

UCL SSEES MA Programmes

Autumn term course 2010-11

Political Economy of International Business

SEESGS11

Tutor: Prof Slavo Radosevic

The growth of Central and East European (CEE) economies is inextricably linked to their international economic integration. Understanding of patterns and determinants of their integration and its effects on growth is essential for understanding transformation of this region and for understanding the nature of growth in the globalised world economy.

This course introduces students to the area of economic integration at micro level, i.e. at the level of international business. It complements the Globalisation of Economies in Transition course which introduces students to macro aspects of trade and international monetary and financial issues.

A Micro focus is essential in order to understand how multinational enterprises (MNEs) are shaping patterns of trade, finance and the nature of globalization. Equally, micro strategies are driven by technology change, by changing international institutional arrangements, and by differentiated power of individual nation states. The interaction of these factors produces different trajectories of integration and marginalization in global economy which are increasingly becoming an object of teaching. For area studies students this aspect of economic transformation should be one of the core areas.

This course exposes students to the latest thinking, debates and theories and applies them in the context of the wider Europe.

A significant portion of the course relies on general economic, international business, international relations and governance studies. When introducing latest research and empirical analyses the course is focused on CEEs¹ within the context of the wider Europe.

A political economy, rather than purely management or economic perspective of the course, enables students a realistic perspective in studying the way international economic integration affects growth in the wider Europe. Also, this perspective is more appropriate for social science students.

Learning objectives

In this course, students will learn:

- a) Various theoretical perspectives on international production and their relevance for understanding current global changes
- b) To understand key factors driving equity and non-equity forms of investments
- c) To understand methodological approaches in exploring linkages between growth and foreign direct investment
- d) To relate and apply the main stylized facts of foreign direct investments in CEE to previously presented theoretical and methodological issues

¹ By CEE we understand the countries of central and eastern Europe, Russia, Ukraine and other European newly independent states.

Learning Strategy to get the best results out of this course:

- a) **Read widely.** Do not just read the minimum, from the textbook and the course pack that you need for your coursework and one or two tutorials, but read around other topics. If you find a book or suggested reading incomprehensible, abandon it, so that you do not lose interest, and try another book or reading on the subject. Find articles in the economic and business media (The Economist, Financial Times, Wall Street Journal) that interest you and read them, but do not just read such articles.
- b) **Question your reading.** Ask yourself why different economists take a different view on a particular topic. Are they making the right assumptions? Could they have put their argument in a simpler or more coherent way? Are there other, better approaches to the subject? Why are they better?
- c) **Make notes of your reading, as well as your lectures and seminars.** Writing your own notes forces you to understand what you are writing. Do not just collect handouts and photocopies. Collecting may give you the impression that you are accumulating invaluable resources of information, but until you start making notes from them, thinking about them, or writing about them, you are not learning anything.

Formal tuition will consist of ONE 2 hour session per week. Sessions will normally be divided into one hour lectures/classes and a seminar presentation led by students. The first two sessions will be lectures only which will allow you to prepare for your class presentations. A list of topics and readings for seminars will be handed out at first lecture.

Assessment is based on two essays of maximum 2500 words each and on coursework (one - two presentations depending on number of students based on the list of suggested topics). Deadline for the first essay is **Monday December 13, 2010** and **Monday 21 February 2010** for the second essay.

Essays will require students to apply different theories and concepts in the analysis of the wider Europe by either qualitative exploration or quantitative data analysis. Ideally, students should *use* some of the skills learned in quantitative and qualitative study skills courses.

Criteria for assessment:

- *Articulation:* How clearly the problem has been defined?
- *Comprehension:* How clearly the ideas and arguments have been elaborated?
- *Novelty:* Originality of exposition or critique or argument?
- *Methodology:* How systematically research methodology has been employed?

Course work: Students will be required to make a brief presentation of their work in seminars with the intention of stimulating discussion and are asked not to read out a prepared essay. After the presentation has been made, students should write up the topic as a short essay (up to 700 words) and hand it in to the tutor for marking and feedback. Seminar presentations do NOT contribute to the final mark. However, they

are PREREQUISITE for taking exam i.e. submitting two essays. In addition, this good way for students to check whether they are meeting course requirements.

Students are required to regularly attend the Work in Progress seminar series of the Centre for Comparative Economics.

This course addresses the following topics:

1. Globalisation and international production in historical perspective
2. Theories of international production
3. Evolution of multinational enterprises
4. Foreign direct investment and growth
5. International technology transfer and ‘catching up’
6. Finance, ownership and strategies of globalisation
7. International industrial networks (value chains)
8. Globalisation and industry evolution
9. CEE within the European and global system of international production
10. State and international production

Learning outcomes;

At the end of this course students will:

1. Be able to critically and analytically interpret a variety of real world phenomena in international business from political economy perspective;
2. Be able to follow the latest research in different areas of international business and link it to the existing theories within international business area;
3. Have the ability to do independent analyses in international business issues related to the area of the wider Europe

Note: The reading lists are deliberately long. This is to allow students to study a specific topic in depth and to relieve pressure on individual library books and article. It will also enable students to find alternative sources if an initial source is not immediately available.

Key readings

- 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)
- Michie, Jonathan (ed.) (2003) *The handbook of Globalisation*, Edward Elgar, Cheltenham. (UCL MAIN - ECONOMICS H 35 MIC; SSEES - Misc.XVI.1 HAN; UCL SCIENCE - GEOGRAPHY H 71 MIC)
- Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham

- Dicken, Peter, (2003), *Global shift: Reshaping the global economic map in the 21st century*, 4th edition, Sage Publications, London (SSEES - Misc.XVI.1 DIC; UCL MAIN - PUBLIC POLICY HD 2321 DIC; UCL SCIENCE - GEOGRAPHY H 85 DIC; UCL BARTLETT - TOWN PLANNING G 20 DIC)
- UNCTAD, *World Investment Reports*, Geneva, various years (SSEES - Misc.XVI.9 WOR) Also downloadable at:
(<http://www.unctad.org/Templates/Page.asp?intItemID=1485&lang=1>)

Note: A comprehensive bibliography of international business literature on CEE is: Klaus E. Meyer and Mike W. Peng (2004) A bibliography of management and international business research in *Central and Eastern Europe, Journal of International Business Studies* – www.jibs.net – July 2004, available from: http://copenhagen.jibs.net/LitReview/2005/2005_1_19.pdf

Content:

1. Globalisation and international production in historical perspective

This session presents international production in an historical perspective. The issues are framed within the globalisation perspective and the discussion whether globalisation is déjà vu or not? The second part of lecture addresses the issue of international production within the core and periphery perspective and brings Central and Eastern Europe into analysis. We discuss the role of economic pull of Western Europe and prospects for the growth of CEE in the past and future.

- General

OECD (2010) *Perspectives on Global Development 2010. Shifting Wealth*, OECD, Paris.(available on UCL e-journals)

Stallings, Barbara (1990) The Role of Foreign Capital in Economic Development, In Gary Gereffi and Donald L. Wyman, *Manufacturing Miracles. Paths of Industrialization in Latin America and East Asia*, Princeton University Press, Princeton, NJ., (SSEES - Misc.XVI.4 MAN; UCL MAIN - ECONOMICS D 30 GER; UCL SCIENCE - ANTHROPOLOGY E 90 GER)

Paul Hirst and Graham Thomson (2003) The future of globalisation, In Michie, Jonathan (ed.) *The handbook of Globalisation*, Edward Elgar, Cheltenham. (UCL MAIN - ECONOMICS H 35 MIC; SSEES - Misc.XVI.1 HAN; UCL SCIENCE - GEOGRAPHY H 71 MIC)

D. Held and A. McGrew (2003) 'The great globalization debate: an introduction', in D. Held and A. McGrew *The Global Transformations Reader. An introduction to the globalisation debate*, 2nd ed, Polity, London

Jonathan Perraton (2003) The scope and implications of globalisation, In Michie, Jonathan (ed.) (2003) *The handbook of Globalisation*, Edward Elgar, Cheltenham. (UCL MAIN - ECONOMICS H 35 MIC; SSEES - Misc.XVI.1 HAN; UCL SCIENCE - GEOGRAPHY H 71 MIC)

Bob Sutcliffe and Andrew Glyn (2003) Measure of globalisation and their misinterpretation, In Michie, Jonathan (ed.) *The handbook of Globalisation*, Edward Elgar, Cheltenham. (UCL MAIN - ECONOMICS H 35 MIC; SSEES - Misc.XVI.1 HAN; UCL SCIENCE - GEOGRAPHY H 71 MIC)

Juan Carlos Hallak (2004) Fooling ourselves: evaluating the globalization and growth debate, *NBER Working Paper series*, No. 10244 (available on UCL e-journals site)

Rodrik Dani (2007) How to save globalization from its cheerleaders, Harvard University, July 2007, available at <http://ksgnotes1.harvard.edu/research/wpaper.nsf/rwp/RWP07-038>

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

- Area specific

Ivan T. Berend and Gyorgy Ranki (1982), *The European periphery and industrialization 1780 – 1914*, Cambridge University Press, Cambridge. (SSEES - Misc.XVI.1 BER; UCL MAIN - HISTORY 82 c 3 BER;

Ivan T. Berend (1974) Investment strategy in East – central Europe, In Daems, Herman and Herman van der Wee (eds.) *The Rise of Managerial Capitalism*, Leuven University Press, Louvain/Martinus Nijhoof, The Hague, p. 171-195 (SSEES - Misc.XVI.9 RIS; UCL MAIN - HISTORY 82 b DAE)

Ivan T. Berend (2006) *An economic history of Twentieth century Europe*, Cambridge University Press, Cambridge, Chapters 4 (The centrally planned economic systems, pp. 133-189) and Chapter 6 (Globalization: return to laissez faire?, pp. 263-326)

2. Theories of international production

Students will get a condensed overview of the key theories of international production: Marxist approaches, neo-classical, market imperfections explanations, product life cycle, internalisation approaches, eclectic approach, strategic approaches. Advantages and drawbacks of each of these approaches will be discussed and their relevance highlighted for understanding international production in the wider Europe.

Readings

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham (chapters 5-15)(There is also old version of this textbook: **Grazia Ietto-Gillies (1992)** *International Production. Trends, Theories, Effects*, Polity Press and Blackwell Press, (paperback version 1994)

Pitelis, C. and R. Sugden (1992) *The nature of the Transnational Firm*. Routledge Publishers, chapter 2 'A survey of theories of international production' by John Cantwell (SSEES - Misc.XVI.1.a NAT; UCL MAIN - ECONOMICS N 12 PIT)(Second edition – 2000 – is available in UCL main library (UCL MAIN - ECONOMICS N 12 PIT)

Jean-Francois Hennart (2001) Theories of the 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)

Buckley, P. J., & Casson, M. C. (1976). *The Future of the Multinational Enterprise*. London: Macmillan. (or any other later edition)

John H. Dunning (2001), The Key Literature on International Business Activities 1960-2000, 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)

Kojima, Kiyoshi (2000): The 'flying geese' model of Asian economic development: origin, theoretical extensions, and regional policy implications. *Journal of Asian Economics* 11, pp.375-401. (available on UCL e-journals site)

Christian Bellak (2004) How Domestic and Foreign Firms Differ and Why Does it Matter?, *Journal of Economic Surveys*, 2004, vol. 18, issue 4, pages 483-514. Or at, <http://www.wu-wien.ac.at/inst/vw1/papers/wu-wp87.pdf>

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

The multinational enterprise is the key agent of international production and an important factor for understanding trade flows. This session looks at the evolution of multinational enterprises as organisational entities. We trace its evolution from trading companies through highly integrated hierarchies, to heterarchies and network type firms. We explain different concerns between economic and strategic approaches in analysing MNEs. Discussion is placed in the context of broad European corporate restructuring in order to illustrate changes in firm organisation.

Readings

Mira Wilkins (2001) The History of 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)

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham, Chapter 1: The transnational corporation, and Chapter 2 FDI and other IB activities, pages. 22-36.

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. (SSEES – Misc.XVI.1 OXF; UCL SCIENCE - MANAGEMENT HF 1379 OXF)

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. (SSEES – Misc.XVI.1 OXF; UCL SCIENCE - MANAGEMENT HF 1379 OXF)

Andrew C. Inkpen (2001) Strategic Alliances, 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)

Caves, Richard E. (1996) *Multinational Enterprise and Economic Analysis* (Second Edition: Cambridge Surveys of Economic Literature). Cambridge University Press, Cambridge, England. (SSEES - Misc.XVI.1 CAV; UCL MAIN - ECONOMICS N 12 CAV)

4. Foreign direct investment and growth

This lecture explains four different approaches in analyzing the relationship between FDI and economic growth: FDI as determinant of growth, costs and benefits approach to FDI, FDI and spillovers, and the effects of types of MNEs on growth. We point to the methodological problems of each of these approaches and show how different results may be achieved by following different research strategies. Discussion is backed up by examples and reviews of the current empirical research on FDI in Central and Eastern Europe.

Moran, H. T., E.M. Graham and M. Blomstrom (2005) *Does Foreign Direct Investment Promote Development?* Institute for International Economics, Washington, April (parts of book are available on Moodle)

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, p. 151-186

De Mello, R. Lutz, Jr., 1997, Foreign direct investment in developing countries and growth: A selective survey, *Journal of Development Studies*, 34 (1), October, 1-34.

Gorg, Holger and David Greenaway (2002) Foreign direct investment and intra-industry spillovers, UNECE, www.unece.org/ead/ffd.htm

Konings Jozef (2001) The effects of FDI on domestic firms, *Economics of Transition* Vol. 9 (5), p.619-633

Grazia Ietto – Gillies (2005) *Transnational Corporations and International Production. Concepts, Theories and Effects*, Edward Elgar, Cheltenham (chapters 17-20)

Hunya, Gabor, 2000, *International competitiveness impacts of FDI in CEECs*, UNECE, Financing for Development, Regional Conference, Geneva, <http://www.unece.org/ead/misc/ffd2000/hunya.pdf>

Maria Carkovic and Ross Levine, Does FDI accelerate economic growth? June 2002, 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)

Carlo Altomonte & Laura Resmini, 2001. "Multinational Corporations as Catalyst for Industrial Development: The Case of Poland," *William Davidson Institute Working Papers Series* 368 <http://www.wdi.umich.edu/files/Publications/WorkingPapers/wp368.pdf>

Ray Barrel and Dawn Holand (2000) Foreign direct investment and enterprise restructuring in Central Europe, *Economics of Transition*, Vol. 8(2), pp. 477-504.

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

We introduce students to the drivers of long-run technical change and its effects on growth. International production is an important mechanism in technology generation and diffusion. However, the extent to which technology remains (non)globalised is a matter of controversy. This lecture discusses the internationalisation of innovative activities and variety of *linkages* within the national system of production and innovation as well as links with global system which are essential for firms' growth.

- General

Jeremy Howells (2003) Systems of innovation in a global economy, In Michie, Jonathan (ed.) *The handbook of Globalisation*, Edward Elgar, Cheltenham. (UCL MAIN - ECONOMICS H 35 MIC; SSEES - Misc.XVI.1 HAN; UCL SCIENCE - GEOGRAPHY H 71 MIC)

Dicken, Peter, (2003), *Global shift: Reshaping the global economic map in the 21st century*, 4th edition, Sage Publications, London, Part 2, Chapter ‘Technology: The Great Growling Engine of Change’ (SSEES - Misc.XVI.1 DIC; UCL MAIN -

PUBLIC POLICY HD 2321 DIC; UCL SCIENCE - GEOGRAPHY H 85 DIC; UCL BARTLETT - TOWN PLANNING G 20 DIC)

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

Radosevic, Slavo (1999) *International technology Transfer and Catch-Up in Economic Development*, Edward Elgar, Cheltenham , Chapter 4 (SSEES - Misc.XVI.1 RAD)

UNIDO (2002) *Industrial Development Report 2002/2003: Competing through innovation and learning*, UNIDO, Vienna.
<http://www.unido.org/doc/24397>

UNCTAD (2005) *World Investment Report 2005: TNCs and Internationalization of R&D*, UN, New York, Available at http://www.unctad.org/en/docs/wir2005_en.pdf

Narula, Rajneesh (2003) *Globalization and Technology*, Polity, Cambridge. Chapter 4 (Cross border interdependence between firms: the growth of strategic technology partnering) and Chapter 6 (Technological catch-up and strategic technology partnering in developing countries)

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

Andrea Filippetti, Marion Frenz and Grazia Ietto-Gillies (2009) *Is the innovation performance of countries related to their internationalization?* November, www.proinno-europe.eu/.../EIS_2009_Innovation_performance_and_internationalizational.pdf

- Area specific

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.

Dyker David (ed.), 1999, *Foreign Direct Investment and Technology Transfer in the Former Soviet Union*, Edward Elgar, Cheltenham (SSEES - R.XVI.1.b FOR)

Radosevic, Slavo (1999) 'Alliances and the Emerging Patterns of Technological Integration and Marginalisation of Central and Eastern Europe in Global Economy', in Dyker, D (ed): *Foreign Direct Investment and Technology Transfer in Former Soviet Union*, Edward Elgar, London, 1999 (SSEES - R.XVI.1.b FOR)

6. Finance, ownership and strategies of globalisation

Financial regulation and deregulation affects behaviour of MNEs through capital control and changing business risk. This together with taxation conditions affects

mergers and acquisitions and thus the scope of globalisation of FDI. This session introduces students to the role of financial factors in international business.

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)

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. (SSEES – Misc.XVI.1 OXF; UCL SCIENCE - MANAGEMENT HF 1379 OXF)

McKinsey Global Institute (2005), \$118 Trillion and Counting: Taking Stock of the World's Capital Markets, McKinsey & Co
http://www.mckinsey.com/mgi/reports/pdfs/gcm/MGI_capital_market.pdf

McKinsey Global Institute (2008) Mapping global capital markets: Fourth annual report, January
http://www.mckinsey.com/mgi/publications/Mapping_Global/index.asp

World Bank (2008) Global Development Finance 2008, Washington
<http://go.worldbank.org/PP2AKPICJ0>

European Central Bank (2004) Financial FDI to the EU accession countries,
<http://www.bis.org/publ/cgfs22ecb.pdf>

William R. Emmons and Frank A. Schmid (2002) Mergers and acquisition in globalizing Europe, In Brewer, T. L. , P. A. Brenton and G. Boyd (eds) *Globalizing Europe: Deepening Integration, Alliance Capitalism and Structural Statecraft*, Edward Elgar, Cheltenham. (SSEES - Misc.XII GLO; UCL MAIN - ECONOMICS H 32 BRE)

Brian Scott-Quinn (2002) The EU in world finance, In Brewer, T. L. , P. A. Brenton and G. Boyd (eds) *Globalizing Europe: Deepening Integration, Alliance Capitalism and Structural Statecraft*, Edward Elgar, Cheltenham. (SSEES - Misc.XII GLO; UCL MAIN - ECONOMICS H 32 BRE)

David M. Berg and Stephen E. Guisinger (2001) Capital flows, Capital Controls, and International Business Risk, In Rugman A. M. and T. L. Brewer (eds.) *The Oxford Handbook of International Business*, OUP, Oxford. (SSEES – Misc.XVI.1 OXF; UCL SCIENCE - MANAGEMENT HF 1379 OXF)

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

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

Carmen M. Reinhart and Kenneth S. Rogoff (2008), This Time is Different: A Panoramic View of Eight Centuries of Financial Crises, NBER Working Paper Series, Working Paper 13882, <http://www.nber.org/papers/w13882>

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

- Area specific

Bellak, C., M. Leibrecht and J. Damijan (2009) Infrastructure endowment and corporate income taxes as determinants of Foreign Direct Investment in Central- and Eastern European Countries, *The World Economy*, Vol. 32, Issue 2, February: 267-290.

7. International industrial networks (global value chains)

This session broadens the scope of international business from ownership to control issues. The lecture introduces the issue of boundaries of firms and the role of MNEs in controlling the inter-firm relationships. This leads to discussion on value chains where students will be given summary of the latest thinking and research in this area. The lecture will guide students through the latest research from this perspective on Central and Eastern Europe.

- General

Dicken, Peter, (2003), *Global shift: Reshaping the global economic map in the 21st century*, 4th edition, Sage Publications, London, Part 2, Chapters :Webs of Enterprises: The Geography of Transnational Production Networks' (SSEES - Misc.XVI.1 DIC; UCL MAIN - PUBLIC POLICY HD 2321 DIC; UCL SCIENCE - GEOGRAPHY H 85 DIC; UCL BARTLETT - TOWN PLANNING G 20 DIC)

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 Downloadable from http://www.soc.duke.edu/sloan_2004/Papers/ICCNov02Sturgeon.pdf

Kaplinsky, Raphael and Mike Morris, *A Handbook for Value Chain Research*, <http://www.ids.ac.uk/ids/global/pdfs/VchNov01.pdf>

John Humphrey and Hubert Schmitz (200?) Governance and upgrading: linking industrial clusters and global value chain research, *IDS Working Paper No. 120*, University of Sussex. <http://www.ids.ac.uk/ids/bookshop/wp/wp120.pdf>

Milgrom, Paul and John Roberts (1992), *Economics, Organization and Management*, Prentice Hall, New Jersey, Chapter 16: 'The boundaries and structure of the firm', p.538-583. (SSEES - Misc.XVI.1 MIL; UCL MAIN - ECONOMICS N 46 MIL)

Bengt Holmstrom and John Roberts (1998) The Boundaries of the Firm Revisited, *Journal of Economic Perspectives*, Vol. 12, No. 4, Fall.

OECD (2006) *Moving Up the Value Chain: Staying Competitive in the Global Economy, Main Findings*, OECD, Paris.
<http://www.oecd.org/dataoecd/24/35/38558080.pdf>

Gereffi, Gary (1999) International trade and industrial upgrading in the apparel commodity chain, *Journal of International Economics* 48 (1999) 337-70.

Hubert Schmitz and Peter Knorringa (2000) Learning from Global Buyers, *The Journal of Development Studies*, Vol. 37, No. 2, December, 177-202.

Dussauge, Pierre and Bernard Garette. (1999) *Co-operative Strategy: Competing Successfully Through Strategic Alliances*, Chapters 3 'Interfirm Co-operation: Theoretical Contributions', pp. 34-46, and chapter 4 'The Main Types of Alliances', pp. 47-70, John Wiley & Sons, Chichester. (SSEES - Misc.XVI.1.a DUS)

Aoki, Masahiko (1988), *Information, Incentives and Bargaining in the Japanese Economy*, Cambridge University Press, Cambridge. part of chapter 6 on subcontracting 'The changing nature of industrial organisation', pp 205-223. (SSEES - Misc.XVI.4 AOK; UCL MAIN - ECONOMICS L 87 AOK)

Michael Dunford (2009), Globalization failures in a neo-liberal world: the case of FIAT Auto in the 1990s, *Geoforum*, Volume 40, Issue 2, March, Pages 145-157
<http://www.geog.susx.ac.uk/research/eggd/ege/pdf/flat07.pdf>

Koen De Backer and Norihiko Yamano (2007) The measurement of globalisation using international input-output tables, *STI Working Paper 2007/8*, OECD Paris

World Bank (2005), *From Disintegration to Reintegration: Eastern Europe and the Former Soviet Union in International Trade*, Edited by Harry G. Broadman, 2005 The International Bank for Reconstruction and Development / The World Bank
<http://siteresources.worldbank.org/INTECA/Resources/tradereport-complete.pdf>

- Area specific

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* 38(12) 2305 – 2324

Zysman, J., E. Doherty and A. Schwartz (1997) Tales from the 'global' economy: Cross national production networks and the re-organization of the European economy, *Structural Change and Economic Dynamics* 8, 45-86.

Radosevic, S. and B. Sadowski (eds.)(2004) *International industrial networks and industrial restructuring in central Europe, Russia and Ukraine*, Kluwer, Dordrecht (SSEES - Misc.XVI.4 INT)

Susan Bridgwater (1999) Networks and internationalisation: the case of multinational corporations entering Ukraine, *International Business Review* 8, pp. 99-118.

8. Globalisation and industry evolution

International production is not dispersed evenly across sectors and carries strong sectoral features in terms of market and industry structure, technology diffusion and opportunities for growth through integration. This session shows a variety of drivers of globalisation processes and points to national similarities across sectors. Empirical literature on CEE industries is brought in to draw comparisons with identical sectors in other world regions.

- General

Ravi Ramamurti and Jitendra V. Singh (eds)(2009) *Emerging Multinationals in Emerging Markets*, Cambridge University Press

Dicken, Peter, (2003), *Global shift: Reshaping the global economic map in the 21st century*, 4th edition, Sage Publications, London, Part 3: Global Shift – the Picture in Different Sectors (SSEES - Misc.XVI.1 DIC; UCL MAIN - PUBLIC POLICY HD 2321 DIC; UCL SCIENCE - GEOGRAPHY H 85 DIC; UCL BARTLETT - TOWN PLANNING G 20 DIC)

Mike Hobday, (1995), East Asian latecomer firms: Learning the technology of electronics, *World Development*, Volume 23, Issue 7, July 1995, Pages 1171-1193

Hobday, M (1995), *Innovation in East Asia: The Challenge to Japan*, Edward Elgar, Aldershot.

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10.State and international production

Development strategy has become synonymous for integration into the global economy. In CEE, growth is seen today exclusively from the perspective of integration into the EU. This session presents different views on the role of the state in relation to FDI. It points to historical experiences and as well highlights the issues of state governance and autonomy in today's global political economy. The lecture defines the problem of state activism in relation to FDI in the context of the enlarged EU and wider Europe.

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