

University College London
SCHOOL OF SLAVONIC AND EAST EUROPEAN STUDIES

MA PROGRAMME 2010-11

**POLITICAL ECONOMY OF INTERNATIONAL
BUSINESS**

TUTOR: Prof. SLAVO RADOSEVIC

SEMINAR TOPICS

Course Requirements

Students will be expected to give oral presentations at the seminars that should then be written up in essay form for marking and feedback. This will give you a guide to your progress but will not count towards the final course mark. **HOWEVER, PASSING ESSAY IS PREREQUESTITE FOR TAKING EXAM.** Each student should make at least ONE seminar presentation.

Seminar Presentations

Students will be encouraged to give a **SHORT PRESENTATION** (10-15 minutes maximum) of their work to the class to stimulate discussion. Please **DO NOT** read out a prepared text verbatim. The optimum speed for presentations is about 100 words per minute (maximum). Consequently class presentations should be about 1,000-1,500 words maximum and should be confined to the major points, leaving time for discussion. Most seminars will consist of two presentations. Collaborative presentations involving more than one student are welcome.

Seminar topics

Reading lists are provided below for a selection of seminar presentations. The aim of seminar presentations is to 'rehearse' and 'deepen' understanding of topic introduced in the lecture. They should be useful in ensuring that you have understood the core course material. A list of general key readings is given in Course Description as well as below. The reading lists may also serve as a basis for the assessed essay and for students wishing to write a dissertation in this area.

Tips for presentation

- Focus on the key points.
- Never, never read your talk
- Use transparencies or power point
- Be aware of time limit

TOPICS FOR SEMINAR PRESENTATIONS

1. Globalization and international production in historical perspective

a) Please, explain and criticize key arguments of the sceptic view on globalisation.

Paul Hirst and Graham Thomson (2003) The future of globalisation, In Michie, Jonathan (ed.) *The Handbook of Globalisation*, Edward Elgar, Cheltenham.

Bob Sutcliffe and Andrew Glyn (2003) Measure of globalisation and their misinterpretation, In Michie, Jonathan (ed.) *The Handbook of Globalisation*, Edward Elgar, Cheltenham.

D. Rodrik (2007), How to save globalization from its cheerleaders, J.F.Kennedy School of Government, 2007, <http://ksgnotes1.harvard.edu/research/wpaper.nsf/rwp/RWP07-038>

b) Please, explain and criticize the transformationalist view of globalisation

Jonathan Perraton (2003) The scope and implications of globalisation, In Michie, Jonathan (ed.) (2003) *The Handbook of Globalisation*, Edward Elgar, Cheltenham.

Grazia Ietto-Gillies (2003) The role of Transnational corporations in the globalization process, In Michie, Jonathan (ed.) *The Handbook of Globalisation*, Edward Elgar, Cheltenham, pp. 139-149

D. Rodrik (2007), How to save globalization from its cheerleaders, J.F.Kennedy School of Government, 2007, <http://ksgnotes1.harvard.edu/research/wpaper.nsf/rwp/RWP07-038>

Grazia Ietto-Gillies (2003) *Transnational Corporations. Fragmentation amidst integration*. Chapter 9: TNCs as a dominant cause of the globalisation process, Routledge (available on Moodle)

c) Is there mutual incompatibility of deep integration, national sovereignty, and democracy? Discuss.

D. Rodrik (2007), How to save globalization from its cheerleaders, J.F.Kennedy School of Government, 2007, <http://ksgnotes1.harvard.edu/research/wpaper.nsf/rwp/RWP07-038U>

Rodrik, Dani, (2000) "How Far Will International Economic Integration Go?" *Journal of Economic Perspectives*, Winter 2000.

d) Why Do More Open Economies Have Bigger Governments? Discuss

Rodrik, Dani (1998): "Why Do More Open Economies Have Bigger Governments?," *Journal of Political Economy*, 106(5), 997-1032.

Giuseppe Bertola and Anna Lo Prete'Openness (2008), Financial Markets, and Policies: Cross-Country and Dynamic Patterns'. CEPR Discussion Paper no. 7048. London, Centre for Economic Policy Research.
<http://www.cepr.org/pubs/dps/DP7048.asp>. (accessible via UCL e journals)

e) What are good and what bad arguments for free trade?

Robert Driskill, "Deconstructing the Arguments for Free Trade," unpublished, February 2008.
(<http://www.vanderbilt.edu/econ/faculty/Driskill/Deconstructing2008Feb09.pdf>)

f) Discuss arguments for and against globalisation

Frederic S. Mishkin: The Next Great Globalization, Princeton University Press, 2006, Chapter 1: The Next Great Globalization: A Force for Good?
<http://press.princeton.edu/chapters/s8244.pdf>

Miroslav N. Jovanovic (2010) Is Globalisation Taking us for a Ride? Journal of Economic Integration 25(3), September 2010; 501-549

2. Theories of international production

a) Compare Marxist approaches to international investment (Hobson, Lenin, Bukharin, Luxembourg) with Cowling – Sugden's transnational monopoly capitalism approach

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapters 3 'Marxist approaches' and chapter 14 'Transnational monopoly capitalism'

Buckley, J. Peter (2010), The theory of international business pre-Hymer, *Journal of World Business* Vol. 46, No. 1,

b) Explain (and criticize from international business perspective) how new trade theories approach to the activities of TNCs.

(This topic should be presented by student with background in economics)

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapter 13 'New trade theories and the activities of TNCs'

Markusen R. James (2001) International trade theory and international business, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford, chapter 3, pp. 69-87.

c) Revisit Uppsala internationalization process model and draw conclusions

Jan Johanson and Jan-Erik Vahlne (2009) The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership, *Journal of International Business Studies* (2009) 40, 1411–1431

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapter 11 ‘Stages in the internationalization process: the Scandinavian School’

d) Discuss relevance of internalization theory in international business

Peter J. Buckley (2009) Internalisation thinking: From the multinational enterprise to the global factory, *International Business Review* 18 (2009) 224–235

Peter J Buckley and Mark C Casson (2009), The internalisation theory of the multinational enterprise: A review of the progress of a research agenda after 30 years, *Journal of International Business Studies* 40, 1563–1580

3. Evolution of multinational enterprises

a) Please, explain the mainstream views on organisation of MNE as elaborated by Barba Navaretti – Venables (2005) and Caves (1996)

Barba Navaretti – Venables (2005) The Multinational Enterprise: an Overview of Theory and Empirical Findings, pp. 23-48. In **Giorgo Barba Navaretti and Anthony J. Venables (2004)** *Multinational Firms in the World Economy*, Princeton University Press

Caves, Richard E. (1996) *Multinational Enterprise and Economic Analysis* (Second Edition: Cambridge Surveys of Economic Literature). Cambridge University Press, Cambridge, England. Chapter 1 ‘The multinational enterprise as an economic organization’ pp. 1-23, and Chapter 3 ‘Organization and growth of the MNE’ pp.57-82

b) Please, summarize the evolution of MNE from hierarchies to heterarchies and networks of differentiated subsidiaries

D. Eleanor Westney and Srilata Zaheer (2001) The Multinational Enterprise as an Organization, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford.

Julian Birkinshaw (2001) Strategy and Management in MNE Subsidiaries, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford.

Mihir A. Desai (2009) The Decentering of the Global Firm, *The World Economy*, vol. 32, issue 9, pages 1271-1290

c) Explain ‘knowledge capital’ view of MNEs by James Markusen

James R. Markusen (1995), The Boundaries of Multinational Enterprises and the Theory of International Trade, *Journal of Economic Perspectives*- Volume 9, Number 2-Spring 1995-Pages 169-189

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapter 13 ‘New trade theories and the activities of TNCs’

Giorgo Barba Navaretti and Anthony J. Venables (2004) *Multinational Firms in the World Economy*, Princeton University Press

d) The standard approach—referred as the ‘pipeline model’—used to explore the possibility of FDI-related spillovers typically ignores the potential role of subsidiaries’ heterogeneity in the process of spillover generation. Please, discuss.

Anabel Marin, Subash Sasidharan (2010), Heterogeneous MNC subsidiaries and technological spillovers: Explaining positive and negative effects in India, *Research Policy*, Volume 39, Issue 9, November 2010, Pages 1227-1241

Anabel Marin and Martin Bell (2006), Technology spillovers from Foreign Direct Investment (FDI): the active role of MNC subsidiaries in Argentina in the 1990s, *Journal of Development Studies*, Volume 42, Issue 4 May 2006 , pages 678 – 697

4. Foreign direct investment and growth

a) Please, explain the effects of FDI on host countries

Epstein, Gerald (2003), The role and control of multinational corporations in the world economy, In Michie, Jonathan (ed.) *The Handbook of Globalisation*, Edward Elgar, Cheltenham.

Giorgo Barba Navaretti and Anthony J. Venables (2004) *Multinational Firms in the World Economy*, Princeton University Press, Princeton, Chapter 7: ‘Host country effects: conceptual framework and the evidence’

Theodore H. Moran, Edward M. Graham, and Magnus Blomström, (Eds), Does Foreign Direct Investment Promote Development?, May 2005, Institute for International Economics, Washington. Chapter 2: The impact of inward FDI on host countries: why such different answers?

Maria Carkovic and Ross Levine, (2002) Does FDI accelerate economic growth? U of Minnesota Department of Finance Working Paper, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=314924. Also, at

http://www.worldbank.org/research/conferences/financial_globalization/fdi.pdf (also chapter in Moran et al, 2005 above).

Madanmohan Ghosh and Weimin Wang (2009), Does FDI Accelerate Economic Growth? The OECD Experience Based on Panel Data Estimates for the Period 1980-2004, *Global Economy Journal*, Volume 9, Issue 4, Article 1: 2-23

b) Please, present and discuss evidence on determinants of FDI

Giorgo Barba Navaretti and Anthony J. Venables (2004) Multinational Firms in the World Economy, Princeton University Press, Princeton. Chapter 6; Determinants of FDI: the Evidence, pp. 127-150

Bellak, Christian, 2004, How domestic and foreign firms differ and why does it matter, *Journal of Economic Surveys*, Vol. 18, No. 2

c) Please, evaluate effects of FDI on performance of MNEs, on labour, trade and balance of payment

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapters 17 (performance), 18 (labour), 19 (trade), and 20 (balance of payment).

d) Please, explain how domestic and foreign firms differ and why does it matter?

Bellak, Christian, 2004, How domestic and foreign firms differ and why does it matter, *Journal of Economic Surveys*, Vol. 18, No. 2

Bellak, Christian, 2004, How performance gaps between domestic firms and foreign affiliates matter for economic policy, *Transnational Corporations*, Vol. 13, No. 2 (August 2004)

5. International technology transfer: ‘catching up’ and ‘falling behind’

a) Please, explain key issues in the internationalisation of innovation

Rajneesh Narula and Antonello Zanfei (2003) The international dimension of innovation, Version May 7 2003. *MERIT-Infonomics Research Memorandum series 2003-009* Available at : <http://meritbbs.unimaas.nl>
(Also, In, Jan Fagerberg, David Mowery, and Richard R. Nelson (eds), *Handbook of Innovation*, Oxford University Press 2004)

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapter 12. Technological accumulation and international activities

John Cantwell (2001) Innovation and Information Technology in MNE, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford, pp. 432-456.

b) Please, discuss the key issues linking globalisation, technology and growth

World Bank (2008), *Global Economic Prospects. Technology Diffusion in the Developing World*, Washington DC.

<http://siteresources.worldbank.org/INTGEP2008/Resources/complete-report.pdf>

Itzhak Goldberg, Lee Branstetter, John Gabriel Goddard, Smita Kuriakose (2008) *Globalization and Technology Absorption in Europe and Central Asia The Role of Trade, FDI, and Cross-border Knowledge Flows*, World Bank Working Paper No. 150, Washington DC.

David T. Coe, Elhanan Helpman, Alexander W. Hoffmaister (2008) International R&D Spillovers and Institutions, *CEPR Discussion Paper* No. DP6882, June 2008

c) Please, evaluate the key features of Cantwell's views on technological accumulation and international activities

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapter 12. Technological accumulation and international activities

John Cantwell (2001) Innovation and Information Technology in MNE, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford, pp. 432-456.

John Cantwell (2001) Innovation and Competitiveness, (Chapter 20), In Jan Fagerberg, David Mowery, and Richard R. Nelson (editors), *Handbook of Innovation*, Oxford University Press 2005., pp. 543-568

d) What are the implications of information and communication technology (ICT) on the MNE's decision to internalize transactions?

Subramanian Rangan and Metin Sengul (2010) Information technology and transnational integration: Theory and evidence on the evolution of the modern multinational enterprise, *Journal of International Business Studies* (2009) 40, 1496–1514

6. Finance, ownership and strategies of globalisation

a) Please, summarise the key issues of financial globalisation

IMF (2007) Reaping the Benefits of Financial Globalization, June. Available at
HUwww.imf.org/external/np/res/docs/2007/0607.pdf

Dani Rodrik and Arvind Subramanian (2008), *Why Did Financial Globalization Disappoint?*, March 2008,
HUhttp://ksghome.harvard.edu/~drodrik/Why_Did_FG_Disappoint_March_24_2008.pdf

HM Treasury (2008) Embracing financial globalisation, London, Available at:
HUhttp://www.hm-treasury.gov.uk/documents/financial_services/global/fin_embracing_financial.cfm

b) Explain the key issues on taxing multinationals

Lorraine Eden (2001) Taxes, Transfer Pricing, and the Multinational Enterprise, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford.

Michael P. Devereux and Rachel Griffith (2002), The impact of corporate taxation on the location of capital: A review, *Swedish Economic Policy Review* 9 (2002) 79-102

George R. Zodrow (2003) Tax Competition and Tax Coordination in the European Union, *International Tax and Public Finance*, 10, 651–671, 2003

Sikka P, Willmott H (2010), The Dark Side of Transfer Pricing: its Role in Tax Avoidance and Wealth Retentiveness, *Critical Perspectives on Accounting*, Volume 21, Issue 4, April 2010, Pages 342-356, doi:10.1016/j.cpa.2010.02.004

c) Discuss how financial considerations affect MNCs

Michael Bowe, Igor Filatotchev, Andrew Marshall (2010) Integrating contemporary finance and international business research, *International Business Review* Volume 19, Issue 5, October 2010, Pages 435-445

Oxelheim, L., T. Randy, A. Stonehill (2001) On the treatment of finance-specific factors within the OLI paradigm, *International Business Review* 10, pp. 381-398.

Bowe, Michael and James W. Dean (2001) International Financial Management and Multinational Enterprise, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford. (SSEES – Misc.XVI.1 OXF; UCL SCIENCE - MANAGEMENT HF 1379 OXF)

d) Discuss 2008/09 global financial crisis in historical perspective.

Jeffrey Frieden (2006), "Will Global Capitalism Fall Again?" Presentation for BRUEGEL's Essay and Lecture Series. Brussels, June 2006.

http://www.people.fas.harvard.edu/~jfrieden/Selected%20Articles/Misc_Works/GlobalCapFallAgainWebversion.pdf

Carmen Reinhart and Kenneth Rogoff (2008), This Time Is Different: A Panoramic View of Eight Centuries of Financial Crises” manuscript, Harvard University, April 2008.

http://www.economics.harvard.edu/faculty/rogoff/files/This_Time_Is_Different_SHORT.pdf

7. International industrial networks (global value chains)

a) Summarise key micro and macro features of alliances

John H. Dunning (1995) Reappraising the Electric Paradigm in an Age of Alliance Capitalism, *Journal of International Business Studies*, 1995, Vol. 26, Issue 3, pp. 461-192, At http://copenhagen.jibs.net/Archive/1995/26_3_95_461.pdf

Andrew C. Inkpen (2001) Strategic Alliances, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford.

Dicken, Peter, (2003), *Global shift: Reshaping the global economic map in the 21st century*, 4th edition, Sage Publications, London. Chapter 8: ‘Webs of enterprise’: Transnational corporations within network of relationships. In 1998 edition this is chapter 7.

b) Present views for and against the emerging modular production networks

Timothy J. Sturgeon (2002), Modular production networks: a new American model of industrial organization, *Industrial and Corporate Change*, Vol. 1, No. 3, p.451-496, http://www.soc.duke.edu/sloan_2004/Papers/ICCNov02Sturgeon.pdf

Richard N. Langlois (2004) Chandler in a Larger Frame: Markets, Transaction Costs, and Organizational Form in History, *Enterprise & Society*, Vol. 5 No. 3, p.355-375, doi:10.1093/es/khh055,

Sabel, Charles F., Zeitlin, Jonathan (2004) Neither Modularity nor Relational Contracting: Inter-Firm Collaboration in the New Economy, *Enterprise & Society* - Volume 5, Number 3, September 2004, pp. 388-403

Giovanni Dosi, Alfonso Gambardella, Marco Grazzi, Luigi Orsenigo (2008) Technological Revolutions and the Evolution of Industrial Structures: Assessing the Impact of New Technologies upon the Size and Boundaries of Firms, *Capitalism and Society*, Volume 3, Issue 1

8. Globalisation and industry evolution

a) Discuss critically John Mathew’s views on latecomer development

John A. Mathews (2002) Competitive Advantages of the Latecomer Firm: A Resource-Based Account of Industrial Catch-Up Strategies, *Asia Pacific Journal of Management*, 19, 467–488, 2002

John A. Mathews (2005), The intellectual roots of latecomer industrial Development, *Int. J. Technology and Globalisation*, Vol. 1, Nos. 3/4, 2005 433

John A. Mathews (2007), Latecomer strategies for catching-up: the cases of renewable energies and the LED programme, *Int. J. Technological Learning, Innovation and Development*, Vol. 1, No. 1, 2007
<http://www.mgsm.edu.au/wps/wcm/connect/c56401804bcd8c1d96b2febda92c51fe/38.+Latecomer+strategies+-+renewable+energy.pdf?MOD=AJPERES>

b) Are news of purported death of OLI paradigm true? Discuss

John A. Mathews (2006) Dragon multinationals: New players in 21st century globalization, *Asia Pacific J Management* (2006) 23: 5–27

Rajneesh Narula (2006), Globalization, new ecologies, new zoologies, and the purported death of the eclectic paradigm, *Asia Pacific J Manage* (2006) 23: 143–151

John H. Dunning (2006) Comment on Dragon multinationals: New players in 21st century globalization, *Asia Pacific J Manage* (2006) 23: 139–141

John A. Mathews (2006), Response to Professors Dunning and Narula, *Asia Pacific J Manage* (2006) 23: 153–155

Jean-Francois Hennart (2009) Down with MNE-centric theories! Market entry and expansion as the bundling of MNE and local assets, *Journal of International Business Studies* (2009) 40, 1432–1454

c) Evaluate the role of MNC from emerging markets in growth and globalization

Suma Athreye and Sandeep Kapur (2009) Introduction: The internationalization of Chinese and Indian firms – trends, motivations and strategies, *Industrial and Corporate Change*, Vol., 18, No.2, April 2008 (This is part of Special issues on the internationalization of Chinese and Indian firms)

Rajneesh Narula (2009) *Much ado about nothing, or sirens of a brave new world? MNE activity from developing countries and its significance for development*, Paper prepared for the OECD Development Centre, Draft, 2 September 2009 (to be posted on Moodle)

Filippov, Sergey, 2008, Russia's emerging multinationals: trends and issues, *UNU-MERIT Working Paper* 2008-062, Available at
<http://www.merit.unu.edu/publications/wppdf/2008/wp2008-062.pdf>

d) Discuss the phenomenon ‘Born Global’ in the context of internationalization process models

L. Brennan, D. Garvey (2009), The role of knowledge in internationalization, *Research in International Business and Finance* 23: 120–133

Moen, Ø, & Servais, 2002. Born global or gradual global? Examining the export behaviour of small and medium-sized enterprises. *Journal of International Marketing*, 10(3): 49–72.

Fan, T., & Phan, P. 2007. International new ventures: Revisiting the influences behind the “born-global” firm. *Journal of International Business Studies*, 38(7): 1113–1131.

e) Is flying geese model obsolete? Discuss

Gil and Kharas (eds) (2007) *An East Asian Renaissance: Ideas of Economic Growth*, The World Bank, available at:
http://siteresources.worldbank.org/INTEASTASIAPACIFIC/Resources/226262-1158536715202/EA_Renaissance_full.pdf

9. CEE within the European and global system of international production

a) Discuss micro and macro effects of FDI on growth in CEE

Bjorn Jindra, Axele Giroud, Joanna Scott-Kennel (2009), Subsidiary roles, vertical linkages and economic development: Lessons from transition economies, *Journal of World Business* 44 (2009) 167–179

Martin Bijsterbosch and Marcin Kolasa (2009), FDI and productivity Convergence in central and eastern Europe. An industry-level Investigation, Working Paper Series, No 992 / January 2009, European Central Bank, www.ecb.int/pub/pdf/scpwps/ecbwp992.pdf

b) Evaluate relocation issues and determinants of FDI to CEE

Matija Rojec and Joze P. Damijan (2008): Relocation via foreign direct investment from old to new EU member states. Scale and structural dimension of the process *Structural Change and Economic Dynamics* 19 (2008) 53–65

Kai Carstensen and Farid Toubal (2004), Foreign direct investment in Central and Eastern European countries: a dynamic panel analysis, *Journal of Comparative Economics* 32 (2004) 3–22

Holland, D., M. Sass, V. Benacek and M. Gronicki (2000) The determinants and impact of FDI in CEE: a comparison of survey and econometric evidence, *Transnational Corporations*, Vol. 9, No. 3 (December), pp. 163-212.
http://www.unctad.org/en/docs/iteiit21v9n3_en.pdf

c) Evaluate labour costs as determinants of FDI and effects of FDI on wages in CEE

Christian Bellak, Markus Leibrecht, Aleksandra Riedl (2008) Labour costs and FDI flows into Central and Eastern European Countries: A survey of the literature and empirical evidence, *Structural Change and Economic Dynamics* 19 (2008) 17–37

Ozlem Onaran, Engelbert Stockhammer (2008), The effect of FDI and foreign trade on wages in the Central and Eastern European Countries in the post-transition era: A sectoral analysis for the manufacturing industry *Structural Change and Economic Dynamics* 19 (2008) 66–80

d) Please, present Theodor Moran’s assessment of FDI on host economies in the context of the CEE

Theodore H. Moran (2005), How does FDI affect host country development? Using industry case studies to make reliable generalizations, In Moran, H. T., E.M. Graham and M. Blomstrom (2005) *Does Foreign Direct Investment Promote Development?* Institute for International Economics, Washington, April, pp. 281-314

Pickles J, Smith A, Bucěk M, Roukova P, Begg R, 2006, "Upgrading, changing competitive pressures, and diverse practices in the East and Central European apparel industry" *Environment and Planning A* 38(12) 2305 – 2324

e) Explain the effect of FDI inflows on productivity convergence in central and eastern Europe

Martin Bijsterbosch and Marcin Kolasa (2009) FDI and productivity Convergence in central and eastern Europe an industry-level investigation, *Working paper series*, European Central Bank, no 992 / January 2009

10. State and international production

a) Present Chang’s account of FDI policy in historical perspective and discuss in the light of Pack and Saggi arguments

Ha-Joon Chang (2003), Kicking away the ladder – globalization and economic development in historical perspective, In Michie, Jonathan (ed.) *The Handbook of Globalisation*, Edward Elgar, Cheltenham.

Ha-Joon Chang (2003) ‘Regulation of Foreign Investment in Historical Perspective’, *UNU INTECH Discussion Paper* 2003-12, available from

<http://www.intech.unu.edu/publications/discussion-papers/2003-12.pdf>

A full version of Chang’s argument is: **Chang, Ha-Joon (2002)** *Kicking Away the Ladder – Development Strategy in Historical Perspective*, Anthem Press, London. (UCL MAIN - ECONOMICS H 45 CHA)

Ha – Joon Chang (2003), Kicking Away the Ladder: The "Real" History of Free Trade, FPIF Special Report (Foreign Policy in Focus), <http://www.fpiif.org/pdf/papers/SRtrade2003.pdf> (This is summary of the argument which is put forward in Chang’s book ‘Kicking away the ladder – development strategy in historical perspective, Anthem Press, 2002. Author debunks the myth of free trade from the historical perspective),

Pack, Howard and Saggi, Kamal (2006) ,The Case for Industrial Policy: A Critical Survey(02/01/2006). *World Bank Policy Research Working Paper Series*, No. 3839, 2006, Available at SSRN: <http://ssrn.com/abstract=922965>

b) Discuss key features of states – TNCs relationships

Dicken, Peter, (2003), *Global shift: Reshaping the global economic map in the 21st century*, 4th edition, Sage Publications, London, Chapter 5: ‘The State is Dead ... Long Live the State’ and Chapter 11: ‘Wheels of Change’: The Automobile Industry. In 1998 edition this are chapters 3 and 10.

Kobrin Stephen J. (2001) Sovereignty @ Bay: Globalization, MNE, and the International Political System, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford.

Alan M. Rugman and Alain Verbeke (2001) Multinational Enterprise and Public Policy, In Rugman A. M. and T. L. Brewer (eds.) (2001) *The Oxford Handbook of International Business*, OUP, Oxford.

c) Discuss key features of state – MNEs relationship in the context of the CEE

Klaus E Meyer and Camilla Jensen (2005) International Business and Government Relations in Central and Eastern Europe, In *International Business and Government Relations in the 21st Century* edited by Robert Grosse Cambridge: Cambridge University Press www.klausmeyer.co.uk/publications/2005_meyer_jensen_chapter.pdf

Christian Bellak, Markus Leibrecht and Robert Stehrer (2008) The Role of Public Policy in Closing Foreign Direct Investment Gaps: An Empirical Analysis, WIIW Working Papers No. 48: October <http://ideas.repec.org/p/wii/wpaper/48.html>

d) Is Chinese industrial policy example of policy for 21st century?

Rodrik, Dani (2006). "What's So Special About China's Exports?" KSG Faculty Research Working Paper Series RWP06-001 (CEPR discussion paper 5484, NBER 11947), January 2006.

<http://web.hks.harvard.edu/publications/workingpapers/citation.aspx?PubId=3313>

Rodrik, Dani (2004). "Industrial Policy for the Twenty-First Century." KSG Faculty Research Working Paper Series RWP04-047, November 2004.

<http://web.hks.harvard.edu/publications/workingpapers/citation.aspx?PubId=2135>

October 17, 2010

Prof. Slavo Radosevic