

INTERNATIONAL MONETARY FUND
Joint Vienna Institute / Institute for Capacity Development
European and Middle Eastern Division
Course on Managing Capital flows: Macroeconomic Analysis and Policies
(JV17.32)
Vienna, Austria
November 6 – 17, 2017

Monday, November 6

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| 8:30 a.m. – 9:00 a.m. | | Administrative Briefing Iwona Kabat Lefebvre, Program Officer, JVI |
| 9:00 a.m. – 9:15 a.m. | | Opening Session Mr. Thomas Richardson, Director, JVI Ms. Hali Edison, Deputy Division Chief, ICD Mr. Andras Komaromi, Economist, ICD Mr. Martin Fukac, Consultant |
| 9:15 a.m. – 10:00 a.m. | | Initial Test |
| 10:00 a.m. – 10:30 a.m. | L-0 | Opening Session and Course Overview Ms. Edison |
| 10:30 a.m. – 10:45 a.m. | | Coffee Break |
| 10:45 a.m. – 12:15 p.m. | L-1 | Introductory Lecture Ms. Edison |
| 12:15 p.m. – 12:30 p.m. | | Group Photo |
| 12:30 p.m. – 2:00 p.m. | | Lunch |
| 2:00 p.m. – 3:30 p.m. | L-2 | Balance of Payments: A Refresher Mr. Fukac <ul style="list-style-type: none"> • <i>The balance of payments and its components</i> • <i>Alternative representations of the balance of payments</i> • <i>The link between the balance of payments and the national accounts</i> • <i>The NIP and the balance of payments</i> |
| 3:30 p.m. – 3:45 p.m. | | Coffee Break |
| 3:45 p.m. – 5:30 p.m. | W-1 | Workshop: Balance of Payments Facilitated by counselors |

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. and lunch 12:30 p.m. – 2:00 p.m.

Tuesday, November 7

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| 9:00 a.m. – 10:30 a.m. | L-3 | Measuring Financial Integration I Ms. Edison <ul style="list-style-type: none">• <i>Barriers to international capital flows</i>• <i>A de facto measure of financial integration</i>• <i>A de jure measure of financial integration</i>• <i>Measuring financial liberalization using prices</i> |
| 10:45 a.m. – 12:30 p.m. | L-4 | Measuring Financial Integration II Ms. Edison <ul style="list-style-type: none">• <i>Global trends of international capital financial markets</i>• <i>The structure of external balance sheets of countries; financial risk</i>• <i>The exorbitant privilege</i>• <i>Global imbalances</i> |
| 2:00 p.m. – 5:30 p.m. | W-2 | Workshop: Measuring Financial Integration Facilitated by Counselors |
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Wednesday, November 8

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| 9:00 a.m. – 10:30 a.m. | W-2 | Presentation of Participants Measuring Financial Integration |
| 10:45 a.m. – 12:30 p.m. | L-5 | Long-Run Determinants of Capital Flows I Mr. Komaromi <ul style="list-style-type: none">• <i>Review the predictions of the basic Neo-Classical Model</i>• <i>Welfare gains from financial opening: theory and empirical quantification</i> |
| 2:00 p.m. – 3:30 p.m. | L-5 | Long-Run Determinants of Capital Flows II Mr. Komaromi <ul style="list-style-type: none">• <i>Introduce the standard puzzles regarding the direction of capital flows and the link between net inflows and growth</i>• <i>Discuss the existing empirical explanation for the standard puzzles</i> |
| 4:00 p.m. – 5:30 p.m. | O-1 | Read Crisis Case Studies for Workshop 5 |
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Thursday, November 9

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| 9:00 a.m. – 12:30 p.m. | L-6 | Macroeconomic Volatility and Capital Flows Mr. Fukac <ul style="list-style-type: none">• <i>Push and Pull factors of capital flows</i>• <i>The link between capital flows and economic activity over the business cycle</i>• <i>Tools to identify credit booms</i>• <i>Examine whether the composition of capital flows matters</i> |
| 2:00 p.m. – 5:30 p.m. | W-3 | Workshop: Macroeconomic Volatility and Capital Flows Facilitated by Counselors |
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Friday, November 10

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| 9:00 a.m. – 10:30 a.m. | L-7 | Capital Account Liberalization: Financial Reforms, Crisis and Growth I Mr. Komaromi <ul style="list-style-type: none">• <i>Dual effects of capital account liberalization: growth vs. crisis</i>• <i>Empirical evidence on the growth and financial stability effects of capital account liberalization</i> |
| 10:45 a.m. – 12:30 p.m. | L-8 | Capital Account Liberalization: Financial Reforms, Crisis and Growth II Mr. Komaromi <ul style="list-style-type: none">• <i>Welfare economics of liberalization</i>• <i>Sequencing of reforms</i>• <i>IMF institutional view</i>• <i>Caveats and open questions about the sequencing approach</i> |
| 2:00 p.m. – 5:30 p.m. | W-4 | Debate: Pros and Cons of Financial Openness Facilitated by Counselors |

Monday, November 13

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| 9:00 a.m. – 12:30 p.m. | L-9 | Financial Crisis: Why, When and How? Mr. Fukac <ul style="list-style-type: none">• <i>What is a crisis? What is common to all crisis?</i>• <i>Varieties of financial crises</i>• <i>Twin and Triple crises</i> |
| 2:00 p.m. – 5:30 p.m. | W-5 | Workshop: Cases Study – Varieties of Crises Facilitated by Counselors Through the study of actual crises participants will learn how policy settings and failures in recognizing and addressing the buildup of vulnerabilities lead to crisis. The crises studied are: Asia, Iceland, and Hungary Case preparations, discussion and presentations. |

Tuesday, November 14

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| 9:00 a.m. – 10:30 a.m. | W-5 | Workshop: Varieties of Crises - Presentations Facilitated by Counselors |
| 10:45 a.m. – 12:30 p.m. | L-10 | Guest Lecture on Hungary's Experience on Capital Flows Ms. Judit Antal, former Deputy Director National Bank of Hungary, and currently OGR Economist |
| 2:00 p.m. – 5:30 p.m. | L-11 | Dealing with Capital Flows I Ms. Edison Macroeconomic Policy <ul style="list-style-type: none">• <i>Fiscal and Monetary Policy</i>• <i>Exchange rate policy</i>• <i>Policy mix</i> |

Wednesday, November 15

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| 9:00 a.m. – 10:30 a.m. | L-12 | Dealing with Capital Flows II Mr. Komaromi |
| | | Financial Regulation <ul style="list-style-type: none">• <i>Related lending</i>• <i>Risk Classification</i>• <i>Capital requirements; loan-loss provisions; loan to value and guarantees</i> |
| 10:45 a.m. – 12:30 p.m. | L-13 | Dealing with Capital Flows III Mr. Fukac |
| | | CFM and FX Interventions <ul style="list-style-type: none">• <i>Rationale for capital controls</i>• <i>Modalities: administrative, taxes, reserve requirements</i>• <i>Effects on flows, maturity, exchange rates, interest rates, cost of lending for different borrowers</i> |
| 2:00 p.m. – 5:30 p.m. | W-6 | Workshop: Policies to deal with capital flows Facilitated by Counselors |

Thursday, November 16

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| 9:00 a.m. – 12:30 p.m. | W-7 | Workshop: Participants Final Project – A country case of (mis-) managing capital flows Facilitated by Counselors |
| 2:00 p.m. – 2:30 p.m. | | Final Test |
| 2:30 p.m. – 5:30 p.m. | O-1 | Preparing Group Presentations of Final Project Facilitated by Counselors |

Friday, November 17

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| 9:00 a.m. – 9:30 a.m. | | Course Evaluation |
| 9:30 a.m. – 11:30 a.m. | O-2 | Presentation and Discussion of Group Work |
| 11:30 a.m. – 1:00 p.m. | | Closing and Presentation of Certificates |
