

University of Pittsburgh
Russia and East European Study Center
Department of Economics
May 2019

ECON 905: Comparative Economics of Central Europe

Syllabus

The course is designed for students who are interested in the contemporary economic and political issues of the Central and Eastern European countries. Students will receive 3 credits for this course.

Instructor:
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Hosting institution:
CET - Academic Travels Abroad
Politickýchvěznu 1597/19
11000 Praha 1, Czech Republic
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Class meets 10:00-11:30 am:
in Prague: Politickýchvěznu 1597/19
ih Budapest:
in Krakow: Starodomska st 1

Course Objectives

This course introduces undergraduate students to the history, economy, and policy of the Central European economies. Upon completion of this course students will be able to:

- Analyze political and economic developments in Central and Eastern Europe from the historical perspective since the WWII
- Compare current socio-economic and political situation in the Czech Republic, Hungary and Poland
- Understand the key industries in each country
- Evaluate the impact of the European Union on these economies
- Learn about labor markets in the Czech Republic, Hungary and Poland
- Compare international trade and international monetary regimes in these countries
- Analyze banking, debt, investments and risk in these countries
- Understand how service sector, health care, education, and tourism operate in each country

- Explain the impact of financial crises on Central European economies

At the end of the course, students should be able to analyze current political and economic issues in Czech Republic and Poland, and critically evaluate policy options.

Prerequisites

- Some background in Economics (i.e., high-school Economics course), with working understanding of basic micro- and macroeconomic terminology

Prior to attending the trip, students are encouraged (but not required) to take any of the following courses: Introduction to Economics, Macroeconomic Principles, Microeconomic Principles.

Text and Reference Material

Czech Republic:

Cornej, Petr and Pokorny, Jiri. A Brief History of the Czech Lands to 2000. Prah Press: 2000. ISBN:80-7252-0261

The Economics of Centralism and Local Autonomy: Fiscal Decentralization in the Czech and Slovak Republics by Phillip J. Bryson. Publisher: Palgrave Macmillan (September 2010) ISBN: 978-0230104297.

International Monetary Fund. Czech Republic: Staff Report for the 2018 Article IV Consultation.

Poland:

Reinventing Poland: Economic and Political Transformation and Evolving National Identity. BASEES/Routledge Series on Russian and East European Studies. Editors: Martin Myant and Terry Cox. Publishers: Routledge. ISBN: 978-0415451758

International Monetary Fund. Republic of Poland – Review Under the Flexible Credit Line Arrangement – Staff Report and Statement by the Executive Director, January 2012

International Monetary Fund. Republic of Poland: 2018 Article IV Consultation

Hungary:

Hungary: Toward a Market Economy, by Lazlo Halpern and Charles Wyplosz, Cambridge University Press, 2011

Hungary: An Economy in Transition, by Istvan Szekely and David Newberry, Cambridge University Press, 2008

International Monetary Fund. Hungary: 2018 Article IV Consultation

Handouts

Class rules

Your presence in the classroom is required. You must arrive and be at your seat before the class starts. If you face an emergency, notify me as soon as possible by phone or e-mail. While in class, the use of cellular phones, pagers, and other similar devices is prohibited.

Students with disabilities

Any student with a need for special accommodation due to disability should inform me of this. The Disability Resources and Services Office (412-648-7890) will coordinate the needed accommodations.

Course Requirements

Assignments

Homework assignments are on-line assignments available on the Courseweb (<http://courseweb.pitt.edu>), with the deadlines reported in the Course Calendar below. Assignments are not accessible after the date due. You might find working with printed assignments more helpful rather than working on-line.

Final project

The due date of the final project is contained in the detailed plan of the course below. I do not offer a make-up, with one exception: if you notify me of a serious reason (such as hospitalization) for missing the final project deadline. Task: prepare a short (up to 6-7 pages) paper on the topic of your choice. The topic should be relevant to the theme/activity of the course and reflect your interest in the Central and Eastern European region. Please do not replicate the topic of a lecture – try to focus on a relevant yet deeper issue (for ex., if you are interested in International Trade, feel free to focus on a topic such as System of Tariffs in Czech Republic). After the project due date, I will post statistics (i.e. class average, class highest, and class lowest scores) on the Courseweb.

Help

The material of the course might be challenging. Guest lecturers are not native English speakers. If you do not understand something, please do not hesitate to ask. You are welcome to schedule a meeting and discuss the material with me.

Grading

Attendance is required and will be taken every class. Your course grade is computed with the following weights:

- Class discussion and participation 10 percent
- On-line assignments 40 percent
- Take-home final project 50 percent

I compute student's course grade by incorporating scores earned on the final project, and homework assignments weighted as indicated above. A student fails the class if a so determined course score is below 60%. The rest are graded based on the following scale:

90-100	A range
80-89	B range
70-79	C range
60-69	D range

Course Calendar

Dates	Topic for a Lecture /Activity
April, TBA	Program orientation, REES conference room
Mon, Apr 29	Departure for Prague, Czech Republic
Tue, Apr 30	Morning: Arrive Prague (CET airport pick-up) Accommodation in Prague (arranged by CET) Afternoon: post-arrival orientation, walk in the neighborhood Evening: Welcome dinner at the restaurant
Wed, May 1	Lecture 1: Introduction. Overview of the country: history, politics, economy, and culture (1.5h) Short orientation by CET – safety procedures, useful websites, money exchange, survival Czech (0.5h) Sign-up sheet for optional concert Out-of-classroom experience (Tour guide arranged by CET): After discussing the history and developments of the Czech Republic in class, we will have a 4h tour of Prague. The tour is part of the academic program. It will give students a historic perspective on the life in the country through centuries, the architecture of the capital city, and its prominent historic sites. We will contextualize what we have seen in our visit next morning.
Thur, May 2	Lecture 2: Economic History of Czech Republic in XX-XXI centuries (Guest lecturer in History) (1.5h) Reading: handout Afternoon: Visiting Museum of Communism (1.5h)

<p>Fri, May 3</p>	<p>Lecture 3: Modern Czech Politics and Political Parties (Guest lecturer in Political Science) (1.5h)</p> <p>Reading: handout</p> <p>Out-of-classroom activities: Meeting with the member of Czech Parliament Pavel Sramek, or meeting with Skoda corporation managers</p> <p>Afternoon out-of-classroom experience (3h): Students will participate in a scavenger hunt that highlights the history, economy and culture of Prague in the XX-XXI cent. It will last 3 hours. We will discuss what you have seen/learned at the lecture next morning</p>
<p>Sat, May 4</p>	<p>Lecture 4: Czech Republic and the EU. International trade and foreign investment(1.5h)</p> <p>Readings: handout</p> <p>Free afternoon. Suggested places to visit:</p> <ul style="list-style-type: none"> • Prague Castle and St. Vitus Cathedral • Funicular to Petrin Tower, and Strahov Monastery • Old Town Square - St. Nicholas Church, Tyn Church and Old Town Hall with Astronomical Clock • Loreta in Hradcany • Vysehrad - a park with a castle on the hill upon river Vltava offers unforgettable view. Nearby, you can also visit a Basilica of St. Peter and St. Paul and a cemetery with the graves of famous people from the Czech history. • Zofin island by National Theater – rent a pedal- or rowing boat and enjoy the view of the Old City and Charles Bridge from the river • Prague Zoo with botanical gardens and Troja Chateau • Learn about Modern Arts and Culture in Czech Republic (XIX-XX cent). Take a guided tour of the Museum of Modern Arts, Museum of Cubism (Black Madonna), or Mucha Museum. <p>Evening (optional): jazz or classic concert (Reduta, Agartha Jazz Club, Stratni Opera, Don Giovanni matinee – depending on availability)</p>

Sun, May 5	Free day in Prague
Mon, May 6	<p>Business visit to spark plug factory BRISK in Tabor</p> <p>Leaving 8:30am with CET bus</p> <p>This visit is part of the academic program. Trip will last approximately 3h.</p> <p>Learning objectives: to see how manufacturing is organized in Czech Republic; to learn about challenges and regulations of markets in the EU; to learn about BRISK trading partners and international relations; to compare Czech spark plugs market with the US market; and to understand the strengths and weaknesses of doing business in Czech Republic</p> <p>Late afternoon: arriving to Cesky Krumlov, accommodations at local hotel</p> <p>Free evening</p>
Tue, May 7	<p>Cesky Krumlov- UNESCO World Heritage Site</p> <p>This visit is part of the academic program. Cesky Krumlov is the third most visited place in the Czech Republic. The goal of the visit is to give students an idea how important tourism industry and services are in Czech economy. I will distribute a hand-out with statistics about Impact of Tourism on Czech Economy. The development of the tourist industry and services has been very rapid in Cesky Krumlov. Students will meet the former mayor and discuss city development issues, as well as tour the Castle. We will summarize the challenges of developing tourist and service sector in Czech Republic during this meeting.</p> <p>Afternoon: departure for Prague</p> <p>10pm: Leaving for Budapest with overnight train</p>
Wed, May 8	<p>Arriving to Budapest. Accommodation (TBA, arranged by CET)</p> <p>Afternoon out-of-classroom experience (CET tour guide): city walk in Budapest. We will explore the leading center of Hungarian economic, political academic, and cultural life. This excursion is part of the academic program and will introduce students to the Hungarian capital. Tour will last approximately 3 hours. We will discuss what we have seen during the lecture next morning</p> <p>Free afternoon</p>

Thur, May 9	<p>Lecture 5: Economic History of Hungary in XX-XXI centuries (Guest lecturer in History) (1.5h)</p> <p>Reading: handout</p> <p>Afternoon: visiting Hungarian National Museum (or House of Terror, or Holocaust Museum, or Hungarian Museum of Science and Transportation) (1.5h)</p>
Fri, May 10	<p>Lecture 6: Economy of Hungary. Impact of the EU. International Trade and investments (1.5h)</p> <p>Afternoon: visiting a company with Hungarian capital (or multinational corporation)</p> <p>This visit is part of the academic program. Trip will last approximately 3h. Learning objectives: to see how manufacturing is organized in Hungary; to learn about challenges and regulations of markets in the EU; to learn about company's trading partners and international relations; to compare Hungarian and US market; and to understand the strengths and weaknesses of doing business in Hungary</p>
Sat, May 11	<p>Lecture 7: Modern Hungarian Politics and Political Parties (Guest lecturer in Political Science) (1.5h)</p> <p>Free afternoon</p>
Sun, May 12	<p>Free day in Budapest</p> <p>Evening: Leaving for Krakow with overnight train</p>
Mon, May 13	<p>Arriving to Krakow. Accommodation (TBA, arranged by CET)</p> <p>Afternoon out-of-classroom experience (CET tour guide): Krakow walk. We will explore the leading center of Polish economic, academic, cultural, and artistic life - Krakow. This excursion is part of the academic program and will introduce students to life and culture in the Polish city. Tour will last approximately 3 hours. We will discuss what we have seen during the lecture next morning</p> <p>Free afternoon</p>

Tue, May 14	<p>Lecture 7: History of Poland in XX-XXI cent. (Guest lecturer –Barbara Klich- Kluczewska) (1.5h)</p> <p>Reading: handouts</p> <p>Afternoon out-of-classroom activities: Jewish Poland (3h+1h).</p> <p>Students will participate in walking tour in Kaziemierz that highlights the history of Jewish population in Poland. After the walking tour, students will have a short coffee break and then visit the Museum of Krakow Under Occupation (Schindler’s factory) which highlights the Jewish experience before, during and after the war</p>
Wed, May 15	<p>Impact of the WWII on Poland. Excursion to Auschwitz- Birkenau (day trip) (Tour guide –Teresa Wontor)</p> <p>Leaving: 8:30am</p> <p>This excursion is part of the academic program. Learning objectives: we will reflect upon the profound tragedy and lessons of the WWII in Europe</p>
Thur, May 16	<p>Lecture 8: Political System of Poland after 1989 (Guest lecturer – Dominika Kasprowicz) (1.5)</p> <p>Readings: handouts</p> <p>Out-of-classroom experience: visit of industrialized district Nova Huta (3h)</p> <p>Learning objectives: This visit is part of the academic program. Tour will last approximately 3h. It will give students an idea how steel industry developed in Poland, the challenges managers faced building Nova Huta steel mills, and how the business is transacted today. While visiting the district, we will talk about distinguishing features of social realism. We will summarize the challenges of manufacturing and service sector in Poland, and will compare regional developments and investment in Czech Republic, Hungary and Poland during the lecture next morning</p>
Fri, May 18	<p>Lecture 9: Overview of Economy of Poland. Poland and the EU. International Trade and Foreign Direct Investment to Poland (1.5h)</p> <p>Readings: handout and Reinventing Poland (chapter on the implications of the EU accession)</p> <p>Afternoon: business visit to Heineken Corporation (or IT company) in</p>

	<p>Krakow</p> <p>This visit is part of the academic program. Trip will last approximately 3h.</p> <p>Learning objectives: to see how Heineken operations are organized in Poland; to learn about Heineken trading partners and international relations; to learn about challenges and regulations of markets in the EU; to compare beer markets in different countries that Heineken -Poland serves; and to understand the strengths and weaknesses of doing business in Poland</p>
Sat, May 18	<p>Lecture 10: Closing Lecture. Comparative Analysis of Central European Economies (1.5h)</p> <p>Afternoon: free</p> <p>Suggested activities:</p> <ul style="list-style-type: none"> • Visit the Wieliczka Salt Mines – UNESCO Heritage Site (4h) • Visit Wawel - the center of the Polish secular power and the residence of Polish kings, and compare it with the Prague castle. Touch the heart of Sigmud’s Bell on Wawel’s Cathedral -doing it brings you dreams come through! • Visit MOCAM (Museum of Contemporary Art) • See the painting Lady with Ermine by Da Vinci (temporary displayed at the Krakow national Museum til the reopening of Czartoryskich Museum) • Visit Krakow Underground on Main square • See Krakow from a balloon (tel. 511-802-202) • Climb the Trumpeter’s Tower of St. Mary’s Church • See the ‘szopka’ cribs -beautiful handmade paper-mache scale buildings • Buy Amber in local souvenirs shops, sit down at garden café on the Market Square and try famous local food - ‘grzanymiód’ (hot honey local drink) and ‘kremówka papieska’(papal cake, made in Pope’s birth town Wadowice) <p>Evening: Good-bye dinner</p>

Sun, May 19	Departure day Deadlines: Sunday, May 28 5pm EST: Homework assignments due Final project due
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