



CIEE Prague, Czech Republic

Course title:	Comparative European Economic Systems
Course code:	ECON 3003 PRAG
Programs offering course:	Business, Arts and Sciences, Central European Studies, Communication, New Media, and Journalism
Language of instruction:	English
U.S. semester credits:	3.00
Contact hours:	45.00
Term:	Fall 2023

Course Description

The course focuses on differences in the functioning of national economies around the world and especially on differences between the national economies of individual EU member states and Central and Eastern European countries. It discusses the influence of culture, geography, abundance or lack of natural and human resources, and mainly economic institutions and policies on the economic development of those countries. Using Hofstede's dimensions, students explore cultural differences among European countries and discuss practical issues such as the differences in the style of management and differences in consumer preferences. In addition to other theoretical tools employed in the course such as contemporary population theories, natural resource abundance, and production theories, also statistical data are included, serving as supplementary information for the comparison. The course explains common generalizations and classifications of economic and social models (e.g. Atlantic capitalism vs. Rhine capitalism; Sapir's view: Anglo-Saxon model vs. Nordic vs. Continental vs. Mediterranean model) and analyzes the implications of differences between economic and social models used by individual member countries for competitiveness. In addition to helping students understand economies of different countries and their ability to do business, it also helps them gain an insight into European economic institutions and policies. Although the lectures and readings contain extensive empirical evidence and data, the emphasis is on understanding the logic and economics of the analyzed processes.

Learning Objectives

By completing this course, students will:

- Contrast the key differences between economic systems of European countries and the USA;
- Compare the specific features of management and marketing in European countries and the US;
- Explain and evaluate the differences in culture, natural-resource endowment, and various historical and socio-economic factors behind economic development of the regions of Europe;
- Assess the structural differences between new member states of the EU and the original EU15 countries;
- Illustrate the main specific features of CEE countries (i.e. differences between these markets and West European and U.S. markets);
- Establish the differences between transition economies and traditional developing countries.

Course Prerequisites

None

Methods of Instruction

Students will read selected parts of the relevant literature for each weekly topic. This will allow them to participate in discussions during the interactive lectures. Students will be further required to create structured projects and present them at the end of the course during the final class session. There will be required trips and excursions.

Assessment and Final Grade

1.	Memos	10%
2.	Project + Presentation of the project	25%
3.	Midterm Exam	20%

4. Written Final Exam	25%
5. Class Participation	20%
TOTAL	100%

Course Requirements

Memos

Part of the overall classification will be memos prepared by students as a base for discussion. The memos should be about half a page (250 words) and stem from readings presented in this syllabus for each class and therefore allow students to take part in meaningful discussion. Therefore, the overall content of the reading and keynotes should be included. Every required reading should have a separate memo. The prepared memos will be graded twice during the semester.

Project + Presentation of the project

(20% + 5%)

The topic and hypothesis of the written project (at least 2500 words) should be related to one of the weekly topics in the syllabus. One class will be specifically dedicated to the structure and research methods that should be used. Students will present their projects to the rest of the class.

Midterm Exam

Written mid-term exam (mix of approximately 20 multiple choice and open-ended questions)

Written Final Exam

Written final exam (mix of approximately 30 multiple choice and open-ended questions)

Class Participation

Assessment of students' participation in class is an inherent component of the course grade. Participation is valued as meaningful contribution in the digital and tangible classroom, utilizing the resources and materials presented to students as part of the course. Students are required to actively, meaningfully and thoughtfully contribute to class discussions and all types of in-class activities throughout the duration of the class. Meaningful contribution requires students to be prepared, as directed, in advance of each class session. This includes valued or informed engagement in, for example, small group discussions, online discussion boards, peer-to-peer feedback (after presentations), interaction with guest speakers, and attentiveness on co-curricular and outside-of-classroom activities.

Students are responsible for following the course content and are expected to ask clarification questions if they cannot follow the instructor's or other students' line of thought or argumentation.

The use of electronic devices is only allowed for computer-based in-class tests, assignments and other tasks specifically assigned by the course instructor. Students are expected to take notes by hand unless the student is entitled to the use of computer due to his/her academic accommodations. In such cases the student is required to submit an official letter issued by his/her home institution specifying the extent of academic accommodations.

Class participation also includes students' active participation in Canvas discussions and other additional tasks related to the course content as specified by the instructor.

Students will receive a partial participation grade every three weeks.

Attendance

To encourage engaged learning, regular class attendance is required throughout the program. This includes any required co-curricular class excursion or event, as well as internship, service-learning, or other required field placement.

An excused absence in a CIEE course will only be considered if approved by a CIEE Center Director/Academic Director (not the Instructor), and:

- it is a self-certified absence for illness (only once per course, requires formal request before or within 24 hours, cannot miss assessment worth more than 5% of final course grade)

- a doctor's note from a local medical professional is provided
- evidence of a family emergency is provided
- it is a pre-approved observance of religious holiday

Unexcused absences include personal travel and/or travel delays, as well as missing more than 25% of a single class period (including tardiness and early departure). Assessments missed due to unexcused absences will be marked as zero. Students with over 10% unexcused absences will be contacted by CIEE staff. Students with over 20% unexcused absences will be contacted by CIEE staff, receive a formal warning letter (shared with their home institution) and lose 10% of the final course point total (e.g., a final A grade of 93% will be lowered to a B grade of 83%).

For more detail, please consult your CIEE Academic Manual.

Academic Integrity

Academic integrity is essential to a positive and inclusive teaching and learning environment. All students are expected to complete coursework responsibilities with fairness, respect, and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else's work as your own can result in grade penalties or disciplinary action. See the CIEE Student Academic Manual for further information on academic integrity.

N.B. Course schedule and co-curriculars are subject to change. The final duration and distribution of content and assignments will be determined and presented to students at the onset of the course.

Weekly Schedule

Week 1

Class: Course introduction

administration of the course; preparation for the project assignment; Why are some countries rich and others poor? – Resources, culture, institutions, and policies

Required reading:

- Olson M. (1996)

Memo 1

Week 2

Class: European religions and imperial languages – a description of differences

Required reading:

- Huntington S. (1993)
- Provided selection of maps and other materials on Canvas

Memo 2

Week 3

Class: International cultural differences – economic and management view

Required reading:

- de Mooij & Hofstede (2002), pp. 61-69.
- Hofstede (1993), pp. 81-94.
- Franke, Hofstede & Bond (1991), pp. 165-173.
- Gouveia & Ros (2000), pp. 25-33.

Memo 3

Week 4

Class: Europe and its natural resources

basic data on economies of EU, Central and Eastern Europe (CEE).

Required reading:

- IMF Regional Economic Outlook – Europe
- Provided selection of maps and other materials on Canvas

Memo 4

Week 5

Class: Basic data on populations of EU, CEE

Required reading:

- World Population Data Sheet 2013. Population Reference Bureau. Available at <http://www.prb.org/Publications/Datasheets/2013/2013-world-population-data-sheet.aspx>

PC-lab: testing the hypothesis, learning the Practical part of the project.

Week 6

Class: Midterm Exam

European economic institutions and policies – introduction to comparative economics, convergence

Required reading:

- Cohen & Pisany-Ferry (2008)

Memo 5

Week 7

Class: European economic institutions and policies

Midterm Exam Period

Introduction to comparative economics, productivity

Czech National Bank, excursion to permanent exposition

Required reading:

- Timmer, Ark & van, O'Mahony (2008), pp. 25–44.

Memo 6

Week 8

Class: European economic institutions and policies – reaction to globalization

Required reading:

- Sapir (2006), pp.369-90
- Fischer (2012)

Memo 7

Week 9

Class: Democracy, Voting systems, and Political Freedom

Required reading:

- The Democracy Index report (2014)
- The Freedom House: Freedom in the World, Eurasia and population, reports (2014)
- The Freedom House: Nations in Transit 2014

Memo 8

Week 10

Class: Economic freedom - Doing business in Europe and US

Required reading:

- Doing business: The Ease of doing business and distance to frontier,
- Doing Business (October 2013): Understanding Regulation for Small and Medium-Size Enterprises, Annual report 2014

Memo 9

Week 11

Class: Economic freedom – Indexes and Country comparisons

Required reading:

- The Heritage Foundation: Index of Economic Freedom, The Executive Highlights 2014
- The Heritage Foundation: Index of Economic Freedom, The Special 20th Anniversary Essay
- The Frazer Institute, The Economic freedom of the world, Executive summary
- The Frazer Institute, The Economic freedom of the North America 2013 (only Chapter 1)
- Visual guide and geographical distribution webpage to CPI

Memo 10

Week 12

Class: Transparency and Economic Development

Required reading:

- Transparency International, Corruption Perception Index 2014
- Political Corruption Report (only to page 18 incl.)
- UNDP: The rise of the South, Human development index 2013
- UNDP: about the index
- The Economist: Where to be born index

Presentation of projects

Week 13

Class: Final Exam Week

Final Exam

Course Materials

Readings

Required:

Books:

Eichengreen, B., Landesmann & M., Stiefel D. (eds.). (2007). *The European Economy in an American Mirror*. Abingdon: Routledge.

Estrin, S., Kolodko, G. W. & Uvalic, M. (eds.). (2007). *Transition and Beyond*. New York: Palgrave Macmillan.

Cohen, E. & Pisany-Ferry, J. (2008). Economic institutions and policies in the US and the EU – convergence or divergence. In B. Eichengreen, D. Landesmann & M. Stiefel, Eds. *The European Economy in American Mirror*. New York: Routledge.

Papers:

Fischer, J. (2012). The Choice of Domestic Policies in a Globalized Economy. *Swiss National Centre of Competence in Research Working Paper No. 2012/09*.

Franke, R., Hofstede, G. & Bond M. (1991). Cultural Roots of Economic Performance: A Research Note. *Strategic Management Journal*, 12, pp. 165-173.

Gouveia, V. & Ros, M. (2000). Hofstede and Schwartz's Models for Classifying Individualism at the Cultural Level: Their Relation to Macro-Social and Macro-Economic Variables. *Psicothema* 2000, 12, Supl., pp. 25-33.

Hofstede, G. (1993): Cultural Constraints in Management Theories. *The Executive*, 7(1), pp. 81-94.

de Mooij, M. & Hofstede G. (2002). Convergence and Divergence in Consumer Behavior: Implications for International Retailing. *Journal of Retailing*, 78, pp. 61-69.

Olson, M. (1996). Big Bills Left on the Sidewalk: Why Some Nations Are Rich, and Others Poor. *The Journal of Economic Perspectives*, 10(2), pp. 3-24.

Sapir, A. (2006). Globalization and the Reform of European Social Models. *JCMS 2006*, 44(2), pp. 369-90.

Timmer, M.P., Ark, B. & van, O'Mahony, M. (2008). The Productivity Gap between Europe and the United States: Trends and Causes. *Journal of Economic Perspectives*, 22(1), pp. 25-44.

World Population Data Sheet 2013. Population Reference Bureau. Available at <http://www.prb.org/Publications/Datasheets/2013/2013-world-population-data-sheet.aspx>

Recommended:

Rosser, J.B. & Rosser M.V. (2004). *Comparative Economics in a Transforming World Economy*. Cambridge, Mass.: The MIT Press.

Bardhan, P. (2000). The New Institutional Economics and Development Theory. In G. Meier & J. Rauch, Eds. *Leading Issues in Economic Development*, pp. 359-360.

Dabrowski, M., Gomulka, S. & Rostowski, J. (2000). Whence Reform? Critique of the Stiglitz Perspective. *CEP Discussion Paper dp0471*.

Hayek F. A. (1945). The Use of Knowledge in Society. *AER*, 35(4), pp. 519 – 530.

Leeflang P.S.H. & van Raaij W.F. (1995). The changing Consumer in the European Union: A "Meta-Analysis". *International Journal of Research in Marketing* 12 , pp. 373-387.

Rosefield S.: *Comparative Economic Systems (2002): Culture, Wealth, and Power in the 21st Century*. Wiley-Blackwell.

Shleifer A., Vishny R. W. (1993): Corruption. *Quarterly Journal of Economics*, 108, pp. 599-617.

Online Resources

Doing business: The Ease of doing business and distance to frontier, <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Chapters/DB14-Ease-of-doing-business-and-distance-to-frontier.pdf>

Doing Business (October 2013): Understanding Regulation for Small and Medium-Size Enterprises, Annual report 2014, <http://www.doingbusiness.org/reports/global-reports/doing-business-2014>

Political Corruption Report (only to page 18 incl.), http://www.transparency.org/whatwedo/publication/global_corruption_report_2004_political_corruption

The Democracy Index report, The Economist Intelligence Unit, Democracy Index 2014, http://www.eiu.com/public/topical_report.aspx?campaignid=Democracy0115

The Economist: Where to be born index, <http://www.economist.com/news/21566430-where-be-born-2013-lottery-life>

The Frazer Institute, The Economic freedom of the world, Executive summary: <http://www.freetheworld.com/2013/EFW2013-exec.sum.pdf>

The Frazer Institute, The Economic freedom of the North America 2013 (only Chapter 1): http://www.freetheworld.com/2013/efna/EFNA2013-FINAL_revised.pdf

The Freedom House: Freedom in the World, Eurasia and population, reports 2014, <http://freedomhouse.org/sites/default/files/Overview%20Fact%20Sheet.pdf>

<http://freedomhouse.org/sites/default/files/Eurasia%20Fact%20Sheet.pdf>

<http://freedomhouse.org/sites/default/files/Population%20Trends%2C%20FIW%201980-2014.pdf>

The Freedom House: Nations in Transit 2014, <http://freedomhouse.org/report/nations-transit/nations-transit-2014#.U7PXlbTzxzU>

The Heritage Foundation: Index of Economic Freedom, The Executive Highlights 2014,
<http://www.heritage.org/index/book/executive-highlights>

The Heritage Foundation: Index of Economic Freedom, The Special 20th Anniversary Essay,
<http://www.heritage.org/index/book/20thannchapter>

Transparency International, Corruption Perception Index 2014, at:
<http://www.transparency.org/whatwedo/publication/cpi2014>

UNDP: The rise of the South, Human development index 2013 – summary,
http://hdr.undp.org/sites/default/files/hdr2013_en_summary.pdf

UNDP: about the index, <http://hdr.undp.org/en/statistics/hdi>