

INTERNATIONAL MONETARY FUND
Institute for Capacity Development—Joint Vienna Institute
Course on DSGE Models in the Policymaking Process (JV16.34)
Vienna, Austria
December 5–16, 2016
Draft PROGRAM

Monday, December 5

8:30 a.m. – 9:00 a.m.		Administrative Briefing Iwona Kabat Lefebvre, Program Officer, JVI
9:00 a.m. – 10:00 a.m.		Opening Session: Introductory Remarks Mr. Thomas Richardson, Director, Joint Vienna Institute (JVI); Mr. Werner Schule (Deputy Chief, Asian Division, (ICD), Mr. Andrés González, Economist, (ICD), Mr. Rafael Portillo, Senior Economist, JVI
10:00 a.m. –10:45 a.m.		Test Session
11:00 a.m. – 12:30 p.m.	L-1	The Baseline Real Business Cycle Model <i>Mr. Werner Schule</i> Deputy Division Chief IMF Institute for Capacity Development (ICD) <ul style="list-style-type: none">- Introduction to the Real Business Cycle Model- Derivation of equations- Main conclusions derived from it
2:00 p.m. – 5:30 p.m.	W-1	Introduction to Dynare & the Real Business Cycle Model <ul style="list-style-type: none">- How to open files in MATLAB and Dynare- Basic commands for model simulation- Impulse responses in the real business cycle model

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.

Tuesday, December 6

- 9:00 a.m. – 12:30 p.m. L-2 **The Baseline New Keynesian Model**
Mr. Werner Schule
- Introduction to the NK model for monetary policy analysis
 - Main imperfections and assumptions of the model and derivation of the key equations
- 2:00 p.m. – 5:30 p.m. W-2 **Workshop on the Baseline New Keynesian Model**
- Impulse responses in the baseline New Keynesian model
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Wednesday, December 7

- 9:00 a.m. – 12:30 p.m. L-3 **Labor Market Rigidities in the New Keynesian Model**
Mr. Rafael Portillo
- The “Divine Coincidence” and the role of sticky wages
 - Optimal monetary policy under labor market frictions
 - The transmission of oil price shocks
- 2:00 p.m. – 5:30 p.m. W-3 **Workshop on The Effects of Oil Prices**
- Discussion of the effects of oil shocks
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Thursday, December 8

- 9:00 a.m. – 12:30 p.m. L-4 **The New Keynesian Model in the Open Economy**
Mr. Werner Schule
- Extension to an open economy framework
 - International asset markets
 - Discussion of fixed versus flexible exchange rates
- 2:00 p.m. – 5:30 p.m. W-4 **Workshop on the Transmission Mechanism in the Open Economy**
- Discussion of transmission mechanisms under fixed versus flexible exchange rates
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Friday, December 9

9:00 a.m. – 12:30 p.m.	L-5	A NK Model with Financial Frictions <i>Mr. Rafael Portillo</i> <ul style="list-style-type: none">- Amplification effects of financial frictions- The financial accelerator- Application: the financial accelerator, open economy and the role of the exchange rate
2:00 p.m. – 5:30 p.m.	W-5	Workshop on Capital Flows Responses of macro-policies to capital flows

Monday, December 12

9:00 a.m. – 12:30 p.m.	L-6	Bringing DSGE Models to the Data <i>Mr. Andrés González</i> <ul style="list-style-type: none">- Discussion of different methods to explain the data.- Calibration, classical and Bayesian estimation.- Examples of Bayesian estimation
2:00 p.m. – 5:30 p.m.	W-6	Bayesian Estimation of DSGE Models Examples of Bayesian estimation

Tuesday, December 13

9:00 a.m. – 12:30 p.m.	L-7	Forecasting with DSGE Models and Policy Applications <i>Mr. González</i> Senior Economist Western Hemisphere Division, IMF Institute for Capacity Development (ICD) <ul style="list-style-type: none">- Conditional and unconditional forecasts with DSGE models- Historic decomposition- Risk scenarios
2:00 p.m. – 5:30 p.m.	W-7	Workshop: Forecasting with DSGE Models and Policy Applications <ul style="list-style-type: none">- Groups will work on various models and datasets

Wednesday, December 14

9:00 a.m. – 10:30 p.m.	L-8	Fiscal policy Analysis with DSGE Models <i>Mr. Rafael Portillo</i> - How to model fiscal variables to reproduce what is found empirically.
11:00 a.m.– 12:30 p.m.	W-8	Fiscal policy Analysis with DSGE Models <i>Mr. Rafael Portillo</i>
2:00 p.m. – 5:30 p.m.	L-9	Case Study – A DSGE Model with Partial Eurorization (Romania) <i>Mr. Mihai Copaciu</i> Guest lecturer - National Bank of Romania

Thursday, December 15

9:00 a.m. – 12:30 p.m.	W-8	Workshop: Case Study Romania
2:00 p.m. – 2:30 p.m.		Course Evaluation
2:30 p.m. – 6:00 p.m.	O-1	Workshop: Preparation of Final Presentation - Groups will work on the case of Romania

Friday, December 16

9:00 a.m. – 11:00 a.m.	O-1	Final Presentations - Participants will deliver a presentation to a hypothetical MPC
11:15 a.m. – 12:30 p.m.		- Test and questions
12:30 p.m. – 1:30 p.m.		Closing Session and Certificate Ceremony Conducted by Messrs. Richardson, Schule, Gonzales, Portillo ICD and Joint Vienna Institute
