

**INTERNATIONAL MONETARY FUND**

**Joint Vienna Institute / Institute for Capacity Development**

**Course on Macroeconomic Management and Fiscal Policy Issues (JV14.15)**

**Vienna, Austria**

**May 26–June 6, 2014**

**PROGRAM<sup>1</sup>**

***Monday, May 26***

---

8:30 a.m. – 9:00 a.m.		<b>Administrative Briefing</b> Mr. Maksym Dutsyak, Program Officer, Joint Vienna Institute (JVI)
9:00 a.m. – 9:15 a.m.		<b>Opening Session</b> Chaired by Mr. Burkhard Drees, Deputy Director, JVI, and Ms. Irina Bunda, Economist, JVI.
9:15 a.m. – 10:15 a.m.		<b>Course Introduction and Quiz</b> Session conducted by Ms. Bunda; Ms. Caroline van Rijckeghem, Consultant, Institute for Capacity Development (ICD); and Mr. Robert Gillingham, Consultant, ICD
10:15 a.m. – 11:30 a.m.	<b>L-1</b>	<b>The Role of the Government in the Economy</b> Lecture by Mr. Gillingham <ul style="list-style-type: none"><li>• Rationale for government</li><li>• Public goods and externalities</li><li>• Asymmetric information and other sources of market failure</li></ul>
11:30 a.m. – 11:45 a.m.		Coffee Break
11:45 a.m. – 12:15 p.m. 2:00 p.m. – 3:00 p.m.	<b>L-2</b>	<b>Macroeconomic Adjustment and Fiscal Management</b> Lecture by Mr. Gillingham <ul style="list-style-type: none"><li>• Macroeconomic stability and instability</li><li>• Fiscal management and other sectors</li><li>• Volatility, fiscal policy, and growth</li></ul>
3:00 p.m. – 3:15 p.m.		Coffee Break

---

<sup>1</sup>Coffee breaks will be held from 10:30 a.m. – 10:45 a.m. and from 3:30 p.m. – 3:45 p.m., and the lunch break will be from 12:15 p.m. – 2:00 p.m., unless otherwise specified.

3:15 p.m. – 5:15 p.m.	<b>L-3</b>	<b>Interactions Between Fiscal and Monetary Policy</b> Lecture by Ms. Van Rijckeghem <ul style="list-style-type: none"> <li>• IS-LM model in the closed economy</li> <li>• Open-economy analytical framework</li> <li>• Other frameworks to analyze fiscal and monetary interactions</li> </ul>
-----------------------	------------	--

---

***Tuesday, May 27***

---

9:00 a.m. – 10:30 a.m.	<b>L-4</b>	<b>Fiscal Policy as a Countercyclical Tool</b> Lecture by Ms. Van Rijckeghem <ul style="list-style-type: none"> <li>• Empirical evidence on fiscal policy procyclicality</li> <li>• Possible explanations for procyclicality</li> <li>• Possible measures to reduce the procyclical bias</li> </ul>
------------------------	------------	--

---

10:45 a.m. – 12:15 p.m.	<b>L-5</b>	<b>Measuring the Fiscal Stance</b> Lecture by Ms. Bunda <ul style="list-style-type: none"> <li>• Fiscal analysis indicators</li> <li>• Cyclical and beyond the cycle adjustment</li> <li>• Case study: Fiscal stance in Armenia</li> </ul>
-------------------------	------------	---

2:00 p.m. – 5:15 p.m.	<b>W-1</b>	<b>Workshop: Cyclically Adjusted Fiscal Balances</b> Workshop Facilitated by Counselors
-----------------------	------------	--

---

***Wednesday, May 28***

---

9:00 a.m. – 10:30 a.m.	<b>L-6</b>	<b>Fiscal Policy in Resource-Rich Countries</b> Lecture by Ms. Van Rijckeghem <ul style="list-style-type: none"> <li>• Optimal consumption and saving</li> <li>• Investing domestically or abroad</li> <li>• Fiscal rules and natural resource funds</li> </ul>
------------------------	------------	--

10:45 a.m. – 12:15 p.m.	<b>L-7</b>	<b>Tax Policy: General Principles</b> Lecture by Mr. Gillingham <ul style="list-style-type: none"> <li>• Role of taxation</li> <li>• Types of taxes</li> <li>• Principles of taxation</li> </ul>
-------------------------	------------	---

2:00 p.m. – 5:15 p.m.	<b>W-2</b>	<b>Workshop: Tax Policy</b> Workshop Facilitated by Counselors
-----------------------	------------	---

---

***Thursday, May 29***

---

9:00 a.m. – 10:30 a.m.	<b>L-8</b>	<b>Economic and Fiscal Implications of Price Subsidies</b> Lecture by Mr. Gillingham <ul style="list-style-type: none"> <li>• Economic principles of pricing</li> <li>• Fiscal costs</li> <li>• Well-targeted social safety nets</li> </ul>
------------------------	------------	--

10:45 a.m. – 12:15 p.m.	<b>L-9</b>	<b>Fiscal Rules</b> Lecture by Mr. Gillingham <ul style="list-style-type: none"> <li>• Definition and taxonomy of fiscal rules</li> <li>• Selective review of existing fiscal rules</li> <li>• Evidence on their performance</li> </ul>
2:00 p.m. – 5:15 p.m.	<b>W-3</b>	<b>Workshop: Fiscal Rules</b> Workshop Facilitated by Counselors

---

*Friday, May 30*

9:00 a.m. – 12:15 p.m.	<b>L-10</b>	<b>Fiscal Sustainability</b> Lecture by Ms. Bunda <ul style="list-style-type: none"> <li>• Debt sustainability analysis in an open economy</li> <li>• The IMF debt sustainability framework</li> <li>• Elements of the new IMF risk-based DSA</li> </ul>
2:00 p.m. – 5:15 p.m.	<b>W-4</b>	<b>Workshop: Fiscal Sustainability</b> Workshop Facilitated by Counselors

---

*Monday, June 2*

9:00 a.m. – 12:15 p.m.	<b>L-11</b>	<b>Expenditure Policy</b> Lecture by Ms. Bunda <ul style="list-style-type: none"> <li>• Trends in government expenditure</li> <li>• Efficiency of public spending: The case of Croatia</li> <li>• Public expenditure reform strategy</li> </ul>
2:00 p.m. – 5:15 p.m.	<b>O-1</b>	<b>Preparation for Participant Presentations on Fiscal Issues Facing Their Countries</b> Workshop Facilitated by Counselors

---

*Tuesday, June 3*

9:00 a.m. – 10:30 a.m.	<b>L-12</b>	<b>Tax Policy: Recent Trends and Policy Issues</b> Lecture by Mr. Gillingham <ul style="list-style-type: none"> <li>• Trends related to key taxes</li> <li>• Main policy issues</li> <li>• IMF recommendations</li> </ul>
10:45 a.m. – 12:15 p.m.	<b>L-13</b>	<b>Fiscal Aspects of Financial Crises</b> Lecture by Ms. Van Rijckeghem <ul style="list-style-type: none"> <li>• What is a financial crisis?</li> <li>• Fiscal causes to financial crisis</li> <li>• Fiscal consequences of financial crisis</li> </ul>

2:00 p.m. – 5:15 p.m.      **O–2      Preparation for Participant Presentations on Fiscal Issues Facing Their Countries**  
Workshop Facilitated by Counselors

---

*Wednesday, June 4*

---

9:00 a.m. – 10:30 a.m.      **L–14      Pension Sustainability and Reform**  
Lecture by Mr. Gillingham

- Pension system concepts
- Design issues and administration
- Transition issues

10:45 a.m. – 12:15 p.m.      **L–15      Fiscal Multipliers: Theory and Empirical Evidence**  
Lecture by Ms. Van Rijckeghem

- Theory and empirical results
- The austerity debate in Europe
- Factors influencing the size of multipliers

2:00 p.m. – 3:30 p.m.      **L–16      Fiscal Policy and Inequality**  
Lecture by Ms. Bunda

- Trends in income inequality
- Fiscal consolidation and inclusive growth

3:45 p.m. – 5:15 p.m.      **O–3      Preparation for Participant Presentations on Fiscal Issues Facing Their Countries**  
Workshop Facilitated by Counselors

---

*Thursday, June 5*

---

9:00 a.m. – 10:30 a.m.      **L–17      Successful Fiscal Adjustments: Challenges and Implications**  
Lecture by Ms. Bunda

- Role of fiscal adjustment
- What makes adjustments successful?
- Selected case studies

10:45 a.m. – 12:15 p.m.      **L–18      Fiscal Federalism**  
Lecture by Ms. Van Rijckeghem

- Dimensions of responsibility
- Allocation of responsibilities--principles
- Dangers of decentralization

2:00 p.m.– 5:15 p.m.      **O–4      Participant Presentations on Fiscal Issues Facing Their Countries**  
Facilitated by Counselors

---

*Friday, June 6*

---

9:00 a.m. – 10:30 a.m.	<b>L-19</b>	<b>Keynote Policy Lecture “Fiscal Policy: A Perspective From the Eurozone”</b> Guest speaker: Mr. Paolo Manasse, Professor, Bologna University.
10:45 a.m. – 11:30 a.m.		<b>Complete Course Evaluations and Quiz</b>
11:30 a.m. – 12:30 p.m.		<b>Closing Session and Presentation of Certificates</b>

---