>90</td>
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<tr>
<td>12.15-14.00</td>
<td>Lunch Break</td>
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<td>105</td>
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<tr>
<td>14.00-15.30</td>
<td><strong>Liquidity Risk</strong></td>
<td>Robert Ferstl, Benjamin Neudorfer (OeNB)</td>
<td>90</td>
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<td>Concepts and methods of liquidity risk assessment, including</td>
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<td>recent regulatory developments</td>
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<tr>
<td>15.30-15.45</td>
<td>Coffee Break</td>
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<tr>
<td>15.45-17.15</td>
<td><strong>Workshop on Financial Stability Risks</strong></td>
<td>Judith Eidenberger (OeNB)</td>
<td>90</td>
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</table>

**Monday, June 24th Introduction to Financial Sector Issues**

**Tuesday, June 25th Topical Financial Sector Issues in the CESEE Region**

<table>
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<th>Topic</th>
<th>Presented by</th>
<th>Duration [min]</th>
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</thead>
<tbody>
<tr>
<td>09.00-10.30</td>
<td><strong>Macrofinancial Issues in the CESEE Region</strong></td>
<td>Tomas Slacik (OeNB)</td>
<td>90</td>
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<tr>
<td></td>
<td>Macrofinancial risks and imbalances in the run-up to the</td>
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<td>crisis, impact of the crisis on countries in the CESEE region,</td>
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<td>lessons learned for macrofinancial stability.</td>
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<td>10.30-10.45</td>
<td>Coffee Break</td>
<td></td>
<td>15</td>
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<tr>
<td>10.45-12.15</td>
<td><strong>Recovery and Resolution</strong></td>
<td>Konrad Richter (OeNB)</td>
<td>90</td>
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<td></td>
<td>Experiences and reflections on recovery and resolution plans</td>
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<tr>
<td>12.15-14.00</td>
<td>Lunch Break</td>
<td></td>
<td>105</td>
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<tr>
<td>14.00-15.30</td>
<td><strong>Austrian banks in CESEE</strong></td>
<td>Stefan Kavan (OeNB)</td>
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<td></td>
<td>Opportunities and challenges from a financial stability point of</td>
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<td>view</td>
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<td>15.30-15.45</td>
<td>Coffee Break</td>
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<td>15</td>
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<tr>
<td>15.45-17.15</td>
<td><strong>Banking in the CESEE Region: Practitioner’s View</strong></td>
<td>Gunter Deuber (Raiffeisen Bank International)</td>
<td>90</td>
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<td>Current banking trends and challenges for CESEE banks</td>
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<tr>
<td>Time</td>
<td>Topic</td>
<td>Presented by</td>
<td>Duration [min]</td>
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<tr>
<td><strong>Wednesday, June 26th - Workshops on Risks and Challenges I</strong></td>
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<tr>
<td>09.00-10.30</td>
<td>Macropudential Instruments (I)</td>
<td>Eva Ubl, Judith Eidenberger (OeNB)</td>
<td>90</td>
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<td>Policy tools to strengthen financial stability: capital-based,</td>
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<td>borrower-based instruments and guidelines</td>
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<tr>
<td>10.30-10.45</td>
<td>Coffee Break</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>10.45-12.15</td>
<td>Macropudential Instruments (II)</td>
<td>Eva Ubl, Judith Eidenberger (OeNB)</td>
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<td>Policy tools to strengthen financial stability (cont.)</td>
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<td>14.00-15.30</td>
<td>Introduction Workshop Case Study</td>
<td>Eva Ubl, Judith Eidenberger (OeNB)</td>
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<td>Group work on Other Systemically Important Banks Buffer, Counter</td>
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<td>cyclical Capital Buffer and measures regarding the real estate sector</td>
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<td>15.45-17.15</td>
<td>Workshop Case Study</td>
<td>Eva Ubl, Judith Eidenberger (OeNB)</td>
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<td>Group work</td>
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<td><strong>Thursday, June 27th - Workshops on Risks and Challenges II</strong></td>
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<td>14.00-15.30</td>
<td>Deposit Guarantee and Financial Stability</td>
<td>Eva Ubl, Judith Eidenberger (OeNB)</td>
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<td>Other Regulations to strengthen financial stability</td>
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<td>Presentation of group work outcome on Systemic Risk Buffer, Deposit</td>
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<td>10.45-12.00</td>
<td>Closing Session, Segment Evaluation</td>
<td>Eva Ubl (OeNB)</td>
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<td>Closing Session</td>
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Contact: Eva Ubl (eva.ubl@oenb.at) or Judith Eidenberger (judith.eidenberger@oenb.at)
The segment offered jointly by the World Bank Group (WBG) and the World Trade Organization (WTO) deals with issues of economic management in an open world focusing on trade policy issues relevant for transition economies. The objective is to understand the role of trade policy in structural transformation and economic growth from the perspective of integration of the transition economies into the world economy and the international trading system. The course highlights the linkages of trade policy to the macro-economy and macroeconomic policies.

Course Objectives

The segment aims to provide participants with:

(i) analytical tools to assess the effects of trade and trade policy on performance of priority areas for government, along with an application to issues in transition economies;
(ii) knowledge about the institutions and processes that shape trade policy, particularly the WTO (WTO Agreements and current trade negotiations).

Course Content

This one week course covers the fundamentals and some frontier issues regarding international trade and trade policy. The segment will cover the following:

- The motivation to trade, the determinants of trade patterns, and its impact on the economy.
- The various policy instruments used to intervene with free trade and their effects.
- Avenues of global integration- the role of preferential trading arrangements, and their relation to multilateralism; the growth of foreign investment and multinational enterprises, and the flow of people and ideas.
- The macroeconomic dimensions of trade and trade policy.
- The law and economics of the multilateral trading system, WTO rules and the state of play in the ongoing negotiations under the Doha Development Agenda (DDA).
- The evolving issues in the global trade environment.

Methods of Instruction

1. Lectures on trade policy issues, illustrated by country/firm studies and complemented by discussions of the experiences in participants’ countries and elsewhere;
2. Preparatory workshops and exercises in which participants work together on problems and topics distributed by the lecturers.

Segment Directors

Alexander Keck, World Trade Organization (alexander.keck@wto.org)
Ravindra Yatawara, World Bank Group (ryatawara@worldbank.org)
**Office hours:** Daily after lectures.

**Course Material**

A soft copy of pdf files of PowerPoint slides that accompany the lectures will be provided.

Key readings essential to the lecture are designated by (*) and are provided to students in pdf format. Additional recommended readings are selectively available in pdf format for students.

While the lectures are meant to be self-contained, participants may find it beneficial to periodically consult a standard text book in International Economics. There are many good texts with varying strengths. Among the widely used texts are


Advanced graduate texts:

- *Advanced International Trade: Theory and Evidence*, by Robert C. Feenstra

A copy of KO will be made available for reference.

**Useful Resources on the Web:**

**Data**

- Trade data visualization [http://atlas.media.mit.edu](http://atlas.media.mit.edu)

General

- WTO trade policy reviews and trade monitoring reports
  
  http://www.wto.org/english/tratop_e/tratop_e/tp_r_e/tp_r_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/trade_monitoring_e.htm

- WTO economic research and analysis, including annual World Trade Reports
  
  http://www.wto.org/english/res_e/reser_e/reser_e.htm

- World Bank Trade Department
  
  www.worldbank.org/trade

- All World Bank Policy Research Working Papers (PRWP) since 1994 available to download, i.e. PRWP #1238 onwards
  

- Trade Policy and WTO Accession for Russia and other CIS countries
  
  http://go.worldbank.org/TCSZLJI830

- Most EBRD Working Papers available to download
  
  http://www.ebrd.org/english/region/workingp/index.htm

- The Annual World Economic Outlook from the IMF
  

- The Annual Global Economic Prospects (GEP) from the World Bank
  

- CEPR and NBER working paper abstracts (with papers available for a fee) and is downloadable at
  

- Digital Library of UNCTAD Publications, CD-ROMs and On-line Data Sources is downloadable at
  
  http://www.unctad.org/Templates/Page.asp?intItemID=1397&lang=1

- VOXEU on Trade and Project Syndicate
  
  www.project-syndicate.org

Useful readings on the web addressing the WTO rules:

  http://www.wto.org/english/tratop_e/tratop_e/trips_e/trips_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/tbt_e/tbt_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/sps_e/sps_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/cusval_e/cusval_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/roi_e/roi_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/adp_e/adp_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/scm_e/scm_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/safeg_e/safeg_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/gproc_e/gproc_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/statra_e/statra_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/invest_e/invest_e.htm
  http://www.wto.org/english/tratop_e/tratop_e/comp_e/comp_e.htm

International organizations homepages

COURSE OUTLINE

World Bank Segment

Lectures on Monday and Tuesday will cover the economics of trade and trade policy, with special reference to trade and competitiveness issues in transition economies. It covers current integration trends through preferential liberalization and accessing global value chains, as well as other frontier issues in the post-crisis global environment. Key readings essential to the lecture are designated by (*) and are provided to participants in pdf format.

Monday, July 1 (Day 1)

Session 1: Stylized Facts, Neoclassical Trade Theory and Gains from Trade (9:00-10:30)

- Stylized Facts on Trade
- Historical perspective on globalization and current trends
- Explaining the volume and pattern of trade
- Ricardo and Heckscher-Ohlin-Samuelson models
- Gains from trade and distributional aspects

Lecture notes: [Trade1_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:
Davis, Donald (2001) Competitive Trade Theory (Davis.pdf)
Baldwin, Richard (2011) “Trade and Industrialisation after Globalisation’s 2nd Unbundling : How Building and Joining a Supply Chain are Different and Why it Matters?” NBER WP 17716, December

Session 2: New and “Newer” Trade Theory (10.45-12:15)

- Intra-industry trade: economies of scale and imperfect competition
- The gravity equation
- Heterogeneous firms in international trade
- Trade in tasks

Lecture notes : [Trade 2_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:
Session 3: Commercial Policy Instruments, their Impact and the Political Economy of Protection (14.00-15.30)

- Motivation for protection
- Import tariffs
- Non-tariff measures and barriers (NTMs and NTBs)
- Services trade barriers
- Cost of protection

Lecture notes: [Trade 3_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:
* Goldberg, Pinelopi and Nina Pavcnik ‘The Effects of Trade Policy” NBER WP21957, 2016
  “Classification of NTMS” [classification-NTMS.pdf]

Session 4: Trade Costs and Export Competitiveness (15.45-17.15)

- Understanding trade costs at the border, behind the border and beyond the border
- A simple model of exporting.
- Indicators of trade policy, other trade costs and trade outcomes
- Understanding the competitiveness diagnostic through the example of Moldova.

Lecture notes: [Trade 4_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:
* World Bank, “Trade Competitiveness Toolkit.”

World Bank (2014), Connecting to Compete: Trade Logistics in the Global Economy

Tuesday, July 2 (Day 2)

Session 5: Integration through Preferential Liberalization (9:00-10:30)

- PTA Traditional Effects: Trade Creation and Trade Diversion
- Evidence on spillovers to third countries
- “Non-Traditional Effects” of PTAs
- Rules of origin
- Deep integration

Lecture notes: [Trade 5_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:
Session 6: Foreign Direct Investment, Multinational Enterprises and Integration through Global Value Chains. (10.45-12:15)

Lecture notes: [Trade 6_JVI.ppt]

- Determinants of inward and outward FDI
- The boundaries of the firm – outsourcing, off shoring
- The Trade- FDI nexus
- Development of global/regional value chains

Lecturer: Ravi Yatawara

Readings:
* Antras, Pol and Stephen Yeaple, “Multinational Firms and the Structure of International Trade”, Handbook of International Trade” (also NBER WP, 2013)
* Baldwin, Richard, “Global Supply Chains: why they emerged, why they matter and where are they going” 2015

Session 7: The Macro Dimensions of Trade and Competitiveness (14.00-15:30)

- Trade, trade policy and growth – changing elasticities
- Instrument choice issue – optimal taxation and targeting – trade and non-trade responses to the global recession
- Exchange rate undervaluation, currency unions
- Why was there no return to protectionism similar to the time of the Great Depression?
- Trade imbalances, and fiscal implications
- Trade and transport infrastructure and debt sustainability
- Granularity

Lecture notes: [Trade 7_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:
* Irwin, Doug (.2019) Does Trade Reform Promote Economic Growth? A Review of Recent Evidence
  Douglas A. Irwin May 2019

Session 8. Overview of Trade Patterns and Policies in Transition: (15:45-17:15)

- Evolution of trade patterns-trade expansion and increased openness
- Geographic reorientation
- Change in export structure and comparative advantage
- Regional differences
- Trade liberalization, WTO accession, EU membership, Association, FTAs

Lecture notes: [Trade 8_JVI.ppt]

Lecturer: Ravi Yatawara
**Wednesday, July 3 (Day 3)**

**Session 9 Integration and Competitiveness Issues facing Transition Economies (9.00-10.30)**

Discussion topics and Class Presentations

- **Export diversification:** How important is export diversification for resource rich and resource poor economies? What direction would you take a resource rich economy?

- **Integration options and competitiveness:** For a small open economy, what are the impacts of differing integration options from joining a customs union like the EACU, to EU accession, to WTO accession, on trade competitiveness? What direction would you take the economy? Can we learn anything from the impact of the Turkey – EU customs union.

*Lecturer: Ravi Yatawara*

**Readings**

*World Bank (2017) Trade in Transition, ECA Regional Update*


**Session 10 Recent Issues in the Global Trade Environment (10.45-12.15)**

Backlash to globalization – who, where, why? Economic nationalism

Current Global Trade developments, Trade wars and their impact.

Lecture notes: [Trade 10_JVI.ppt]

*Lecturer: Ravi Yatawara*

**Readings**

*Freund, Caroline, Michael Ferrantino 2018. Impacts on Global Trade and Income of Current Trade Disputes. World Bank July*


*International Monetary Fund, World Bank and the World Trade Organization (2017) “Making Trade an Engine of Growth for All” April*

The second segment of the course (Wednesday afternoon and Thursday) will provide an introduction to the law and economics of the multilateral trading system. The first set of lectures will briefly examine the economic rationale for concluding international trade agreements, before delving into a discussion of the main features of such agreements aimed at securing the benefits from trade cooperation. The second part will introduce the WTO as an international organization and discuss its main institutional elements as a forum for negotiations on further market opening. Besides the economic foundations, all of the lectures will also highlight principal WTO disciplines. In order to prepare for each session and for further reference, a number of readings are suggested. Key readings are identified by an asterisk (*). The following comprehensive texts are recommended as general references:


**Wednesday, July 3 (Day 3 cont.)**

**Session 11: Economics of Trade Agreements, GATT/WTO Overview (14.00-15.30)**

- The economics of trade agreements:
- The WTO framework (From GATT to the WTO; Functions and Structure of the WTO; and Decision-making in the WTO; Accession to the WTO, Special Flexibilities for Developing Countries; from Doha to Bali to Nairobi Ministerial Conference)
- Quantitative assessments of trade agreements

Lecture notes: [11_Trade_agreements_WTO_intro.ppt]

*Lecturer:* Alexander Keck

*Readings (Economics of trade agreements):*


Readings (WTO, general):


Readings (Economic assessments):


Session 12: Goods, Agriculture (15:45-17:15)

- Bound vs. applied tariffs
- Schedules of tariff concessions
- Negotiating techniques
- Agriculture in GATT and the WTO
- Types of agricultural trade policies

Lecture notes: [12_Industrial_goods_Agriculture.ppt]

Lecturer: Alexander Keck

Readings (non-agricultural goods):


Readings (agriculture):


WTO Secretariat background papers on selected agriculture issues, downloadable at: [http://www.wto.org/english/tratop_e/agric_e/negoti_secretariat_papers_e.htm](http://www.wto.org/english/tratop_e/agric_e/negoti_secretariat_papers_e.htm)

WTO webpage on cotton: [https://www.wto.org/english/tratop_e/agric_e/cotton_e.htm](https://www.wto.org/english/tratop_e/agric_e/cotton_e.htm)

Thursday, July 4 (Day 4)

Session 13: Services, Trade Facilitation (9.00-10.30)

- Services trade, economic importance
- Overview of the GATS
- Modes of supply
- Sectoral coverage
- Schedules of specific commitments
What is trade facilitation?
GATT 1994 Articles V, VIII and X
Trade Costs
The WTO Agreement on Trade Facilitation

Lecture notes: [13a_Services.ppt] and [13b_Trade_facilitation.ppt]

Lecturer: Alexander Keck

Readings (services):


Readings (trade facilitation):


OECD trade facilitation indicators, at http://www.oecd.org/tad/facilitation/indicators.htm
Session 14: Trade Policy Flexibility and WTO Rules on Trade Remedies (10.45-12.15)

- The economic rationale for flexibility in trade agreements
- What are trade remedies?
- Key WTO rules on trade remedies

Lecture notes: [14_Trade Remedies.ppt]

Lecturer: Alexander Keck

Readings:
*WTO website explanations of the Anti-Dumping, Subsidies and Countervailing Duties as well as Safeguard Agreements (on E-CAMPUS, as Word-file).


Session 15: Enforcement and WTO Dispute Settlement (14.00 -15:30)

- Enforcement of trade agreements
- Rules and procedures on dispute settlement from the GATT to WTO
- Performance of the dispute settlement system
  - Utilization of dispute settlement procedures and outcomes
  - Discussions in the literature on possible improvements
- Economic analysis in WTO dispute settlement

Lecture notes: [15_Dispute Settlement.ppt]

Lecturer: Alexander Keck

Readings:


WTO (without year) WTO Dispute Settlement: One-Page Case Summaries, Geneva: WTO:
Session 16: Trade Policy Exercises and Quiz (15.45-17.15)

In short case studies, participants are advisers to the Minister of Commerce. The Minister seeks their expert opinion on the WTO compatibility and economic impact of different policies (s)he intends to implement following pressure from lobby groups. The second exercise takes place in a dynamic group competition context and consists of multiple choice questions on all of the topics covered in the WTO segment.

Lecture notes: [16a_Trade_policy_exercise.doc] and [16b_Quiz.ppt]

Lecturer: Alexander Keck