

Joint Vienna Institute

Course on Macroeconomic Policies in Times of High Capital Mobility

Vienna, Austria

March 21-25, 2016

READING LIST*

Session	Topic
L-1	<p>Capital Flows: Stylized Facts, Determinants, and Policy Challenges</p> <p>Blanchard, O, J. Ostry, A. Ghosh, and M. Chamon, “Are Capital Inflows Expansionary or Contractionary? Theory, Policy Implications and Some Evidence,” IMF Working Paper No. 15/226 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2015/wp15226.pdf</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). http://www.imf.org/external/pubs/ft/weo/2013/02/pdf/c4.pdf</p> <p>*IMF, 2013, “Guidance Note for the Liberalization and Management of Capital Flows,” April 25 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/042513.pdf</p> <p>*IMF, 2012, “The Liberalization and Management of Capital Flows: An Institutional View,” IMF Policy Paper, November 14 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2012/111412.pdf</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). http://www.imf.org/external/np/res/docs/2007/0607.pdf</p> <p>Nier, E, T Saadi Sedik, and T Mondino (2014), “Gross Private Capital Flows To Emerging Markets: Can the Global Financial Cycle Be Tamed?” IMF Working Paper 14/196, (Washington International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2014/wp14196.pdf</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. http://www.bis.org/publ/cgfs33.pdf</p>

* Readings marked with an asterisk are essential.

	<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). http://www.imf.org/external/pubs/ft/wp/2002/wp0211.pdf</p>
L-2	<p>Guest Lecture: Global Drivers and Effects of Capital Flows: Views from the Recent Literature</p> <p>To be provided during the lecture</p>
L-3	<p>Currency and Balance of Payments Crises</p> <p>*Claessens, Stijn and Kose, M., 2013, “Financial Crises Explanations, Types, and Implications,” IMF Working Paper No. 13/28, January (Washington: International Monetary Fund). http://www.imf.org/external/pubs/cat/longres.aspx?sk=40283.0</p> <p>Krugman, Paul, 2014, “Currency Regimes, Capital Flows, and Crises,” IMF Economic Review, Vol. 62, No. 4, August (Washington: International Monetary Fund). http://www.imf.org/external/np/res/seminars/2013/arc/pdf/Krugman.pdf</p> <p>Lorenzoni, Guido, 2013, “International Financial Crises,” forthcoming, Handbook of International Economics, eds. G. Gopinath, E. Helpman, K. Rogoff. http://faculty.wcas.northwestern.edu/~glo682/WP/International%20Crises.pdf</p>
L-4	<p>Models of External Sector Risks and Vulnerabilities</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) http://www.imf.org/external/pp/longres.aspx?id=4479</p> <p>IMF-FSB Early Warning Exercise Factsheet: http://www.imf.org/external/np/exr/facts/ewe.htm</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. http://www.nber.org/papers/w16047.pdf</p> <p>Catão, Luis and Gian-Maria Milesi-Ferretti, 2013, “External Liabilities and Crises,” IMF Working Paper no. 13/113 (Washington: International Monetary Fund). http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2276348</p>

<p>W-1</p>	<p>Early Warning Systems for Financial Crises</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). http://www.imf.org/external/pubs/ft/wp/1999/wp99178.pdf</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. http://www.econ.uchile.cl/uploads/documento/7d5ce3d5eb3b2d4aa22077fb65a03225e520bcf2.pdf</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). https://www.imf.org/external/Pubs/FT/staffp/1999/06-99/pdf/berg.pdf</p>
<p>L-5</p>	<p>Dealing with Capital Flows (1): The Role of Macroeconomic Policies</p> <p>*IMF, 2013, “Guidance Note for the Liberalization and Management of Capital Flows, April 25 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/042513.pdf</p> <p>*IMF, 2012, “The Liberalization and Management of Capital Flows: An Institutional View,” IMF Policy Paper, November 14 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2012/111412.pdf</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). http://www.imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf</p> <p>Rey, H., 2013, “Dilemma not Trilemma: The Global Financial Cycle and Monetary Policy Independence,” Paper Presented at the Jackson Hole Symposium. http://www.helenerey.eu/MAP.aspx?pid=News_en-GB&aid=nn_84501414_67186463733</p>
<p>L-6</p>	<p>Dealing with Capital Flows (2): The Role of Macroprudential Policy</p> <p>*Claessens, S., 2014, “An Overview of Macroprudential Policy Tools,” IMF Working Paper No. 14/214 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/wp/2014/wp14214.pdf</p> <p>*IMF, 2013, “Key Aspects of Macroprudential Policy,” IMF Policy Paper, June 2013 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/061013b.pdf</p> <p>IMF, 2013, “The Interaction of Monetary and Macroprudential Policies,” IMF Policy Paper, January 2013 (Washington: International Monetary Fund). https://www.imf.org/external/np/pp/eng/2013/012913.pdf</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). http://www.imf.org/external/pubs/ft/wp/2011/wp11238.pdf</p>

<p>L-7</p>	<p>FX Intervention and International Reserves Accumulation</p> <p>* IMF Strategy, Policy and Review Department, 2010, “Reserve Accumulation and International Monetary Stability,” IMF Policy Paper, April 13 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2010/041310.pdf _____, Supplementary Information, IMF Policy Paper http://www.imf.org/external/pp/longres.aspx?id=4457</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 http://www.econ2.jhu.edu/people/jeanne/JeanneRanciere_Feb09.pdf)</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). http://www.imf.org/external/pubs/ft/wp/2012/wp1234.pdf</p> <p>Ostry, Jonathan D., Atish R. Ghosh, and Marcos Chamon, 2012, “Two Targets, Two Instruments: Monetary and Exchange Rate Policies in Emerging Market Economies,” IMF Staff Discussion Note SDN/12/01, February (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/sdn/2012/sdn1201.pdf</p>
<p>W-2</p>	<p>International Reserves Adequacy Metrics</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). http://www.imf.org/external/np/pp/eng/2011/021411b.pdf Assessing Reserve Adequacy - Supplementary Information http://www.imf.org/external/pp/longres.aspx?id=4549 Assessing Reserve Adequacy – Further Considerations, November 2013 http://www.imf.org/external/np/pp/eng/2013/111313d.pdf Assessing Reserve Adequacy – Further Considerations – Supplementary Information November 2013 http://www.imf.org/external/np/pp/eng/2013/111313e.pdf</p> <p>IMF Research Department, 2006, “Country Insurance: The Role of Domestic Policies,” IMF Policy Paper, June 19 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2006/061906.pdf</p>
<p>L-8</p>	<p>Dealing with Capital Flows: The Role of Capital Controls</p> <p>*IMF, 2012, “The Liberalization and Management of Capital Flows: An Institutional View,” IMF Policy Paper, November 14 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2012/111412.pdf</p> <p>*IMF, 2013, “Guidance Note for the Liberalization and Management of Capital Flows”, April 25 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2013/042513.pdf</p>

	<p>*Ostry J., A. Ghosh, K. Habermeier, M. Chamon, M.S. Qureshi, and D. B.S. Reinhart, 2010, “Capital Inflows: The Role of Controls,” IMF Staff Position Note No. 10/04 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/ft/spn/2010/spn1004.pdf</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). http://www.imf.org/external/pubs/ft/sdn/2011/sdn1106.pdf</p> <p>IMF, 2012, “Liberalizing Capital Flows and Managing Outflows,” IMF Policy Paper, March 13 (Washington: International Monetary Fund). http://www.imf.org/external/np/pp/eng/2012/031312.pdf</p>
L-9	<p>External Assessment Methodologies</p> <p>*Lee, J. et al., 2008, “Exchange Rate Assessments: CGER Methodologies,” IMF Occasional Paper No. 261 (Washington: International Monetary Fund). (on Moodle).</p> <p>Phillips, S. et al, 2013, “External Balance Assessment (EBA) Methodology,” IMF Working Paper No. 13/272 (Washington: International Monetary Fund). http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2387536</p> <p>IMF, 2012, “External Balance Assessment: Technical Background of Pilot Methodology” https://www.imf.org/external/np/res/eba/pdf/080312.pdf</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). http://www.imf.org/external/pubs/ft/wp/2009/wp09281.pdf</p> <p>Prati, Alessandro, et al., 2011, “External Balance in Low Income Countries,” IMF Occasional Paper No. 272 (Washington: International Monetary Fund). http://www.imf.org/external/pubs/nft/op/272/op272.pdf</p>
W-4	<p>The EBA Approach in Practice</p> <p>*IMF, 2015, “External Sector Report”, July 27, 2015 https://www.imf.org/external/np/pp/eng/2015/062615.pdf</p> <p>IMF, 2015, “External Sector Report—Individual Economy Assessment”, July 27, 2015 https://www.imf.org/external/np/pp/eng/2015/062615a.pdf</p> <p>IMF, 2012, “External Balance Assessment (EBA): Technical Background of the Pilot Methodology,” August 3. http://www.imf.org/external/np/res/eba/pdf/080312.pdf</p> <p>Phillips, S.; Luis Catão, Luca Ricci (et al.), The External Balance Assessment (EBA) Methodology, 2013, IMF Working Paper WP/13/272. https://www.imf.org/external/pubs/ft/wp/2013/wp13272.pdf</p>