

INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Course on Macroeconomic Management and Fiscal Policy Issues (JV14.15)

Vienna, Austria

May 26-June 6, 2014

READING LIST¹

Session	Topic
L-1	<p><i>The Role of the Government in the Economy</i></p> <p>Levinson, Arik, 2009, "Happiness as a Tool for Valuing Public Goods." http://www.voxeu.org/index.php?q=node/3959 (Russian version is available on the course website.)</p> <p>Tanzi, Vito, 2009, "The Economic Role of the State Before and After the Current Crisis," Paper presented at the plenary session of the 65th Congress of the International Institute of Public finance, Cape Town (South Africa), August 13. http://www.iipf.org/speeches/Tanzi_2009.pdf</p> <p>Aghion, Philippe, 2012, "Growth Policy and the State Implications for the Design of a European Growth Package," LSE Growth Commission, June. http://www2.lse.ac.uk/researchAndExpertise/units/growthCommission/documents/pdf/contributions/lseGC_aghion_state.pdf</p> <p>Supplementary:</p> <p>Tabellini, Guido, 2004, "The Role of the State in Economic Development," IGIER Working Paper No. 265 (July). http://papers.ssrn.com/sol3/papers.cfm?abstract_id=565921</p> <p>Tanzi, Vito, 1997, "The Changing Role of the State in the Economy: A Historical Perspective," IMF Working Paper No. 97/114 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=2329.0</p> <p>Bastagli, Francesca, Coady, David, and Sanjeev Gupta, 2012, "Income Inequality and Fiscal Policy," IMF Staff Discussion Note No. 12/08, September (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/sdn/2012/sdn1208.pdf</p>

¹ Main readings are also available in Russian. Supplementary readings are in English only, unless otherwise indicated.

L-2	<p><i>Macroeconomic Adjustment and Fiscal Management</i></p> <p>Baldacci, Emanuele, Benedict Clements, and Sanjeev Gupta, 2003, “Using Fiscal Policy to Spur Growth,” <i>Finance & Development</i>, Vol. 40, No. 4 (December). http://www.imf.org/external/pubs/ft/fandd/2003/12/pdf/baldacci.pdf</p> <p>Horton, Mark, and Asmaa El-Ganainy, 2009, “Back to Basics: What Is Fiscal Policy?” <i>Finance & Development</i>, Vol. 46, No. 2 (June). http://www.imf.org/external/pubs/ft/fandd/2009/06/basics.htm</p> <p><i>Supplementary:</i></p> <p>Greene, Joshua E., 2002, “Overview of Macroeconomic Adjustment and Structural Reform” in Lectures on Macroeconomic Management (unpublished; Washington: International Monetary Fund). (Also available in Russian.)</p> <p>International Monetary Fund, 2009, “Lessons of the Global Crisis for Macroeconomic Policy,” February (Washington). http://www.imf.org/external/np/pp/eng/2009/021909.pdf (Also available in Russian.)</p>
L-3	<p><i>Interaction Between Fiscal and Monetary Policy</i></p> <p>MIT Open Lecture OpenCourseWare – The IS/LM Model. Available via the Internet: http://ocw.mit.edu/courses/economics/14-02-principles-of-macroeconomics-fall-2009/lecture-notes/</p> <p><i>Supplementary:</i></p> <p>Caves, Richard, and others, “World Trade and Payments – An Introduction,” (9th edition), Ch. 22–23.</p> <p>Laurens, Bernard, and Enrique de la Piedra, 1998, “Coordination of Monetary and Fiscal Policies,” IMF Working Paper 98/25 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/wp9825.pdf (Also available in Russian.)</p> <p>Leeper, Eric, 2010, “Monetary Science, Fiscal Alchemy.” http://mypage.iu.edu/~eleeper/Papers/Leeper_JacksonHole.pdf</p>

L-4	<p><i>Fiscal Policy as a Countercyclical Tool</i></p> <p>International Monetary Fund, 2008, “Fiscal Policy as a Counter-Cyclical Tool,” Chapter 5 in <i>World Economic Outlook</i> (October). http://www.imf.org/external/pubs/ft/weo/2008/02/pdf/c5.pdf</p> <p><i>Supplementary:</i></p> <p>Balassone, Fabrizio, and Manmohan S. Kumar, 2007, “Cyclicality of Fiscal Policy,” in <i>Promoting Fiscal Discipline</i>, ed. by Manmohan S. Kumar and Teresa Ter-Minassian (Washington: International Monetary Fund).</p> <p>Jaeger, Albert, and Ludger Schuknecht, 2004, “Boom-Bust Phases in Asset Prices and Fiscal Policy Behavior,” IMF Working Paper 04/54 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2004/wp0454.pdf</p>
L-5	<p><i>Measuring the Fiscal Stance</i></p> <p>Fedelino, Annalisa, and others, 2009, “Computing Cyclically Adjusted Balances and Automatic Stabilizers,” Technical Notes and Manuals (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/tnm/2009/tnm0905.pdf</p> <p>Baunsgaard, Thomas, and Seven A. Symansky, 2009, “Automatic Fiscal Stabilizers,” IMF Staff Position Note 09/23 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/spn/2009/spn0923.pdf</p> <p>Girouard, Nathalie and Christophe André, 2005, “Measuring Cyclically-Adjusted Budget Balances for OECD Countries,” Economics Department Working Papers No. 434, Paris : Organisation for Economic Co-operation and Development). http://search.oecd.org/officialdocuments/displaydocumentpdf/?doclanguage=en&coct e=ECO/WKP(2005)21</p> <p>IMF Fiscal Affairs Webpage “Structural Fiscal Balances.” http://www.imf.org/external/np/fad/strfiscbal/index.htm</p> <p><i>Supplementary:</i></p> <p>Rahman, Jesmin, 2010, “Absorption Boom and Fiscal Stance: What Lies Ahead in Eastern Europe?” IMF Working Paper No. 10/97 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2010/wp1097.pdf</p> <p>IMF Fiscal Affairs Webpage “Structural Fiscal Balances.” http://www.imf.org/external/np/fad/strfiscbal/index.htm</p>

L-6	<p><i>Fiscal Policy in Resource-Rich Countries</i></p> <p>Collier, Paul, and others, “Managing Resource Revenues in Developing Countries,” Oxford University Research Paper 2009/15. Available via the Internet: http://economics.ouls.ox.ac.uk/12960/</p> <p><i>Supplementary:</i></p> <p>International Monetary Fund, 2012, “Macroeconomic Policy Frameworks for Resource-Rich Developing Countries; IMF Policy Paper,” (August 24). http://www.imf.org/external/np/pp/eng/2012/082412.pdf</p> <p>The World Bank, 2008, <i>Where is the Wealth of Nations</i>. Available via the Internet: http://siteresources.worldbank.org/INTEEI/2145781110886258964/20748034/All.pdf (Chapters 1, 2, 4 are available in Russian on course website.)</p>
L-7	<p><i>Tax Policy: General Principles</i></p> <p>Shome, Parthasarathi, ed., 1995, “Introduction,” in <i>Tax Policy Handbook</i> (Washington: International Monetary Fund).</p> <p>Tanzi, Vito, and Howell Zee, 2001, “Tax Policy for Developing Countries,” <i>Economic Issues</i>, No. 27 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/issues/issues27/index.htm</p> <p>Heady, Christopher, 1993, “Optimal Taxation as a Guide to Tax Policy: A Survey,” <i>Fiscal Studies</i>, vol. 14, No. 1, pp. 15–41. http://www.ifs.org.uk/fs/articles/heady_feb93.pdf</p> <p><i>Supplementary:</i> Rosen, Harvey, <i>Public Finance</i>, 5th edition, Ch. 22–23.</p>
L-8	<p><i>Economic and Fiscal Implications of Price Subsidies</i></p> <p>Helbling, Thomas, and Shaun Roache, 2011, “Rising Prices on the Menu,” <i>Finance & Development</i>, Vol. 48 (June). http://www.imf.org/external/pubs/ft/fandd/2011/03/helbling.htm</p> <p>International Monetary Fund, 2008, “Food and Fuel Prices—Recent Developments, Macroeconomic Impact, and Policy Responses.” http://www.imf.org/external/np/pp/eng/2008/063008.pdf</p>

	<p>Javier Arze del Granado, David Coady, and Robert Gillingham, 2012, “The Unequal Benefits of Fuel Subsidies: A Review of Evidence for Developing Countries,” <i>World Development</i> (November). Working paper version available via the Internet: http://www.imf.org/external/pubs/ft/wp/2010/wp10202.pdf</p> <p>Supplementary:</p> <p>Coady, D., and others, 2010, “Petroleum Product Subsidies: Costly, Inequitable, and Rising,” <i>IMF Staff Policy Note</i> (SPN/10/05). (Also available in Russian.) http://www.imf.org/external/pubs/cat/longres.cfm?sk=23584.0</p> <p>International Monetary Fund, 2008, “Fuel and Food Price Subsidies: Issues and Reform Options,” SM/08/299. http://www.imf.org/external/np/pp/eng/2008/090808a.pdf</p>
L-9	<p>Fiscal Rules</p> <p>International Monetary Fund, 2009, “Fiscal Rules—Anchoring Expectations for Sustainable Public Finances” (Washington). http://www.imf.org/external/np/pp/eng/2009/121609.pdf</p> <p>Supplementary:</p> <p>Kopits, George, 2001, “Fiscal Rules: Useful Policy Framework or Unnecessary Ornament?” IMF Working Paper 01/145 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2001/wp01145.pdf (Also available in Russian.)</p> <p>Debrun, Xavier, and others, 2008, “Tied to the Mast? National Fiscal Rules in the European Union,” <i>Economic Policy</i> (March). http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0327.2008.00199.x/pdf</p> <p>Restrepo, Jorge, Carlos García, and Evan Tanner, 2011, “Fiscal Rules in a Volatile World: A Welfare-Based Approach,” IMF Working Paper 11/56. http://www.imf.org/external/pubs/ft/wp/2011/wp1156.pdf</p>

L-10	<p><i>Fiscal Sustainability</i></p> <p>IMF Institute, 2012, “What Is Debt Sustainability?” “Fiscal Sustainability,” and “External Sustainability,” Chapters 8-10 of <i>Financial Programming and Policies</i> (unpublished; Washington: International Monetary Fund). Available on the course website.</p> <p>Ley, Eduardo, 2010, “Fiscal (and External) Sustainability,” July (unpublished; Washington: Economic Policy and Debt Department, World Bank). http://siteresources.worldbank.org/INTDEBTDEPT/Resources/468980-1207588563500/4864698-1207588597197/FSPrimer.pdf</p> <p>IMF Strategy, Policy, and Review Department, 2013, “Staff Guidance Note for Public Debt Sustainability Analysis in Market-Access Countries,” IMF Policy Paper, May 9, (Washington: International Monetary Fund) http://www.imf.org/external/np/pp/eng/2013/050913.pdf</p> <p>IMF DSA webpage (market-access countries): http://www.imf.org/external/pubs/ft/dsa/</p> <p>IMF DSA webpage (low-income countries): http://www.imf.org/external/pubs/ft/dsa/lic.aspx</p> <p><i>Supplementary:</i></p> <p>International Monetary Fund, 2012, “Taking Stock: A Progress Report on Fiscal Adjustment,” <i>Fiscal Monitor</i>, October (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/fm/2012/02/fmindex.htm</p> <p>IMF Fiscal Affairs, 2013, “Reassessing the Role and Modalities of Fiscal Policy in Advanced Economies,” September 17, IMF Policy Paper, (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/072113.pdf</p>
L-11	<p><i>Expenditure Policy</i></p> <p>Chu, Ke-Young, and Richard Hemming, eds., 1991, <u>Public Expenditure Handbook</u> (Washington: International Monetary Fund). Book freely available on internet.</p> <p>International Monetary Fund, 2014, “Public Expenditure Reform: Making Difficult Choices,” <i>IMF Fiscal Monitor</i> (April) (Washington: International Monetary Fund), (Also available in Russian.) http://www.imf.org/external/pubs/ft/fm/2014/01/pdf/fm1401.pdf</p>

	<p>Supplementary:</p> <p>European Commission, 2008, “The Effectiveness and Efficiency of Public Spending,” Economic Papers No. 301, February (Brussels: European Commission). http://ec.europa.eu/economy_finance/publications/publication11902_en.pdf</p> <p>IMF Fiscal Affairs Department, 2010, “From Stimulus to Consolidation—Revenue and Expenditure Policies in Advanced and Emerging Economies,” IMF Policy Paper, April (Washington: International Monetary Fund). http://www.imf.org/external/pp/longres.aspx?id=4452</p> <p>Grigoli, Francesco, 2012, “Public Expenditure in the Slovak Republic: Composition and Technical Efficiency,” IMF Working Paper No. 12/173, July (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=26037.0</p>
L-12	<p><i>Tax Policy: Recent Trends and Policy Issues</i></p> <p>Norregaard, John, and Tehmina S. Khan, 2007, “Tax Policy: Recent Trends and Coming Challenges,” IMF Working Paper 07/274 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2007/wp07274.pdf</p> <p>Keen, Michael, and Alejandro Simone, 2004, “Tax Policy in Developing Countries: Some Lessons from the 1990s and Some Challenges Ahead,” in <i>Helping Countries Develop: The Role of Fiscal Policy</i>, ed. by Sanjeev Gupta, Benedict Clements, and Gabriela Inchauste (Washington: International Monetary Fund), pp. 302–52.</p> <p><i>Supplementary:</i> Ebrill, Liam, and others, 2002, “The Allure of the Value-Added Tax,” <i>Finance & Development</i>, Vol. 39 (June). (Also available in Russian.)</p>

L-13	<p><i>Fiscal Aspects of Financial Crises</i></p> <p>Burnside, Craig, Martin Eichenbaum, and Sergio Rebelo, 2007, "Currency Crisis Models," <i>The New Palgrave: A Dictionary of Economics</i>, 2nd Edition. Available via the Internet http://www.kellogg.northwestern.edu/faculty/rebelo/htm/currency%20crisis%20models%20Ed.pdf</p> <p>Cottarelli, Carlo, 2009, "Paying the Piper," <i>Finance & Development</i>, Vol. 46, No. 1 (March), pp. 27–30. http://www.imf.org/external/pubs/ft/fandd/2009/03/cottarelli.htm</p> <p>Krugman, Paul, 2010, "Crises," mimeograph, Princeton University (January). Available via the Internet: www.princeton.edu/~pkrugman/CRISES.pdf</p> <p><i>Supplementary:</i></p> <p>Laeven, Luc, 2008, "The Cost of Resolving Financial Crises." http://www.voxeu.org/index.php?q=node/2505 (Russian version is available on course website.)</p> <p>Hemming, Richard, and others, 2003, "Fiscal Vulnerability and Financial Crises in Emerging Market Economies," IMF Occasional Paper No. 218 (Washington: International Monetary Fund). (Also available in Russian.)</p> <p>Reinhart, Carmen M., Kenneth S. Rogoff, and Miguel A. Savastano, 1999, "Debt Intolerance," NBER Working Paper. http://www.nber.org/papers/w9908</p>
L-14	<p><i>Pension Sustainability and Reform</i></p> <p>Heller, Peter S., 2003, "Who Will Pay?" <i>Finance & Development</i>, Vol. 40, (September). http://www.imf.org/external/pubs/ft/fandd/2003/09/pdf/heller.pdf</p> <p>Barr, Nicholas, 2002, "The Pension Puzzle: Prerequisites and Policy Choices in Pension Design," <i>Economic Issues</i> No. 29 (Washington: International Monetary Fund). http://www.imf.org/External/Pubs/FT/issues/issues29/index.htm</p> <p><i>Supplementary:</i></p> <p>Diamond, Peter, 1998, "The Economics of Social Security Reform," <i>Framing the Social Security Debate: Values, Politics, and Economics</i>, ed. by R. Douglas Arnold and others (Washington: National Academy of Social Insurance). http://www.nber.org/papers/w6719.pdf</p>

L-15	<p><i>Fiscal Multipliers: Theory and Empirical Evidence</i></p> <p>Spilimbergo, Antonio, and others, 2009, “Fiscal Multipliers,” IMF Staff Position Note SPN/09/11 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/spn/2009/spn0911.pdf</p> <p><i>Supplementary:</i></p> <p>Ilzetzi, Ethan, and others, 2009, “How Big (Small?) Are Fiscal Multipliers?” Manuscript, University of Maryland. http://www.econ.umd.edu/~vegh/papers/multipliers.pdf</p> <p>Ganelli, Giovanni, 2006, “Macroeconomic Impact of Fiscal Policy,” IMF Research Bulletin, Vol. 7, Number 1 (March), pp. 1–3. http://www.imf.org/external/pubs/ft/irb/2006/eng/01/index.pdf (Also available in Russian.)</p>
L-16	<p><i>Fiscal Policy and Inequality</i></p> <p>Aghion, Philippe, 2012, “Growth Policy and the State Implications for the Design of a European Growth Package,” LSE Growth Commission, June. http://www2.lse.ac.uk/researchAndExpertise/units/growthCommission/documents/pdf/contributions/lseGC_ghion_state.pdf</p> <p>IMF Fiscal Affairs Department, 2014, “Income Inequality and Fiscal Policy,” IMF Policy Paper, January (Washington: International Monetary Fund) http://www.imf.org/external/np/pp/eng/2014/012314.pdf</p> <p>Berg, Andrew G. and Jonathan D. Ostry, 2011, “Inequality and Unsustainable Growth: Two Sides of the Same Coin?,” IMF Staff Discussion Note 11/08, April (Washington: International Monetary Fund) http://www.imf.org/external/pubs/ft/sdn/2011/sdn1108.pdf</p> <p>International Monetary Fund, 2007, World Economic Outlook: Globalization and Inequality, World Economic and Financial Surveys, October (Washington: International Monetary Fund) http://www.imf.org/external/pubs/ft/weo/2007/02/pdf/c4.pdf</p> <p><i>Supplementary:</i></p> <p>IMF Fiscal Affairs Department, 2012, “Fiscal Policy and Employment in Advanced and Emerging Economies,” IMF Policy Paper, June (Washington: International Monetary Fund) http://www.imf.org/external/np/pp/eng/2012/061512.pdf</p>

L–17	<p><i>Successful Fiscal Adjustments: Challenges and Implications</i></p> <p>International Monetary Fund, 2013, “Fiscal Adjustment in an Uncertain World,” <i>IMF Fiscal Monitor</i>, September, (Washington: International Monetary Fund), pp. 37–42. (Also available in Russian.) http://www.imf.org/external/pubs/ft/fm/2013/01/fmindex.htm</p> <p>Daniel, James, Davis, Jeffrey, Fouad, Manal, and Caroline Van Rijckeghem, 2006, “Fiscal Adjustment for Stability and Growth,” IMF Pamphlet Series No. 55 (Washington: International Monetary Fund). https://www.imf.org/external/pubs/ft/pam/pam55/pam55.pdf</p> <p>Abbas, S. M. Ali and others, 2013, “Dealing with High Debt in an Era of Low Growth,” IMF Staff Discussion Notes No. 13/7. http://www.imf.org/external/pubs/cat/longres.aspx?sk=40882</p> <p><i>Supplementary:</i></p> <p>Calmfors, Lars, 2012, “Sweden – from Macroeconomic Failure to Macroeconomic Success,” CESifo Working paper No. 3790 http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2045988</p> <p>International Monetary Fund, 2011, “Fiscal Devaluation”: What Is It—and Does It Work?” Appendix 1 in “Addressing Fiscal Challenges to Reduce Economic Risks,” <i>IMF Fiscal Monitor</i> (September) (Washington: International Monetary Fund), pp. 37–42. (Also available in Russian.) http://www.imf.org/external/pubs/ft/fm/2011/02/fmindex.htm</p> <p>Fiscal Affairs Department, 2010, “Strategies for Fiscal Consolidation in the Post-Crisis World,” IMF Discussion Paper (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/dp/2010/dp1004.pdf</p>
L–18	<p><i>Fiscal Federalism</i></p> <p>Boadway, R., S. Roberts, and A. Shah, 1994, “The Development of Fiscal Systems in Developing and Emerging Market Economies,” Policy Research Working Paper 1259 (Washington: World Bank). http://documents.worldbank.org/curated/en/1994/02/698614/reform-fiscal-systems-developing-emerging-market-economies-federalism-perspective (Available in English only.)</p>

	<p>Rémy Prud'homme, 1994, "On the Dangers of Decentralization," Policy Research Working Paper 1252 (Washington: World Bank). Available in English only via: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/1994/02/01/000009265_3961005225011/Rendered/PDF/multi_page.pdf</p> <p>Supplementary:</p> <p>Tiebout, C., 1956, "A Pure Theory of Local Expenditures," <i>Journal of Political Economy</i>, Vol. 64, Issue 5, pp. 416–24. http://www.econ.wayne.edu/agoodman/5520/week3/Tiebout-JPE-1956.pdf</p>
L–19	<p>Keynote Policy Lecture "Fiscal Policy: A Perspective From the Eurozone"</p> <p>European Commission, 2013, "Building a Strengthened Fiscal Framework in the European Union: A Guide to the Stability and Growth Pact," Occasional Papers 150 (Belgium: European Commission). http://ec.europa.eu/economy_finance/publications/occasional_paper/2013/pdf/ocp150_en.pdf</p> <p>Manasse, Paolo, "Budget Cuts Across Europe: Coordination of diktat? <i>VOX</i>, July 24, 2010. http://www.voxeu.org/article/budget-cuts-across-europe-coordination-or-diktat</p>