

# **SEGMENT 1**

**Austrian and European Political  
and Economic Issues**

**Austrian Authorities**

JOINT VIENNA INSTITUTE

Applied Economic Policy Course (AEP 24)

AA Segment: Austrian and European Political and Economic Issues

Vienna, Austria

29 May – 2 June, 2017

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<b>Monday, May 29</b>		<b>Introduction to Seminar / Austria's Economy and Economic Policy</b>
08:30 – 09:00		Registration and Administrative Briefing <i>Tania Bredniakova, Program Officer, JVI</i>
09:00 – 10:30		Opening Remarks, Getting-to-Know Each Other, and AEP Course Overview <i>Thomas Richardson, Director, Martin Schindler, Deputy Director JVI</i>
10:30 – 10:45		Coffee Break
10:45 – 12:00	L-1	Introduction to the AA Segment and Information on 'What to Do in Vienna' <i>Elisabeth Hagen, Executive Director, The Vienna Institute for International Economic Studies, wiiw</i>
12:00 – 14:00		Lunch Break
14:00 – 15:30	L-2	Long-run Economic Developments of Austria <i>Mario Holzner, Deputy Director, wiiw</i>
15:30 – 15:45		Coffee Break
15:45 – 17:15	L-3	Key Aspects of Austria's Economic Development: Current Challenges <i>Marcus Scheiblecker, Austrian Institute of Economic Research (WIFO)</i>

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<b>Tuesday, May 30</b>		<b>Austria's Economy and Economic Policy</b>
09:00 – 10:30	L-4	Trade Structures, Austria and Its Neighbours <i>Julia Grübler, wiiw</i>
10:30 – 10:45		Coffee Break
11:00 – 12:30	L-5	Austria's Social System, <i>Josef Wöss, Chamber of Labour</i>
12:30 – 14:00		Lunch Break
14:00 – 15:30	L-6	Austria's Labour Markets and Labour Market Policies <i>Johannes Schweighofer, Ministry of Social Affairs</i>
15:30 – 15:45		Coffee Break
15:45 – 17:00	L-7	Introduction to Workshop: The Austrian economy in comparison <i>Reiner Buchegger, University of Linz</i>

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**Wednesday, May 31****Excursion to OeNB and Workshop on Austrian Economy**

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08:00		Excursion: Meeting in Front of the JVI Building, Mariahilfer Strasse <i>Leaving for the OeNB, Garnisongasse 15, 1090 Vienna</i>
08:45 – 09:00		Security Check
09:00 – 11:00		Inspection of Its Cash Management Center and Printing Works <i>Silviya Kirova, Günter Ernst</i>
11:00 – 12:30		Lunch Break
12:30 – 13:45	W-1	Preparing for the Workshop
13:45 – 14:00		Coffee Break
14:00 – 17:00	W-2	Presentations and discussion <i>Reiner Buchegger, University of Linz</i>

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**Thursday, June 01****Excursion to MoF and Workshop on**

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08:15		Excursion: Meeting in Front of the JVI Building, Mariahilfer Strasse Leaving for the Ministry of Finance Johannesgasse 5, 1010 Vienna
09:00 – 09:15		Security Check
09:15 – 09:45	L-8	Welcome Remarks and Overview of MoF Economic and Fiscal Policy, <i>Harald Waiglein, MoF</i>
09:45 – 10:30	L-9	Investment in Europe in the EIB, <i>Wolfgang Nitsche</i>
10:30 – 10:45		Coffee Break
10:45 – 12:00	L-10	Tax Cooperation <i>Sabine Schmidjell-Dommès, MoF</i>
	L-11	Fight Against Fraud <i>Herwig Heller, MoF</i>
12:00 – 12:45	L-12	EU Economic Policy Coordination <i>Matthias Gruber, MoF</i>
12:45 – 14:00		Lunch Break
14:00 – 15:00	L-13	Fiscal Policies in International Perspective <i>Philipp Heimberger, wiiw</i>

15:00 – 15:15 Coffee Break

15:15 – 17:00 L-14 Use of Data in Economic Analysis  
*Alexandra Bykova, wiiw*

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**Friday, June 02**

**EU Institutions and Economic Policy**

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09:00 – 12:00 L-15 Economic and Monetary Union  
*Christine Gartner, European Central Bank*

12:00 – 14:00 Lunch Break

14:00 – 16:00 L-16 EU Institutions and Policy Making from a Practical Perspective  
*Andreas Lernhart, European Council*

16:00 – 16:15 Coffee Break

16:15 – 17:00 Evaluation Session: Evaluation of the Seminar Including Oral Feedback  
*Elisabeth Hagen, wiiw*

# **SEGMENT 2**

## **Macroeconomic Management Issues**

**IMF/JVI**

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**INTERNATIONAL MONETARY FUND**  
**Joint Vienna Institute**  
**Applied Economic Policy Course: Macroeconomic Management Issues**  
**Vienna, Austria**  
**June 5-16, 2017**  
**PROGRAM<sup>1</sup>**

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***Monday, June 5***

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9:00 a.m. – 9:15 a.m.		<b>Opening Remarks and Introductions</b> Mr. Tom Richardson, Director, JVI, Mr. Rafael Portillo, Senior Economist, JVI, Mr. Asel Isakova, Economist, JVI
9:15 a.m. – 9:45 a.m.		<b>Quiz</b>
10:15 a.m. – 12:15 p.m.	L-1	<b>Overview of Basic Macroeconomic Accounts and Interrelationships</b> Mr. Richardson, <ul style="list-style-type: none"><li>• Main economic sectors and accounts</li><li>• Role of economic agents</li><li>• Interrelations between accounts</li></ul>
2:00 p.m. – 5:15 p.m.	L-2	<b>Macroeconomic Stabilization Policies, Structural Reforms, and the Role of the IMF</b> Mr. Portillo, <ul style="list-style-type: none"><li>• Concept of macroeconomic stability</li><li>• Internal and external balance</li><li>• Overview of stabilization policies and the role of the IMF</li></ul>

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***Tuesday, June 6***

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9:00 a.m. – 12:15 p.m.	L-3	<b>Economic Growth and Structural Policies</b> Ms. Isakova <ul style="list-style-type: none"><li>• Growth accounting methodology</li><li>• Economic growth theories</li><li>• Role of institutions and reforms</li></ul>
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<sup>1</sup> Coffee breaks are generally from 10.30 a.m. to 10.45 a.m. and 3.30 p.m. to 3.45 p.m.

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2:00 p.m. – 5:15 p.m.	W-1	<b>Workshop on Economic Growth: Growth Accounting and Growth Regressions</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Growth accounting</li><li>• Estimating potential growth</li><li>• Growth regressions and role of reforms</li></ul>
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***Wednesday, June 7***

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9:00 a.m. – 12:15 p.m.	L-4	<b>Choice of Monetary and Exchange Rate Policy Framework</b> Mr. Portillo <ul style="list-style-type: none"><li>• Monetary and exchange rate policy objectives</li><li>• Transmission mechanisms</li><li>• Factors relevant to the choice of monetary policy and exchange rate</li></ul>
2:00 p.m. – 5:15 p.m.	W-2	<b>Workshop on the Choice of Monetary/ Exchange Rate Framework: Country Case Studies</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Choice of monetary and exchange rate regime</li><li>• The broader macro policy framework</li><li>• Discussion of alternative scenarios in plenary</li></ul>

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***Thursday, June 8***

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9:00 a.m. – 10:30 a.m.	L-5	<b>Role and Objectives of Fiscal Policy</b> Ms. Isakova <ul style="list-style-type: none"><li>• How does fiscal policy work?</li><li>• Measuring the fiscal stance</li><li>• Fiscal policy in the aftermath of the crisis</li></ul>
10:45 a.m. – 12:15 p.m.	W-3	<b>Workshop on Calculating the Structural Balance</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Definition of Structural Balance</li><li>• Calculating Structural Balance – Aggregated Approach</li><li>• Example in Calculating Structural Balance</li></ul>

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2:00 p.m. – 3:30 p.m.	L-6	<p><b>Fiscal Sustainability</b>  Ms. Isakova</p> <ul style="list-style-type: none"> <li>• Overview of the public sector debt sustainability analysis (DSA)</li> <li>• IMF approach to DSA</li> </ul>
3:45 p.m. – 5:15 p.m.	W-4	<p><b>Workshop: Public Debt Sustainability</b>  Mr. Richardson, Ms. Isakova, Mr. Portillo</p> <ul style="list-style-type: none"> <li>• Understanding the debt sustainability algebra</li> <li>• Construct debt trajectories in presence of shocks</li> </ul>

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***Friday, June 9***

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9:00 a.m. – 12:15 p.m.	L-7	<p><b>Exchange Rate and Exchange Rate Assessment</b>  Mr. Richardson</p> <ul style="list-style-type: none"> <li>• CGER</li> <li>• Underlying current account</li> <li>• External balance assessment methodology</li> </ul>
2:00 p.m. – 5:15 p.m.	W-5	<p><b>Workshop on External Balance Assessment</b>  Mr. Richardson, Ms. Isakova, Mr. Portillo</p> <ul style="list-style-type: none"> <li>• Case study</li> </ul>

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***Monday, June 12***

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9:00 a.m. – 12:15 p.m.	L-8	<p><b>Macro-Financial Linkages</b>  Ms. Isakova</p> <ul style="list-style-type: none"> <li>• Financial risk cycles</li> <li>• Financial intermediaries and the macro-economy</li> <li>• Macro-prudential tools</li> </ul>
2:00 p.m. – 3:30 p.m.	L-9	<p><b>International Capital Flows: Drivers, Benefits, Risks, Policy Response</b>  Mr. Richardson</p> <ul style="list-style-type: none"> <li>• Stylized facts about capital flows</li> <li>• Benefits and risks of capital flows liberalization</li> <li>• Policy response and IMF's institutional view</li> </ul>
3:45 p.m. – 5:15 p.m.	GD-1	<p><b>Preparing for Group Debates on Key Policy Issues</b>  Mr. Richardson, Ms. Isakova, Mr. Portillo</p> <ul style="list-style-type: none"> <li>• Pros and cons of selected policy issues</li> <li>• Preparation of group presentations</li> </ul>

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***Tuesday, June 13***

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9:00 a.m. – 12:15 p.m.	L-10	<b>External Sustainability and Crises</b> Mr. Portillo <ul style="list-style-type: none"><li>• External DSA</li><li>• Sudden Stops</li><li>• Balance of Payment Crises</li></ul>
2:00 p.m. – 5:15 p.m.	L-11	<b>Labor Market Policy in a Changing Environment</b> Mr. Martin Schindler, Deputy Director, JVI, <ul style="list-style-type: none"><li>• Labor market developments in the region</li><li>• Labor market policies and reforms</li><li>• Equity vs. efficiency in the labor market</li></ul>

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***Wednesday, June 14***

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9:00 a.m. – 10:30 a.m.	L-12	<b>Rethinking Macroeconomics</b> Mr. Portillo <ul style="list-style-type: none"><li>• Economic Thinking Before/after the crisis</li><li>• Implications for monetary, fiscal, and macro-prudential policies</li><li>• The New-Normal</li></ul>
10:45 a.m. – 12:15 p.m.	G-1	<b>Macro Policy Jeopardy!</b> Mr. Richardson, Ms. Isakova, Mr. Portillo
2:00 p.m. – 3:30 p.m.	W-6	<b>Workshop on Macroeconomic Policy Frameworks: Country Case Studies</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Identify major macroeconomic challenges and fiscal risks</li><li>• Discuss policy measures to respond to challenges</li><li>• Group presentations</li></ul>
3:45 p.m. – 5:15 p.m.	W-6 (cont'd)	<b>Workshop on Macroeconomic Policy Frameworks: Country Case Studies</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Identify major macroeconomic challenges and fiscal risks</li><li>• Discuss policy measures to respond to challenges</li><li>• Group presentations</li></ul>

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**Thursday, June 15**

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9:00 a.m. – 10:30 a.m.	L-13	<b>The IMF, Mission Work: Selected Aspects and Introduction to Role Play</b> Mr. Richardson <ul style="list-style-type: none"><li>• Working of IMF missions</li><li>• Diagnostics</li><li>• Negotiations</li></ul>
10:45 a.m. – 12:15 p.m.	W-7	<b>Case Study and Role Play: Group Preparation</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Demand stimulus versus debt sustainability</li><li>• Implications of infrastructure development</li><li>• Formulate initial policy suggestions</li></ul>
2:00 p.m. – 3:30 p.m.	W-7 (cont'd)	<b>Case Study and Role Play: Simulation of Discussion and Continued Group Preparation</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Discussions between authorities and mission</li><li>• Integrate new information in analyses</li><li>• Refine reform proposals</li></ul>
3:45 p.m. – 5:15 p.m.	W-7 (cont'd)	<b>Case Study and Role Play: Simulation of Discussions</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Final policy discussion between authorities and mission</li></ul>

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**Friday, June 16**

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9:00 a.m. – 10:30 a.m.	GD-1 (cont'd)	<b>Group Debates on Key Policy Issues</b> Mr. Richardson, Ms. Isakova, Mr. Portillo <ul style="list-style-type: none"><li>• Pros and cons of selected policy issues</li><li>• Preparation of group presentations</li><li>• Final group presentations</li></ul>
10:45 a.m. – 11:30 a.m.		<b>Quiz</b>
11.30 a.m. – 12:15 p.m.		<b>Segment Evaluation and Concluding Session</b>

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May 22, 2017

# **SEGMENT 3**

## **Financial Programming and Policies**

**IMF**

## INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Applied Economic Policy Course

2: Financial Programming and Policies Segment

Vienna, Austria

June 19 - 30, 2017

PROGRAM<sup>1</sup>*Monday, June 19*

9:00 a.m. – 9:15 a.m.		<p><b>Opening Remarks and Introductions</b>  Mr. Martin Schindler, Deputy Director, JVI  Ms. Samya Beidas-Ström, Senior Economist, IMF  Mr. Arto Kovanen, Consultant  Mr. Alexei Miksjuk, Economist, JVI</p>
9:15 a.m. – 10:00 a.m.		<p><b>Pre-Course Test</b></p>
10:00 a.m. – 10:30 a.m.	L-0	<p><b>Course Overview</b>  Ms. Beidas-Strom</p> <ul style="list-style-type: none"> <li>• <i>Objectives of the course</i></li> <li>• <i>Modalities and syllabus</i></li> <li>• <i>Role of participants</i></li> </ul>
10:45 a.m. – 12:15 p.m.	L-1	<p><b>Recap of Financial Programming and its Macroeconomic Accounts</b>  Lecture by Mr. Miksjuk</p> <ul style="list-style-type: none"> <li>• <i>Stabilization, imbalances and policies</i></li> <li>• <i>Accounting and behavioral interrelationships among the accounts</i></li> </ul>
2:00 p.m. – 3:30 p.m.	L-2	<p><b>Introducing the Workshop Case Study: Georgia</b>  Lecture by Ms. Beidas-Strom</p> <ul style="list-style-type: none"> <li>• <i>Regional context</i></li> <li>• <i>Boom years—Economic developments pre-crisis</i></li> <li>• <i>Crisis years—Emergence of imbalances</i></li> <li>• <i>Where is Georgia now? The Salter-Swan Model</i></li> </ul>

<sup>1</sup> Daily coffee breaks will be from 10:30 a.m. to 10:45 a.m. and from 3:30 p.m. to 3:45 p.m.

3:45 p.m. – 5:15 p.m.	L-3	<b>Output, Expenditure, and Prices: Analysis and Forecasting</b> Lecture by Mr. Kovanen <ul style="list-style-type: none"> <li>• <i>GDP from the expenditure side</i></li> <li>• <i>Current versus constant prices</i></li> <li>• <i>Reconciling expenditure- and supply-side GDP forecasts</i></li> </ul>
<b><i>Tuesday, June 20</i></b>		
9:00 a.m. – 10:30 a.m.	W-1	<b>Workshop: Baseline Scenario—Output, Expenditure, and Prices</b> Facilitated by counselors
10:45 a.m. – 12:15 p.m.	W-1	<b>Workshop: Baseline Scenario—Output, Expenditure, and Prices (continued)</b> Facilitated by counselors
2:00 p.m. – 3:30 p.m.	W-1	<b>Workshop: Baseline Scenario: Output, Expenditure, and Prices (concluded)</b> Facilitated by counselors
3:45 p.m. – 5:15 p.m.	L-4	<b>Balance of Payments: Analysis and Forecasting</b> Lecture by Mr. Miksjuk <ul style="list-style-type: none"> <li>• <i>Overview of the Balance of Payments</i></li> <li>• <i>Analyzing a country's external position</i></li> <li>• <i>Forecasting of the BOP: elasticities, exchange rates, global assumptions</i></li> </ul>
<b><i>Wednesday, June 21</i></b>		
9:00 a.m. – 10:30 a.m.	W-2	<b>Workshop: Baseline Scenario—Balance of Payments</b> Facilitated by counselors
10:45 a.m. – 12:15 p.m.	W-2	<b>Workshop: Baseline Scenario—Balance of Payments (continued)</b> Facilitated by counselors
2:00 p.m. – 3:30 p.m.	W-2	<b>Workshop: Baseline Scenario—Balance of Payments (concluded)</b> Facilitated by counselors
3:45 p.m. – 5:15 p.m.	L-5	<b>Fiscal Sector: Analysis and Forecasting</b> Lecture by Ms. Beidas-Strom <ul style="list-style-type: none"> <li>• <i>Fiscal accounts</i></li> <li>• <i>Measures of fiscal balance</i></li> <li>• <i>Forecasting fiscal variables: revenues, spending, financing and debt</i></li> </ul>

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<b><i>Thursday, June 22</i></b>		
9:00 a.m. – 10:30 a.m.	W-3	<b>Workshop: Baseline Scenario—Fiscal Sector</b> Facilitated by counselors
10:45 a.m. – 12:15 p.m.	W-3	<b>Workshop: Baseline Scenario—Fiscal Sector (concluded)</b> Facilitated by counselors
2:00 p.m. – 3:30 p.m.	L-6	<b>Monetary Sector: Analysis and Forecasting</b> Lecture by Mr. Kovanen <ul style="list-style-type: none"> <li>• <i>Overview of monetary aggregates and depository institution balance sheets</i></li> <li>• <i>Credit aggregates—linkages with other sectors</i></li> <li>• <i>Money demand</i></li> </ul>
3:45 p.m. – 5:15 p.m.	W-4	<b>Workshop: Baseline Scenario—Monetary Sector</b> Facilitated by counselors
<b><i>Friday, June 23</i></b>		
9:00 a.m. – 10:30 a.m.	W-4	<b>Workshop: Baseline Scenario—Monetary Sector (concluded)</b> Facilitated by counselors
10:45 a.m. – 12:15 p.m.	L-7	<b>Growth and the Macroeconomic Sustainability: A Medium-term (MT) Perspective</b> Lecture Mr. Miksjuk <ul style="list-style-type: none"> <li>• <i>A medium-term perspective: where should the country be heading?</i></li> <li>• <i>Medium term assumptions and linkage with debt sustainability—recap and perspective</i></li> <li>• <i>Designing a simple MT framework</i></li> </ul>
2:00 p.m. – 3:30 p.m.	L-8	<b>Macroeconomic Adjustment and Program Experience</b> Lecture by Ms. Beidas-Strom <ul style="list-style-type: none"> <li>• <i>Program design—stabilization policies and structural reforms for growth and sustainability</i></li> <li>• <i>Role of external financing</i></li> <li>• <i>Country experience with IMF-supported programs</i></li> </ul>
3:45 p.m. – 5:15 p.m.	O-1	<b>Questions and Feedback</b> Discussion facilitated by counselors

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<b><i>Monday, June 26</i></b>		
9:00 a.m. – 10:30 a.m.	W-5	<b>Workshop: Discussion of Baseline Scenario</b> Facilitated by counselors
10:45 a.m. – 12:15 p.m.	W-5	<b>Workshop: Discussion of Baseline Scenario (concluded)</b> Facilitated by counselors
2:00 p.m. – 5:15 p.m.	O-2	<b>Group Debate on Baseline Scenario</b> Facilitated by counselors
<b><i>Tuesday, June 27</i></b>		
9:00 a.m. – 12:15 p.m.	W-6	<b>Workshop: Program Scenario—Setting the Objectives and Policies</b> Facilitated by counselors
2:00 p.m. – 5:15 p.m.	W-6	<b>Workshop: Program Scenario—Setting the Objectives and Policies (concluded)</b> Facilitated by counselors
<b><i>Wednesday, June 28</i></b>		
9:00 a.m. – 12:15 p.m.	P-1	<b>Workshop: Participants Prepare Power Point Presentation—Baseline and Program</b> Facilitated by counselors
2:00 p.m. – 5:15 p.m.	P-1	<b>Workshop: Participants Prepare Power Point Presentation—Baseline and Program Scenario (concluded)</b> Facilitated by counselors
<b><i>Thursday, June 29</i></b>		
9:00 a.m. – 10:30 a.m.	P-2	<b>Workshop: Dry Run of Presentations</b> Facilitated by counselors
10:45 a.m. – 11:15 a.m.		<b>Post-Course Test</b>
11:15 a.m. – 12:15 p.m.	L-9	<b>Georgia’s 2017 Extended Facility</b> Mr. François Painchaud
2:00 p.m. – 6:00 p.m.		<b>JVI 25<sup>th</sup> Anniversary Conference</b> Oesterreichische Nationalbank
<b><i>Friday, June 30</i></b>		
9:00 a.m. – 10:30 a.m.		<b>JVI 25<sup>th</sup> Anniversary Conference</b> Oesterreichische Nationalbank
11:00 a.m. – 12:30 p.m.	P-3	<b>Presentation of Baseline and Program Scenario</b>
12:30 p.m. – 1:00 p.m.		<b>Course Evaluation</b>

# **SEGMENT 4**

## **Financial Sector Issues**

**OeNB**



## JVI AEP Segment "FINANCIAL SECTOR ISSUES", 3rd - 7th July 2017

Covered by Oesterreichische Nationalbank (OeNB)

Time	Topic	Presented by	Duration [min]
<b>Monday, July 3 Introduction to Financial Sector Issues</b>			
09.00-09:10	<b>Segment Introduction</b>	Eva Ubl (OeNB)	
09.10-10:30	<b>Introduction to Financial Stability</b> <i>Dimensions of financial stability, systemic risk monitoring and assessment, financial stability policy, cross-border linkages, brief overview of the supervisory architecture in the EU.</i>	Eva Ubl (OeNB)	90
10.30-10.45	Coffee Break		15
10.45-12.15	<b>Macroprudential Policy in the Banking Union</b>	Balazs Zsomboki (ECB)	90
12.15-14.00	Lunch Break		105
14.00-15.30	<b>Introduction to Macroprudential Policy in Austria</b> <i>Macroprudential analysis and policy framework, legal mandate and tools, challenges for macroprudential policy.</i>	Sophie Doeme, Peter Strobl (OeNB)	90
15.30-15.45	Coffee Break		15
15.45-17:15	<b>Recovery and Resolution</b> <i>Experiences and reflections on recovery and resolution plans</i>	Konrad Richter (OeNB)	90
<b>Tuesday, July 4 Risks in the financial sector</b>			
09.00-10.30	<b>Systemic Risks in Real Estate</b>	Franz Mohr (OeNB)	90
10.30-10.45	Coffee Break		15
10.45-12.15	<b>Progress in Banking Union and the creation of a Capital Markets Union (CMU)</b> <i>What comes after the Banking Union?</i>	Michaela Posch (OeNB)	90
12.15-14.00	Lunch Break		105
14.00-15.30	<b>Low Interest Rate Environment</b> <i>Main risks and challenges from a financial stability view</i>	Stefan Kerbl (OeNB)	90
15.30-15.45	Coffee Break		15
15.45-17:15	<b>Liquidity Risk</b>	Benjamin Neudorfer (OeNB)	90

Time	Topic	Presented by	Duration [min]
<b>Wednesday, July 5 - Risks and Challenges</b>			
09.00-10.30	<b>Workshop Deposit Insurance</b> <i>Workshop theory and group work</i>	Eva Ubl (OeNB)	90
10.30-10:45	Coffee Break		15
10.45-12.15	<b>Workshop Deposit Insurance</b> <i>Group work and Group presentations</i>	Eva Ubl (OeNB)	90
12.15-14.00	Lunch Break		105
14.00-15.30	<b>Systemic Risks beyond Banking</b> <i>Systemic risks from other financial intermediaries. Shadow banking the new risk driver?</i>	Eva Ubl (OeNB)	90
15.30-15.45	Coffee Break		15
15.45-17.00	<b>Why Were the Authorities Responsible for Financial Stability not in a Position to Prevent the Recent Financial Crisis?</b> <i>Discussion of the availability, application and effectiveness of instruments for crisis prevention</i>	Gernot Ebner (OeNB)	75
<b>Thursday, July 6 - Topical Financial Sector Issues in the CESEE Region</b>			
09.00-10.30	<b>Macrofinancial Issues in the CESEE Region</b> <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>	Mariya Hake (OeNB)	90
10.30-10:45	Coffee Break		15
10.45-12.15	<b>Austrian banks in CESEE</b> <i>Profitability and the sustainability of business models</i>	Stefan Kavan (OeNB)	90
12.15-14.00	Lunch Break		105
14.00-15.30	<b>Banking in the CESEE Region: Practitioner's View</b> <i>Current banking trends and challenges for CESEE banks</i>	Gunter Deuber (Raiffeisen Bank International)	90
15.30-15.45	Coffee Break		15
15.45-17.15	<b>Foreign Currency Loans</b> <i>Main risks and challenges from a financial stability view</i>	Manuel Gruber	90
<b>Friday, July 7 - Conclusions</b>			
09.00-10.30	<b>Introducing a Systemic Risk Buffer in Austria</b> <i>Theory and Diskussion</i>	Eva Ubl (OeNB)	90
10.30-10:45	Coffee break		15
10.45 -11.45	<b>Closing Session, Segment Evaluation</b> <i>Closing Session</i>	Eva Ubl (OeNB)	60

Contact:

Eva Ubl (eva.ubl@oenb.at)

# **SEGMENT 5**

## **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 10 - July 13, 2017**

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](mailto:alexander.keck@wto.org))

Ravindra Yatawara, World Bank Group ([ryatawara@worldbank.org](mailto: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

- *International Economics: Theory and Policy*, by Paul Krugman, Maurice Obstfeld and Marc Melitz, Addison-Wesley. (KOM)
- *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. 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>
- Many trade data variables are included in the **World Development Indicators** (WDI) database <http://data.worldbank.org/data-catalog/world-development-indicators>
- Trade data visualization <http://atlas.media.mit.edu>
- A comprehensive data bank on current trade trends and policies for all countries is: World Bank, **World Trade Indicators**, at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/TRADE/0,,contentMDK:22421950~pagePK:148956~piPK:216618~theSitePK:239071,00.html>  
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/>.  
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/TRADE/0,,contentMDK:21685771~menuPK:4777014~pagePK:210058~piPK:210062~theSitePK:239071,00.html>
- OECD/WTO Trade in Value Added (TiVA) Web Page [www.oecd.org/trade/valueadded](http://www.oecd.org/trade/valueadded)

### 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/tpr_e.htm)  
[http://www.wto.org/english/tratop\\_e/tpr\\_e/trade\\_monitoring\\_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](http://www.wto.org/english/res_e/reser_e/reser_e.htm)
- World Bank Trade Department  
[www.worldbank.org/trade](http://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/trips_e/trips_e.htm)
- [http://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_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/sps_e/sps_e.htm)
- [http://www.wto.org/english/tratop\\_e/cusval\\_e/cusval\\_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/roi_e/roi_e.htm)
- [http://www.wto.org/english/tratop\\_e/adp\\_e/adp\\_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/scm_e/scm_e.htm)
- [http://www.wto.org/english/tratop\\_e/safeg\\_e/safeg\\_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/gproc_e/gproc_e.htm)
- [http://www.wto.org/english/tratop\\_e/statra\\_e/statra\\_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/invest_e/invest_e.htm)
- [http://www.wto.org/english/tratop\\_e/comp\\_e/comp\\_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**

### **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 10 (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:*

\*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 2<sup>nd</sup> 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:*

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

\* Melitz, Marc J. and Daniel Trefler (2012) "The Gains from Trade When Firms Matter", Journal of Economic Perspectives

\*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, 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:*

\*International Economics text book-KOM Chap 8

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

Bown, C and M. Crowley (2015) ‘The Empirical Landscape of Trade Policy’

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

- Understanding trade costs at the border, behind the border and beyond the border
- 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 ‘Analysis of Trade Competitiveness – Moldova’ 2016

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

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

**Tuesday, July 11 (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:*

\*Limao, Nuno ‘Preferential Trade Agreements’ [NBER WP 22138](#), Forthcoming, *Handbook of Commercial Policy*, (eds. Kyle Bagwell and Robert Staiger), 2016



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

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

***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: Fiscal Politics (14.00 -15:30) Guest Lecture, IMF – Room 600C***

- Optimal fiscal policy potentially distorted through elections, political fragmentation or ideological biases
- Fiscal rules and institutions can attenuate the negative effects of this dynamic relationship. Evidence from 90 countries over 4 decades

*Lecturer:* Carlos Mulas- Granados

*Readings:*

Gaspar, V, S. Gupta, and C. Mulas-Granados (2017) “Fiscal Politics”, IMF

***8. The Macro Dimensions of Trade and Competitiveness: (15:45-17:15)***

- 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

Lecture notes: [Trade 8\_JVI.ppt]

*Lecturer:* Ravi Yatawara

*Readings*

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

\*Staiger, Robert and Alan Sykes, “Currency Manipulation”, *World Trade Review*/Volume 9/Issue 04/October 2010, pp 588-627

Yatawara, Ravi (2011) “Recent Trade Developments” in “Trade Under Crisis” World Bank (RY\_CHAP2.pdf)

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.

### Wednesday, July 12 (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 (2016) The Impact of China on ECA countries, ECA Regional Update, April 2016

\*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 (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”

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

Current Trade developments in the ECA region

Backlash to globalization – who, where, why?

Lecture notes: [Trade 10\_JVI.ppt]

*Lecturer:* Ravi Yatawara

#### *Readings*

\*World Bank (2017) “Trade in Transition” Europe and Central Asia Economic Update, May

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

\*Handley, K and N. Limao (2017) “Trade under T.R.U.M.P policies”, University of Maryland

## WTO segment

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 co-operation. 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:

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

\*WTO (2014) [\*World Trade Report 2014: Trade and Development: Recent Trends and the Role of the WTO\*](#), Geneva: WTO.

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 (2015) [\*Understanding the WTO\*](#), Fifth Edition, Geneva: WTO

WTO (1998) [\*Guide to the Uruguay Round Agreements\*](#), Geneva: WTO

### **Wednesday, July 12 (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):*

\*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.

\*Grossman, G. M. (2016) 'The Purpose of Trade Agreements', NBER Working Paper No. 22070, Washington DC: NBER.

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. (2011) 'A "New Trade" Theory of GATT/WTO Negotiations', *Journal of Political Economy*, 119, 1: 122-152.

*Readings (WTO, general):*

- \*WTO (2015) 'Ministerial Declaration and Decisions' in [WTO/MIN\(15\)/DEC \("Nairobi Package"\)](#), Geneva: WTO: 19 December 2015.
- \*WTO (2013) 'Ministerial Declaration and Decisions' in [WTO/MIN\(13\)/DEC \("Bali Package"\)](#), Geneva: WTO: 11 December 2013.
- \*WTO (2013) 'Prospects for Multilateral Trade Cooperation' in WTO (2013) *World Trade Report 2013*, Geneva: WTO: 266-290.
- \*WTO (2015) [Understanding the WTO](#), Fifth Edition, Geneva: WTO: 9-22 and 101-112.
- \*WTO (2009) '[Doha Round Texts and Related Documents](#)', 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.
- WTO (2016) [Annual Report](#), Geneva: WTO
- WTO (2014) 'Accession to the World Trade Organization: Procedures for Negotiations under Article XII - Note by the Secretariat', WTO document WT/ACC/1/Rev. 1, Geneva: WTO.
- WTO (2010) 'Technical Note on the Accession Process - Note by the Secretariat', WTO document WT/ACC/10/Rev.4, Geneva: WTO.
- 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.

*Readings (Economic assessments):*

- \*WTO (2015) *Understanding the WTO*, Geneva: WTO: 80-96.
- \*Fontagné, L., Fouré, J. and Keck, A. (2017) 'Simulating World Trade in the Decades Ahead: Driving Forces and Policy Implications', *The World Economy* 40(1): 36-55.
- Bouet, A. and Laborde, D. (2008) 'Assessing the Potential Cost of a Failed Doha Round', IFPRI Issue Brief No. 56, Washington D.C.: IFPRI.
- Decreux, Y. and Fontagné, L. (2011), 'Economic Impact of Potential Outcome of the DDA II', Paris, CEPPII-CIREM, Final Report.
- Hufbauer, G. C. and Schott, J. J. (2013) *Payoff From the World Trade Agenda 2013*, Washington DC: Peterson Institute for International Economics Report to the ICC Research Foundation.
- Hufbauer, G. C., Schott, J. J., Adler, M., Brunel, C. and Foong, W. (2010), 'Figuring Out the Doha Round', Washington DC, Peterson Institute for International Economics, Policy Analyses in International Economics 91.
- 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.

## ***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):*

\*WTO (2015) *Understanding the WTO*, Geneva: WTO: 25-26 and 49-51.

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

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 (2012) *World Trade Report 2012: Trade and public policies: A closer look at non-tariff measures in the 21st century*, 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](http://www.wto.org/english/tratop_e/markacc_e/nama_negotiations_e.htm)

*Readings (agriculture):*

\*WTO (2015) *Understanding the WTO*, Geneva: WTO: 27-30.

\*WTO (2015) [\*The WTO Agreements Series No. 3: Agriculture\*](#), Geneva: WTO.

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

Bureau, J.-C. and Jean, S. (2013) 'International Agricultural Trade and Negotiations: Coping with a New Landscape', FOODSECURE working paper no. 08.

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.

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 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 13 (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):*

\*WTO (2005) *Understanding the WTO*, Geneva: WTO: 33-38.

\*WTO (2013) [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.

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Djiofack-Zebaze, C. and Keck, A. (2009) 'Telecommunications Services in Africa: The Impact of WTO Commitments and Unilateral Reform on Sector Performance and Economic Growth', *World Development* 37(5): 919-940.

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. 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.

Mattoo, A., Stern, R. M. and Zanini, G. (eds.) (2008) *A Handbook of International Trade in Services*, Oxford University Press.

*Readings (trade facilitation):*

\*WTO (2014) 'Trade Facilitation Agreement and a Protocol Amending the Marrakesh Agreement Establishing the WTO', General Council Decision of 27 November 2014 ([WT/L/940](#))

\*WTO (2015) [World Trade Report 2015: Speeding up trade: Benefits and challenges of implementing the WTO Trade Facilitation Agreement](#), Geneva: WTO.

\*WTO (2015) *Understanding the WTO*, Geneva: WTO: 85.

\*OECD (2015) [Implementation of the WTO Trade Facilitation Agreement: The Potential Impact on Trade Costs](#)

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 (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.
- Bown, C. P. (2014) 'Trade Policy Instruments over Time', Policy Research Working Paper No. 6757, Washington D.C.: World Bank.
- 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 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 (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.
- \*WTO (2005) 'Quantitative Economics in WTO Dispute Settlement', in WTO (2005) *World Trade Report 2005*, Geneva: WTO: 171-212.
- 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.
- Marceau, G. (ed.) (2015) *A History of Law and Lawyers in the GATT/WTO: The Development of the Rule of Law in the Multilateral Trading System*, Cambridge University Press.
- 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