

INTERNATIONAL MONETARY FUND

Joint Vienna Institute / Institute for Capacity Development

Course on Macroeconomic Management and Fiscal Policy Issues (JV16.01)

Vienna, Austria

January 11-22, 2016

READING LIST

Session	Topic
L-1	<p>The Role of the Government in the Economy</p> <p><i>Highly Recommended:</i></p> <p>Helbling, Thomas, 2010, "What Are Externalities?" <i>Finance & Development</i>, December, Vol. 47, No. 4 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/fandd/2010/12/basics.htm</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><i>Optional:</i></p> <p>Tirole, Jean, 2014, "Market Power and Regulation," Nobel Prize Background Note. Available at: http://www.nobelprize.org/nobel_prizes/economic-sciences/laureates/2014/press.html</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>L-2</p>	<p>Macroeconomic Adjustment and Fiscal Management</p> <p><i>Highly Recommended:</i></p> <p>Wong, Chorng-Huey, 2002, “Adjustment and the Internal-External Balance,” in <i>Macroeconomics Management: Programs and Policies</i>, ed. by Khan, Nsouli, and Wong (Washington: International Monetary Fund). http://rbidocs.rbi.org.in/rdocs/content/pdfs/L-1b.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>Optional:</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>L-3</p>	<p>Interaction Between Fiscal and Monetary Policy</p> <p><i>Highly Recommended:</i></p> <p>IMF Institute, 2013, “An Analytical Framework for Macroeconomic Stabilization,” Chapter 11 of <i>Financial Programming and Policies</i> (unpublished; Washington: International Monetary Fund). Available on the course website.</p> <p><i>Optional:</i></p> <p>Caves, Richard, and others, “World Trade and Payments – An Introduction,” (9th edition), Ch. 22–23.</p> <p>Laurens, B., and E. 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>

<p>L-4</p>	<p>Fiscal Policy as a Countercyclical Tool</p> <p><i>Highly Recommended:</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>Baungsaard, 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>International Monetary Fund, 2015, “Can Fiscal Policy Stabilize Output?,” chapter 2 in <i>Fiscal Monitor</i>, April (Washington: International Monetary Fund) (Executive summary available in Russian.) http://www.imf.org/external/pubs/ft/fm/2015/01/pdf/fmc2.pdf</p> <p><i>Optional:</i></p> <p>International Monetary Fund, 2013, “Reassessing the Role of Fiscal Policy in Advanced Economies,” IMF Policy Paper, September (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/072113.pdf</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>
<p>L-5</p>	<p>Measuring the Fiscal Stance</p> <p><i>Highly Recommended:</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>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&co t e=ECO/WKP(2005)21</p> <p>Bornhorst and others, 2011, “When and How to Adjust beyond the Business Cycle? A Guide to Structural Fiscal Balances”, Fiscal Affairs Department, IMF Technical Notes and Manuals 11/02, (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=24787.0</p>

	<p>Optional:</p> <p>Rahman, Jesmin, 2010, “Absorption Boom and Fiscal Stance: What Lies Ahead in Eastern Europe?” IMF Working Paper 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>
<p>L-6</p>	<p>Expenditure Policy</p> <p>Highly Recommended:</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), (Executive summary available in Russian.) http://www.imf.org/external/pubs/ft/fm/2014/01/pdf/fm1401.pdf</p> <p>International Monetary Fund, 2014, “Is It Time for an Infrastructure Push? The Macroeconomic Effects of Public Investment,” chapter 3 in <i>World Economic Outlook</i>, October (Washington: International Monetary Fund) (Executive summary available in Russian.) http://www.imf.org/external/pubs/ft/weo/2014/02/</p> <p>Optional:</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, "Budget Institutions in G-20 Countries: An Update," and "Country Evaluations," IMF Policy Papers, April (Washington DC: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2014/040714c.pdf http://www.imf.org/external/np/pp/eng/2014/040714d.pdf</p>

<p>L-7</p>	<p>Tax Policy: General Principles</p> <p><i>Highly Recommended:</i></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>Optional:</i> Rosen, Harvey, <u>Public Finance</u>, 5th edition, Ch. 22–23.</p> <p>Shome, Parthasarathi, ed., 1995, “Introduction,” in <i>Tax Policy Handbook</i> (Washington: International Monetary Fund).</p>
<p>L-8</p>	<p>Tax Policy: Recent Trends and Policy Issues</p> <p><i>Highly Recommended:</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, 2012, “Taxation and Development: Again,” IMF Working Paper 12/220 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2012/wp12220.pdf</p> <p><i>Optional:</i></p> <p>Ebrill, Liam, and others, 2002, “The Allure of the Value-Added Tax,” <i>Finance & Development</i>, Vol. 39 (June). http://www.imf.org/external/pubs/ft/fandd/2002/06/ebrill.htm (Also available in Russian.)</p> <p>International Monetary Fund, 2013, “Taxing Times,” <i>Fiscal Monitor</i>, October (Washington: International Monetary Fund) http://www.imf.org/external/pubs/ft/fm/2013/02/fmindex.htm</p> <p>Keen, Michael, Blog http://blog-imfdirect.imf.org/bloggers/michael-keen/</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>L-9</p>	<p>Fiscal Rules</p> <p><i>Highly Recommended:</i></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>Schaechter, A., T. Kinda, N. Budina, and Anke Weber, 2012, “Fiscal Rules in Response to the Crisis—Toward the “Next-Generation” Rules. A New Dataset,” IMF Working Paper 12/187 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=26094.0</p> <p><i>Optional:</i></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>L-10</p>	<p>Fiscal Sustainability</p> <p><i>Highly Recommended:</i></p> <p>IMF Institute, 2013, “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>Optional:</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/fminindex.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>
<p>L-11</p>	<p>Fiscal Multipliers: Theory and Empirical Evidence</p> <p>Highly Recommended:</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>Optional:</p> <p>Ilzetzki, E., Mendoza, E.G., and C.A. Végh, 2011, “How Big (Small?) Are Fiscal Multipliers?” IMF Working Paper WP/11/52 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2011/wp1152.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> <p>Freedman, C., M. Kumhof, D. Laxton, and J. Lee, 2009, “The Case for Global Fiscal Stimulus,” IMF Staff Position Note 09/03 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=22740.0</p> <p>Batini, N. and others 2014, “Fiscal Multipliers: Size, Determinants, and Use in Macroeconomic Projections,” IMF Technical Notes and Manuals No. 14/4 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=41784.0</p>

<p>L-12</p>	<p>Pension Sustainability and Reform</p> <p><i>Highly Recommended:</i></p> <p>Clements, B., and others, 2013, “The Challenge of Public Pension Reform in Advanced and Emerging Economies”, IMF Occasional Paper No. 275 (January), (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=26096.0</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>Optional:</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> <p>Barrell, R., I. Hurst, and S. Kirby, 2009, “How to Pay for the Crisis or: Macroeconomic Implications of Pension Reform,” Discussion Paper No. 333 (London: National Institute of Economic and Social Research).</p>
<p>L-13</p>	<p>Fiscal Policy in Resource-Rich Countries</p> <p><i>Highly Recommended:</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>Optional:</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>L-14</p>	<p>...: Title [TBD]</p>

<p>L-15</p>	<p>Fiscal Aspects of Financial Crises</p> <p><i>Highly Recommended:</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>Optional:</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>
<p>L-16</p>	<p>Fiscal Adjustments: Challenges and Implications</p> <p><i>Highly Recommended:</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. (Executive summary 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>International Monetary Fund, 2014, “Can Fiscal Policy Do More for Jobs,” chapter 2 in <i>Fiscal Monitor</i>, October (Washington: International Monetary Fund) (Executive summary available in Russian.) http://www.imf.org/external/pubs/ft/fm/2014/02/fmindex.htm</p>

Optional:

Calmfors, Lars, 2012, "Sweden – from Macroeconomic Failure to Macroeconomic Success," CESifo Working paper No. 3790

[http://www.finanspolitiskaradet.se/download/18.47ebd5c7148472314b8a7902/1410180156465/Calmfors+\(2012\).pdf](http://www.finanspolitiskaradet.se/download/18.47ebd5c7148472314b8a7902/1410180156465/Calmfors+(2012).pdf)

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>

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>

IMF Fiscal Affairs website on Income Inequality:

<http://www.imf.org/external/np/fad/inequality/>