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Joint Vienna Institute / IMF Institute for Capacity Development

Course on Macro-Fiscal Modeling and Analysis (JV14.02)

Vienna, Austria

January 27–February 7, 2014

READING LIST

Session	Topic
L-1	<p>Macroeconomic Stabilization and Fiscal Transmission Mechanism</p> <p>Blanchard, Olivier, Daniel Leigh, 2013, “Fiscal Consolidation: At What Speed?” VoxEU. http://www.voxeu.org/article/fiscal-consolidation-what-speed</p> <p>IMF, 2012, “Coping with High Debt and Sluggish Growth, Are We Underestimating Short-term Fiscal Multipliers?” (see Box 1.1), World Economic Outlook, (October). http://www.imf.org/external/pubs/ft/weo/2012/02/</p> <p>Spilimbergo, Antonio, Steve Symansky, and Martin Schindler, 2009, “Fiscal Multipliers,” IMF Staff Position Note SPN/09/11, May 20 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/spn/2009/spn0911.pdf</p>
L-2	<p>Fiscal Analysis and Measurement of the Fiscal Stance</p> <p>Bornhorst, Fabian, and others, 2011, “When and How to Adjust Beyond the Business Cycle? A Guide to Structural Fiscal Balances,” Technical Notes and Manuals (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/tnm/2011/tnm1102.pdf</p> <p>Herderschee, Johannes, and others, 2007, “Assessing the Fiscal Stance During Absorption Booms,” Chapter III in “Bulgaria: Selected Issues,” 2007 IMF Staff Country Report 07/390 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/scr/2007/cr07390.pdf</p> <p>Gottlieb, Geoffrey, Dobrescu, Gabriela and Ferhan Salman, 2010, “A Medium-Term Fiscal Framework For FYR Macedonia,” Chapter III in “Macedonia: Selected Issues,” IMF Staff Country Report 10/20 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/scr/2010/cr1020.pdf</p>
L-3	<p>Fiscal Sustainability and Debt Dynamics</p> <p>IMF, 2013, “Staff Guidance Note For Public Debt Sustainability Analysis In Market-Access Countries,” 2013, IMF Guidance Notes (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/050913.pdf</p> <p>Corsetti, Giancarlo, 2012, “Has Austerity Gone Too Far?” VoxEU. http://www.voxeu.org/article/has-austerity-gone-too-far-new-vox-debate</p>

Session	Topic
	Reinhart, M. Carmen, and Kenneth Rogoff, 2010, “Debt and Growth Revisited,” VoxEU. http://www.voxeu.org/article/debt-and-growth-revisited
L-4	<p>Fiscal Consolidations and Economic Growth</p> <p>Alesina, Alberto and Silvia Ardagna, 2009, “Large Changes in Fiscal Policy: Taxes Versus Spending,” NBER Working Paper 15438. www.nber.org/papers/w15438</p> <p>IMF, 2010, “Will It Hurt? Macroeconomic Effects of Fiscal Consolidation,” <i>World Economic Outlook</i>, Chapter 3. (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/weo/2010/02/pdf/c3.pdf</p>
L-5	<p>Fiscal Aspects of Financial Crises</p> <p>Burnside, Craig, and others, 2007, “Currency Crisis Models,” <i>The New Palgrave: A Dictionary of Economics</i>, 2nd Edition. http://www.kellogg.northwestern.edu/faculty/rebelo/htm/currency%20crisis%20models%20Ed.pdf</p> <p>De Grauwe, Paul, 2011, “The European Central Bank as a Lender of Last Resort,” VoxEU. http://www.voxeu.org/article/european-central-bank-lender-last-resort</p> <p>Darvas, Zsolt, 2011, “A Tale of Three Countries: Recovery After Banking Crises,” Bruegel. http://www.bruegel.org/publications/publication-detail/publication/663-a-tale-of-three-countries-recovery-after-banking-crises/</p>
L-6	<p>Introduction to New Keynesian Economics</p> <p>Del Negro, Marco, and others, 2013, “Inflation in the Great Recession and New Keynesian Models”, New York Fed Staff Reports No. 618. http://www.newyorkfed.org/research/staff_reports/sr618.pdf</p> <p>Thoma, Mark, 2012, “Old Versus New Keynesian Models Revisited.” http://economistsview.typepad.com/economistsview/2012/02/old-versus-new-keynesian-models-revisited.html</p> <p>Wieland, Volker and Maik Wolters, 2012, “Macroeconomic Model Comparisons and Forecast Competitions,” http://www.voxeu.org/article/failed-forecasts-and-financial-crisis-how-resurrect-economic-modelling</p> <p>Blanchard, Olivier, “The New Keynesian Model” (notes) Dspace@MIT. http://dspace.mit.edu/bitstream/handle/1721.1/41869/14-452Spring-2005/NR/rdonlyres/Economics/14-452Spring-2005/03050623-004C-4152-B7AD-4C8D0F29EC82/0/topic9.pdf</p>
L-7	<p>Fiscal Imbalances, Money Creation, and Inflation</p> <p>Blanchard, Olivier, Jonathan D. Ostry, Atish R. Ghosh, 2013, “Overcoming the Obstacles to International Macro Policy Coordination is Hard,” VoxEU. http://www.voxeu.org/article/obstacles-international-macro-policy-coordination</p>

Session	Topic
	<p>Leeper, E. Video interview about monetary-fiscal interactions with Jan Libich, Latrobe University, Melbourne, July 2011. Videos: Part 1: http://www.youtube.com/watch?v=Po57MhbUC4o Part 2: http://www.youtube.com/watch?v=TiGsx7uGONE Part 3: http://www.youtube.com/watch?v=3LiCWzOL3xM Part 4: http://www.youtube.com/watch?v=2Jd4YQVweF4</p> <p>Leeper, Eric M., 2010, “Monetary Science, Fiscal Alchemy.” http://www.kc.frb.org/publicat/sympos/2010/2010-08-16-leeper-paper.pdf</p> <p>Sargent and Wallace, 1981, “Some Unpleasant Monetarist Arithmetic.” Quarterly Review 531 (Federal Reserve Bank of Minneapolis). http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=151</p>
L-8	<p>Rules-Based Macroeconomic Frameworks</p> <p>Edoardo Campanella, 2011, “What Constitutional Fiscal Rule for Members of the EU?” http://www.voxeu.org/article/what-fiscal-rule-eu-members</p> <p>Anis Chowdhury, 2012, “Fiscal Rules – Help or Hindrance?” http://www.voxeu.org/debates/commentaries/fiscal-rules-help-or-hindrance</p> <p>Ashoka Mody, Sven Jari Stehn, 2009, “Germany’s New Fiscal Rule: A Responsible Approach to Fiscal Sustainability.” http://www.voxeu.org/article/responsible-approach-fiscal-sustainability</p> <p>Dabán Sánchez, Teresa, and others, “Rules-Based Fiscal Policy in France, Germany, Italy, and Spain,” IMF Occasional Paper No. 225. http://www.imf.org/external/pubs/nft/op/225/</p>
L-9	<p>Modeling of Fiscal Policy</p> <p>IMF Institute, 2013, “Handout for the Model of Fiscal Policy” (unpublished: Washington: IMF Institute).</p> <p>Berg, Andrew, and others, 2006, “Practical Model-Based Monetary Policy Analysis—A How-To Guide,” IMF Working Paper 06/81 (Washington: IMF). http://www.imf.org/external/pubs/ft/wp/2006/wp0681.pdf</p> <p>International Monetary Fund, 2008, “Box 1.3. Measuring Output Gaps,” in <i>World Economic Outlook, October 2008: “Financial Stress, Downturns, and Recoveries,” World Economic and Financial Surveys</i> (Washington). http://www.imf.org/external/pubs/ft/weo/2008/02/pdf/text.pdf</p>

<p>L–10</p>	<p>Fiscal Policy and Modeling of Fiscal Consolidations</p> <p>IMF Institute, 2013, “Handout for the Model of Fiscal Policy” (unpublished; Washington: IMF Institute).</p> <p>Kamenik, O., Smidova, Z., Tuma, Z., Vavra, D., 2013, “A Simple Fiscal Stress Testing Model: Case Studies of Austrian, Czech and German Economies”, OECD WP No. 1074. http://www.oecd-ilibrary.org/docserver/download/5k43nxm8hfvf.pdf?expires=1389286366&id=id&acname=guest&checksum=3CFB06DD5DCB28F668C53C2193895264</p> <p>Sutherland, D., Hoeller P., Merola R., 2012, “Fiscal Consolidation: How Much, How Fast and by What Means?” <i>OECD Economic Outlook Report</i> (April). http://www.oecd.org/tax/public-finance/50106656.pdf</p>
<p>L–11</p>	<p>Fiscal Rules</p> <p>Kopits, G., 2001, “Fiscal Rules: Useful Policy Framework or Unnecessary Ornament?” in <i>Fiscal Rules</i>, Rome, Banca d’Italia, pp. 59–83. www.imf.org/external/pubs/cat/longres.cfm?sk=15370.0</p> <p>Frankel, Jeffrey, Carlos A. Vegh and Guillermo Vuletin, 2011, “Fiscal Policy in Developing Countries: Escape from Procyclicality”, June 23. http://www.voxeu.org/article/how-developing-nations-escaped-procyclical-fiscal-policy</p> <p>IMF Fiscal Affairs Department, 2013, Fiscal Rules Dataset 1985–2013 (September). http://www.imf.org/external/datamapper/FiscalRules/map/map.htm</p>
<p>L–12</p>	<p>Independent Fiscal Institutions</p> <p>Kopits, G., ed., 2013, <i>Restoring Public Debt Sustainability: The Role of Independent Fiscal Institutions</i>, Oxford University Press (chapters 1, 2, 7, 11–13).</p> <p>Kopits, G., 2013, “A Minimalist Approach to Fiscal Oversight” VoxEU, December 24. www.voxeu.org/article/minimalist-approach-fiscal-oversight</p> <p>OECD, 2012, Draft Principles for Independent Fiscal Institutions. www.oecd.org/gov/budgeting/49777912.pdf</p>

January 9, 2014