INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development
Course on Fiscal Policy Analysis (JV18.05)
March 19 – March 30, 2018
Vienna, Austria

PROGRAM

Monday, March 19

8:30 a.m. – 9:00 a.m.		**Administrative briefing** Ms. Marina Scherbakova, Program Officer, Joint Vienna Institute (JVI)
9:00 a.m. – 9:15 a.m.		**Opening session** Mr. Fuad Hasanov, Senior Economist, Institute for Capacity Development (ICD) Mr. Holger Floerkemeier, Deputy Director, JVI Mr. Francesco Saraceno, Deputy Department Director, OFCE
9:15 a.m. – 10:15 a.m.		**Course introduction and Quiz**
10:30 a.m. – 12:00 p.m.	L–1	**Recent macro trends, fiscal challenges and overview of the course** Fuad Hasanov - Discuss recent global and regional macro trends - Identify main fiscal challenges - Provide a course roadmap
2:00 p.m. – 3:30 p.m.	L–2	**Public finance and the macroeconomy** Francesco Saraceno - The role of the government: public goods, externalities, and asymmetric information - Fiscal policy and long-term growth and equity - Fiscal policy and macro stability - Interaction between monetary and fiscal policy

3:45 p.m. – 5:15 p.m.	O–1	**Discussion of fiscal challenges in participants' countries**

- Identify challenges
- Discuss how the course can provide analytical tools

Tuesday, March 20

9:00 a.m. – 10:30 a.m.	L–3	**Expenditure Policy**

Holger Floerkemeier

- Types of expenditure
- Expenditure rationalization
- Long-term expenditure issues (for LIC and EM)

10:45 a.m. – 12:15 p.m.	W–1	**Expenditure Policy Workshop (case study)**

- Assessment of government employment and wages
- Options for public employment rationalization
- Structural measures for higher public spending efficiency

2:00 p.m. – 3:30 p.m.	L–4	**Domestic Resource Mobilization**

Holger Floerkemeier

- General principles
- Recent trends and policy issues
- Tax policy reforms

3:45 p.m. – 5:15 p.m.	L–4	**Domestic Resource Mobilization, continued**

- Revenue administration
- VAT reforms

Wednesday, March 21

9:00 a.m. – 10:30 a.m.	W–2	**Workshop: Tax Policy Reform (case study)**

- Assessment of the tax system (structure and tax effort)
- Tax system reform package: direct and indirect taxes
- Reform of special regimes and tax incentives

10:45 a.m. – 12:15 p.m.	L–5	**Fiscal policy and inclusive growth**

Fuad Hasanov

- Fiscal policy and long run growth
- Fiscal policy and inequality
- Case studies

2:00 p.m. – 3:30 p.m.	L–6	**Fiscal accounts and fiscal aggregates measures**

Francesco Saraceno

- Fiscal accounts and the public sector
- Stocks and flows measures
- Cash and accrual measures

| 3:45 p.m. – 5:15 p.m. | W–3 | **Workshop: Fiscal accounts and fiscal analysis** |

Workshop: Fiscal accounts and fiscal analysis
- Differences between GFSM 1986 and GFSM 2001 and implications for fiscal analysis
- Illustrative consolidation exercise

Thursday, March 22

9:00 a.m. – 10:30 a.m.   L–7   Fiscal projections
Holger Floerkemeier
- Macroeconomic assumptions
- The effective tax rate, buoyancy and elasticity approaches
- Discretionary vs. non-discretionary spending
- Budget financing needs, domestic vs. external financing tradeoff and cross-sector consistency checks

10:45 a.m. – 12:15 p.m.   W–4   Workshop: Fiscal projections
- Forecasting revenues and expenditures
- Deficit financing

2:00 p.m. – 3:30 p.m.   O–2   Participants' discussion
- What are the main takeaways so far?
- Any areas for clarification?

3:45 p.m. – 5:15 p.m.   O–3   Preparation for participants' presentations
- Selection of topics
- Formation of groups

Friday, March 23

9:00 a.m. – 12:15 p.m.   L–8   Fiscal sustainability, debt tolerance, and fiscal space
Fuad Hasanov
- Fiscal sustainability: debt projections and risks
- Debt tolerance across countries and over time
- Fiscal space: optimal and safe debt levels, interest rates

2:00 p.m. – 5:15 p.m.   W–5   Workshop: Basic debt dynamics
- Baseline scenario
- Alternative scenarios

Monday, March 26

9:00 p.m. – 10:30 p.m.	L–9	**Fiscal multipliers**

Fuad Hasanov
- Theory and empirics
- Factors influencing the size of multipliers
- Estimation and use

10:45 a.m. – 12:15 p.m.	W–5	**Workshop: Fiscal multipliers**

- Computing multipliers
- Interpreting multipliers
- Fiscal policy assessment

2:00 p.m. – 3:30 p.m.	L–10	**Expenditure Policy: Investment spending**

Francesco Saraceno
- Concepts
- Investment and development: theory and evidence
- Investment, efficiency and fiscal stability

3:45 p.m. – 5:15 p.m.	W–6	**Workshop: Expenditure Policy: Investment spending**

- Returns to public investment
- Public investment and growth

Tuesday, March 27

9:00 p.m. – 10:30 p.m.	L–11	**Measuring the fiscal stance**

Fuad Hasanov
- Output gap, cyclically-adjusted (CA) and structural balance
- Fiscal elasticities and fiscal stance
- Case studies

10:45 a.m. – 12:15 p.m.	O–4	**Guest Lecture**

Brian Finn, OECD

2:00 p.m. – 3:30 p.m.	W–7	**Workshop: Measuring the fiscal stance**

- Methods to estimate the output gap
- Estimating and interpreting fiscal elasticities and computing CA and structural balances
- Interpreting the fiscal stance and fiscal impulse

3:45 p.m. – 5:15 p.m.	O–5	**Participants' presentations: Preparation**

Wednesday, March 28

9:00 p.m. – 10:30 p.m.	L–12	**Fiscal policy for the crisis and post-crisis period**

Francesco Saraceno
- The pre-crisis debate
- The effect of the crisis on the debate
- Fiscal policy and long-term growth

10:45 a.m. – 12:15 p.m.	W–8	**Workshop: Fiscal policy for the crisis and post-crisis period**

- Alternative narratives of the Eurozone crisis
- Group work and discussion

2:00 p.m. – 5:15 p.m.	O–5	**Participants' presentations: Preparation**

Thursday, March 29

9:00 p.m. – 12:15 p.m.	O–5	**Participants' presentations: Preparation**
2:00 p.m. – 5:15 p.m.	O–5	**Participants' presentations: Preparation**

Friday, March 30

9:00 p.m. – 10:30 p.m.	O–6	**Participants' presentations: Presentations**
10:45 p.m. – 11:30 p.m.	O–7	**Panel Discussion**
11:45 p.m. – 1:00 p.m.		**Final test and course evaluation** **Closing session and presentation of certificates**