

April 2019

CESEE Research Update

Foreign Research Division

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The CESEE Research Update is released quarterly by the Foreign Research Division of the Oesterreichische Nationalbank (OeNB). The aim of this newsletter is to inform readers about OeNB analysis and research output on Central, Eastern and Southeastern Europe (CESEE) as well as past and forthcoming CESEE-related events.

Foreign Research Division
OeNB

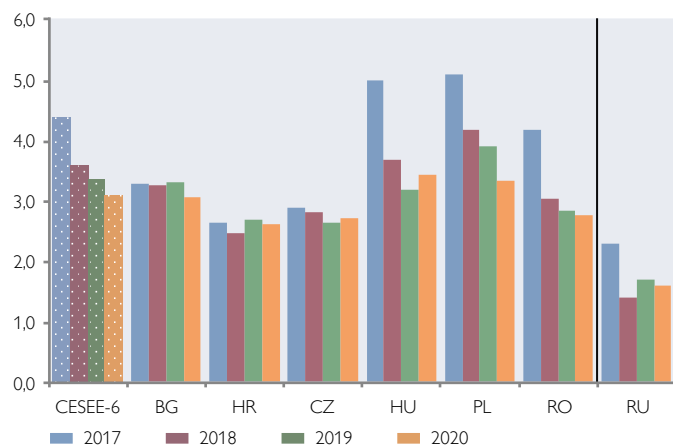
Highlight of this Issue

CESEE-6 forecast: weaker domestic demand across the region – Russia: modest growth continues: OeNB-BOFIT projections for selected CESEE countries

Following solid GDP growth of 4.4% in 2018, **economic expansion in the CESEE-6 countries is predicted to slow down to 3.6% in 2019 and further to 3.3% in 2020 and 3.1% in 2021.** Domestic demand is expected to moderate somewhat in all CESEE-6 countries. The contribution of net exports, by contrast, will improve in line with the assumption of stronger external demand in the euro area and more or less unchanged average import growth in the CESEE-6 countries. The growth differential vis-à-vis the euro area is expected to amount to 2.5 percentage points in 2019 (the same as in 2018) and to moderate to 1.6 percentage points by 2021. Current risks to economic growth are tilted downward and remain elevated.

GDP projections for CESEE-6

year-on-year growth in %



Source: OeNB-BOFIT April 2018 projections, Eurostat, Rosstat.

We expect private consumption growth to remain strong but to moderate continuously over the projection horizon in all CESEE-6 countries. Generally, consumer mood remains optimistic and credit growth remains strong (in particular with respect to consumer loans). Real wages still have room to increase but to a lesser extent than in previous years and job creation will reach its limits, particularly in the Czech Republic and Hungary, as the labor stock is close to being exhausted. Additionally, inflation has been lowering real disposable income in some countries. Despite slowing down, gross fixed capital formation will remain strong, largely motivated by inflows of EU funds, high capacity utilization rates and capital-to-labor substitution needs in light of mounting labor shortage. However, lower use of EU funds (e.g. strong frontloading in Hungary), less favorable growth prospects for the main trading partners and, eventually, some base effects will hamper gross fixed capital formation growth over the projection horizon. Croatia's investment activity,

by contrast, is expected to benefit from higher absorption of EU funds. From 2021 onward, the EU's new multiannual financial framework for 2021–2027 will be in place and we expect much lower inflows of EU funds in the final year of your forecast period.

In Russia, economic growth accelerated to 2.3% in 2018 on the back of rising oil prices coupled with ruble depreciation. **Lower economic growth of 1.4% is expected to return in 2019, though, for the years 2020 and 2021 we expect GDP to expand by 1.7% and 1.6% respectively.** The hike in value-added taxes (from 18% to 20% in January 2019) and a mild pickup in the inflation rate are dampening growth in household consumption in conjunction with continued low public sector wage growth and an expected leveling-off of the household borrowing spree (given some prudential tightening measures of the Central Bank of Russia). Moreover, there are still no signs of a real recovery in private fixed investments, which implies that net exports will remain an important growth driver in 2019. The launch of major state infrastructural investment projects in 2020 and 2021 should slightly boost the pace of economic expansion, particularly in 2020. Notwithstanding state-directed measures (incorporating the new goals set by president Putin), the overall business environment will continue to suffer from a range of uncertainties and structural shortcomings specific to the Russian economy.

More information will be available here:

<https://www.oenb.at/en/Monetary-Policy/Central-Eastern-and-Southeastern-Europe--CESEE-/CESEE-Outlook.html>

High forecast accuracy of OeNB CESEE-6 outlook

Since 2009, the OeNB CESEE forecast has been based on a small, predominantly Keynesian macroeconomic model with long-run neoclassical features. The basic equations of the model are adapted to country-specific needs for each of the six economies (Bulgaria, Croatia, the Czech Republic, Hungary, Poland and Romania) and

estimated as an error-correction model. The setup combines the merits of sound and coherent theoretical foundations and the ability to quickly adapt to data-driven innovations. As an important element, additional information and expert judgment are incorporated in the model through residual adjustment¹. On the occasion

¹ For technical details of the model, see Crespo Cuaresma, J., M. Feldkircher, T. Slačik and J. Wörz. 2009. Simple but Effective: The OeNB's Forecasting Model for Selected CESEE Countries. In: Focus on European Economic Integration Q4/09. OeNB. 84–95.

of the ten-year anniversary of our model-based forecast, we assess the real-time forecast accuracy of our

holds in particular for the spring forecasts and in many cases also for the fall forecasts.

Table 1

Root mean squared errors

	Current year				Next year				Two years ahead			
	OeNB	EC	IMF	wiiw	OeNB	EC	IMF	wiiw	OeNB	EC	IMF	wiiw
Bulgaria	<u>0.6</u>	0.7	0.9	0.7	1.2	1.4	1.6	<u>1.1</u>	<u>1.1</u>	1.7	1.7	1.5
Czech Republic	0.8	<u>0.7</u>	1.3	1.2	1.9	<u>1.7</u>	1.9	2.0	<u>1.7</u>	1.9	2.2	2.7
Croatia	0.7	<u>0.6</u>	0.8	0.8	1.9	<u>1.6</u>	2.0	2.0	<u>1.9</u>	2.1	2.0	2.6
Hungary	0.8	<u>0.8</u>	1.2	0.9	1.9	<u>1.7</u>	2.0	2.1	<u>2.1</u>	2.4	2.5	2.3
Poland	0.6	<u>0.5</u>	1.0	0.8	1.2	<u>1.1</u>	1.3	1.4	<u>1.1</u>	1.3	1.7	1.5
Romania	1.2	1.1	1.5	<u>1.1</u>	1.8	<u>1.6</u>	2.3	1.9	2.0	<u>2.0</u>	2.9	2.1

Note: The lowest values per country and forecast horizon are underlined.

Source: OeNB, European Commission, IMF, wiiw.

predictions. To this end, we calculate the root mean squared error (RMSE) of our predictions and those of other institutions, i.e. the European Commission (EC), the International Monetary Fund (IMF) and the Vienna Institute for International Economic Studies (wiiw). We compare spring and fall forecasts of annual GDP growth published between April 2009 and October 2018 with the subsequent first release of GDP figures (including components) by Eurostat. The results are shown in tables 1 and 2 below.

OeNB predictions almost always score better than those of the IMF or wiiw in terms of forecast accuracy. However, EC forecasts – which are published roughly one month later than all other forecasts in this comparison – outperform OeNB predictions in two of the three horizons (see table 1). For the longest forecast horizon (i.e. 2 years ahead), the OeNB predictions outperform those of all other institutions including the EC. Interestingly, these longer-term predictions are in some instances also more accurate than the OeNB’s CESEE forecasts for the shorter, one-year, horizon. A more detailed inspection (not shown below) reveals that this result

In general, though, forecast errors are the smaller, the shorter the forecast horizon. This holds true for the forecasts of all institutions and for all countries (see table 2). Overall, all institutions exhibit relatively low forecast errors. Predictive accuracy is highest for Bulgaria and Poland and – not surprisingly – lower for countries with more volatile GDP growth rates, such as Romania. Notwithstanding the higher forecast accuracy of the EC predictions in general, the OeNB forecasts mostly outperform the forecasts of the IMF and wiiw and are especially accurate, compared to the three other forecasting institutions, with respect to projecting future GDP developments in Bulgaria and Poland.

Overall, the forecasting performance of the OeNB’s model-based predictions for GDP growth in the 6 CESEE EU Member States that have not yet introduced the euro is satisfactory and holds up well against predictions by other institutions with intrinsic knowledge of the CESEE region. The OeNB predictions exhibit a high forecast accuracy especially with respect to longer-term forecasts, i.e. over a forecast horizon of 2 years.

Table 2

Forecast errors in chronological order

	Root mean squared errors											
	OeNB	EC	IMF	wiiw	OeNB	EC	IMF	wiiw	OeNB	EC	IMF	wiiw
	Bulgaria				Czech Republic				Croatia			
Spring T-2	<u>0.8</u>	..	1.1	1.6	1.5	..	<u>1.3</u>	2.8	<u>0.7</u>	..	1.0	2.6
Autumn T-2	<u>1.2</u>	1.7	2.0	1.4	<u>1.8</u>	1.9	2.6	2.6	2.4	<u>2.1</u>	2.4	2.5
Spring T-1	1.4	1.5	1.4	<u>1.2</u>	2.1	<u>2.0</u>	2.2	2.1	2.0	<u>1.9</u>	2.0	2.0
Autumn T-1	<u>1.0</u>	1.3	1.8	1.1	1.7	<u>1.3</u>	1.7	1.8	1.8	<u>1.4</u>	2.0	1.9
Spring T	0.7	0.9	0.8	<u>0.7</u>	1.1	<u>1.0</u>	1.1	1.3	0.9	<u>0.7</u>	1.0	0.8
Autumn T	0.5	<u>0.5</u>	1.0	0.7	0.5	<u>0.2</u>	1.4	1.1	0.5	<u>0.3</u>	0.7	0.7
	Hungary				Poland				Romania			
Spring T-2	<u>1.6</u>	..	1.8	2.4	<u>1.0</u>	..	1.1	1.5	2.2	..	<u>2.2</u>	2.2
Autumn T-2	2.4	2.4	2.8	<u>2.2</u>	<u>1.1</u>	1.3	2.0	1.4	1.9	2.0	3.2	<u>1.9</u>
Spring T-1	2.1	<u>1.9</u>	2.2	2.2	1.2	<u>1.2</u>	1.2	1.6	1.9	<u>1.8</u>	2.2	2.0
Autumn T-1	1.6	<u>1.4</u>	1.9	2.1	1.2	<u>1.0</u>	1.4	1.3	1.7	<u>1.5</u>	2.3	1.8
Spring T	1.1	<u>1.0</u>	1.2	1.1	<u>0.7</u>	0.7	0.7	1.0	1.4	1.4	1.4	<u>1.3</u>
Autumn T	0.4	<u>0.4</u>	1.2	0.6	0.5	<u>0.3</u>	1.2	0.6	0.9	0.8	1.5	<u>0.7</u>

Note: The lowest values per forecast horizon and country are underlined. Decreasing forecast horizon between Spring T-2 and Autumn T. T stands for current year forecast; T-1 for forecast of the next year, T-2 for 2-years ahead forecast.

Source: OeNB, European Commission, IMF, wiiw.

4th CESEEnet research workshop on current economic policy challenges in CESEE Mauerbach, March 25-27, 2019

CESEEnet is a research information network for economists working within the European System of Central Banks (ESCB) on policy-oriented economic research with a regional focus on Central, Eastern and Southeastern European (CESEE) economies. The 4th CESEEnet workshop was hosted by the Oesterreichische Nationalbank (OeNB) and brought together 21 economists from central banks and other institutions doing research on the region. It took place in Mauerbach near Vienna from March 25 to 27, 2019. Four sessions were held to discuss and analyze monetary policy and central banking, capital flows and macroprudential tools, household income, wealth and firm investment activity, as well as economic convergence and integration. Presentations covered both theoretical as well as empirical work using micro-level and macro data.

In the first session on *monetary policy*, Tomasz Chmielewski (NBP) presented evidence that foreign banks' activities in Poland could have led to a misallocation of credit into nonproductive consumption and mortgage loans. This misallocation is induced by the home countries' banks looking for diversity of their overall asset portfolio and further facilitated by regulation that encouraged

diversification. In the ensuing discussion, further factors behind the misallocation of credit were discussed. Next in the session, Andrea Colabella (Banca d'Italia) investigated the macroeconomic effects of euro area monetary policy on neighboring CESEE countries. He showed that expansionary euro area monetary policy induces positive spillovers to CESEE output and – to a lesser degree – inflation. Drawing on household-level data, Ludmila Fadejeva (LB) presented evidence for differences in the effect of monetary policy depending on the age and wealth distribution in the population. She demonstrated that these differences vary strongly among countries, with younger people (40- to 45-year-olds) belonging to the top of the net wealth distribution in CESEE economies, while in the euro area households with high net wealth are significantly older. Katja Gattin Turkalj (HNB) presented a paper on central bank transparency. Central banks all over the world have increased their efforts to explain their decisions more clearly to the public. Linking a popular transparency index with the IMF's classification of exchange rate regimes has revealed that the transparency index strongly favors inflation-targeting countries, which puts some doubt on the usefulness of

the indicator. This presentation was followed by a theoretical contribution by *Roberto Billi* (*Sveriges Riksbank*), who demonstrated that in case a central bank operates with a Taylor rule and faces the zero lower bound constraint, adverse effects of greater wage flexibility on welfare (e.g., higher volatility of price and wage inflation) are amplified.

The second workshop day opened with a session on topics related to *capital flows* and *macroprudential policies*. Since Croatia is one of the countries that has already a long track of using macroprudential tools, it is an interesting question to investigate the effectiveness of these policies in reining in credit growth. Based on an empirical panel data approach, *Mario Bambulović* (*HNB*) showed that macroprudential policies were effective but influenced only the supply side of lending. Also, regulatory policies in home countries (i.e., the euro area) spill over to the host country, which makes out a strong case for more cooperation. *Alina Bobasu* (*ECB*) introduced a new method that enables economists to investigate the effect of financial tensions on different segments of the growth distribution of capital flows. The tool can be used to either monitor downside risks to capital flows or to forecast the entire growth distribution at short forecast horizons. *Markus Eller* (*OeNB*) investigated the effects of lender-based macroprudential policies (e.g., capital buffers) in CESEE countries. His results indicate that such policies have significant effects on the volatility rather than the volume of capital flows, with considerable heterogeneity. *ál* (*NBS*) highlighted the pitfalls that occur when introducing trend inflation in recent macro-finance models, such as the Rudebusch-Swanson framework, and showed model extensions that circumvent these problems.

The third session covered topics using *firm-level* and *household analysis*. One study looked at the relationship between a firm's use of energy and the quality of management practices. Using data on 5,000 firms located in 38 economies, *Helena Schweiger* (*EBRD*) provided evidence that higher management quality at firms leads to a pronounced reduction in fuel usage in countries where energy subsidies are low. This implies that countries aiming at reducing their carbon footprint should not solely consider climate change-related legislation but bear in mind the negative effects energy subsidies can have on firms' usage of energy. *Mariya Hake* (*OeNB*) presented evidence of a positive relationship between

income inequality and household indebtedness for a range of CESEE economies. The effects of income inequality matter for all types of debt – but especially so for mortgage loans and car loans. *Alexandru Leonte* (*NBR*) showed that in Romania, young exporting firms tend to invest more, while uncertainty (measured as turnover volatility) depresses investment. Also, there is evidence of positive spillovers to firm investment through foreign direct investment (FDI).



Workshop participants in front of Schönbrunn palace

The final session was dedicated to issues of economic convergence and integration. *Milan Deskar-Škrbić* (*HNB*) presented work that utilized a structural vector-autoregressive approach to analyze the effects of global and euro area-based shocks to three countries that have expressed – in varying degrees – their interest to adopt the euro: Bulgaria, Croatia and Romania. The results suggest that all three countries would be ready to adopt the euro in terms of macroeconomic synchronization. *Florin Dragu* (*NBR*) presented work that aimed at identifying firms that support real convergence in Romania, defined as those that grow faster than the euro area average. These should avoid over-indebtedness and should use working capital for investment purposes. *Andreas Wörgötter* (*TU Wien*) presented a paper that looked at regional intra-country convergence of eight new EU Member States. The study demonstrated that convergence estimates appear only significant if the period of the global financial crisis is included in the sample, which could be related to the fact that higher-income regions were hit by the crisis comparatively more strongly than low-income regions. *Kamila Kuziemska-Pawlak* (*NBP*) investigated determinants of capital account adjustments to derive benchmark current accounts. She showed that current account adjustments are related

to macroeconomic variables such as income, general government balance, initial IIP and the age dependency ratio. Finally, *Jan Brůha (CNB)* analyzed economic synchronization in EU countries using a generalized principal components approach. The results indicate that some countries (e.g., Hungary, Slovakia and Slovenia)

have been synchronized with EU Member States already in the early 2000s, while others started synchronizing later on.

The workshop provided ample room for in-depth, stimulating discussions, constructive criticism and helpful suggestions to the presenters.

Household loans in CESEE from a new perspective: the role of income distribution, Mariya Hake and Philipp Poyntner

This paper constitutes a first attempt to shed light on the role of income distribution for household debt, macrofinancial stability and financial market access in Central, Eastern and Southeastern Europe (CESEE). This issue has not been adequately addressed so far. Using data from the OeNB Euro Survey for the period 2009–2017, we explore the question whether interpersonal comparisons affect a household's probability of having a loan. We use multilevel probit modeling to take into account the hierarchical structure of the data. Our results support the notion that the relative income

position, along with absolute income, affects the likelihood of having a loan, but this is valid mainly for households above the median of the income distribution. We show this impact for almost all components of household debt, but evidence is strongest for mortgage and car loans. Interpersonal comparisons turn out to be a weaker predictor of a household's propensity to have a loan in CESEE countries with a more equal income distribution.

This study will be published in *Focus on European Economic Integration* Q2/19.

wiiw Spring Seminar 2019: “Ten Years after the Crisis: What is the ‘New Normal’ for CESEE?”

The annual conference of the Vienna Institute for International Economic Studies (wiiw) took place at the Oesterreichische Nationalbank on April 4, 2019. In his welcome address OeNB Governor **Ewald Nowotny** referred to the long-standing, close relationship between the OeNB and wiiw that includes engaging in CESEE-related joint activities. Moreover, wiiw and OeNB staff members regularly cooperate in researching and analyzing the CESEE region. wiiw President **Hannes Swoboda**, Scientific Director **Robert Stehrer** and newly appointed Managing Director **Mario Holzner** expressed their gratitude to outgoing Managing Director **Elisabeth Hagen** for her adroit management and dedication to the institute over the past 13 years and wished her all the best in her retirement.

Keynote speaker **Robert Koopman**, Chief Economist and Director of the Economic Research and Statistics Division of the WTO, emphasized that fundamentals



Elisabeth Hagen and Mario Holzner

and technological progress play a dominant role for trade. In contrast, openness policies have accounted for only about one-quarter of trade growth over the past 35 years. Nevertheless, recent protectionist actions and

intentions are likely to harm future trade flows tremendously by creating uncertainty, undermining WTO trade arrangements, and hence affecting investment and consumption decisions, total factor productivity and economic growth more generally. Curbing macroeconomic drivers and potential growth, trade conflicts can be very costly, which would hit small countries disproportionately hard.



Robert Koopman

Richard Grieveson, newly appointed Deputy Director of wiiw and coordinator of the wiiw country analysis team, presented the wiiw spring forecast for CESEE countries. Growth performance is expected to be somewhat better in the CESEE EU Member States and in some Western Balkan countries than in the CIS countries, Ukraine and Turkey. In Turkey, the recession in 2019 might be even deeper than forecast and Russia will remain the regional laggard over the medium term. In connection with the global slowdown, he pointed to the pronounced export dependence of many countries in the region. In wiiw's view, three external risks to the CESEE forecast stand out: (1) a stronger euro area downturn or crisis, (2) the global trade war (higher U.S. tariffs on EU cars would be particularly harmful for CESEE) and (3) a smaller EU budget. Grieveson also highlighted key challenges for CESEE in the medium to long term: demographics, automation, digitalization and the rise of authoritarianism (and its implications for institutions).

In her keynote, **Rosa Balfour**, Senior Transatlantic Fellow at The German Marshall Fund of the United States, addressed political challenges and fragmentation in the EU. She characterized Brexit as a crisis within a political party that could have happened anywhere and

is thus symptomatic of political failure with far-reaching consequences. Given an environment of democratic recession, no country or political system should be considered to be immune to similar events. With respect to current political trends in Europe, she preferred speaking of fragmentation rather than disintegration, referring to the sharp turnaround of most anti-EU parties since the Brexit vote and citing migration and banking union as new areas for coordination. Despite enlargement fatigue in the EU, EU accession has not become less attractive in potential candidate and candidate countries. In conclusion, she presented three scenarios for the future of the EU: (1) a looser union of nation states, (2) further core-periphery differentiation or (3) a European citizenship which is not bound to the EU.

The following session focused on labor market and migration issues. wiiw economist **Isilda Mara** addressed east-west migration trends in Europe arguing that outward migration from the EU CESEE countries will slow down as population is shrinking on the one hand and push and pull factors are diminishing in the wake of tight labor markets on the other. **Sandra Leitner**, wiiw economist, presented model-based tipping point scenarios for individual CESEE countries, outlining the year in which labor shortages will become a severe obstacle to growth and convergence. In most CESEE economies these tipping points are imminent and already expected to be reached before the mid-2020s. By way of conclusion, possible short-term solutions were outlined, such as fostering mobility and migration, increasing labor force participation, promoting labor productivity growth and digitalization.



From left to right: Jovan Zubović, Maruška Vizek, Mario Holzner, Piotr Lewandowski, Boris Majcen

The seminar was concluded by a panel of high-level representatives from economic research institutes in CESEE. **Maruška Vizek**, Director of the Institute of Economics in Zagreb, expressed concern over the Croatian economy, which shows signs of slowing income convergence, is characterized by negative demographic trends and exhibits a lack of necessary structural reforms. Despite its healthy parts – in particular exports, tourism and the IT sector –, the Croatian economy is not well prepared to master the next slowdown in her view. **Jovan Zubović**, Director of the Institute of Economic Sciences in Belgrade, emphasized the high level of macroeconomic stability reached by Serbia (high GDP growth, control over inflation, no fiscal deficit and declining foreign debt). Nevertheless, the catching-up process has stalled over the past nine years. **Piotr Lewandowski**, President of the Board of IBS in Warsaw, alluded to incidences of good luck for the Polish economy, such as low financial integration, lack of financial deregulation and coincidental fiscal impulse at the time of the outbreak of the global financial crisis and strong immigration from Ukraine at present. Yet, long-term care challenges, low and discouraged labor participation

by women and older workers and still relatively low living standards (and hence dissatisfaction among the population) pose challenges for the future. The Director of the Institute for Economic Research in Ljubljana, **Boris Majcen**, highlighted Slovenia's currently good growth performance (among the highest growth rates in the EU) and macroeconomic stabilization. Like the previous speakers, he was also concerned about demographic challenges, which are addressed by the government's strategy for a long-lived society. For the Hungarian economy, **Miklós Szanyi**, Director of the Institute of World Economics (HAS) in Budapest, painted a picture of a dual economy with a fast-growing foreign-owned manufacturing and industrial services sector and a domestically owned sector with high state interference. While he did not see state interference per se as being negative (given its stabilizing role in bad times), he criticized rent-seeking behavior and the collusion of politics and economics in the form of what he called "state capitalism."

The program and presentations are available at <https://wiiw.ac.at/wiiw-spring-seminar-2019-what-is-the-new-normal-for-cesee--n-371.html>

OeNB Euro Survey

The OeNB Euro Survey of households has been conducted since 2007 in ten Central, Eastern and Southeastern European (CESEE) countries. With a strong focus on exploring different dimensions and drivers of currency holdings and households' saving and borrowing behavior, the OeNB Euro Survey additionally provides information on various aspects of financial literacy of CESEE households. **The main results of the survey have recently been updated with 2018 data**



and can be found at <https://oenb.at/en/Monetary-Policy/Surveys/OeNB-Euro-Survey.html>.

For detailed results on the four indicators, see the OeNB's website.

Save the Date I

84th East Jour Fixe of the Oesterreichische Nationalbank (OeNB) and the Official Monetary and Financial Institutions Forum (OMFIF)

June 3, 2019

Oesterreichische Nationalbank (OeNB), Vienna
OeNB Kassensaal

The 84th East Jour Fixe focuses on long-run economic growth and development in Central, a very timely topic, given the high level of uncertainty surrounding the medium- to long-term growth outlook for the CESEE region. Potential growth estimates for many CESEE countries are currently low, putting into question the speed of convergence and raising concerns that CESEE might end up in a middle-income trap. Low potential growth also raises the question of whether the CESEE countries need a new and more sustainable growth model for the future.

Against this backdrop, the 84th East Jour Fixe will discuss the key goals, priorities and implementation strategies aimed at ensuring sustainable economic growth and development in CESEE in the long run. The keynote speech and session 1 will focus on current challenges for economic growth and development in the CESEE region, taking stock of past growth models and reflecting on future growth drivers. Session 2 will deal with the ecological sustainability of growth, discussing potential frameworks and opportunities for as well as potential obstacles to green growth in CESEE. The 84th East Jour Fixe will conclude with a panel on the relations between China and CESEE, focusing on the Belt and Road Initiative and its impact on trade and infrastructure investment.

Program: <https://www.oenb.at/en/Calendar/2019/2019-06-03-east-jour-fixe-84.html>

Save the Date II

Conference on European Economic Integration (CEEI) 2019 Looking back on 30 years of transition – and looking 30 years ahead

organized by the Oesterreichische Nationalbank (OeNB)

November 25 and 26, 2019

Vienna Marriott Hotel

Parkring 12a, 1010 Vienna, Austria

The CEEI 2019 will take 30 years of transition in Central, Eastern and Southeastern Europe (CESEE) as an opportunity to look back on this historic transformation process, its successes and shortcomings as well as its political and global factors of influence. The CEEI 2019 will also attempt to look 30 years ahead and discuss the long-term determinants of economic development in the CESEE region, i.e. factors like climate change and demographic trends, and their implications for present-day policies. Another focus will be on near-term monetary and financial stability challenges in this heterogeneous region, which includes current EU Member States, (potential) EU candidates as well as Ukraine, Belarus and Russia.

Announcement

Klaus Liebscher Economic Research Scholarship

The Oesterreichische Nationalbank (OeNB) has established a new research scholarship: the “**Klaus Liebscher Economic Research Scholarship.**” This scholarship program gives outstanding researchers the opportunity to contribute their expertise to the research activities of the OeNB’s Economic Analysis and Research Department by providing remunerated consultancy services. The scholarship program targets Austrian and international experts with a proven research record in economics, finance or financial market stability who are interested in broadening their research experience and expanding their personal research networks. Given the OeNB’s strategic research focus on Central, Eastern and Southeastern Europe (CESEE), another key field of research might be the analysis of economic developments in the CESEE region. The program provides for an honorarium that depends on the length of the respective research project (max. EUR 10,000).

Please note that applicants need to be in active employment with their home institution. Eligible candidates must hold a PhD or equivalent degree and must have published work and conducted scientific research in the fields defined in the call for scholarship applications. Applicants may be of any nationality and there is no age limit. Employees of the European Central Bank (ECB) or other central banks within the European System of Central Banks (ESCB) are not eligible for the Klaus Liebscher Economic Research Scholarship. ESCB employees may consider the options available under the ESCB’s External Work Experience (EWE) scheme or the Schuman Programme.

For more information, please visit the OeNB’s website at www.oenb.at/en/About-Us/Research-Promotion/scholarships_and_awards/klaus_liebscher_economic_research_scholarship.html or contact us by e-mail at scholarship@oenb.at.

Focus on European Economic Integration Q1/19 – latest issue [\(full version\)](#)

Studies

Household debt in CESEE economies: a joint look at macro- and micro-level data, *Aleksandra Riedl*

How useful are time-varying parameter models for forecasting economic growth in CESEE?, *Martin Feldkircher, Nico Hauzenberger*

Migration intentions in CESEE: sociodemographic profiles of prospective emigrants and their motives for moving, *Anna Katharina Raggl*

Event wrap-ups and miscellaneous

Conference on European Economic Integration 2018: How to finance cohesion in Europe?, *compiled by Antje Hildebrandt*

“Connecting Europe and Asia” – conference summary, *compiled by Andrea Hofer, Carmencita Nader-Uher, Franz Nauschnigg*



Upcoming Events

The following events are organized by the OeNB and cover CESEE relevant topics.

Please note that attendance is by invitation only. If you are interested in participating in one or more of the events, please send an e-mail to event-management@oenb.at.

June 3, 2019	84 th East Jour Fixe: “Long-run economic growth and development in Central, Eastern and Southeastern Europe (CESEE): Goals, priorities and implementation strategies” organized by the Oesterreichische Nationalbank (OeNB) in cooperation with the Official Monetary and Financial Institutions Forum (OMFIF)
September 12, 2019	85 th East Jour Fixe: “Ukraine: Political, economic and migration challenges” organized by the Oesterreichische Nationalbank (OeNB) in cooperation with the National Bank of Ukraine
November 25–26, 2019	Conference on European Economic Integration 2019: “Looking back on 30 years of transition – and looking 30 years ahead”
December 9–10, 2019	17 th ESCB Emerging Markets Workshop 2019 organized by the Oesterreichische Nationalbank

OeNB Courses at the Joint Vienna Institute (JVI) 2019

For further details see: [Course Schedule 2019](#)

January 14-17, 2019	Financial Stability and Supervisory Stress Testing for Banking Systems
January 21-25, 2019	Banking Supervision within the Basel Framework (in cooperation with Deutsche Bundesbank and JVI)
March 4-8, 2019	HR Issues and Compliance (in cooperation with the Deutsche Bundesbank)
March 11-15, 2019	Monetary Policy Implementation (in cooperation with Deutsche Bundesbank and JVI)
May 13-17, 2019	Challenges for Candidate and Potential Candidate Countries in the EU and EMU Accession Process (in cooperation with the Austrian Federal Ministry of Finance and ECB)
September 9-13, 2019	Integration in Europe: European Union and Eurasian Economic Union (in cooperation with the Austrian Federal Ministry of Finance)
October 14-18, 2019	Macrofinancial Stability in Central, Eastern and Southeastern Europe (in cooperation with the JVI)
November 4-6, 2019	Cash Circulation and Payment Systems in Austria
November 27-29, 2019	Financial Translation and Editing: New Skills for New Challenges