

## ISET “LEADERS IN DEVELOPMENT” PROGRAM

2016 - 17

ISET’s “Leaders in Development” program, implemented in partnership with JTI, is designed for anybody who is involved in, or is affected by, public policy decisions: government analysts and decision-makers, parliament staffers, private sector executives, civil society activists, as well as development professionals working in international organizations.

The ten modules of the program tackle some of the most important challenges of Georgia’s economic development, with a focus on how policy decisions (or indecision) directly and indirectly affect Georgian society, businesses and households. For example, we will discuss the implications of changes in **tax administration and taxation** (corporate, income, excise, VAT) on prices, investment, domestic production and consumption, human capital and labor supply. We will try to answer questions such as: how can Georgia gain from the Deep and Comprehensive Free Trade Area (DCFTA) agreement with the EU? Will the proposed **Estonian model** of corporate taxation help induce investment and growth? What might be the impact of the proposed **pension reform** on financial markets, formal and informal employment, household saving and consumption behavior? Are Georgia’s **public procurement** rules conducive to an effective allocation of public resources? Should Georgia increase its external borrowing in order to greatly accelerate its investment in its spatial development and **transport** infrastructure? What can be done to make Georgia’s **education** system a better fit for the 21st century? Should Georgia continue to invest in large **hydropower plants** and, if so, how should it pursue this strategy?

### PEDAGOGICAL APPROACH

All the above questions will be discussed in the context of actual policy episodes from Georgia’s recent history. To the extent necessary, we will introduce and utilize basic micro- and macro-economic concepts, such as economic growth, trade and capital account balances, competition and market structure, human and physical capital, prices and interest rates, demand and supply elasticities, etc. **Classroom experiments, business games, simulations and debates** will be used throughout the entire course in order to maximize the opportunities for class interaction and horizontal learning.

Each meeting will begin with a 20-minute **“development challenge” presentation**, prepared by small teams of program participants (as a rule, up to 3 persons). Such presentations shall:

- (i) describe the challenge (for example: a very large share of Georgian population engages in subsistence farming; the unemployment rate is high, but businesses faces an acute shortage of well-trained professionals),
- (ii) identify possible policy responses, and
- (iii) highlight the tradeoffs (pros and cons) associated with each policy alternative.

## FACULTY

Led by ISET's President, Eric Livny, the program will involve ISET Policy Institute researchers in the role of instructors and discussion moderators, as well as prominent guest speakers – Georgian and international policymakers and business leaders.

## WORKING LANGUAGE

The program will be conducted in English, and English-language proficiency, including oral presentation skills, is expected of all program participants.

## TIMEFRAME

The program will be delivered over the course of six months, from mid-January till the end of June. Meetings will be held twice per month, in the evening (6:30-8:30pm) or over the weekend.

## WHO SHOULD APPLY?

The program targets potential future leaders in government, business, civil society (including academia), and international organizations: people involved in designing or implementing policies, laws and regulations; people working in organizations affected by government policies and regulations, advocacy organization, business associations, etc. There are no age limitations, but priority shall be given to mid-career professionals (in the 25-40 age bracket).

## SELECTION CRITERIA

Thanks to JTI's generous financial support, participation in the program is free of charge. However, selection into the program is very competitive. Candidates are expected to meet the following requirements:

- At least 3 years of management experience (at the head of division/department level)
- Education or work experience in an international setting
- Direct or indirect involvement in business or economic policy analysis and planning, policy advocacy, communication, etc.
- Proven leadership potential
- Excellent communication skills
- English language proficiency, including oral presentation skills

## HOW TO APPLY?

Fill in the online application form and send the following documents to [LeadersInDevelopment@iset.ge](mailto:LeadersInDevelopment@iset.ge) by 18:00 on November 30, 2016:

- Motivation letter
- Curriculum Vitae
- Nomination letter by the candidate's employers' or supervisors

Shortlisted candidates will be invited for an interview, which constitutes the final selection stage. We expect to make final admission offers by December 15, 2016.

## THEMATIC MODULES

Development challenges	Relevant economic concepts	Trainers / moderators
1/ Reducing the tax burden on the private sector	<ul style="list-style-type: none"> <li>● General fiscal policy framework and “optimal” size of government</li> <li>● Laffer curve</li> <li>● Taxation in a general demand-supply framework</li> <li>● Tax administration, tax evasion/avoidance</li> <li>● Progressive/regressive taxes, general tax typology</li> </ul>	Sophiko Skhirtladze Eric Livny
2/ Accelerating economic growth	<ul style="list-style-type: none"> <li>● Economic growth factors</li> <li>● Growth diagnostics framework: What is holding back a country’s progress, and how we can find out?</li> <li>● Industrial policy: what can the government do to promote growth?</li> <li>● Coordination failures and their resolution</li> </ul>	Yaroslava Babych Eric Livny
3/ Creating jobs, and reducing unemployment and underemployment (including subsistence self-employment in agriculture)	<ul style="list-style-type: none"> <li>● Unemployment and labor market interventions in a standard labor demand-supply framework</li> <li>● Different policies for different causes: demand vs. supply</li> <li>● Demand side policies: <ul style="list-style-type: none"> <li>○ Monetary and fiscal expansionary policies</li> </ul> </li> <li>● Supply side policies: <ul style="list-style-type: none"> <li>○ Labor market (de)regulation</li> <li>○ Education and human capital accumulation</li> <li>○ Minimum wage policies (reduction)</li> <li>○ Reduction of benefits/unemployment subsidies</li> </ul> </li> <li>● Special focus: pull and push factors for internal migration and movement out of agriculture</li> </ul>	Norberto Pignatti & Maka Chitanava
4/ Ensuring decent retirement income	<ul style="list-style-type: none"> <li>● The challenge of retirement in old age</li> <li>● Alternative approaches, related cons and pros</li> <li>● The World Bank’s pension reform framework: objectives, different modalities to achieving objectives, evaluation criteria, impact on aggregate savings, investment, job creation and employment</li> </ul>	Norberto Pignatti & Maka Chitanava
5/ Modernizing the education system	<ul style="list-style-type: none"> <li>● Equal opportunity in education, role of public schooling, government grants</li> <li>● Dual (work-based) education</li> <li>● Degree inflation and labor market signaling</li> <li>● Information asymmetry, peer effects and competition in education</li> <li>● Governance of higher education institutions</li> <li>● Globalization and e-Education</li> </ul>	Zurab Abramishvili Eric Livny

Development challenges	Relevant economic concepts	Trainers / moderators
6/ Reducing the economic cost of regulations	<ul style="list-style-type: none"> <li>● Types of regulations</li> <li>● Market failures (externalities, public goods, etc.)</li> <li>● Government failures</li> <li>● Deregulation</li> <li>● Regulatory Impact Assessment (RIA)</li> </ul>	Sophiko Skhirtladze Eric Livny
7/ Implementing the DCFTA agenda	<ul style="list-style-type: none"> <li>● Protection of the agricultural sector</li> <li>● Custom unions and Free Trade Area agreements</li> <li>● Tariff and non-tariff barriers to trade</li> <li>● Food safety regulations and food prices</li> <li>● Export facilitation</li> <li>● Price competitiveness, branding and marketing</li> </ul>	Pati Mamardashvili Eric Livny
8/ Strategies for Energy Security	<ul style="list-style-type: none"> <li>● Three main dimensions: availability, affordability, acceptability</li> <li>● Supply side: diversification and the potential of renewable energy sources, role of government in the development of the hydropower sector</li> <li>● Demand management: transparent and efficient pricing, smart metering and policies promoting energy efficiency</li> <li>● International trade in energy: potential, pros and cons of supplying the Turkish market</li> </ul>	Norberto Pignatti Levan Pavlenishvili
9/ Stimulating investment	<ul style="list-style-type: none"> <li>● Part I: Funneling investor money through establishing financial markets               <ul style="list-style-type: none"> <li>○ What kind of financial markets do investors like?</li> <li>○ What kind of financial markets are good for Georgia?</li> <li>○ Developing financial markets in Georgia: avoiding pitfalls</li> </ul> </li> <li>● Part II: Solving investment coordination problems               <ul style="list-style-type: none"> <li>○ The investors' dilemma</li> <li>○ Government interventions to overcome the investor's dilemma</li> </ul> </li> </ul>	Florian Biermann
10/ Raising the effectiveness of public procurement mechanisms	<ul style="list-style-type: none"> <li>● Corruption risks in public procurement</li> <li>● E-procurement and auctions: purpose and limitations</li> <li>● Inefficiencies in public procurement</li> <li>● "Culture" and path dependence in corruption</li> <li>● Scope for judgment in procurement and corruption risks</li> </ul>	Sophiko Skhirtladze Eric Livny



ERIC LIVNY

Possesses more than 20 years of experience in academic management, economic policy research and consulting in the transition region. Eric is the president of the International School of Economics at Tbilisi State University (ISET) and ISET Policy Institute. In line with ISET's broader mission to contribute to the public policy debate, Mr. Livny chairs the Economic Policy Committee with the International Chamber of Commerce-Georgia. Eric is a columnist with The Financial, Georgia Today, Investor.ge, and a regular contributor to the ISET Economist Blog.



YAROSLAVA BABYCH

Studied at the University of Kyiv-Mohyla Academy in Kyiv, then continued her education in the US. In 2000 received Bachelor of Arts degree from Franklin and Marshall College with a double major in Economics and in Philosophy. She graduated with Ph.D. in Economics from the George Washington University in Washington, DC in 2011. At ISET Yasya teaches first and second year courses in Macroeconomics and Open Economy Macro. Since September 2013 she is also serving as an Academic Director of ISET Policy Instituteg.



PHATIMA MAMARDASHVILI

Phatima Mamardashvili, Dr. Sc., ETH Zurich is an assistant professor at ISET and also serves as the Head of the Agricultural Policy Research Center (APRC) at the ISET Policy Institute (ISET PI). Her research and teaching interests include Agricultural Economics, Environmental Economics, and Econometrics. Phatima received her Dr.Sc. degree from ETH Zurich for the dissertation entitled Measuring economic and environmental performance of Swiss dairy farms using stochastic frontier analysis; (2013). She earned her Bachelor's degree in Agriculture from the Georgian State Agricultural University (2005) and her M.Sc. degree in Agricultural Sciences with a major in Food and Resource Economics from ETH Zurich (2009). She also received the Advanced Studies Diploma in Applied Statistics from the Department of Mathematics of ETH Zurich (2013). Before joining ISET in July 2014, Phatima was a postdoctoral researcher at the Agricultural Economics Group at ETH Zurich. Prior to starting her doctoral studies, she also worked at the Swiss Center for Agricultural Extension and Rural Development.



FLORIAN BIERMANN

Assistant professor at the International School of Economics at Tbilisi State University (ISET) since 2011. Until 2005, he studied economics at the Humboldt University and the Free University of Berlin. After working for a year at the Institute of Mathematical Economics of Bielefeld University, in 2006 he moved to Jerusalem to pursue his Ph.D. degree at the Hebrew University of Jerusalem, where he was supervised by Professors Eyal Winter and Bezalel Peleg (degree awarded in 2012).



SOPHIKO SKHIRTLADZE

The Head of the Private Sector Development Policy Research Center at the ISET Policy Institute (ISET PI). Sophiko received her PhD degree in Public Economics and Finance from Catholic University in Milan for the dissertation entitled Essays in Political Economics (2015). She earned her Bachelor's degree in International Economic Relations from the International Black Sea University (2006) and her MA degrees in Economics from ISET (2008) and Southern Methodist University, in Dallas, Texas (2010).



NORBERTO PIGNATTI

Norberto Pignatti holds a Ph.D. in Economics from the University of Bologna (2007), a Master in Development, Innovation and Change from the University of Bologna, and a Laurea (M.A. equivalent) in Economics and Finance from the University of Bologna. He also received the Advanced Studies Certificate in International Economic Policy Research from the Kiel Institute of World Economics (Germany). Before joining ISET resident faculty in 2009 he worked at the Development Centre of the OECD, at the World Bank and at the University of Bologna. He currently teaches Economics of Energy Markets, Cost-Benefit Analysis and Program Evaluation in the second year of ISET Master Program. His teaching portfolio includes also Public Economics, Development Economics, Economics of Transition, Labor economics and Principles of Econometrics. His research interests are Labor Economics (with a particular emphasis on labor markets of developing and transition countries), Sustainable Development and Policy Studies.



ZURAB ABRAMISHVILI

Zurab Abramishvili is a senior research fellow in the Education and Social Policy Center at ISET-PI and visiting lecturer at ISET (under Czech Development Agency). He completed an internship with the University of Illinois at Chicago (UIC). He is a PhD candidate at CERGE-EI and the title of dissertation is "Essays on Economics of Education and Social Policy". From 2013 to 2016, he was a researcher at the Economics Institute of the Czech Academy of Sciences and he taught BA (MA) courses at Charles University in Prague and Masaryk University in Brno. He was given two scientific grants from GND in 2014 and EERC in 2015.



MAKA CHITANAVA

Maka Chitanava holds BA in State and Municipal Governance from Ivane Javakhishvili Tbilisi State University (TSU) and MA in Economics from ISET. She has been with ISET and ISET-Policy Institute since 2008. Currently Ms. Chitanava is senior researcher and is involved in a variety of policy research projects, focused on education and social policy analysis. Apart from the research she is delivering trainings on a variety of public policy issues and is visiting lecturer at TSU and University of Georgia. Courses taught by her are: Principles of Micro and Macroeconomics, Fiscal Decentralization and Local Economic Development. Ms. Chitanava is regular blogger at the ISET Economist Blog. Ms. Chitanava is a PhD student at TSU.