

**INTERNATIONAL MONETARY FUND**  
**Joint Vienna Institute / Institute for Capacity Development**  
**European and Middle Eastern Division**

**Course on Macroeconomic Diagnostics (JV14.05)**

**February 24-March 7, 2014**

**Main Reading List**

Session	Topic
L-1	<p><b>Supply and Productivity</b></p> <p><a href="#">Basu, S. and J. Fernald, 2009, "What Do We Know (And Not Know) About Potential Output", <i>Federal Reserve Bank of St-Louis Review</i>, vol.91, no.4, pp. 187-213</a></p> <p><a href="#">Ladiray, D., G. L. Mazzi, and F. Sartori, 2003, "Statistical Methods for Potential Output Estimation and Cycle Extraction", <i>European Communities working paper</i></a></p> <p><a href="#">Commission on Growth and Development, 2008, "The Growth Report: Strategies for Sustained Growth and Inclusive Development", Washington: The World Bank, pp.17-32</a></p>
L-2	<p><b>Domestic Demand</b></p> <p>IMF ICD, 2013, "Output and Aggregate Demand," Chapter 2 in <i>Financial Programming and Policies</i>, (unpublished; Washington: IMF). Available on Moodle.</p> <p><a href="#">International Monetary Fund, 2013, "Imbalances and Growth, Update of IMF Staff Sustainability Assessments for G-20 Mutual Assessment Process," available via:</a></p> <p><a href="#">Ramey, Valerie A, 2011. "Can Government Purchases Stimulate the Economy?" <i>Journal of Economic Literature</i> (non-technical). Working paper version available via</a></p> <p><a href="#">Iacovello, Matteo, 2011, " Housing Wealth and Consumption" FRB <i>International Finance Discussion Paper</i> #1027</a></p>
L-3	<p><b>Analyzing Inflation</b></p> <p>IMF ICD, 2013, "The Price Level, Inflation, and Exchange Rates," Chapter 3 in <i>Financial Programming and Policies</i>, (unpublished; Washington: IMF). Available on Moodle.</p> <p><a href="#">Hoover, Kevin, 2008 "Phillips Curve," in <i>The Concise Encyclopedia of Economics</i>, an easy-to-read introduction to the Phillips Curve</a></p>
L-4	<p><b>Analyzing Fiscal and Monetary Policy</b></p> <p><a href="#">Kool, C. J. M. and J. A. Tatom (1994) "The P-star model in five small economies," <i>Review, Federal Reserve Bank of St. Louis</i>, issue May, pages 11-29</a></p> <p><a href="#">Fedelino, A., Ivanova, A. and M. Horton, 2009, "Computing Cyclically Adjusted Balances and Automatic Stabilizers," <i>Technical Notes and Manuals</i> (Washington: International Monetary Fund).</a></p> <p><a href="#">Taylor, J.B., 1993, "Discretion versus Policy Rules in Practice," <i>Carnegie-Rochester Conference Series on Public Policy</i> 39: pages 195-21</a></p>

Session	Topic
L-5	<p><b>Fiscal Sustainability</b></p> <p>IMF ICD, 2013, “What is Debt Sustainability Analysis?,” Chapter 8 in <i>Financial Programming and Policies</i>, (unpublished; Washington: IMF). Available on Moodle.</p> <p>IMF ICD, 2013, “Fiscal Sustainability” Chapter 9 in <i>Financial Programming and Policies</i>, (unpublished; Washington: IMF). Available on Moodle.</p> <p><a href="#">IMF, 2013, “Staff Guidance Note for Public Debt Sustainability Analysis in Market-Access Countries”, May 9, 2013</a></p>
L-6	<p><b>Assessing the External Position</b></p> <p>IMF ICD, 2013, “The External Sector,” Chapter 4 in <i>Financial Programming and Policies</i>, (unpublished; Washington: IMF). Available on Moodle.</p> <p>IMF ICD, 2013, “External Sustainability,” Chapter 10 in <i>Financial Programming and Policies</i>, (unpublished; Washington: IMF). Available on Moodle. See also “What is Debt Sustainability Analysis?” in L4</p> <p><a href="#">International Monetary Fund and World Bank, 2012, “Revisiting the Debt Sustainability Framework for Low-Income Countries” (Washington).</a></p> <p><a href="#">International Monetary Fund, 2011, “Assessing Reserve Adequacy”</a></p>
L-7	<p><b>Assessing Competitiveness and the Exchange Rate</b></p> <p><a href="#">Isard, P., 2007, “Equilibrium Exchange Rates: Assessment Methodologies,” <i>IMF Working Paper</i> No. 02/210 (Washington: International Monetary Fund).</a></p> <p><a href="#">IMF, 2006, “Methodology for CGER Exchange Rate Assessments,” Technical background note.</a></p> <p><a href="#">IMF, 2013, “External Balance Assessment (EBA): Technical Background of the Pilot Methodology”</a></p>
L-8	<p><b>Analysis of Financial System</b></p> <p><a href="#">Allen, Mark, and others, 2002, “A Balance Sheet Approach to Financial Crisis,” <i>IMF Working Paper</i> No. 02/210 (Washington: International Monetary Fund).</a></p> <p><a href="#">Haldane, Andrew, 2009, “Why Banks Failed the Stress Test”</a></p> <p><a href="#">Benito, Andrew, John Whitley, and Garry Young, 2001, “Analysing Corporate and Household Sector Balance Sheets,” in Bank of England <i>Financial Stability Review</i>, Issue 11 (December).</a></p>