

Business Strategies in CEE

Course code: 4VG32DDG01M

Course name : Business Strategies in CEE

Course name (Hungarian): Business Strategies in CEE

Number of hours per semester: 1 lecture, 1 seminar

Credits: 6

Fall/Spring: Spring

Language: English

Prerequisites: none

Course type:

Department: [Világgazdasági Intézet](#)

Course leader: [Tétényi András](#)

Course description: Week 1 (09/02): Introduction and research material formatting (A.S. and T.A.)

Week 2 (16/02): The concept of CEE – historical development of the region (A.S.)

Week 3 (23/02): Incoming FDI to CEE, a focus on Hungary (T.A.)

Reading: Szent-Iványi (2017), chapters 1-5.

Week 4 (02/03): Contemporary challenges of CEE after the regime change (A.S.)

Week 5 (09/03): Drivers of growth, innovation and human capital development in CEE (T.A.)

Reading: Galgóczi et al (2017), chapters 2-4.

Week 6 (16/03): National Holiday

Week 7 (23/03): Invited guest

Week 8 (30/03): Good Friday

Week 9 (13/04): Invited guest

Week 10 (20/04): Field trip

Week 11 (27/04): Invited guest

Week 12 (04/05): Field trip

Week 13 (11/05): Invited guest

Course requirements during the semester: Week 1 (09/02): Introduction and research material formatting (A.S. and T.A.)

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Examination requirements:

Assessment, grading: Final grades are awarded according to the standard Hungarian grading scale (51%: 2, 63%: 3, 75%: 4, 87%: 5). Grades are non-negotiable.

Aims, objectives and description of the course: Content of the Course: The course is designed mostly for international students not familiar with the CEE region. The objective is to introduce students with the unique characteristics of the region and the most important institutional characteristic of these countries. The course is organized around three major topics: first students are going to be provided with information about the historical development of the region, including contextual knowledge on the role of these countries in the division of labor of the global economy, the problems of economic transition and the economic and social problems related to this. Second some information is going to be provided about foreign investment in CEE, the role of multinationals and the structure and evolution of value chains in the region. Last, but not least we plan to invite corporate leaders from leading firms and sectors of the Hungarian economy, to share their experiences and knowledge about managing a firm here, so that students can get a firsthand experience about decision making and strategies in this region.

Competencies:

Upon completing the course, students:

- become familiar with the uniqueness of CEE;
- can evaluate these differences from other regions;
- can identify positive and negative effects of these unique thing on business;
- have a clear idea about macroeconomic, social and political problems of the region;
- and their effects on business environment;
- become familiar with the most important sectors and firms of the region (especially Hungarian);
- and they understand these firms' motivation.

Course schedule: Fridays 11.40-15.10

Learning outcomes:

Course assessment during the semester:

Assignments: Continuous assessment is going to be based on students' activity during classes. During classes please take part in different activities, ask questions, and read the given reading material (20% of final grade). You are also required to write an abstract of 400 words on the articles between weeks 2-6 that are required to further upload to Moodle, latest by the start of the weekly seminar.

End of the year assessment is based on an essay, written about any specific problem brought up by our course (institutional issues, FDI, a specific firm or sector in the region). Your task is to identify a problem, describe and evaluate it properly, investigate possible answers, responses to it, and adding your own perspective and thoughts (80 percent of final grade). Formatting is detailed on session 1.

Attendance in lectures is not mandatory but highly advised, as seminars are based on lectures! Attendance in seminars are mandatory, anyone showing up in less than 75% of seminars cannot get a grade! Also, please try to avoid delays.

Program's name:

Readings:

Compulsory readings:

- Seminar on week 2:
- Kornai, J. (2006): "The Great Transformation of Central and Eastern Europe – Success and Disappointment". Economics of Transition, Vol 14(2), pp. 207-244.
- Seminar on week 3:

- o Bijsterbosch, M. and Kolasa, M. (2010), 'FDI and productivity convergence in Central and Eastern Europe: an industry-level investigation', *Rev World Econ*, 145:689–712.
- o Gauselmann, A. and Knellb, M. and Stephanc, J. (2011), 'What drives FDI in Central–Eastern Europe? Evidence from the IWH-FDI-Micro database', *Post-Communist Economies*, Vol. 23, No. 3, September 2011, 343–357.
- • Seminar on week 4:
- o Heerty, S. W. (2017): "Inflation Volatility, Monetary Policy, and Exchange-Rate Regimes in Central and Eastern Europe: Evidence from Parametric and Nonparametric Analyses". *Eastern European Economics*, 55, pp. 70-90.
- • Seminar on week 5:
- o Iciar, D. L. and Giebler, A. and Radosevic, S. (2017), 'Technological capabilities in Central and Eastern Europe: an analysis based on priority patents', *Scientometrics* (2017) 111:83–102.
- o Estrin, S. and Korosteleva, J. and Mickiewicz, T. (2013), 'Which institutions encourage entrepreneurial growth aspirations?', *Journal of Business Venturing*, 28 (2013) 564–580.
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Recommended readings:

- Acemoglu, Daron – Robinson, James A (2012): *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*
- Berend T, Ivan (1986): *The Crisis Zone of Europe: An Interpretation of East-Central European History in the First Half of the Twentieth Century*, Cambridge University Press
- Berend T, Ivan (2003): *History derailed. Central and Eastern Europe in the long 19th century*, Universit of California Press
- Galgóczi, Béla and Drahokoupil, Jan (2017), *Condemned to be left behind? Can Central and Eastern Europe emerge from its low-wage model?*, Brussels: ETUI Publisher.
- Kornai, János (2008): *From Socialism to Capitalism: Eight Essays*, CEU Press
- Szent-Iványi, Balázs (2017), ed., *Foreign Direct Investment in Central and Eastern Europe – Post-crisis Perspectives*, London: Palgrave Macmillan.
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Course professor(s)/lecturer(s): [Almadi Sejla](#)