

SEGMENT 1

**Austrian and European Political
and Economic Issues**

Austrian Authorities / JVI

JOINT VIENNA INSTITUTE

Applied Economic Policy Course:

Austrian and European Political and Economic Issues

Vienna, Austria

May 26 - 30, 2014

PROGRAM

Monday, May 26

Introduction and Austria's History and Social System

8:30 – 9:00	Registration and Administrative Remarks <i>Tamara Tsikhistavi, Program Officer, JVI</i>
9:00 – 10:00	Opening Remarks, Getting-to-Know Each Other, and Course Overview <i>Norbert Funke, Director, JVI</i> <i>Burkhard Drees, Deputy Director, JVI</i> Coffee Break
10:30 – 11:00	Introduction to First Week Some Practical Information <i>Elisabeth Hagen, wiiw</i>
11:00 – 12:30	The Economy of the Dual Monarchy. Factors of Development and Backwardness <i>Andreas Resch, Vienna University of Economics and Business</i> Lunch Break
2:00 – 3:30	Austria's Labour Markets and Labour Market Policies <i>Johannes Schweighofer, Ministry of Social Affairs</i> Coffee Break
4:00 – 5:00	Introduction to Workshop, <i>Reiner Buchegger, University of Linz</i>

JOINT VIENNA INSTITUTE

Applied Economic Policy Course:

Austrian and European Political and Economic Issues

Vienna, Austria

May 26 - 30, 2014

PROGRAM

Tuesday, May 27

Workshop on Austria's economy

9:00 – 10:30

Workshop on the Austrian Economy
Reiner Buchegger, University of Linz

Coffee Break

11:00 – 1:00

Workshop, Presentations by Participants

Lunch Break

2:00 – 3:00

The Austrian and the EU Social System
Josef Wöss, Arbeiterkammer Wien

Visit to wiiw, 1060 Wien, Rahlgasse 3:

3:30 – 4:00

wiiw Forecast
Mario Holzner, wiiw

4:00 – 4:30

Where to Get Data, How to Interpret Them
Alexandra Bykova, wiiw

4:30 – 4:45

Information about wiiw
Elisabeth Hagen, wiiw

4:45

Invitation to a Viennese Jause with Coffee and Cake

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Wednesday, May 28 **EU Economic Policy**

9:00 – 10:30	Challenges for EU Economic Policy <i>Vladimir Gligorov, wiiw</i>
	Coffee Break
10:30 – 12:00	EU Economic Policy Coordination in Practice, the View from a National Perspective <i>Andrea Itzlinger, Austrian Federal Chancellery</i>
	Lunch Break
2:00 – 3:30	The Role of the EIB in Promoting Growth in the EU and the EU Neighbourhood <i>Wolfgang Nitsche, Austrian Federal Ministry of Finance</i>
	Coffee Break
4:00 – 5:00	The New EU Financial Framework and Macroeconomic Conditionalities <i>Sandor Richter, wiiw</i>

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Thursday, May 29 **Presentation and Writing Skills; the Role of Government in an Economy**

9:00 – 10:30	Effective Presentation Skills <i>Burkhard Drees, JVI</i>
	Coffee Break
11:00 – 12:30	Effective Writing Skills for Non-Native Speakers <i>Norbert Funke, JVI</i>
	Lunch Break
2:00 – 5:30	The Role of Government in a Market Economy <i>Burkhard Drees, JVI</i>

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PROGRAM

Friday, May 30

Austrian and EU Monetary Institutions and Policy

8:15	Meeting at JVI Entrance
9:00 – 10:00	Guided Tour of the OeNB Money Museum <i>Margarethe Juran, Oesterreichische Nationalbank, Money Museum</i> <i>Venue: Otto-Wagner Platz 3, 1090 Wien</i> <i>Ground Floor</i>
	Coffee Break
10:15 – 11:45	Lecture on Austria's Banking System <i>Andreas Greiner, Oesterreichische Nationalbank</i> <i>Venue: Otto-Wagner Platz 3, 1090 Wien</i> <i>A-MOO10, Ground Floor</i>
	Coffee Break
2:00 – 5:00	Economic and Monetary Union <i>Johannes Priesemann, European Central Bank</i>
5:00 – 5:30	Evaluation of the Segment

SEGMENT 2

Macroeconomic Management Issues

IMF / JVI

INTERNATIONAL MONETARY FUND
Joint Vienna Institute
Applied Economic Policy Course: Macroeconomic Management Issues
Vienna, Austria
June 2 – 13, 2014
PROGRAM

Monday, June 2

9:00 a.m. – 9:45 a.m.		Quiz
9:45 a.m. – 12:30 p.m.	L-1	Overview of Basic Macroeconomic Accounts and Interrelationships Mr. Burkhard Drees, Deputy Director, JVI <ul style="list-style-type: none">• 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. Klaus Enders, Consultant, IMF <ul style="list-style-type: none">• Concept of macroeconomic stability• Overview of stabilization policies• Role of the IMF

Tuesday, June 3

9:00 a.m. – 12:30 p.m.	L-3	Economic Growth and Structural Policies Ms. Asel Isakova, Junior Economist, JVI <ul style="list-style-type: none">• Growth accounting• Determinants of growth• Improving growth prospects
2:00 p.m. – 5:00 p.m.	W-1	Workshop on Growth Accounting Mr. Enders, Ms. Isakova, Mr. Luis Catao, Senior Economist, JVI <ul style="list-style-type: none">• Factor contribution to growth• The role of reforms• Growth accounting methodology

Wednesday, June 4

9.00 a.m. – 12:30 p.m.	L-4	Choice of Monetary Policy Framework and Monetary Policy Analysis Mr. Enders <ul style="list-style-type: none">• Monetary policy objectives• Transmission mechanisms• Alternative monetary policy frameworks
2:00 p.m. – 3:30 p.m.	L-5	Exchange Rate Regimes and Policies Mr. Norbert Funke, Director, JVI <ul style="list-style-type: none">• Factors relevant to the choice of exchange rate regimes and experience under alternative regimes• Link between monetary and exchange rate policy• Exchange rate concepts
4:00 a.m. – 5:30 p.m.	W-2	Workshop on the Choice of Monetary/ Exchange Rate Framework Mr. Enders / Ms. Isakova, Mr. Funke, Mr. Catao <ul style="list-style-type: none">• Three country case studies: Choice of monetary and exchange rate regime• Accompanying policies• Discuss alternative scenarios in plenary

Thursday, June 5

9:00 a.m. – 10:30 a.m.	L-6	The Fiscal Monitor – Outreach presentation Mr. Julio Escolano, Division Chief, Fiscal Affairs Department, IMF <ul style="list-style-type: none">• Global Fiscal Developments• Expenditure Reform
11:00 a.m. – 12:30 a.m.	L-7	Fiscal Policy in the Aftermath of the Crisis Mr. Funke <ul style="list-style-type: none">• Measuring the fiscal stance• Developing a fiscal strategy• Country examples
2:00 p.m. – 5:30 p.m.	W-3	Workshop on Fiscal Policy Mr. Enders, Mr. Funke / Isakova, Mr. Catao <ul style="list-style-type: none">• Develop a fiscal strategy for three case studies• Identify fiscal risks and contingent policy measures• Discuss alternative scenarios

Friday, June 6

9:00 a.m. – 12:30 p.m.	L-8	External Balance Assessment Mr. Catao <ul style="list-style-type: none">• CGER• Underlying current account• External balance assessment methodology
2:00 p.m. – 5:30 p.m.	W-4	Workshop on External Balance Assessment Mr. Enders, Mr. Funke, Mr. Catao /Ms. Isakova <ul style="list-style-type: none">• Case study

Monday, June 9

9:00 a.m. – 12:30 p.m.	L-9	Fiscal and External Sustainability Mr. Enders <ul style="list-style-type: none">• Overview public sector debt sustainability analysis (DSA)• External DSA• IMF approach to DSA
2:00 p.m. – 5:30 p.m.	W-5	Workshop: Public Debt Sustainability Mr. Enders / Ms. Isakova, Mr. Funke, Mr. Catao <ul style="list-style-type: none">• Understanding the debt sustainability algebra• Construct debt trajectories in presence of shocks• Case study

Tuesday, June 10

9:00 a.m. – 12:30 p.m.	L-10	Macro-Financial Linkages Mr. Catao <ul style="list-style-type: none">• Financial risk cycles• Financial accelerator models• Financial intermediaries and the macroeconomy
2:00 p.m. – 5:30 p.m.	D-1	Preparation for Group Debate Mr. Enders, Mr. Funke / Ms. Isakova, Mr. Catao

Wednesday, June 11

9:00 a.m. – 10:30 a.m.	L-11	International Capital Flows: Stylized Facts, Drivers, Macroeconomic Policy Response Mr. Funke
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		<ul style="list-style-type: none"> • Stylized Facts and drivers of capital flows • Benefits and risks of capital flows • Macroeconomic policy response
11:00 a.m. – 12:30 a.m.	L-12	International Capital Flows: The Role of Macprudential Policies and Capital Controls Ms. Isakova <ul style="list-style-type: none"> • Institutional view of the IMF • Macprudential policy response • Main forms of capital controls
2:00 p.m. – 3:30 p.m.	L-13	Special Lecture: Economic Developments in Belarus: Increasing Competitiveness and Growth Ms. Nadezhda A. Ermakova, Governor (Chairperson of the Board), National Bank of Belarus
4:00 p.m. – 5:30 p.m.	D-2	Group Debates on Current Policy Issues Mr. Enders, Mr. Funke / Ms. Isakova, Mr. Catao <ul style="list-style-type: none"> • Internal group discussions • Preparation of group presentation • Final group debate with group presentations

Thursday, June 12

9:00 a.m. – 10:30 p.m.	L-14	IMF Mission Work: Selected Aspects and Introduction to Role Play Mr. Funke <ul style="list-style-type: none"> • Working of IMF missions • Diagnostics • Negotiations
11:00 a.m. - 12:30 p.m.	W-6	Case Study and Role Play: Group Preparation Mr. Enders, Mr. Funke / Ms. Isakova, Mr. Catao <ul style="list-style-type: none"> • Demand stimulus versus debt sustainability • Implications of infrastructure development • Formulate initial policy suggestions
2:00 p.m. – 3:30 p.m.	W-6	Case Study and Role Play: Simulation of Discussion and Continued Group Preparation Mr. Enders, Mr. Funke / Ms. Isakova, Mr. Catao <ul style="list-style-type: none"> • Discussions between authorities and mission • Integrate new information in analyses • Refine reform proposals

4:00 p.m. – 5:30 p.m.	W-6	Case Study and Role Play: Simulation of Discussions Mr. Enders, Mr. Funke / Ms. Isakova, Mr. Catao <ul style="list-style-type: none"> • Final policy discussion between authorities and mission
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Friday, June 13

9:00 a.m. – 11:00 a.m.	P-1	Panel Discussion: Rethinking Macroeconomics Mr. Catao, Mr. Drees, Mr. Funke <ul style="list-style-type: none"> • Economic thinking before/after the crisis • Implications of the crisis for fiscal, monetary, macroprudential, and regulatory policies • The “new normal”
11:30 a.m. – 12:15 p.m.		Quiz
12.15 a.m. – 1:00 p.m.		Segment Evaluation and Concluding Session

May 30, 2014

SEGMENT 3

Financial Programming and Policies

IMF

INTERNATIONAL MONETARY FUND
Joint Vienna Institute / Institute for Capacity Development
Applied Economic Policy Course: Financial Programming and Policies
Vienna, Austria
June 16 – 27, 2014
PROGRAM¹

Monday, June 16

10:00 a.m. – 10:30 a.m.		Opening Session: Introductory Remarks Mr. Adam Gersl, Senior Economist, JVI Mr. Johann Schulz, Consultant Mr. Erich Spitaeller, Consultant
10:45 p.m. – 12:15 p.m.	L-1	Output, Expenditure, and Prices: Accounts, Analysis, and Forecasting Lecture by Mr. Schulz
2:00 p.m. – 5:15 p.m.	W-1	Workshop: Baseline Scenario: Output, Expenditure, and Prices Led by Mr. Gersl, Mr. Spitaeller, and Mr. Schulz (Counselors)

Tuesday, June 17

9:00 a.m. – 12:15 p.m.	W-1	Workshop: Baseline Scenario: Output, Expenditure, and Prices (continued) Led by Counselors
2:00 p.m. – 3:30 p.m.	W-1	Workshop: Baseline Scenario: Output, Expenditure, and Prices (concluded) Led by Counselors
3:45 p.m. – 5:15 p.m.	L-2	Balance of Payments Sector: Accounts, Analysis, and Forecasting Lecture by Mr. Schulz

¹ Unless otherwise stated, coffee breaks will be held from 10:30 a.m.–10:45 a.m. and from 3:30 p.m.–3:45 p.m. Lunch breaks will be from 12:15 p.m.–2:00 p.m.

Wednesday, June 18

9:00 a.m. – 12:15 p.m.	W-2	Workshop: Baseline Scenario: Balance of Payments Led by Counselors
2:00 p.m. – 3:30 p.m.	W-2	Workshop: Baseline Scenario: Balance of Payments (continued) Led by Counselors
3:45 p.m. – 5:15 p.m.	L-3	Fiscal Sector: Accounts, Analysis, and Forecasting Lecture by Mr. Gersl

Thursday, June 19

9:00 a.m. – 12:15 p.m.	W-3	Workshop: Baseline Scenario: Fiscal Sector Led by Counselors
2:00 p.m. – 3:30 p.m.	W-3	Workshop: Baseline Scenario: Fiscal Sector (continued) Led by Counselors
3:45 p.m. – 5:15 p.m.	L-4	Monetary Sector: Accounts, Analysis, and Forecasting Lecture by Mr. Spitaeller

Friday, June 20

9:00 a.m. – 12:15 p.m.	W-4	Workshop: Baseline Scenario: Monetary Sector Led by Counselors
2:00 p.m. – 5:15 p.m.	W-4	Workshop: Baseline Scenario: Monetary Sector (continued) Led by Counselors

Monday, June 23

9:00 a.m. – 10:30 a.m.	L-5	Review of Financial Programming Lecture by Mr. Spitaeller
10:45 a.m. – 12:15 p.m.	W-5	Workshop: Discussion of Baseline Scenarios Led by Counselors
2:00 p.m. – 5:15 p.m.	W-6	Workshop: Program Scenario Led by Counselors

Tuesday, June 24

9:00 a.m. – 12:15 p.m.	W-6	Workshop: Program Scenario (continued) Led by Counselors
2:00 p.m. – 5:15 p.m.	W-6	Workshop: Program Scenario (continued) Led by Counselors

Wednesday, June 25

9:00 a.m. – 12:15 p.m.	W-6	Workshop: Program Scenario (continued) Led by Counselors
2:00 p.m. – 5:15 p.m.	W-6	Workshop: Program Scenario (continued) Led by Counselors

Thursday, June 26

9:00 a.m. – 12:15 p.m.	W-6	Workshop: Program Scenario (continued) Led by Counselors
2:00 p.m. – 5:15 p.m.	W-6	Workshop: Program Scenario (concluded) Led by Counselors

Friday, June 27

9:00 a.m. – 12:00 p.m.		Presentations: Baseline and Program Scenarios
12:00 p.m. – 12:30 p.m.		Segment Evaluation and Concluding Session

May 19, 2014

SEGMENT 4

Labor Market and Social Policies

OECD

21 APPLIED ECONOMIC POLICY COURSE AT THE JOINT VIENNA INSTITUTE

Mariahilferstraße 97, 1060 Vienna, Austria

Tel: + 43 1 798 94 95 20

SEGMENT ON LABOUR MARKET AND SOCIAL POLICIES

30 June- 4 July 2014

MONDAY, 30 JUNE

09h00-09h30

PRESENTATION OF THE SEGMENT AND OF THE OECD/DELSA MAIN ACTIVITIES

Jean-Pierre GARSON, Economist, Former Head of International Migration Division, OECD

09h30-10h30

EFFICIENCY AND EQUITY IN THE LABOUR MARKET

Anders REUTERSWARD, Labour Economist, former Principal Administrator, OECD

11h00-12h15

OPTIONS FOR GOVERNMENT ACTION TO IMPROVE THE LABOUR MARKET

Anders REUTERSWARD, Labour Economist, former Principal Administrator, OECD

12h15-14h00 Lunch

14h00-15h15

SOCIAL PROTECTION SYSTEMS IN OECD COUNTRIES: A KNOWLEDGE-BUILDING OVERVIEW

Asghar ZAIDI, Professor in International Social Policy, University of Southampton, and Senior Advisor, European Centre for Social Welfare, Policy and Research, Vienna

15h45-17h00

SPECIFIC SOCIAL POLICY AREAS:

PENSION POLICY CHALLENGES AND REFORMS IN RECENT TIMES;

Asghar ZAIDI, Professor in International Social Policy, University of Southampton, and Senior Advisor, European Centre for Social Welfare, Policy and Research, Vienna

TUESDAY 1 JULY

09h00-12h00

CRISES MANAGEMENT AND REMODELLING: SWEDEN AS A CASE

Ingemar ERIKSSON, Deputy Director General, Department of Economic Affairs, Ministry of Finance, Sweden.

12h00-14h00 Lunch

14h00-15h15

DEMOGRAPHIC TRANSITION AND ACTIVE AGEING POLICY DISCOURSE

Asghar ZAIDI, Professor in International Social Policy, University of Southampton, and Senior Advisor, European Centre for Social Welfare, Policy and Research, Vienna

15h45 – 17H00

DISABILITY POLICY

Asghar ZAIDI, Professor in International Social Policy, University of Southampton, and Senior Advisor, European Centre for Social Welfare, Policy and Research, Vienna.

WEDNESDAY 2 JULY

09H00-10H15

MIGRATION SYSTEMS AND MIGRATION POLICIES

Jean-Pierre GARSON, Former Head of International Migration Division, OECD

10H45- 12H00

ECONOMICS OF INTERNATIONAL MIGRATION AND DEVELOPMENT

Jean-Pierre GARSON, Former Head of International Migration Division, OECD

12h00-14h00 Lunch

14h00-15h15

EMPLOYMENT CHALLENGES IN THE LIGHT OF DEMOGRAPHIC TRENDS AND ECONOMIC CRISIS IN THE EU AND THE CIS COUNTRIES

Martina Lubyova, Institute for Forecasting, Slovak Academy of Sciences, Bratislava and University of Economics, Bratislava

15h45-17h00

LABOUR MARKET POLICIES : COMPARATIVE APPROACH FOR OECD AND CIS COUNTRIES

Martina Lubyova, Institute for Forecasting, Slovak Academy of Sciences, Bratislava and University of Economics, Bratislava

THURSDAY 3 JULY

SOCIAL POLICIES AT WORK: A COMPARATIVE APPROACH

09h00-10h15

MINIMUM INCOME POLICIES: CENTRAL EUROPE AND INTERNATIONAL CONTEXT

Daniel Gerbery, Sociologist and Researcher, Institute for Labour and Family Research, Bratislava.

10h45- 12h00

INEQUALITY OF INCOMES : MEASUREMENT ISSUES

István György TÓTH, Director, Társi Social Research Institute, Budapest

12h00-14h00 Lunch

14h00-15h15

CROSS NATIONAL AND INTERTEMPORAL VARIATIONS IN INCOME INEQUALITIES WHAT DO THE AVAILABLE DATA SAY ?

István György TÓTH, Director, Társi Social Research Institute, Budapest

15h45-17h00

INCOME DISTRIBUTION : INTERPRETING DATA, UNDERSTANDING DRIVERS, LISTENING TO POPULAR INTERPRETATIONS.

István György TÓTH, Director, Társi Social Research Institute

Selected topics of Wednesday and Thursday lectures will involve an opening presentation from the lecturers, followed by presentations from 2-3 participants, who will discuss specific issues in their countries and link them to similar issues observed in other countries. The selection of participants will take place during Monday and the preparation should be planned for Wednesday. Discussion from the floor will facilitate participation from a larger group of participants

FRIDAY 4 JULY

09h00-11h30

PLENARY: GENERAL DEBATE ON THE ECONOMIC CRISIS, AUSTERITY PROGRAMMES AND THEIR SOCIAL IMPACT

Chair and Moderator: István György TÓTH, Director, Társi Social Research Institute

Daniel Gerbery, Institute for Labour and Family Research, Bratislava

Martina Lubyova, Institute for Forecasting, Slovak Academy of Sciences and University of Economics, Bratislava.

Jean-Pierre Garson, Former Head of International Migration Division, OECD

The panel will also include three selected participants

Discussion from the floor will facilitate participation from a larger group of participants

11h30-12h00

FEEDBACK AND CONCLUSIONS

Jean-Pierre GARSON, Former Head of International Migration Division, OECD

SEGMENT 5

Financial Sector Issues

OeNB

JVI AEP Segment "FINANCIAL SECTOR ISSUES", 7th - 11th July 2014

Covered by Oesterreichische Nationalbank (OeNB)

Time	Topic	Presented by	Duration [min]
Monday, July 7 - Introduction to Financial Sector Issues			
09.00-10.30	Opening Session, Overview of the Course <i>Introduction to financial sector issues, the need for financial regulation, overview of the AEP segment.</i>	Eva Ubl (OeNB)	90
10.30-11.00	Coffee Break		30
11.00-12.30	Financial Sector Surveillance at the IMF <i>Overview of IMF financial sector surveillance, FSAPs and selected country experiences</i>	Daniel Hardy (IMF/FMA)	90
12.00-13.30	Lunch Break		90
13.30-15.00	What Makes a Financial System Stable? <i>Dimensions of financial stability, systemic risk monitoring and assessment, financial stability policy, cross-border linkages, brief overview of the new supervisory architecture in the EU.</i>	Vanessa Redak (OeNB)	90
15.00-15.30	Coffee Break		15
15.30-17.00	State of play of the Single Supervisory Mechanism and the Single Resolution Mechanism <i>home/host issues- cooperation agreements</i>	Michaela Posch (ECB)	90
Tuesday, July 8 - Microprudential Issues			
09.00-10.15	Banking Supervision in Austria <i>Supervisory approach in Austria, experiences from on-site inspections.</i>	Mario Resch (OeNB)	75
10.15-10.30	Coffee Break		15
10.30-12.00	Recovery and Resolution <i>Experiences and reflections on recovery and resolution plans with a particular emphasis on cross border aspects</i>	Konrad Richter (OeNB)	90
12.00-13.30	Lunch Break		90
13.30-15.00	Liquidity Risk Assessment <i>Concepts and methods of liquidity risk assessment, including recent regulatory developments</i>	Benjamin Neudorfer (OeNB)	90
15.00-15.30	Coffee Break		30
15.30-17.00	Why Were the Authorities Responsible for Financial Stability not in a Position to Prevent the Recent Financial Crisis? <i>Discussion of the availability, application and effectiveness of instruments for crisis prevention</i>	Gernot Ebner (OeNB)	90

Time	Topic	Presented by	Duration [min]
Wednesday, July 9 - Macroprudential Issues			
09.00-10.30	Introduction to Macroprudential Policy <i>Macroprudential analysis and policy framework, legal mandate and tools, challenges for macroprudential policy.</i>	David Liebeg (OeNB)	90
10.30-11.00	Coffee Break		30
11.00-12.00	Countercyclical Capital Buffer as a Macroprudential Tool <i>Objective and design of the countercyclical capital buffer under Basel III</i>	Judith Eidenberger, Katharina Steiner (both OeNB)	60
12.00-13.30	Lunch Break		90
13.30-15.00	Workshop on Countercyclical Capital Buffers	Judith Eidenberger, Katharina Steiner (both OeNB)	90
15.00-15.20	Coffee Break		20
16.20-17.30	Case Study: Liquidity (Part 1)	Benjamin Neudorfer, tba (OeNB)	70
Thursday, July 10 - Topical Financial Sector Issues in the CESEE Region			
09.00-10.30	Macrofinancial Issues in the CESEE Region <i>Macrofinancial risks and imbalances in the run-up to the crisis, impact of the crisis on countries in the CESEE region, lessons learned for macrofinancial stability.</i>	Julia Wörz (OeNB)	90
10.30-11.00	Coffee Break		30
11.00-12.30	Banking in the CESEE Region: Practitioner's View <i>Current banking trends and challenges for CESEE banks</i>	Gunter Deuber (Raiffeisen Bank International)	90
12.30-14.00	Lunch Break		90
14.00-15.15	Macroprudential policy in CESEE <i>Implementation of macroprudential actions in selected countries</i>	Eva Ubl (OeNB)	75
15.15-15.45	Coffee Break		30
15.45-17.15	Case Study: Liquidity (Part 2)	Benjamin Neudorfer, tba (OeNB)	90
Friday, July 11 - Crisis Preparedness and Crisis Management			
09.00-10.30	Panel Discussion: <i>„Sailing on a sea of ambiguity – How can CESEE banks be profitable and support economic convergence without posing a threat to financial stability?“</i>	Andreas Zweimüller (Unicredit Bank Austria, tbc), Gregor Eperjesi (Erste Group Bank, tbc), Ralph Spitzer (ECB, tbc), Maximilian Fandl, Judith Eidenberger (both OeNB)	90
10.30-11.00	Coffee break		30
11.00-12.30	Closing Session, Segment Evaluation <i>Summary of the main lessons, discussion of their applicability in the jurisdictions of course participants, segment evaluation</i>	Eva Ubl (OeNB)	90

Contact:

Eva Ubl (eva.ubl@oenb.at)

SEGMENT 6

Trade Policy and International Trade Regimes

WTO

COURSE OUTLINE



APPLIED ECONOMIC POLICY COURSE

TRADE POLICY AND INTERNATIONAL TRADE REGIMES

JOINT VIENNA INSTITUTE

Vienna, Austria

July 14 - July 18, 2014

The segment offered 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 economies in transition into the world economy and the international trading system. Although the course will focus on trade policy issues, because of the importance of the macroeconomic context, linkages between macroeconomic policies and trade reforms will be also covered in the course.

Course Objectives

The segment aims to provide participants with:

- (i) analytical tools to assess the effects of trade policy on economic performance, 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 and its impact on the economy, and the determinants of trade patterns.
- 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 trade impact of the global recession and the trade policy response to the recession.
- 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 post- crisis global trade environment.

Methods of Instruction

1. Lectures on trade policy issues, illustrated by country 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.
3. Presentations by participants addressing an assigned trade policy issue.

Segment Directors

Alexander Keck, World Trade Organization (alexander.keck@wto.org)

Ravindra Yatawara, Consultant (ryatawara@worldbank.org)

Office hours: Daily after lectures.

Course Material

Pdf files of PowerPoint slides that accompany the lectures are available in the softcopy.

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

- *International Economics: Theory and Policy*, by Paul Krugman and Maurice Obstfeld , Addison-Wesley. (KO)
- *International Economics*, Robert C. Feenstra & Alan M. Taylor, Worth Publishers
- *International Trade: Theory and Evidence*, by James Markusen, James Melvin, William Kaempfer, and Keith Maskus, McGraw-Hill,

Advanced graduate texts:

- *Advanced International Trade: Theory and Evidence*, by Robert C. Feenstra
- *Lectures on International Trade*, Second edition. Bhagwati, Jagdish N., Arvind Panagariya, and T.N. Srinivasan. 1998 MIT Press.

A copy of KO will be made available for reference.

Useful Resources on the Web:

Data

- World Integrated Trade Solutions (WITS): <http://wits.worldbank.org>
- A comprehensive data bank on current trade trends and policies for all countries is: World Bank, **World Trade Indicators**, at www.worldbank.org/wti.
World Trade Indicators Database, Trade-at-a Glance tables and Country Briefs. (updated 2011)
- World Bank Trade Data: includes the new Exporter Dynamics Database; Services Trade Restrictions database, Temporary Trade Barriers Database, UNESCAP/World Bank International Trade Costs Database, Global Preferential Trade Agreement database. <http://wits.worldbank.org/gptad/>.
- Many trade data variables are included in the **World Development Indicators** (WDI) database <http://data.worldbank.org/data-catalog/world-development-indicators>
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/TRADE/0,,contentMDK:21685771~menuPK:4777014~pagePK:210058~piPK:210062~theSitePK:239071,00.html>
- Links to databases on trade in goods and services and links to a large array of indices on barriers to trade in goods and services.
http://www.wto.org/english/res_e/statistics_e/data_day_may09_e/data_day_may09_e.htm
- OECD/WTO Trade in Value Added (TiVA) Web Page
www.oecd.org/trade/valueadded
- Trade data visualization
<http://atlas.media.mit.edu>

General

- WTO trade policy reviews and trade monitoring reports
http://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm
http://www.wto.org/english/tratop_e/tpr_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
<http://www.worldbank.org/html/dec/Publications/Workpapers/master.html>
- 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
<http://www.imf.org/external/ns/cs.aspx?id=29>
- The Annual Global Economic Prospects (GEP) from the World Bank
<http://www.worldbank.org/en/publication/global-economic-prospects>
- CEPR and NBER working paper abstracts (with papers available for a fee) and is downloadable at
<http://www.cepr.org> and <http://www.nber.org>
- 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
<http://www.voxeu.org/index.php?q=node/36>

Useful readings on the web addressing the WTO rules:

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

International organizations homepages

<http://www.wto.org/>, <http://www.worldbank.org/>, <http://www.imf.org/>, <http://www.unctad.org/>,
<http://www.oecd.org/>, <http://ec.europa.eu/>, etc.

COURSE OUTLINE

Monday-Wednesday Morning

Lectures from Monday to Wednesday morning will cover the economics of trade and trade policy, as well as experiences with trade reforms in transition economies. It also covers current issues related to integration options into the global economy, the trade policy response to the global recession, enhancing competitiveness and 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 14 (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
- Different models to explain the volume and composition of trade
- Ricardo and Heckscher-Ohlin-Samuelson models
- Gains from trade and distributional aspects

Lecture notes: [Trade1_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:

*WTO (2013) "Trends in International Trade" in World Trade Report 2013: Factors Shaping the Future of World Trade, Geneva: Pp 44-89

*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

Taylor, Alan. M. (2002), "Globalization, Trade, and Development: Some Lessons from History," NBER WP#9326 [Taylor.pdf]

Session 2: New and "Newer" Trade Theory (11:00-12:30)

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

Lecture notes : [Trade 2_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:

*Melitz, Marc J. and Stephen J. Redding (2014) "Heterogeneous Firms and Trade" Handbook of International Economics-Elsevier. (also NBER Working paper 2013)

*Antràs, Pol and Stephen R. Yeaple (2014) "Multinational Firms and the Structure of International Trade" *Handbook of International Trade* (also NBER Working Paper 2013)

*Helpman, E. "The Structure of Foreign Trade," Journal of Economic Perspectives, Spring 1999, 13(2), 121-44. (Helpman.pdf)

*Anderson, J.E., "The Gravity Model." NBER Working Paper Series 16576, 2010

Bernard, A., J.B. Jensen, S. Redding and P.K. Schott (2007) "Firms in International Trade," Journal of Economic Perspectives, Vol 21(3), 2007

Bernard, Andrew B., J. Bradford Jensen, Stephen J. Redding and Peter K. Schott (2011) “The Empirics of Firm Heterogeneity and International Trade”, NBER Working Paper 17627 November
International Economics textbook- KO -Chap 3,4,6

Session 3: Commercial Policy Instruments and their Impact (14.00-15.30)

- Motivation for protection
- Import tariffs
- Non-tariff measures and barriers (NTMs and NTBs)
- Exchange rate undervaluation
- Determinants of the cost of protection

Lecture notes: [Trade 3_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:

*International Economics text book-KO Chap 8

*“Classification of NTMS” [classification-NTMS.pdf]

C. Carrère and J.de Melo (2009) “Notes on Detecting the Effects of NTMs” [ntm-measures-all.pdf]

B. Hoekman and A. Nicita (2008) “Trade Policy, Trade Costs, and Developing Country Trade”, PRWP #4797 [Hoekman-Nicita.pdf]

*Rodrik, Dani (2009) “Growth after Crisis”, Harvard University mimeo

Session 4: Trade Costs, Competitiveness and Exporter Dynamics: Concepts and Indicators (16.00-17.30)

- Understanding trade costs at the border, behind the border and beyond the border
- Indicators of trade policy, other trade costs and trade outcomes

Lecture notes: [Trade 4_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:

*World Bank, “World Trade Indicators” www.worldbank.org/wti

*World Bank, “Trade Competitiveness Toolkit.”

Havrylyshyn, Oleh, (2010) “Trade and Institutional Environment: The International; Experience and Position of CAREC Countries. Manila, April 2010

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

Tuesday, July 15 (Day 2)

Session 5: Regional Integration: The Basics and Implementation Issues (9:00-10:30)

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

Lecture notes: [Trade 5_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:

*Baldwin, Richard, “Economics” in Preferential Trade Agreement Policies for Development: A Handbook (ed) J-P Chaffour and J-C Maur, 2011

*Chaffour. J-P and J-C Maur, “Beyond Market Access” in Preferential Trade Agreement Policies for Development: A Handbook (ed) J-P Chaffour and J-C Maur, 2011

*Baldwin, Richard and Caroline Freund, “Preferential Trade Agreements and Multilateral Liberalization” in Preferential Trade Agreement Policies for Development: A Handbook (ed) J-P Chaffour and J-C Maur, 2011

Bhagwati, Jagdish Termites in the Trading System: How Preferential Agreements Undermine Free Trade, Oxford University Press, 2008

*De Melo “Regionalism and Developing Countries: A Primer” [regionalism primer.pdf]

O. Cadot and J. de Melo (2008) “Why OECD Countries Should Reform Their Rules of Origin” [wbro_roo.pdf]

Session 6: Trade and Growth, and Trade Developments under the Global Recession (11:00- 12:30)

- Trade, growth and poverty
- Trade trends prior to the crisis and during the crisis.
- Analyzing effects by income groups and regions.
- Impact on goods versus services trade, FDI and remittances
- Explaining the dramatic collapse in trade

Lecture notes: [Trade 6_JVI.ppt]

Lecturer: Ravi Yatawara

Readings:

*Yatawara, Ravi (2011) “Recent Trade Developments” in “Trade Under Crisis” World Bank (RY_CHAP2.pdf)

Baldwin, Richard (2009) ed The Great Trade Collapse, Causes, Consequences and Prospects, VOXEU

Eaton J, S. Kortum, B. Neiman, and J. Romalis (2011) *Trade and the Global Recession*, NBER

Singh, Tarlok, Does International Trade Cause Economic Growth? A Survey. *The World Economy*, Vol. 33, No. 11, pp. 1517-1564, 2010.

Session 7: Trade and Macro Policy Instrument Choice: An Application to the Global Recession (14.00 -15:30)

- Instrument choice issue –optimal taxation and targeting
- Identifying main policy responses to recession –both trade and non-trade
- Within trade policy – what instruments were more frequently used?
- Why was there no return to protectionism similar to the time of the Great Depression?

Lecture notes: [Trade 7_JVI.ppt]

Lecturer: Ravi Yatawara

Readings

*Yatawara, Ravi (2011) “Policy Responses” in “Trade Under Crisis” World Bank (RY-CHAP3.pdf)

Session 8 Integration of Transition Economies (16:00-17:30)

- 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, FTA

Lecture notes: [Trade 8_JVI.ppt]

Lecturer: Ravi Yatawara

Readings

*Havrylyshyn, Oleh (2008), “Structural Change in Transition 1990-2005” p.17-45 in Ruslan Grinberg, Peter Havlik and Oleh Havrylyshyn, GHH (eds.) (2008), Economic Restructuring and Integration in Eastern Europe Baden-Baden: Nomos Publishers [PDF]

*Broadman, Harry, ed (2005). HB. From Disintegration to Reintegration: Eastern Europe and the Former Soviet Union in International Trade. Washington, the World Bank [pp.1-29] [PDF]

*Mitra, Pradeep, “International Trade” in Innovation, Inclusion and Integration: From Transition to Convergence in Eastern Europe and the former Soviet Union World Bank, 2008

Havlik, Peter, “Structural Change and Trade Integration on EU-NIS Borders” [from GHH PDF]

Wednesday, July 16 (Day 3)

Session 9: Case Study Presentations on Trade Policy Issues (09:00-10:30)

Assignment: Group Powerpoint Presentations (5-10 minutes)

- In the context of the theoretical and empirical analysis in the preceding parts of the course, this session will be a discussion of trade policy issues and options facing the region. Participant will work in groups and make presentations on the following topics.
- *Export diversification: How important is export diversification for resource rich and resource poor economies? What direction would you take a resource rich economy?*
- *Trade Competitiveness: What are the key dimensions of competitiveness in Russia, Turkey and Georgia? What constraints are restricting competitiveness in these economies, and what reforms are needed to address them.*
- *Integration options and competitiveness: For a small open economy, what are the impacts of differing integration options from joining a customs union, to EU accession to WTO accession, on trade competitiveness? What direction would you take the economy? Consider the impact of the Turkey –EU customs union.*

Readings

*World Bank (2014) "Diversified Development: Making the Most of Natural Resources in Eurasia"

World Bank (2013) “Kazakhstan: Beyond Oil”

Varela, G (2013) “Export Diversification in Twelve European and Central Asian Countries and the Role of the Commodity Boom?” World Bank Policy Research Working Paper

*World Bank (2014) “Trading Up to High Income: Turkey Country Economic Memorandum”

*World Bank (2014) “Georgia Competitiveness Diagnostic

- * World Bank (2013) “Russian Federation: Export Diversification through Competition and Innovation: A Policy Agenda” Report No. 68447-RU, April
- *World Bank (2014) “Evaluation of the EU-Turkey Customs Union”
- World Bank (2012) “Golden Growth: Restoring the Lustre of the European Economic Model”
- *Aslund, Anders, “Why doesn’t Russia Join the WTO?” Washington Quarterly, 2010
- *Tarr, D. and N. Volchkova “Russian Trade and Investment Policy at the Crossroads”, World Bank Policy Research Working paper 5255, 2010
- International Centre for Policy Studies, Kyiv (2007), “Policy Recommendations for Ukraine” [PDF]

Session 10: Re-thinking Trade Strategies in the Post-Crisis Global Environment (11:00-12:30)

- Is the export-led growth model still applicable?
- What are the new realities in post-crisis global environment?
- Jobs, multi-polar global economy, gender, climate change, global value chains
- What strategies would best harness the benefits of integration?

Lecture notes: [Trade 10_JVI.ppt]

Lecturer: Ravi Yatawara

- *Havrylyshyn , Oleh (2010), “Does The Global Crisis Mean the End of Export-led, Open-Economy Strategies?” Draft paper prepared for World Bank. PREMTRD: read pp. 1-21, 62-65
- *World Bank (2014), Global Economic Prospects June 2014
- *Yatawara, Ravi (2013) “Gender Dimensions of Competitiveness,” World Bank mimeo.
- *_____ (2011) “Re-thinking Trade Policy” World Bank (RY_TRADE_RETHINK.pdf)
- _____ (2011)“Overview” in “Trade Under Crisis”, World Bank (RY_Ovierview.pdf)
- World Economic Forum (2014) “Mega-regional Trade Agreements Game changers or Costly Distractions for the World Trading System”, July
- *World Bank (2014) Global Economic Prospects: ECA Regional Update , June

Wednesday Afternoon – Friday Morning (WTO)

The second segment of the course (Wednesday afternoon to Friday) will provide an introduction to the law and economics of the multilateral trading system. After a short introduction to the WTO and its underlying economic rationale, the first set of lectures will focus on the GATT/WTO as a forum for negotiations in relation to further market opening. The second part examines the existence of rules aimed at securing the benefits from trade cooperation. This includes a discussion of principal WTO disciplines in this regard. 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:

*WTO (2007) *World Trade Report 2007: Six Decades of International Trade Cooperation*, Geneva: WTO.

*WTO (2008) *World Trade Report 2008: Trade in a Globalizing World*, Geneva: WTO.

*WTO (2009) *World Trade Report 2009: Trade Policy Commitments and Contingent Protection*, Geneva: WTO.

*WTO (2013) *World Trade Report 2013: Factors Shaping the Future of World Trade*, , Geneva: WTO.

Hoekman, B. and Kostecki, M. (1995) *The Political Economy of the World Trading System*, Oxford: Oxford University Press.

General Agreement on Tariffs and Trade (GATT) Secretariat (1994) *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts*, Geneva: WTO.

WTO (1999) *Guide to the Uruguay Round Agreement*, The Hague and Geneva: Kluwer Law International and WTO.

Wednesday, July 16 (Day 3 cont.)

Session 11: Introduction to the WTO, the Economics of Trade Agreements and the DDA (14:00-15.30)

- The WTO framework
- From GATT to the WTO
- Functions and Structure of the WTO
- Decision-making in the WTO

- Reasons for international cooperation on trade policy
- Rationale for reciprocity, most-favoured nation and national treatment

- The Doha Development Agenda
 - Key issues and state of play
 - Quantitative assessments

Lecture notes: [1_Trade_agreements_WTO.ppt]

Lecturers: Alexander Keck

Readings (WTO general):

*WTO (2013) 'Prospects for Multilateral Trade Cooperation' in WTO (2013) *World Trade Report 2013*, Geneva: WTO: 266-290.

*WTO (2005) *Understanding the WTO*, Geneva: WTO: 9-22 and 104-116.

*WTO (2004) *The Future of the WTO: Addressing institutional challenges in the new millennium* ("Sutherland Report"), Geneva: WTO.

- Blackhurst, R. and Hartridge, D. (2004) 'Improving the capacity of WTO institutions to fulfil their mandate', *Journal of International Economic Law* 7, 3: 705-716.
- Hoekman, B. (2002) 'The WTO: Functions and Basic Principles', in: Hoekman, B., Mattoo, A. and English, P. (2002) *Development, Trade, and the WTO: A Handbook*, Washington, D.C.: World Bank: 41-49.
- WTO (1995) 'Accession to the World Trade Organization: Procedures for Negotiations under Article XII - Note by the Secretariat', WTO document WT/ACC/1, Geneva: WTO.
- WTO (2010) 'Technical Note on the Accession Process - Note by the Secretariat', WTO document WT/ACC/10/Rev.4, Geneva: WTO.

Readings (Economics of trade agreements):

- *WTO (2007) 'The Economics and Political Economy of International Trade Cooperation', in WTO (2007) *World Trade Report 2007*, Geneva: WTO: 35-110.
- *WTO (2007) 'Securing the Gains from Liberalization', in WTO (2007) *World Trade Report 2007*, Geneva: WTO: 145-151.
- Bagwell, K. and Staiger, R. W. (2004) 'Economic Theory and the Interpretation of the GATT/WTO', in Szenberg, M. and Ramrattan, L. (eds.) (2004) *New Frontiers in Economics*, Cambridge: Cambridge University Press: 205-234.
- Baldwin, R. and Robert-Nicoud, F. (2006) 'Protection for Sale Made Easy', Centre for Economic Policy Research (CEPR) Discussion Paper No. 5452, London: CEPR.
- Horn, H. (2006) 'National Treatment in the GATT', *American Economic Review*, 96, 1: 394-404.
- Horn, H. and Mavroidis, P. (2001) 'Economic and Legal Aspects of the Most-Favoured Nation Clause', *European Journal of Political Economy* 17, 2: 233-279.
- Maggi, G. and Rodriguez-Clare (2007) 'A Political-Economy Theory of Trade Agreements', *American Economic Review*, 97, 4: 1374-1406.
- Ossa, R. (2009) 'A "New Trade" Theory of GATT/WTO Negotiations', University of Chicago, mimeo.

Readings (DDA):

- *WTO (2005) *Understanding the WTO*, Geneva: WTO: 80-96.
- *Fontagné, L, Fouré, J. and Keck, A. (2014) 'Simulating World Trade in the Decades Ahead: Driving Forces and Policy Implications', WTO Working Paper ERSD-2014-05, Geneva: WTO.
- Anderson, K., Martin, W. and van der Mensbrugghe, D. (2005) 'Doha Merchandise Trade Reform: What's at Stake for Developing Countries', Centre for Economic Policy Research (CEPR) Discussion Paper No. 5156, London: CEPR.
- Bouet, A. and Laborde, D. (2008) 'Assessing the Potential Cost of a Failed Doha Round', IFPRI Issue Brief No. 56, Washington D.C.: IFPRI.
- Van der Mensbrugghe, D. (2006) 'Estimating the Benefits of Trade Reform: Why Numbers Change', in: Newfarmer, R. (ed.) (2006) *Trade, Doha, and Development: A Window into the Issues*, Washington, D.C.: World Bank: 59-76.
- WTO (2001) 'Ministerial Declaration Adopted on 14 November 2001', WTO document WT/MIN(01)/DEC/1, Geneva: WTO.
- WTO (2004) 'Doha Work Programme: Decision Adopted by the General Council on 1 August 2004', WTO document WT/L/579, Geneva: WTO.
- WTO (2005) 'Doha Work Programme: Ministerial Declaration Adopted on 18 December 2005', WTO document WT/MIN(05)/DEC, Geneva: WTO.

Session 12: Non-Agricultural Market Access (NAMA) (16:00-17.30)

- Bound vs. applied tariffs
- Schedules of commitments
- State of play of current negotiations

Lecture notes: [2_NAMA.ppt]

Lecturer: Alexander Keck

Readings:

*WTO (2005) *Understanding the WTO*, Geneva: WTO: 25-26 and 33-35.

*WTO (2008) 'Draft Modalities for Non-Agricultural Market Access', Negotiating Group on Market Access, Document TN/MA/W/103/Rev.3 Geneva: WTO.

*WTO (2006) 'Giving Legal Effect to Commitments on Non-Tariff Barriers: Background note by the Secretariat', Negotiating Group on Market Access, Document TN/MA/S/20/Rev.1, Geneva: WTO.

Bacchetta, M. and Bora, B. (2003) 'Industrial Tariff Liberalization and the Doha Development Agenda', WTO Discussion Paper No. 1, Geneva: WTO.

Ferrantino, M. (2006) 'Quantifying the Trade and Economic Effects of Non-Tariff Measures', OECD Trade Policy Working Paper No. 28, Document TD/TC/WP(2005)26/FINAL, Paris: OECD.

Low, P., Piermartini, R. and Richtering, J. (2005) 'Multilateral Solutions to the Erosion of Non-Reciprocal Preferences in NAMA', Staff Working Paper ERSD-2005-05, Geneva: WTO.

WTO Secretariat 'Market access negotiations: A simple guide to NAMA negotiations', downloadable at: http://www.wto.org/english/tratop_e/markacc_e/nama_negotiations_e.htm

Thursday, July 17 (Day 4)

Session 13: Agriculture (9.00-10.30)

- Agriculture in GATT and the WTO
- Types of agricultural policies
- State of play of current negotiations

Lecture notes: [3_Agriculture.ppt]

Lecturer: Alexander Keck

Readings:

*WTO (2005) *Understanding the WTO*, Geneva: WTO: 27-30.

*WTO (2011), 'Negotiating Group on Agriculture: Report by the Chairman, H.E. Mr. David Walker, to the Trade Negotiations Committee', Document TN/AG/26 dated 21 April 2011, Geneva

*WTO (2008) 'Unofficial Guide to the 6 December 2008 Revised Draft Modalities – Agriculture', mimeo, http://www.wto.org/english/tratop_e/agric_e/ag_modals_dec08_e.pdf

Anderson, K., Martin, W. and Valenzuela, E. (2006) 'The Relative Importance of Global Agricultural Subsidies and Market Access', Policy Research Working Paper No. 3900, Washington, D.C.: World Bank.

Anderson, K. and Martin, W. (eds.) (2005) 'Agricultural Trade Reform and the Doha Development Agenda', Washington, D.C.: World Bank.

- Anderson, K., Cockburn, J. and Martin, W. (2010) 'Would Freeing Up World Trade Reduce Poverty and Inequality? The Vexed Role of Agricultural Distortions', CEPR Discussion Paper No. 7749, London: CEPR.
- Anderson, K. and Swinnen, J. (2009) 'Distortions to Agricultural Incentives in Eastern Europe and Central Asia', Agricultural Distortions Working Paper No. 48624, Washington D.C.: World Bank.
- Croser, J. and Anderson, K. (2010) 'Changing Contributions of Different Agricultural Policy Instruments to Global Reductions in Trade and Welfare,' Policy Research Working Paper No. 5345, Washington D.C.: World Bank.
- Morrison J. and Sarris, A. (2007) 'WTO Rules for Agriculture Compatible with Development' Trade and Markets Division, Rome: FAO.
- WTO (2006) 'The incidence of agricultural subsidies', in: WTO (2006) *World Trade Report 2006: Exploring the links between subsidies, trade and the WTO*, Geneva: WTO: 120-156.
- WTO Secretariat background papers, 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/chair_texts08_e.htm

Session 14: Services, Trade Facilitation (11.00-12.30)

- Overview of the GATS
- Modes of supply
- Sectoral coverage
- Commitments
- State of play of current negotiations

- What is trade facilitation?
- GATT 1994 Articles V, VIII and X
- Trade costs
- The WTO Agreement on Trade Facilitation

Lecture notes: [4a_Services.ppt] and [4b_Trade_Facilitation.ppt]

Lecturer: Alexander Keck

Readings (Services):

- *WTO (2005) *Understanding the WTO*, Geneva: WTO: 36-41.
- *WTO (2006) *The General Agreement on Trade in Services: An Introduction*, mimeo, Geneva: WTO.
- Adlung, R. (2006) 'Services Negotiations in the Doha Round: Lost in Flexibility?', *Journal of International Economic Law* 9, 4: 865-893.
- Adlung, R. (2006) 'Public Services and the GATS', *Journal of International Economic Law* 9, 2: 455-485.
- Eschenbach, F. and Hoekman, B. (2005) 'Services Policy Reform and Economic Growth in Transition Economies, 1990-2004', World Bank Policy Research Working Paper No. 3663, Washington, D.C.: World Bank.
- Hoekman, B. (2006) 'Liberalizing Trade in Services: A Survey', World Bank Policy Research Working Paper No. 4030, Washington, D.C.: World Bank.
- Hoekman, B. and Mattoo, A. (2006) 'Services, Economic Development and the Doha Round: Exploiting the Comparative Advantage of the WTO', Centre for Economic Policy Research (CEPR) Discussion Paper No. 5628, London: CEPR.

Marchetti, J. A. (2004) 'Developing Countries in the WTO Services Negotiations', Staff Working Paper ERSD-2004-06, Geneva: WTO.

Readings (Trade facilitation):

*WTO (2005) *Understanding the WTO*, Geneva: WTO: 31-32 and 53-55.

*WTO (2013) 'Agreement on Trade Facilitation - Ministerial Decision', Document WT/MIN(13)/36 or WT/L/911, Geneva: WTO.

Engman, M. (2005) 'The Economic Impact of Trade Facilitation', OECD Trade Policy Working Paper No. 21, TD/TC/WP(2005)12/FINAL, Paris: OECD.

Moïsé, E. (2004) 'The Costs of Introducing an Implementing Trade Facilitation Measures', OECD Trade Policy Working Paper No. 8, TD/TC/WP(2004)36/FINAL, Paris, OECD.

OECD trade facilitation indicators, at <http://www.oecd.org/tad/facilitation/indicators.htm>

World Bank (2006) 'Trade Facilitation Challenges and Opportunities in Eastern Europe and the Former Soviet Union, World Bank Report, Washington D.C.: World Bank.

WTO (2005) 'Article V of GATT 1994 – Scope and Application: Note by the Secretariat', Negotiating Group on Trade Facilitation Document TN/TF/W/2, Geneva: WTO.

WTO (2005) 'Article VIII of GATT 1994 – Scope and Application: Note by the Secretariat', Negotiating Group on Trade Facilitation Document TN/TF/W/3, Geneva: WTO.

WTO (2005) 'Article X of GATT 1994 – Scope and Application: Note by the Secretariat', Negotiating Group on Trade Facilitation Document TN/TF/W/4, Geneva: WTO.

Session 15: Trade Policy Flexibility and WTO Rules on Trade Remedies (14.00-15.30)

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

Lecture notes: [5_Trade_remedies.ppt]

Lecturer: Alexander Keck

Readings:

*WTO (2009) 'Contingency Trade Policies: Economics, Disciplines and Practices', in WTO (2009) *World Trade Report 2009*, Geneva: WTO: 47-126.

*WTO (2005) *Understanding the WTO*, Geneva: WTO: 48-51.

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

Bagwell, K. and Staiger, R. (2005) 'Enforcement, Private Political Pressure and the GATT/WTO Escape Clause', *Journal of Legal Studies* 34, 2: 471-513.

Horn, H., Maggi, G., and Staiger, R. (2008) 'Trade Agreements as Endogenously Incomplete Contracts', Centre for Economic Policy Research (CEPR) Discussion Paper No. 6037, London: CEPR.

Rosendorff, B. P. and Milner, H. V. (2001) 'The Optimal Design of International Trade Institutions: Uncertainty and Escape', *International Organization* 55, 4: 829-857.

Session 16: Special Trade Policy Flexibilities for Developing Countries: Special and Differential Treatment (S&D) (16.00-17.30)

- Economic rationales for increased flexibility for developing countries
- Exemptions from WTO rules for developing countries
- Empirical evidence on industrial policies
- Current debates and new approaches to S&D

Lecture notes: [6_Developing_countries_S&D.ppt]

Lecturer: Alexander Keck

Readings:

*WTO (2005) *Understanding the WTO*, Geneva: WTO: 97-103.

*WTO (2001) 'Implementation of Special and Differential Treatment Provisions in WTO Agreements: Note by Secretariat', Document WT/COMTD/W/77/Rev.1 and addenda and corrigenda, Geneva: WTO.

*Keck, A. and Low, P. (2005) 'Special and Differential Treatment in the WTO: Why, When and How?', in: Evenett, S. and Hoekman, B. (eds.) (2005) *Economic Development and Multilateral Trade Co-operation*, New York and Washington, D.C.: Palgrave Macmillan and World Bank: 147-188.

Hausman, R. and Rodrik, D. (2003) 'Economic development as self-discovery', *Journal of Development Economics* 72, 2: 603-633.

Melitz, M. J. (2005) 'When and how should infant industries be protected?' *Journal of International Economics* 66, 1: 177-196.

Panagariya, A. (2000) "Evaluating the Case for Export Subsidies", Policy Research Working Paper No. 2276, Washington D.C.: World Bank.

Pack, H. and Saggi, K. (2006) 'The case for industrial policy: a critical survey', Policy Research Working Paper No. 3839, Washington, D.C.: World Bank.

Rodriguez-Clare, A. (2005) 'Coordination Failures, Clusters and Microeconomic Interventions', Inter-American Development Bank (IADB) Working Paper No. 544 Washington, D.C.: IADB.

Rodrik, D. (2004) 'Industrial Policy for the Twenty-First Century', Centre for Economic Policy Research (CEPR) Discussion Paper No. 4767, London: CEPR.

Subramanian, A., Roy, D. (2001), "Who Can Explain the Mauritian Miracle: Meade, Romer, Sachs, or Rodrik?", International Monetary Fund (IMF) Working Paper WP/01/116, Washington D.C.: IMF.

Tokarick, S. (2006) 'Does Import Protection Discourage Exports', IMF Working Paper WP/06/20, Washington D.C.: IMF.

Friday, July 18 (Day 5)

Session 17: Enforcement and WTO Dispute Settlement (9.00-10.30)

- 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

Lecturer: Alexander Keck

Lecture notes: [7_Dispute_settlement.ppt]

Readings:

- *WTO (2007) 'The Evolution of Dispute Settlement Procedures: Strengthening the Rule of Law', in WTO (2007) *World Trade Report 2007*, Geneva: WTO: 261-288.
- *WTO (2005) *Understanding the WTO*, Geneva: WTO: 59-65.
- *Keck, A. and Schropp, S. (2008) 'Indisputably Essential: The Economics of Dispute Settlement Institutions in Trade Agreements', *Journal of World Trade* 42, 5: 785-812.
- *WTO (2005) 'Quantitative Economics in WTO Dispute Settlement', in WTO (2005) *World Trade Report 2005*, Geneva: WTO: 171-212.
- Davey, W. J. (2001) 'Has the WTO Dispute Settlement System Exceeded Its Authority? A Consideration of Deference Shown by the System to Member Government Decisions and Its Use of Issue-Avoidance Techniques', *Journal of International Economic Law* 4, 1: 79-110.
- Jackson, J. H. (2005) 'The Changing Fundamentals of International Law and Ten Years of the WTO', *Journal of International Economic Law* 8, 1: 3-15.
- Keck, A. (2004) 'WTO Dispute Settlement: What Role for Economic Analysis?', *Journal of Industry, Competition and Trade* 4, 4: 365-371.
- Shaffer, G. (2005) 'Weaknesses and Proposed Improvements to the WTO Dispute Settlement System: An Economic and Market-Oriented View', Paper prepared for the Conference "The WTO at Ten: A Look at the Appellate Body", Sao Paulo, Brazil, 16-17 May 2005.
- Steinberg, R. H. (2002) 'In the Shadow of Law or Power? Consensus-Based Bargaining and Outcomes in the GATT/WTO', *International Organization* 56, 2: 339-374.
- WTO (2007) *WTO Dispute Settlement: One-Page Case Summaries*, Geneva: WTO : e.g. 1, 2, 3, 8-9, 14-16, 20, 37-39, 47, 51-52, 58, 63, 65, 72, 74, 79, 91, 92, 97, 98, 103-104, 106.
- Zimmermann, T. A. (2005) 'WTO Dispute Settlement at Ten: Evolution, Experiences, and Evaluation', *Swiss Review of International Economic Relations* ("Aussenwirtschaft") 60, 1: 27-61.

Session 18: Trade Policy Exercises and Quiz (11.00-12.30)

In a case study, the economic situation and commitments of a hypothetical WTO Member are given. Participants are advisers to the Minister of Commerce. The Minister seeks their opinion on the WTO compatibility and economic impact of different policies (s)he intends to implement following pressure from lobby groups.

Thereafter, through a set of multiple choice questions, topics covered in the segment are reviewed jointly in class.

Lecturer: Alexander Keck

Lecture notes: [8a_Trade_policy_exercise.doc] and [8b_Quiz.ppt]