

**Joint Vienna Institute**

***Course on Macroeconomic Policies in Times of High Capital Mobility***

**Vienna, Austria**

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**READING LIST\***

<b>Session</b>	<b>Topic</b>
<b>L-1</b>	<p><b>Capital Flows: Stylized Facts, Determinants, and Policy Challenges</b></p> <p>*IMF, 2013, “The Yin and Yang of Capital Flow Management: Balancing Capital Inflows With Capital Outflows,” IMF World Economic Outlook, October, (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/weo/2013/02/pdf/c4.pdf">http://www.imf.org/external/pubs/ft/weo/2013/02/pdf/c4.pdf</a></p> <p>*IMF, 2013, “Guidance Note for the Liberalization and Management of Capital Flows,” April 25 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/np/pp/eng/2013/042513.pdf">http://www.imf.org/external/np/pp/eng/2013/042513.pdf</a></p> <p>*IMF, 2012, “The Liberalization and Management of Capital Flows: An Institutional View,” IMF Policy Paper, November 14 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/np/pp/eng/2012/111412.pdf">http://www.imf.org/external/np/pp/eng/2012/111412.pdf</a></p> <p>Dell’Ariccia, G., J. Di Giovanni, A. Faria, A. Kose, P. Mauro, J. Ostry, M. Schindler, and M. Terrones, 2008, “Reaping the Benefits of Financial Globalization,” IMF Occasional Paper No. 264 (Washington, DC: International Monetary Fund). <a href="http://www.imf.org/external/np/res/docs/2007/0607.pdf">http://www.imf.org/external/np/res/docs/2007/0607.pdf</a></p> <p>Committee on the Global Financial System, 2009, “Capital Flows and Emerging Market Economies,” CGFS Paper No. 33 (Basel: Bank for International Settlements), January. <a href="http://www.bis.org/publ/cgfs33.pdf">http://www.bis.org/publ/cgfs33.pdf</a></p> <p>Lipschitz, Leslie, Timothy Lane, and Alex Mourmouras, 2002, “Capital Flows to Transition Economies: Master or Servant?” IMF Working Paper No. 02/11 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/wp/2002/wp0211.pdf">http://www.imf.org/external/pubs/ft/wp/2002/wp0211.pdf</a></p>
<b>L-2</b>	<p><b>Capital Account Crises in Practice</b></p> <p>*IMF Institute for Capacity Development, 2013, <i>Financial Programming and Policies</i>, Ch. 4 “The External Sector,” Ch. 15 “The External Sector,” July Washington, DC: International Monetary Fund). Available on eCampus.</p>

\* Readings marked with an asterisk are essential.

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<p><b>L-3</b></p>	<p><b>Models of External Sector Risks and Vulnerabilities</b></p> <p>* International Monetary Fund, 2010, “The IMF-FSB Early Warning Exercise - Design and Methodological Toolkit,” IMF Policy Paper, August 26 (Washington: International Monetary Fund) <a href="http://www.imf.org/external/pp/longres.aspx?id=4479">http://www.imf.org/external/pp/longres.aspx?id=4479</a></p> <p>IMF-FSB Early Warning Exercise Factsheet:  <a href="http://www.imf.org/external/np/exr/facts/ewe.htm">http://www.imf.org/external/np/exr/facts/ewe.htm</a></p> <p>Frankel, Jeffrey A. and George Saravelos, 2010, "Are Leading Indicators of Financial Crises Useful for Assessing Country Vulnerability? Evidence from the 2008-09 Global Crisis" NBER Working Papers 16047, National Bureau of Economic Research, Inc. <a href="http://www.nber.org/papers/w16047.pdf">http://www.nber.org/papers/w16047.pdf</a></p> <p>Catão, Luis and Gian-Maria Milesi-Ferretti, 2013, “External Liabilities and Crises,” IMF Working Paper no. 13/113 (Washington: International Monetary Fund).<a href="http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2276348">http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2276348</a></p>
<p><b>W-1</b></p>	<p><b>Early Warning Systems for Financial Crises</b></p> <p>*Kaminsky, Graciela, 1999, “Currency and Banking Crises: The Early Warnings of Distress,” IMF Working Paper No. 99/178, December (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/pubs/ft/wp/1999/wp99178.pdf">http://www.imf.org/external/pubs/ft/wp/1999/wp99178.pdf</a></p> <p>Kaminsky, Graciela and Carmen Reinhart, 1999, “The Twin Crises: The Causes of Banking and Balance-of-Payments Problems,” <i>The American Economic Review</i>, June, pp. 473-500.  <a href="http://www.econ.uchile.cl/uploads/documento/7d5ce3d5eb3b2d4aa22077fb65a03225e520bcf2.pdf">http://www.econ.uchile.cl/uploads/documento/7d5ce3d5eb3b2d4aa22077fb65a03225e520bcf2.pdf</a></p> <p>Berg, Andrew and Catherine Pattillo, 1999, “Are Currency Crises Predictable? A Test,” IMF Staff Papers, Volume 46, Number 2, June (Washington: International Monetary Fund).  <a href="https://www.imf.org/external/Pubs/FT/staffp/1999/06-99/pdf/berg.pdf">https://www.imf.org/external/Pubs/FT/staffp/1999/06-99/pdf/berg.pdf</a></p>

<p><b>L-4</b></p>	<p><b>Foreign Exchange Reserves</b></p> <p>*IMF Strategy, Policy and Review Department, 2010, “Reserve Accumulation and International Monetary Stability,” IMF Policy Paper, April 13 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/np/pp/eng/2010/041310.pdf">http://www.imf.org/external/np/pp/eng/2010/041310.pdf</a> _____, Supplementary Information, IMF Policy Paper <a href="http://www.imf.org/external/pp/longres.aspx?id=4457">http://www.imf.org/external/pp/longres.aspx?id=4457</a></p> <p>Ghosh, Atish, Ostry, Jonathan, and Tsangarides, Charalambos, 2012, “Shifting Motives: Explaining the Buildup in Official Reserves in Emerging Markets since the 1980s,” IMF Working Paper No. 12/34, January (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/wp/2012/wp1234.pdf">http://www.imf.org/external/pubs/ft/wp/2012/wp1234.pdf</a></p> <p>Ghosh, Atish R., Ostry, Jonathan David, and Charalambos G. Tsangarides, 2011, “Exchange Rate Regimes and the Stability of the International Monetary System,” IMF Occasional Paper No. 270, March 15 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/nft/op/270/op270.pdf">http://www.imf.org/external/pubs/nft/op/270/op270.pdf</a></p> <p>Ruiz-Arranz, Marta, and Milan Zavadjil, 2008, “Are Emerging Asia’s Reserves Really Too High?” IMF Working Paper No. 08/192 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/wp/2008/wp08192.pdf">http://www.imf.org/external/pubs/ft/wp/2008/wp08192.pdf</a></p> <p>IMF Monetary and Capital Markets, Research, and Strategy, Policy, and Review Departments, 2011, “Assessing Reserve Adequacy,” IMF Policy Paper, February 14 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/np/pp/eng/2011/021411b.pdf">http://www.imf.org/external/np/pp/eng/2011/021411b.pdf</a> Assessing Reserve Adequacy - Supplementary Information <a href="http://www.imf.org/external/pp/longres.aspx?id=4549">http://www.imf.org/external/pp/longres.aspx?id=4549</a></p>
<p><b>W-2</b></p>	<p><b>The Optimal Level of Forex Reserves</b></p> <p>*Jeanne, Olivier and Romain Rancière, 2011, “The Optimal Level of International Reserves For Emerging Market Countries: A New Formula and Some Applications,” <i>The Economic Journal</i>, No. 121, pp. 905–930. Available on eCampus. (for publicly available older version see <a href="http://www.econ2.jhu.edu/people/jeanne/JeanneRanciere_Feb09.pdf">http://www.econ2.jhu.edu/people/jeanne/JeanneRanciere_Feb09.pdf</a>)</p> <p>Berg, A. and C. Pattillo, 1999, “Are Currency Crises Predictable? A Test,” <i>IMF Staff Papers</i> 46(2), pp. 107-138 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/wp/wp98154.pdf">http://www.imf.org/external/pubs/ft/wp/wp98154.pdf</a></p> <p>IMF Research Department, 2006, “Country Insurance: The Role of Domestic Policies,” IMF Policy Paper, June 19 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/np/pp/eng/2006/061906.pdf">http://www.imf.org/external/np/pp/eng/2006/061906.pdf</a></p> <p>IMF, 2012, “Ukraine 2012 Article IV Consultation,” IMF Country Report No.12/315, November. <a href="http://www.imf.org/external/pubs/ft/scr/2012/cr12315.pdf">http://www.imf.org/external/pubs/ft/scr/2012/cr12315.pdf</a></p>

<p><b>L-5</b></p>	<p><b>Dealing with Capital Flows (1): The Role of Macroeconomic Policies</b></p> <p>*IMF, 2013, “Guidance Note for the Liberalization and Management of Capital Flows, April 25 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/np/pp/eng/2013/042513.pdf">http://www.imf.org/external/np/pp/eng/2013/042513.pdf</a></p> <p>*IMF, 2012, “The Liberalization and Management of Capital Flows: An Institutional View,” IMF Policy Paper, November 14 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/np/pp/eng/2012/111412.pdf">http://www.imf.org/external/np/pp/eng/2012/111412.pdf</a></p> <p>*Ostry J., A. Ghosh, K. Habermeier, L. Laeven, M. Chamon, M. S. Qureshi, and A. Kokenyne, 2011, “Managing Capital Inflows: What Tools to Use?” IMF Staff Discussion Note No. 11/06 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf">http://www.imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf</a></p>
<p><b>L-6</b></p>	<p><b>Dealing with Capital Flows (2): The Role of Macroprudential Policy</b></p> <p>* IMF, 2013, “Key Aspects of Macroprudential Policy,” IMF Policy Paper, June 2013 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/np/pp/eng/2013/061013b.pdf">http://www.imf.org/external/np/pp/eng/2013/061013b.pdf</a></p> <p>Dell’Ariccia, G., D. Igan, L. Laeven, and H. Tong, 2012, “Policies for Macrofinancial Stability: How to Deal with Credit Booms,” IMF Staff Discussion Note No. 12/06 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/pubs/ft/sdn/2012/sdn1206.pdf">http://www.imf.org/external/pubs/ft/sdn/2012/sdn1206.pdf</a></p> <p>Lim, C., F. Columba, A. Costa, P. Kongsamut, A. Otani, M. Saiyid, T. Wezel, and X. Wu, 2011, “Macroprudential Policy: What Instruments and How to Use Them? Lessons from Country Experiences,” IMF Working Paper No. 11/238 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/wp/2011/wp11238.pdf">http://www.imf.org/external/pubs/ft/wp/2011/wp11238.pdf</a></p> <p>Bank of England, 2011, “Instruments of Macroprudential Policy,” Discussion Paper.<a href="http://www.bankofengland.co.uk/publications/Documents/other/financialstability/discussionpaper111220.pdf">http://www.bankofengland.co.uk/publications/Documents/other/financialstability/discussionpaper111220.pdf</a></p>
<p><b>L-7</b></p>	<p><b>Dealing with Capital Flows: The Role of Capital Controls</b></p> <p>*IMF, 2013, “Guidance Note for the Liberalization and Management of Capital Flows, April 25 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/np/pp/eng/2013/042513.pdf">http://www.imf.org/external/np/pp/eng/2013/042513.pdf</a></p> <p>*Ostry J., A. Ghosh, K. Habermeier, M. Chamon, M.S. Qureshi, and D. B.S. Reinhardt, 2010, “Capital Inflows: The Role of Controls,” IMF Staff Position Note No. 10/04 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/spn/2010/spn1004.pdf">http://www.imf.org/external/pubs/ft/spn/2010/spn1004.pdf</a></p> <p>Ostry J., A. Ghosh, K. Habermeier, L. Laeven, M. Chamon, M. S. Qureshi, and A. Kokenyne, 2011, “Managing Capital Inflows: What Tools to Use?” IMF Staff Discussion Note No. 11/06 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf">http://www.imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf</a></p> <p>IMF, 2012, “Liberalizing Capital Flows and Managing Outflows,” IMF Policy Paper, March 13 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/np/pp/eng/2012/031312.pdf">http://www.imf.org/external/np/pp/eng/2012/031312.pdf</a></p>

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<b>L-8</b>	<p><b>Equilibrium Exchange Rate Assessment Methodologies</b></p> <p>*Lee, J. et al., 2008, “Exchange Rate Assessments: CGER Methodologies,” IMF Occasional Paper No. 261 (Washington: International Monetary Fund). Available on eCampus.</p> <p>Phillips, S. et al, 2013, “External Balance Assessment (EBA) Methodology,” IMF Working Paper No. 13/272 (Washington: International Monetary Fund).  <a href="http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2387536">http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2387536</a></p> <p>IMF, 2012, “External Balance Assessment: Technical Background of Pilot Methodology”  <a href="https://www.imf.org/external/np/res/eba/pdf/080312.pdf">https://www.imf.org/external/np/res/eba/pdf/080312.pdf</a></p> <p>Bems, Rudolfs and Carvalho Filho, Irineu, 2009, “Exchange Rate Assessments: Methodologies for Oil Exporting Countries,” IMF Working paper No. 09/281 (Washington: International Monetary Fund). <a href="http://www.imf.org/external/pubs/ft/wp/2009/wp09281.pdf">http://www.imf.org/external/pubs/ft/wp/2009/wp09281.pdf</a></p> <p>Prati, Alessandro, et al., 2011, “External Balance in Low Income Countries,” IMF Occasional Paper No. 272 (Washington: International Monetary Fund).  <a href="http://www.imf.org/external/pubs/nft/op/272/op272.pdf">http://www.imf.org/external/pubs/nft/op/272/op272.pdf</a></p>
<b>W-3</b>	<p><b>The EBA Approach in Practice</b></p> <p>IMF, 2012, “Pilot External Sector Report,” IMF Policy Paper, July 2.  <a href="http://www.imf.org/external/np/pp/eng/2012/070212.pdf">http://www.imf.org/external/np/pp/eng/2012/070212.pdf</a></p> <p>IMF, 2012, “External Balance Assessment (EBA): Technical Background of the Pilot Methodology,” August 3. <a href="http://www.imf.org/external/np/res/eba/pdf/080312.pdf">http://www.imf.org/external/np/res/eba/pdf/080312.pdf</a></p> <p>IMF, 2013 Pilot External Sector Report, IMF Policy Paper, June 20, 2013  <a href="http://www.imf.org/external/pp/longres.aspx?id=4789">http://www.imf.org/external/pp/longres.aspx?id=4789</a></p> <p>IMF, 2013 Pilot External Sector Report - Individual Economy Assessments, June 20, 2013  <a href="http://www.imf.org/external/pp/longres.aspx?id=4790">http://www.imf.org/external/pp/longres.aspx?id=4790</a></p>