

INTERNATIONAL MONETARY FUND

Joint Vienna Institute / IMF Institute – European and Middle Eastern Division
Course on Monetary and Fiscal Policy Analysis with DSGE Models (JV17.34)

Vienna, Austria

December 4 – 15, 2017

PROGRAM¹

Monday, December 4

9:00 a.m. – 9:30 a.m.		Administrative Briefing Ms. Marina Scherbakova Program Officer, Joint Vienna Institute
9:30 a.m. – 10:00 a.m.		Opening Session Mr. Tom Richardson, Director, Joint Vienna Institute (JVI); Mr. Rafael Portillo, JVI; Mr. Maksym Ivanyna JVI; Mr. Werner Schule, Consultant
10:00 a.m. – 10:45 a.m.		Test Session conducted by counselors
11:00 a.m. – 12:30 p.m.	L-1	The Real Business Cycle (RBC) Model Lecture by Mr. Werner Schule <ul style="list-style-type: none">• Introduction to the RBC Model• Derivation of equations• Policy Implications
2:00 p.m. – 5:30 p.m.	W-1	Introduction to Dynare and the RBC Model <ul style="list-style-type: none">• File structure in Matlab and Dynare• Basic commands for model simulation,• Impulse responses in the RBC model

Tuesday, December 5

9:00 a.m. – 12:30 p.m.	L-2	The New Keynesian (NK) Model Lecture by Mr. Werner Schule <ul style="list-style-type: none">• Main imperfections and assumptions of the model• Derivation of the key equations• Monetary policy analysis in the NK model
2:00 p.m. – 5:30 p.m.	W-2	Workshop on the New Keynesian Model <ul style="list-style-type: none">• Impulse responses and model properties

¹ Coffee breaks are generally from 10.30 a.m. to 11.00 a.m. and 3.30 to 4.00 p.m., unless otherwise indicated.

Wednesday, December 6

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| 9.00 a.m. – 12:30 p.m. | L-3 | Labor Market Rigidities in the New Keynesian Model
Lecture by Mr. Rafael Portillo <ul style="list-style-type: none">• The “Divine Coincidence”• Sticky wages and labor market frictions• The transmission of oil price shocks |
| 2.0 p.m. – 5:30 p.m. | W-3 | Workshop on The Effects of Oil Prices <ul style="list-style-type: none">• Discussion of the effects of oil shocks in NK Models with labor market rigidities. |

Thursday, December 7

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| 9:00 a.m. – 12:30 p.m. | L-4 | The New Keynesian Model in the Open Economy
Lecture by Mr. Maksym Ivanyna <ul style="list-style-type: none">• 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 <ul style="list-style-type: none">• Discussion of transmission mechanisms under fixed versus flexible exchange rates |

Friday, December 8

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| 9:00 a.m. – 12:30 p.m. | L-5 | A New Keynesian Model with Financial Frictions
Lecture by Mr. Rafael Portillo <ul style="list-style-type: none">• Amplification effects of financial frictions• The financial accelerator• The open economy and the role of the exchange rate |
| 2.00 p.m. – 5:30 p.m. | W-5 | Workshop on Capital Flows <ul style="list-style-type: none">• Responses of macro-policies to capital flows |
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Monday, December 11

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| 9:00 a.m. – 12:30 p.m. | L-6 | Bringing DSGE Models to the Data
Lecture by Mr. Maksym Ivanyna <ul style="list-style-type: none">• Calibration• Classical and Bayesian estimation• Examples of Bayesian estimation |
| 2.00 p.m. – 5:30 p.m. | W-6 | Bayesian Estimation of DSGE Models <ul style="list-style-type: none">• Examples of Bayesian Estimation |
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Tuesday, December 12

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| 9:00 a.m. – 12:30 p.m. | L-7 | Forecasting with DSGE Models and Policy Applications
Lecture by Mr. Mr. Werner Schule <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 | Forecasting with DSGE Models <ul style="list-style-type: none">• Groups will work on various models and datasets |
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Wednesday, December 13

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| 9:00 a.m. – 10:30 p.m. | L-8 | Fiscal Policy Analysis with DSGE Models
Lecture by Mr. Rafael Portillo <ul style="list-style-type: none">• Fiscal Multipliers• Crowding out• Financially constrained agents as an amplification mechanism for fiscal policy |
| 11.00 a.m. – 12:30 p.m. | W-8 | Fiscal Policy Analysis with DSGE Models <ul style="list-style-type: none">• Simulating fiscal policy shocks in NK models. |
| 2.00 p.m. – 5:30 p.m. | L-9 | Case Study – A DSGE with Partial Euroization (Romania)
Guest lecture by Mr. Mihai Copaciu (National Bank of Romania) |
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Thursday, December 14

- 9:00 a.m. – 12:30 p.m. W-9 **Workshop: Case Study Romania**
- 2:00 p.m. – 5:30 p.m. O-1 **Workshop: Preparation of Final Presentation**
- Groups will work on the case of Romania
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Friday, December 15

- 9:00 a.m. – 10:30 a.m. O-1 **Final Presentations**
- Model-based presentation for a monetary policy committee
- 11:00 a.m. – 11:30 a.m. **Test**
- 11:30 a.m. – 12:00 p.m. **Course Evaluation**
- 12:00 p.m. – 12:30 p.m. **Closing Session**
Mr. Rafael Portillo, Mr. Maksym Ivanyna, Mr. Werner Schule
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