

MULTINATIONALS IN  
DEVELOPING COMMUNITIES:  
HOW EU MULTINATIONALS  
BUILD SOCIAL CAPITAL IN  
POLAND

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**Abstract**

Corporate Social Responsibility (CSR) is usually an area that does not lend itself easily to inter-company or cross-country analysis. This paper is an attempt to provide some metrics of multinational CSR drawing on the recent literature on social capital. We look at the self-reporting of social engagement in Poland by European multinational firms with operations there, mapping the configurations of declared engagement. Such social engagements are an important component of how these companies contribute to social capital in the communities within which they operate. We find high performance by some firms, with stronger performance depending upon the multinational's country of origin. Two case studies - on Bayer and Danone - detailing different but successful approaches to social capital building are given.

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## 1. Introduction

This paper concerns the coalescence of three different themes. The first is the burst of globalisation that has resulted in the emergence of multinational companies (MNC) as a new agent in economic development, whether or not this mantle is willingly accepted. The second is the concomitant pressure, in the face of globalisation, from numerous exogenous and endogenous exhortations compelling firms – in particular MNCs – to pay greater attention to their engagement with the outside world. This trend is manifest in the development of corporate social responsibility (CSR) as a requirement of firms. Proving a good CSR record is a goal to which many MNCs aspire. Its motivations, mores and benefits are not discussed here, because they are treated so thoroughly elsewhere.

The first two themes provide us with an actor (the MNC) and a goal (economic development), but this is not the end of the story. The key operand between the two is the appropriate *means* for the actor to achieve the goal. This is provided by the third theme: the emergence of the analytical concept of social capital. Social capital provides a useful means of understanding the successful achievement of development goals. A working definition of this would be ‘the social channels and mutual understandings that expedite or hamper action’. Social capital can be found (or found lacking) and analysed in an extremely broad array of contexts and scales. Typically it is seen in management literature in other contexts, including knowledge management (Maskell, 2001, von Hippel, 1999), alliance management (Tsai and Ghoshal, 1998, Koka and Prescott, 2002, Gulati et al., 2000, and Adler and Koon, 2002), employee motivation (Cohen and Prusak, 2001 and Prusak and Cohen, 2001), and analysis of grassroots business initiatives (Lyons, 2002).

There have been numerous treatments of multinational CSR in developing nations, but social capital-based analysis has not yet been widely used. This is a shame because it is a useful analytical construct and an actionable tool when looking at CSR in any context. But it is also tailor-made for understanding the developmental outcomes and aims that characterise firm engagements in host countries, given that the two dominant analyses of the concept (both of which are outside management literature) are political scientist Robert Putnam’s analyses of engagement in the civic sphere (Putnam, 2000) and developmental economist Michael Woolcock’s critiques of development policy (Woolcock, 1998, 2000).

This study aims to present a social capital based analysis of European MNCs’ actions in Poland, both in order to highlight how these firms are engaging with

their host community, and thereby to suggest how they might further develop what engagements they may currently have.

In attempting to measure some aspects of the social capital impact of multinationals we are aiming to provide useful metrics for use within the corporate social responsibility debate. CSR tends to be an area that defies useful quantification especially with respect to inter-company or cross-country comparison. This has the effect of limiting the amount of statistical hypothesis testing that can be applied in this area. By contrast the concept of social capital has now developed to the point where measures of social capital do lend themselves to hypothesis testing (for examples see Knack and Keefer, 1997 and Putnam, 2000 who link low social capital to poor economic performance). Our paper is an attempt to contribute to the debate about the CSR impact of multinationals, in the light of developments in the empirical social capital literature. The empirical social capital literature has itself focussed on measurement at the level of the country (e.g. Knack and Keefer, 1997) or the region (e.g. Putnam, 2000) rather than at the level of the company, as in this paper. The sort of quantification that we suggest may prove useful to concerned companies seeking to benchmark themselves against others, and to development agencies seeking to improve the image and impact of multinationals in host countries.

The paper is structured as follows: section 2 provides a definition of social capital. Section 3 highlights two case studies of the portfolio of initiatives undertaken by two firms, Danone and Bayer, in order to show how social capital can be fostered, and the general spirit of engagement that was sought in the survey; Section 4 then goes into detail about the survey method used. Section 5 presents the results of that survey, and Section 6 concludes.

## 2. Defining Social Capital

### 2.1 Norms and Networks

In order to proceed with our analysis we need to expand our working definition of social capital, and its construction. We sketched social capital in the previous section as ‘the social channels and mutual understandings that expedite or hamper social, political, and economic action’. To elaborate, it is the array of social connections that underpin why and how an action or policy does or does not work effectively: why certain individuals and initiatives are able to achieve outcomes and results because of who they know, and not what they know (Pollitt, 2002).

How can we deconstruct this concept into something more analysable? Models initially tended to cluster around Putnam’s original social triad of networks, norms, and trust (Putnam, 1993), but there has been a gradual shift, acknowledged most explicitly by Woolcock (see Helliwell, 2001) which has reduced these three elements to two: networks and norms.

**2.1.1 Networks** are the aggregated channels of interaction between numerous individuals. As analysis has progressed their subtle complexity has been recognised, to the extent that we can suggest three different varieties to networks.

Putnam (2000) distinguished two separate dimensions: a bonding-type network is a cluster of social connections that arises within one’s in-group, such as a family, club or church; Putnam also posited bridging-type networks – which go beyond one’s in-group to ‘different’ individuals and groups, cutting across permutations of the economic, social and political spectrums, and including bi-partisan, inter-faith, or similar “outreach” initiatives. The idea of these bridging networks as social capital is based on the earlier work of Portes (1998) and Granovetter (1973), and an example would be any initiative that taps into different bonded networks, such as an inter-faith movement.

Woolcock (2000) has created a further dimension by splitting the original bridging network into two groups: networks between different individuals or different groups of either *similar* political, social or economic standing (such as an international NGO and a multinational firm; or a local charity and a local firm), for which he keeps the term ‘bridging’ networks; and networks between different groups of *different* standing (such as a developmental agency and a local council) which are termed ‘linking’ networks.

Having thus made networks three-dimensional, Woolcock rightly acknowledges the important role of the fourth dimension of time, stressing that multidimensional analysis “allows us to argue that it is different *combinations* ...that are responsible for the range of outcomes ... and to incorporate a dynamic component in which optimal combinations change over time” (Woolcock, 2000:11). When dealing with the community at large, effective channels must be used, and the appropriate protocols should be observed, just as they are in normal business relations. Firms must be sensitive to the subtly shifting requirements that this places on them.

Given this, it is clear that the term ‘building social capital’ should be used very carefully. Capital is often described as though it is a homogenous stock. This level of analysis does a disservice to social capital’s analytical potency: ‘building’ does not mean indiscriminately *amassing* a stockpile, but rather *constructing* a framework by which effective partnerships can be built - an array of mutual understanding between a matrix of competent actors. This becomes critical for the MNC in its CSR goals because it is engaged in building relationships with a broad array of different groups. It can be fragile, and it must be understood in order to properly achieve CSR aims.

**2.1.2 Norms** are the other surviving component of analysis. They galvanize and facilitate networks, underpinning and ratifying those engagements. The disappearance of trust is a consequence of one of two lines of reasoning: either because trust is seen as a consequence rather than a constituent of social capital (Woolcock, 2000:9); or alternatively because it has been indirectly transformed and absorbed by an expanded definition of norms, after having initially been re-styled “reciprocity” in order to imply dynamism and eschew naïve, one-directional trust (Putnam, 2000, Schuller et al., 2001), and then appended to form the concept of “reciprocal norms.” Like many minor parties to a merger, its name has since gradually disappeared from the mix.

How does all of this fit together, and into the bigger picture? First, networks and norms shape one another. A useful analogy might be of a river, which shapes its banks yet is steered by them. The same is true of norms, which are channelled through networks but can extend or destroy them, and slowly push their boundaries in different directions. To extend this metaphor, when these two components are aggregated as social capital, they have a similarly reciprocal relationship with society (Grootaert, 1998, Locke, 1999, Schuller et al., 2001), providing an infrastructure for social, political and economic action. One of the key questions for social capital analysts is what happens to the surrounding area when the river starts to run dry.

## *2.2 Social Capital and Poland*

As part of the former 'eastern bloc' Poland provides an interesting area for study, because its social capital development differs so strongly from the western countries that are often the focus of analysis. Economically, the GDP per capita was \$9,500 in 2002.<sup>1</sup>

The social capital situation in Poland arguably mirrors that of the former East Germany, as surveyed by Offe and Fuchs. That analysis can be summed up thus: social capital was manifest in two parallel tiers of social capital: "formal associations and ... semi-oppositional private underground networks". Formal associations tended to be work-related, and "frequently mandated by imperative political and economic considerations." (Offe and Fuchs, 2003:220) The collapse of the East German government and state-sponsored industry removed the foundations for this type of association. Likewise, the unofficial oppositional networks lost their centre of focus.

As far as the top-down social capital is concerned sociologist Jerzy Krzyszkowski confirms a similar state of affairs in Poland:

"A crisis of the centralized protective state based on three institutions: the labor market, the social insurance system, and the public system of social assistance has led to a massive growth in the number of citizens socially excluded and marginalized." (Krzyszkowski, 2003:546)

The bottom-up social capital of the communist era in Poland was a means of bypassing the strictures of the official system. Local individuals maintained a very loose but wide-reaching community, which did two things. First, it facilitated the flows of economic, political and social life around ossified governmental strictures. Second, it consistently eroded government structures through workplace-based underground organisations, such as Lech Walesa's 'Solidarity', to the point of collapse. It is perhaps the strength of these bottom-up organisations that lead Francis Fukuyama to predict that Poland would be better placed among the post-communist European nations to develop its economy and nurture democracy (Fukuyama, 1995:361).

But the collapse of the communist state has had a negative impact on the parallel tiers of social capital: without the workplace to provide systems of association and engagement, and without the formal institutional apparatus to ward off social exclusion, social capital is in decline. Whilst wealth and jobs are no predictor of a healthy social capital, unemployment and poverty will always undermine it.



In what areas does Poland apparently need the greatest amount of assistance? The Development Gateway, which provides information on development projects around the world, suggests that education, social services, agriculture and government administration, water and sanitation, industry, energy, health and environment projects take up more than 75% of the 881 inter-governmental assistance projects in Poland.<sup>2</sup> Development projects build social capital in various ways. Universally, any creation of contacts and networks in order to facilitate a project is social capital by default. In addition to this, there may also be ‘secondary’ social capital created depending upon the nature of the project. At a very clear level, where a development project builds a social centre, social capital emerges in two ways: the creation of links and organisations from various parts of the community in order to complete the centre; and the creation and maintenance of links to subsequent users.

Alongside this, the breakdown of projects by source is as follows:

Table 1. *Number of projects funded, by Nation*

<b>Nation</b>	<b>Projects funded</b>
UK	598
Sweden	232
France	134
Canada	75
Germany	48
Italy	41
UNFPA (United Nations Population Fund) <sup>3</sup>	21
Austria	20
United States	19
Japan	14

(Source: [www.developmentgateway.org](http://www.developmentgateway.org) - 23<sup>rd</sup> August 2003)

As regards the issues in which governments and governmental organisations invest, they are broken down by the Development Gateway as follows:

Table 2. *Breakdown of investment by issue: Development Gateway Categories*

<b>Issue</b>	<b>Projects listed</b>	<b>% of Total Projects</b>
Education	135	15.3
Social Services	89	10.1
Agriculture	82	9.3
Government Administration	70	7.9
Water and Sanitation	56	6.4
Industry	52	5.9
Energy	43	4.9
Health	41	4.7
Environment	36	4.1
Banking and Financial Services	36	4.1
Emergency Assistance	32	3.6
Multi-sector	29	3.3
Transport	29	3.3
Communications	24	2.7
Debt Relief	19	2.2
Employment	17	1.9
Civil Society and Democracy	13	1.5
Forestry	13	1.5
Trade Policy and Regulations	12	1.4
Unspecified	11	1.2
Urban Development	10	1.1
Housing	7	0.8
Mineral Resources and Mining	6	0.7
General Programme Assistance	5	0.6
Rural Development	5	0.6
Construction	4	0.5
Food Aid	2	0.2
Population and Reproductive Health	2	0.2
Tourism	1	0.1
<b>Total</b>	<b>881</b>	<b>100%</b>

(Source: [www.developmentgateway.org](http://www.developmentgateway.org) - 23<sup>rd</sup> August 2003)

MNCs step into this equation. Whilst there are many European multinational firms (as defined in Waterlow's Directory of Multinationals) who employ individuals in Poland, there are 49 with more than 250 employees. These companies form our dataset. They employ almost 114,000 people – 0.8% of Poland's 13.9 million workforce.<sup>4</sup> Poland's manufacturing sector – where the bulk of the firms in the dataset operate – employs 2.73 million people, meaning that as much as 4% of the manufacturing sector is represented by the dataset.

What, then, can multinational corporations do? Effective assistance is about more than the provision of financial aid, which is to say engaged assistance is key. Without the requisite networks and norms to act as guarantors for both

sides, that aid will never be fully effective. So instead, firms should build social capital: that is to say, they should both build networks and foster norms of cooperation with their host communities in Poland, and at the same time should assist in fostering “secondary social capital” by assisting in the creation of institutions which can go on to create further social capital.

The key question is, what such activities are ongoing, and are there any patterns of behaviour that can be discerned? Discovery of this is the object of this paper. The next section details strong examples of the sort of project that this paper seeks to measure and categorise.

### **3. Case Studies**

This section looks at two case studies, to offer concrete examples of social capital building by MNCs. One looks at a specific individual project undertaken by the French firm Danone and the other looks at the overall strategy of Bayer of Germany. Although these case studies were chosen after conducting the survey analysis that follows, we put them here to provide concrete illustrations of social capital building among our sample firms.

#### *3.1 Danone Child Malnutrition Initiative*

Danone employs 92,209 people across the world,<sup>5</sup> and 1,079 individuals in Poland.<sup>6</sup> It engages in a project that attempts to address the problem of child malnutrition. The initiative explicitly looks at the social means by which the problem can be addressed.

The ongoing initiative has two major parts. The first of these was a conference in Warsaw in April 2003, which Danone co-hosted, and which was attended by 116 participants (of whom two were from Danone) from 75 local and national institutions and organisations (other than Danone).

Danone’s April 2003 conference assisted in the construction of common dialogue and terminology, the lack of which was felt to be hampering the multilateral approach to the problem of malnutrition. The two-day conference included workshops, debates and presentations from representatives from various different organisations and institutions.

The second stage has been the resultant working group, which encompasses 23 national and local institutions (other than Danone). The project is very much focussed on the issue of delivery: how can it be properly ensured that assistance will be accepted, and how can it be certain that those who are in need of

assistance are the ones that receive it? The need is quite clear. According to studies undertaken by the initiative, the areas of high unemployment in Poland are amongst those where aid is most keenly needed.

In assisting both in the setting up of the initiative and playing such an active role, Danone can be said to be building social capital at three levels. Firstly, there is the social capital between itself and the other participants in the initiative: it has created networks and helped to establish clear norms of the behaviour that can be expected of it. In its report to the committee, it even goes as far as to explicitly state that the initiative was “not a one-off act but an element of the company’s philosophy.”

Further social capital is built by the facilitation of dialogue amongst the other members, both of the conference and also of the working group. Danone provides material resources to facilitate the meetings, which help to underpin the building of mutual understandings and contact networks.

The third, and most indirect type of social capital is a two-dimensional type. On the one hand, the ‘linking’ network that emerges between the initiative and malnourished children is of clear benefit. On the other hand, it fosters social capital and trust by helping to shore up one of the three ‘pillars’ whose erosion has undermined social capital and the general spirit of trust in Poland, that is the social insurance system which might have been relied upon to provide food in the past.

The provision of food within schools to schoolchildren also facilitates the building of social capital. A recent study undertaken by Buerkle and Guseva, which looked at the importance of schools as a resource for building social capital, concluded that:

“[w]hen scholars argue that education has an effect on occupational success, they overestimate the role that human knowledge and skills play in distributing social rewards and overlook the social component of education. Thus, by emphasizing the role that social capital plays in translating schooling experience into societal awards, we suggest a way for economic sociology to make an important contribution to the study of education and inequality. Acknowledging the effects of school-based networks is important, not simply because networks impact individual mobility. Employees’ networks, which are often initiated through schooling contacts, also facilitate the way in which firms do business.” (Buerkle and Guseva, 2002:675).

Taken together, therefore, the initiative undertaken by Danone should be seen

as an example of best practice in building social capital in numerous dimensions. It is also engaged in other initiatives within Poland, and its malnutrition project is not the sole locum of engagement in CSR terms.

### *3.2 Bayer*

Pharmaceutical company Bayer of Germany is also very active in building social capital in Poland. It employs 118,600 people around the world,<sup>7</sup> 414 of whom work for the company in Poland.<sup>8</sup> Whilst it is second smallest employer among German firms in Poland, its reported commitment score is by far the largest.

Bayer is involved in several initiatives that build social capital. At a national level, it stages forums on environmental protection, one of which was recently hosted in Warsaw and was attended by over 50 individuals from a wide array of interests and backgrounds, including environmental experts and policy makers, scientists and environmental organisation representatives, business and the media. The forum focused on the development of environmentally friendly industrial production. The focus on drawing people from diverse backgrounds around a single issue creates various bridging and linking connections between various different groups. This in itself raises social capital between the participants, with the likely secondary benefit that any progress made similarly boosts social connections beyond those attendees to stimulate productive action in the environmental realm.

Elsewhere, the firm has offered its support to a Polish government's "Green Certificate" programme, which is run by the Polish Environment and Education Ministry. Every two years, a certificate is presented to educational institutions that have distinguished themselves with creative and innovative ideas, concepts and solutions in keeping with the principles of "Sustainable Development". Bayer in Poland presents awards to the best projects at the end of 2002 as part of its environmental contest, in which increasing numbers of Polish schools are participating. Again, this is an example of bridging and linking connections: the bridging goes on between groups of relatively similar standards - that is, the different educational institutions that participate. There is also the linking connection that Bayer provides through its presentation of awards and therefore the generation of vertical access for participants to this multinational company.

In addition, Bayer also patronises the arts in Poland, with sponsorship of various artists and exhibitions. This in itself is conducive to the creation of public good, but the firm often takes advantage of this to build further social capital. For example, its Philharmonic Orchestra in Warsaw gave a benefit concert which raised in excess of 12,800 Euros for children with leukaemia and

was attended by more than 1,000 people. Beyond the social connections established in setting up the venture, there is once again a linking effect that occurs between those with a particular need and those with the resources to provide it. In this particular instance, interestingly, Bayer leverages its own social capital through charitable networks to generate secondary social capital, a good example of social capital as a virtuous circle.

#### **4. Survey Method**

Our key task, having highlighted social capital's constituent parts, and examples of the deployment of the whole in the case studies, is to offer some systematic means of measurement. Typically, greater analytical focus has been given to norms than to networks in development literature. The key works in measuring social capital as manifest in norms have been Rose (1996), Knack and Keefer (1997), Narayan and Pritchett (1997), Grootaert (1999), Maluccio, Haddad, and May (2000), and Putnam (2000). These surveys typically use questionnaire-based analyses from either collected or available datasets, typically revolving around civic norms.

The general lack of network-based analysis is problematic: if there is measurement of the 'networks' component of social capital it reduces them to a single index point, which does disservice to the richness and multidimensionality of network structures. Network-based analysis is particularly important for multinationals because of the importance of cogency: it would be a shame if several projects at the 'local' level were undermined by an action at the multinational level, or vice versa. An aggregate score would not do justice to this complex situation. Charts are a useful means of visualizing social networks (Freeman, 2000). As such, it is useful to provide some means of charting the networks of an MNC, which we call network maps.

##### *4.1 Network maps*

Networks are typically only covered in those studies that categorize group membership. For example, Narayan and Pritchett (1997) distinguish six different types of group when inquiring about membership. Since social capital has often focused specifically on civic engagement and civic life, the specifics of membership and interaction have not been covered in depth. In those that do, they tend to be introspective and at the micro-level, such as Grootaert's study of intra-group relations (Grootaert, 1999).

Network maps seek to augment the analysis. They attempt to provide a three-dimensional indicator of focus, partnerships and the degree of

commitment in an engagement.

#### 4.1.1 Focus

The range of issues were chosen on the basis of eleven issues most typically addressed by MNCs and the organisations with which they are most likely to interact. Those issue types are described in Table 3.

Table 3. *Groupings of EU MNC focus*

<b>Issue (with abbreviation)</b>	<b>Definition</b>
Education (Ed)	Develops intellectual capability at any age.
Youth (Yth)	Foster social skills in the young.
Health (Hlt)	Augment health directly or through health education.
Disaster (Dis)	Attempt to provide relief for disasters (typically natural: does not include AIDS).
Environment (Env)	Projects that aim to improve environmental conditions.
Development (Dev)	Develop the economy as a whole.
Community at large (CAL)	Involvement in local initiatives such as the fire brigade.
Shelter (Shel)	Involvement in the provision of permanent or temporary housing.
Ethics (Eth)	Establish a code of conduct for participants.
Arts (Art)	Patronise the arts and culture.
Sport (Spt)	Promote the playing of sport.
Other (Oth)	Any other type of engagement.

#### 4.1.2 Partnerships

The second dimension denotes the entity with which the firm is engaging. With multinational firms, this can be at any of three regional levels: international, national and local levels, which are elaborated in Table 4.<sup>9</sup>

Table 4. *Types of MNC interaction, by geographical level*

<b>Level</b>	<b>Entity</b>	<b>Definition and/or example</b>
International	International Organisation	Serves as a colloquium for international governments, such as the UN.
	NGO	A non-governmental international organisation, e.g. the Red Cross.
	Firms	Any other multinational firms.
National	Government	National Government.
	NGO	A non-governmental national organisation, e.g. a national interest group or a union.
	Institution	A national institution, such as a national sporting association or orchestra.
	Firms	Firms based predominantly in Poland.
Local	Local Gov.	Local-level government bodies such as councils.
	Local Institution	Libraries, hospitals and schools.
	Local Firms	Firms that operate within a fairly limited geographical scope, i.e. not at the national level.
	Individual	When there is an attempt to address people on an individual-by-individual basis, rather than a group-by-group basis, for example, scholarships and sponsorship.

#### 4.1.3 Network Commitment

The first round of scoring is to simply note where a project exists at a particular level. The usefulness of this is more apparent in later analysis, both for finding average depth of engagement and also for comparison with the initiatives undertaken elsewhere in the world by the firms in the dataset, which were also logged in this study.

To add a greater degree of sophistication, rather than using a nominal checkbox to denote engagement, an ordinal score was then given to measure the extent of a particular engagement. The scoring system is described in Table 5. At the international and national levels, the company under scrutiny has six possible scores from 0 to 5. The basic scores are 1 for endorsement of a network or convention, 3 for active non-committee membership, and 4 for active committee membership. A further point can be added depending upon whether or not resources are donated to the relationship. At the local level, points-scoring is slightly simplified. If a company's single engagement takes in a variety of types organisations, for example a multilateral venture between



government organisations and other MNCs, then points are awarded twice, as they are in the rare instance that a project clearly traverses two issues and it can be said to fully concern each.

Table 5. *Scoring system for individual projects at different regional levels*

Regional Level	Score			
	1	3	4	+1
<b>International</b>	Endorses	Active non-committee member	Active Committee Member	Donation of resources
<b>National</b>	Endorses	Active non-committee member	Active Committee Member	
<b>Local</b>	Endorses	Loans	Donates	

Taken together, a blank network map would look as in Table 6, ready for scores to be inserted where there is an engagement.

Table 6. *Blank Network Map*

Level	Edu	Yth	Hlt	Dis	Env	Dev	CAL	Shl	Eth	Art	Spt	Oth	Tot
<b>International Level</b>													
International Org													
International NGO													
Other MNCs													
<b>National Level</b>													
National Govt													
National NGO													
National Instit													
National Firm													
<b>Local Level</b>													
Local Gov													
Local Instit													
Local Firm													
Individ													

The resultant map provides a reliable sense of the fabric of a firm’s engagement with the community around it. Based as it is on ordinal scoring, it cannot offer a perfect indication of social engagements, but it offers a sufficiently accurate

sketch to allow conclusions to be drawn.

#### 4.2 Norm index

The norm index resembles the key unit of analysis in traditional social capital treatments. It attempts to quantify the practices that can underpin and ratify commitment to those engagements listed in the network maps (or potentially elsewhere).

Constructing such an index is difficult because one must ask what is suitable in the particular context for the firm, then what is available to analyse. Of critical importance here is the issue of how – and to what extent - firms make themselves accountable to the community that hosts them. The key questions therefore revolve around the extent to which firms are willing to provide information about their engagements, or even their willingness to make more. This indicates both a signal of trustworthiness and also awareness of exactly how it is they can impact on their host communities. Accountability is in itself a critical behavioural norm, and the provision of information to various stakeholders in a firm or its engagement should ideally have the means to access that information with ease: “social capital needs maintenance. Social bonds have to be periodically renewed *and reconfirmed* or else they lose efficacy.” [*emphasis added*] (Adler and Koon, 2002:22).

The Internet provides one of the easiest and most cost-effective channels to provide information about the firm, and this is the area that is analysed. The first important measure is whether the firm has explicit social values or not – one point for yes, none for no. This same scoring system is used to acknowledge the existence of a foundation and a clear guide to funding, and also for whether the firm subscribes to the Global Reporting Initiative criteria, which involves additional checking and ratification and the obligation to provide particular varieties of data.

In the light of this we examine the method of CSR reporting. There is the very simple ordinal scale of commitment to providing social engagement information (scores 0), moving from no data, to HTML-encoded (and more ephemeral) data (scores 1), to the downloadable and more immutable Adobe Portable Document Format (PDF) electronic versions of their annual report. The PDF encoded social information is classified further into whether it is included in a chapter within their annual report (scores 2), or in a separate, self-contained report (scores 3). A separate report is preferable since it typically reflects a greater commitment to social engagement. Another measure looks at the ease with which this data can be accessed, on a scale from zero (in the absence of data) to difficult to find (i.e. can often only be found using a third-

party search engine, which scores 1) relatively easy to find (scores 2) and is within one click of the company’s homepage (scores 3). In addition, there are two further questions: does the firm provide information in Polish, and does it subscribe to the Global Reporting Initiative, a UN Environment Programme initiative to standardise sustainability reporting. This is summarised in Table 7.

Table 7. *Constituent Criteria of the Norm Index*

<b>1. Method of Social Reporting</b>					
<i>Score</i>	0	1	2	3	
<i>Basis for Score</i>	Nothing	HTML-based	PDF <i>annual</i> report	PDF <i>separate</i> report	
<b>2. Ease of Access</b>					
<i>Score</i>	0	1	2	3	
<i>Basis for Score</i>	No information	Information difficult to find	Information relatively easy to find	Information directly linked to homepage	
				<i>Yes</i>	<i>No</i>
<b>3. Does the Firm have Explicit Social Values?</b>				1	0
<b>4. Does the Company have a Foundation?</b>				1	0
<b>5. Is There a Clear Guide on Funding Application?</b>				1	0
<b>6. Is external responsibility information provided in Polish?</b>				1	0
<b>7. Does the firm subscribe to the Global Reporting Initiative?</b>				1	0

This data is gathered from the information provided on the firms’ own websites. This is based on two lines of reasoning. The first is that the firm can realistically be assumed to report the full extent of its engagements – however informal in substance – in order to better appeal to the moral marketplace that Hess et al. (2002) posit has emerged in recent years. Secondly, the Internet changes the economics of providing such information by reducing the cost of spreading to a maximal number of people within that market. As such, the Internet should represent a good proxy of social engagement on the part of the multinational.

## 5. Results

The resultant survey revealed several interesting characteristics. What became apparent very quickly is that many firms do not list any community engagement at all in Poland: 17 firms list some engagement in or pertaining to Poland, whilst 32 do not. This being the case, a second set of data was collected for those firms with a requisite presence in Poland. This collected the number of social or corporate citizenship engagements anywhere around the world. These engagements were not scored according to the “depth” of the engagement. A list of the firms can be found in Appendix 1.

Amongst our MNC initiatives in Poland, the breakdown, maintaining our earlier classifications, is as follows:

Table 8. *MNC initiatives in Poland - breakdown by engagement issue*

<b>Issue</b>	<b>Projects listed</b>	<b>Percentage of Total Projects</b>
Youth	14	25
Education	9	16
Environment	8	14
Health	7	12
Development	7	12
Disaster	5	9
Arts	4	7
Ethics	2	4
Sports	1	2
CAL	0	0
Shelter	0	0
Other	0	0
<b>Total</b>	<b>57</b>	<b>100</b>

Whilst it is difficult to elicit exact comparisons in terms of the numbers, scales and classification of projects undertaken, certain trends do appear. The top five areas of concentration for government agencies (listed in Table 2) – taking up almost 55% of their work – are education, social services, agriculture, government administration, and water and sanitation. However for MNCs, the top five areas of focus – which take up almost 80% of the projects, are the youth, education, environment, health, and development. This may be due to a delegation of labour or that there are certain engagements to which MNCs feel more responsive or responsible, or simply a structural consequence of MNCs desire to build social capital more quickly than government agencies in certain

areas.

There are various examples of this: environmental initiatives account for 4.1% of projects for government-based initiatives, but 14% of MNC initiatives. This may, for example, be more concerned with issues of perceived responsibility. 'Emergency Assistance' accounts for only 3.6% of government based initiatives, but 9% of MNC engagements in Poland were concerned with this – in particular in the deluge of floods that hit Poland recently. In this particular instance, the type of engagement listed by the bulk of the MNCs was the simple provision of manpower, coordination facilities and basic resources, in assistance of emergency services and volunteer groups: with a presence 'on the scene,' they were better placed to respond. Likewise, the greater relative and absolute focus on educational initiatives on the part of government-based organisations suggests that it might be felt that this is a domain in which MNCs should dabble less, dependent on the prevailing conditions of the host country.

Together with the data on worldwide engagements several conclusions can satisfactorily be drawn. First, German and UK firms score more highly on the network map and norm index than other countries. Second, it becomes immediately clear that there is within particular 'nationalities' of MNCs there is a wide variation in performance. Third, there is a strong positive correlation between strong social engagement in Poland and strong social engagement everywhere. Fourth, it is clear that there is little correlation between the number of employees working for a firm and the depth of social engagement. Each of these facets will be looked at in what follows.

### *5.1 Patterns of Engagement*

In this subsection we map the focus, level and depth of the engagements of MNCs in Poland.

First, one can look at the number of engagements undertaken by firms, incorporating the variety of different engagements represented by a single project. Thus the 57 projects in Table 8 translate into the 69 engagements in Table 9:

Table 9. *No. of Engagements by Focus and Level*

Level	Edu	Yth	Hlt	Dis	Env	Dev	CAL	Shl	Eth	Art	Spt	Oth	Tot
International	2				1								3
National	3	4	3	6	11	5			1				33
Local	5	11	6		3	2			1	4	1		33

If depth of engagement is factored in, the pattern looks as follows:

Table 10. *Pattern of Engagement by Focus and Level weighted by Depth of Engagement*

Level	Edu	Yth	Hlt	Dis	Env	Dev	CAL	Shl	Eth	Art	Spt	Oth	Tot
International	10				3								13
National	18	16	15	28	57	21			5				160
Local	22	41	24		11	9			4	16	4		131

This means that their level of engagement in projects appears as follows:

Table 11. *Average Depth of Engagement (Table 10/Table 9)*

Level	Edu	Yth	Hlt	Dis	Env	Dev	CAL	Shl	Eth	Art	Spt	Oth	Tot
International	5.0				3.0								4.3
National	6.0	4.0	5.0	4.7	5.2	4.2			5.0				4.8
Local	4.4	3.7	4.0		3.7	4.5			4.0	4.0	4.0		4.0

This initially appears puzzling, but can be understood by virtue of the fact that there are often multiple engagements in projects at a given level. For example, at the national level government, NGOs and firms might be involved in a common initiative for health or the environment. What this tells us is that there are sometimes rich patterns of engagement in particular issues. It is unsurprising that this is lacking somewhat at the international level, since all engagement is channelled through one organisation that then acts, rather than through a coalition-based workgroup of some sort.

Focus varies, therefore, according to the particular level of institution with which the firm is acting. At the international level, the firms tend to focus on educational issues. At the national level, there is a more dominant focus on environmental issues, and at the local level there is a greater focus on youth initiatives. This is likely to be – in part – a function of where the greatest leverage is considered to be. For example, youth initiatives necessarily function more effectively at the grassroots level because of the need for personalised attention and focus. Environmental issues tend to rely more on national-level coordination to have an effectiveness that merits mention in a report. Health is an issue which could arguably be said to lend itself to both, in part because it

relies both on national policy, on the one hand to administer the formal system, and because preventative initiatives tend to rely on more individualised approaches.

Bringing the level of focus in even more closely, it is possible to look at the preferred partnership through which firms undertake initiatives in Poland (in Table 12). The clear indication is that, whilst at the national level, government, NGOs and other institutions are all engaged relatively equally, at the local level government is typically bypassed in favour of more direct engagement. It appears, therefore, that there is a preference to avoid direct dealings with both other firms and also with formal government.

Table 12. *No. of engagements, categorised by partner organisation and geographical level*

<b>Regional Level</b>	<b>Partners</b>	<b>Score</b>
International	International Organisation	1
	NGO	2
	MNCs	0
National	National Government	6
	National NGO	11
	National Institution	11
	National Firm	5
Local	Local Government	1
	Local Institution	19
	Local Firm	1
	Individual	12

**Note:** see Table 4 for detailed definitions.

## 5.2 *Patterns of Norms*

The various constituent parts of the norm index of the various companies are interesting. Only eight firms in the survey provide information in Polish and, of these, six firms are UK-based. Adherence to the Global Reporting Initiative is still relatively low, with just 18 of the 49 firms in the study adhering to its

practices, and similarly there are only 16 firms with foundations. However, the average level of information provision is high, with 27 firms providing downloadable booklets detailing their worldwide social engagements, (although these do not necessarily pertain to Poland) and only seven firms not providing any information at all regarding their social engagements.

### 5.3 National performance

There is an interesting variation in the performance of multinationals, depending upon the country in which they are headquartered, which is summarised in Table 13. As regards network map scores, the stronger average performance is among UK, German and Dutch firms, although the size of the standard deviation is a clear indicator of the discrepancy within the national groupings. As regards norms, UK, German and Dutch firms again score highly, although there is a greater degree of consistency among the UK and Dutch firms.

Table 13. Average scores for network maps and norm indices, organised by country

<b>Country</b>	<b>No. of firms in dataset</b>	<b>Network Map Average</b>	<b>Network Map St devn</b>	<b>Norm Index Average</b>	<b>Norm Index St devn</b>
France	14	4	7.8	5.6	3.0
Germany	10	8.5	15.1	8.5	4.5
Italy	1	0	0	5.0	0
Netherlands	4	5	5.8	7.7	1.4
Sweden	6	0	0	5.2	2.7
UK	14	10.2	18.3	8.5	1.9

Overall, there was a weak positive correlation between network map scores and norm indices, with a coefficient of 0.45.

### 5.4 Worldwide engagement

It appears that the clearest indicator of a firm's engagement in Poland is its degree of engagement worldwide. At the national level there is a strong positive correlation with a coefficient of 0.97 between the number of projects declared in Poland and those declared anywhere else in the world (including the home country).

There are clear differences in the absolute number of projects taken on by the average representative national firm in this dataset. The total numbers of



project listed by firms are as follows:

Table 14. *Average number of projects undertaken*

<b>Nation (number of firms)</b>	<b>Average Projects Undertaken Around the World</b>
France (14)	18.8
Germany (10)	31.7
Italy (1)	0
Netherlands (4)	10.3
Sweden (6)	7.7
UK (14)	38.5

Nonetheless, there are different relative degrees of focus, depending upon the country. Table 15 below indicates the relative preference for projects in the home nation or outside it.

Table 15. *Relative preference for projects*

<b>Nation</b>	<b>Projects undertaken (%)</b>		
	<b>At Home</b>	<b>Abroad</b>	
		<b>Poland</b>	<b>Elsewhere</b>
France	27	3	70
Germany	22	5	73
Italy	0	0	0
Netherlands	12	7	80
Sweden	11	0	89
UK	12	6	82

French firms tend to focus more on projects in France, with some 27% of projects undertaken in the home country. The majority of these projects are focussed on youth initiatives. For German firms within Germany, the focus tends to be on the arts and sport. Outside Germany, education and youth receive the lion's share of attention, followed by health and the environment. The Dutch firms listed most engagements in the Americas and Asia, with a fairly even spread of low scores around the major issues. The companies from Sweden tend to involve themselves in projects on international-level initiatives with a dominant focus (some 63% of projects) on disaster relief, particularly in Africa, Latin America and European Countries outside the EU. UK firms' projects focus primarily on Africa and the EU, and are typically concerned with the environment as an issue at the global level, although they also score very strongly in education, youth and health. The breakdowns by region are listed in

## Appendix 2.

### *5.5 Employees and other drivers*

In seeking to explain why it was that firms' level of declared commitment to Poland differed, the number of employees was examined to see if there was any correlation. This was one measure of stakeholder importance that we had data for. It might be thought that the more employees that a firm had in Poland or the more significant that Poland was within the total number of employees, the more pressure there would be for engagements in Poland. The network map scores correlate with the absolute number of employees in Poland with a coefficient of almost 0. And, somewhat puzzlingly, in relative terms the correlation between the percentage of worldwide employees located in Poland and the network map score is  $-0.16$ . At the national level the correlation between the percentage projects undertaken in Poland and the share of firms employment in Poland has a coefficient of  $-0.70$ .

It may be that other groups of stakeholders - such as customers or shareholders - are driving the location of engagements. However we did not have sufficient data on the location of customers by country to analyse this. None of the companies have a listing on the Warsaw Stock Exchange and there is no information on the location of shareholders, though it is unlikely that any of the firms have significant amounts of their stock-owned by Polish investors.

It does not appear, however, that the industry in which a firm works has a profound effect on the social capital building behaviour of the firm. If the MNCs are classified according to their appropriate NACE grouping, then two trends become apparent: there are significant intra-group disparities (see Table 16); and that no individual company dominates any particular industry. The clear consequence is that industry is not a significant determinant of social capital building in general. It is however notable that in the DK (machinery and equipment not covered elsewhere) and F (construction) industries all firms have a zero Network Map Score.

Table 16. Scores broken down by NACE code, Country of Origin

<b>Firm</b>	<b>NACE Code<sup>10</sup></b>	<b>Country of Origin</b>	<b>Network Map Score</b>	<b>Norm Index Score</b>
Provimi	A/B	France	0	0
Danone	DA	France	28	8
Heineken	DA	Netherlands	10	8
Associated British Foods	DA	UK	0	7
BAT	DA	UK	14	9
Cadbury Schweppes	DA	UK	12	10
Imperial Tobacco	DA	UK	0	5
Unilever	DA/DG	UK	5	10
Svenska Cellulosa Aktiebolaget	DE	Sweden	0	8
BP	DF	UK	68	11
Shell	DF	UK	4	11
Sanofi-Synthelabo	DG	France	5	7
Bayer	DG	Germany	42	10
Henkel KGAA	DG	Germany	15	8
Akzo Nobel	DG	Netherlands	0	5
GSK	DG	UK	0	9
ICI	DG	UK	0	10
Lafarge	DI	France	9	7
Heidelberger Zement	DI	Germany	0	0
Pilkington	DI	UK	0	8
RMC Group	DI	UK	8	7
Peugeot	DK	France	0	5
Linde Group	DK	Germany	0	5
VW	DK	Germany	0	8
Fiat	DK	Italy	0	5
Sandvik AB	DK	Sweden	0	0
Volvo	DK	Sweden	0	6
Schneider Electric SA	DL	France	0	8
Siemens	DL	Germany	28	11
Koninklijke Philips Electronics NV	DL	Netherlands	0	8
Electrolux	DL	Sweden	0	5
Ericsson	DL	Sweden	0	6
Valeo	DL/DM	France	0	4
GKN	DN	UK	0	6
Eiffage	F	France	0	0
Bilfinger Berger	F	Germany	0	0
Hochtief	F	Germany	0	0
Strabag	F	Germany	0	0
Carrefour	G	France	9	9
Casino Guichard-Perrachon	G	France	0	9
L'Oreal	G	France	5	5
Beiersdorf	G	Germany	0	4
Royal Ahold	G	Netherlands	10	7

Table 16. *Scores broken down by NACE code, Country of Origin (continued)*

<b>Firm</b>	<b>NACE Code</b>	<b>Country of Origin</b>	<b>Network Map Score</b>	<b>Norm Index Score</b>
Kingfisher	G	UK	27	7
Accor	H	France	0	5
Sodexho	H	France	0	4
Bouygues	I	France	0	8
Vodafone	I	UK	5	9
Skanska AB	M	Sweden	0	6

## 6. Conclusion

What to conclude from this study? Certainly there are some questions that are answered to a certain degree, but many remain and many new ones emerge. This paper affords the benefit of a comparison between MNCs of different origin, and therefore analysis of whether different systems of corporate governance do indeed produce different degrees of engagement.

Patterns do emerge:

1. Compared to the number of projects undertaken by overseas governments, the number of projects undertaken by European multinationals is small (around 7% of the government figure). Though MNC figure as a percentage of currently ongoing projects may be relatively higher.
2. Many European MNCs in Poland demonstrate little or no social engagement.
3. Of those firms that are socially engaged, their engagement tends to be at the national and local levels, mainly dealing with environmental and education issues.
4. On average, the United Kingdom and Germany outperform other nations on both engagements and norms, although there is wide deviation within each of these national groups.
5. The number of employees a firm has is not wholly instructive of the degree to which it will engage with its community. Quite the contrary – if there is any mild trend it is that the relatively fewer employees a firm has, the more likely it is to have a high engagement score. Those firms that do a good job of undertaking engagements elsewhere in the world seem to be effective at doing so in Poland
6. Industry seems to be less of a determinant of social capital building than does the country of origin, but intra-group variation varies significantly

whether firms are analysed on a national or industrial basis.

While the evidence for the above is clear, the emerging questions are around the issue of what explains the observed patterns of behaviour. In particular why do firms choose the quantity, level and type of engagements that they do? Are observed patterns of behaviour driven wholly by concerns for public relations and brand-image building? On what basis should MNCs choose the quantity, level and type of engagements, given that it is not all clear that there is a rational basis for current observed choices? Within the context of current debates about the impact of multinationals on the development of the countries in which they operate this should be a question that they should be able to formulate a clear and convincing answer to.

The process of deciding exactly *how* they will deploy their focus in engagement is a different question, for a separate study, but it appears that firms that perform strongly in social capital building have higher quality decision-making processes with respect to community involvement, and act accordingly.

## Appendix 1. EU Multinationals in the Survey

Table A1. *Firms in the Dataset*

<b>Firm</b>	<b>Country of Origin</b>	<b>NACE industry codes *</b>
Accor	France	H
Bouygues	France	I
Carrefour	France	G
Casino Guichard-Perrachon	France	G
Danone	France	DA
Eiffage	France	F
Lafarge	France	DI
L'Oreal	France	G
Peugeot	France	DK
Provimi (ex Eridania-Beghin-say)	France	A/B
Sanofi-Synthelabo	France	DG
Schneider Electric SA	France	DL
Sodexo	France	H
Valeo	France	DL/DM
Bayer	Germany	DG
Beiersdorf	Germany	G
Bilfinger Berger	Germany	F
Heidelberger Zement	Germany	DI
Henkel KGAA	Germany	DG
Hochtief	Germany	F
Linde Group	Germany	DK
Siemens	Germany	DL
Strabag	Germany	F
VW	Germany	DK
Fiat	Italy	DK
Akzo Nobel	Netherlands	DG
Heineken	Netherlands	DA
Koninklijke Philips Electronics NV	Netherlands	DL
Royal Ahold	Netherlands	G
Electrolux	Sweden	DL
Ericsson	Sweden	DL
Sandvik AB	Sweden	DK
Skanska AB	Sweden	M
Svenska Cellulosa Aktiebolaget	Sweden	DE
Volvo	Sweden	DK
Associated British Foods	UK	DA
BAT	UK	DA
BP	UK	DF
Cadbury Schweppes	UK	DA
GKN	UK	DN
GSK	UK	DG

Table A1. *Firms in the Dataset (continued)*

<b>Firm</b>	<b>Country of Origin</b>	<b>NACE industry codes *</b>
ICI	UK	DG
Imperial Tobacco	UK	DA
Kingfisher	UK	G
Pilkington	UK	DI
RMC Group	UK	DI
Shell	UK	DF
Unilever	UK	DA/DG
Vodafone	UK	I

\* see Appendix 1 Table 2 for definition

Table A2. *Definitions of the relevant NACE codes*

<b>Relevant NACE code</b>	<b>Meaning</b>	
A	Agriculture, Hunting and Forestry	
B	Fishing	
D	Manufacturing	
	DA	food products; beverages and tobacco
	DE	pulp, paper & paper product; publishing & printing
	DF	coke, refined petroleum products & nuclear fuel
	DG	chemicals, chemical products and man-made fibres
	DI	other non-metallic mineral products
	DJ	basic metals and fabricated metal products
	DK	machinery and equipment not covered elsewhere
	DL	electrical and optical equipment
	DN	items not covered elsewhere
F	Construction	
G	Wholesale & retail trade; repair of motor vehicles, household	
H	Hotels and restaurants	
I	Transport, storage and communication	
M	Education	

## Appendix 2. Numbers, Locations and Foci of Projects, Arranged by MNC nationality<sup>11</sup>

<i>France</i>	Ed	Yth	Hlt	Dis	Env	Dev	CAL	Shl	Eth	Art	Spt	Oth	Tot	AAv
Poland	1	1	3	1	2	0	0	0	0	0	0	0	8	0.6
Home	4	49	5	6	0	1	0	3	0	3	0	0	71	5.1
International (Poland unaffected)	1	4	3	0	6	2	0	1	10	1	0	0	28	2.0
EU	8	21	10	0	2	0	0	1	0	0	0	0	42	3.0
Rest Europe (excl Poland)	0	11	2	2	0	1	0	0	0	0	0	0	16	1.1
Africa	1	10	0	1	1	4	0	3	0	1	0	1	22	1.6
US/Canada	1	2	4	0	0	0	0	2	0	0	0	4	13	0.9
Latin America	5	11	2	4	1	2	0	0	1	0	0	0	26	1.9
Middle East	0	3	0	0	0	0	0	0	0	0	0	0	3	0.2
Asia	5	13	2	4	2	0	0	2	0	1	0	0	29	2.1
Australasia	1	2	0	0	0	1	0	1	0	0	0	0	5	0.4
<b>Total</b>	<b>27</b>	<b>127</b>	<b>31</b>	<b>18</b>	<b>14</b>	<b>11</b>	<b>0</b>	<b>13</b>	<b>11</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>263</b>	<b>18.8</b>

<i>Germany</i>	Ed	Yth	Hlt	Dis	Env	Dev	CAL	Shl	Eth	Art	Spt	Oth	Tot	AAv
Poland	2	2	1	1	2	2	0	0	1	4	0	0	15	1.5
Home	9	3	2	2	0	0	0	0	0	23	31	0	70	7.0
International (Poland unaffected)	1	0	4	0	1	3	0	0	6	0	0	0	15	1.5
EU	0	10	5	1	1	0	1	0	0	7	0	0	25	2.5
Rest Europe (excl Poland)	1	20	2	2	1	0	0	0	0	4	0	0	30	3.0
Africa	13	7	4	0	5	2	0	0	0	1	0	0	32	3.2
US/Canada	4	2	4	2	0	0	0	0	0	1	0	0	13	1.3
Latin America	4	17	11	2	2	3	0	0	0	3	3	0	45	4.5
Middle East	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Asia	12	16	3	2	9	0	0	0	0	2	1	0	45	4.5
Australasia	6	2	5	1	7	0	2	0	0	2	2	0	27	2.7
<b>Total</b>	<b>52</b>	<b>79</b>	<b>41</b>	<b>13</b>	<b>28</b>	<b>10</b>	<b>3</b>	<b>0</b>	<b>7</b>	<b>47</b>	<b>37</b>	<b>0</b>	<b>317</b>	<b>31.7</b>



<i>Italy</i>	<b>Ed</b>	<b>Yth</b>	<b>Hlt</b>	<b>Dis</b>	<b>Env</b>	<b>Dev</b>	<b>CAL</b>	<b>Shl</b>	<b>Eth</b>	<b>Art</b>	<b>Spt</b>	<b>Oth</b>	<b>Tot</b>	<b>AAv</b>
Poland													<b>0</b>	<b>0</b>
Home													<b>0</b>	<b>0</b>
International (Poland unaffected)													<b>0</b>	<b>0</b>
EU													<b>0</b>	<b>0</b>
Rest Europe (excl Poland)													<b>0</b>	<b>0</b>
Africa													<b>0</b>	<b>0</b>
US/Canada													<b>0</b>	<b>0</b>
Latin America													<b>0</b>	<b>0</b>
Middle East													<b>0</b>	<b>0</b>
Asia													<b>0</b>	<b>0</b>
Australasia													<b>0</b>	<b>0</b>
<b>Total</b>													<b>0</b>	<b>0</b>

<i>Netherlands</i>	<b>Ed</b>	<b>Yth</b>	<b>Hlt</b>	<b>Dis</b>	<b>Env</b>	<b>Dev</b>	<b>CAL</b>	<b>Shl</b>	<b>Eth</b>	<b>Art</b>	<b>Spt</b>	<b>Oth</b>	<b>Tot</b>	<b>AAv</b>
Poland	0	0	0	1	1	1	0	0	0	0	0	0	<b>3</b>	<b>0.8</b>
Home	3	0	0	0	0	1	0	0	0	1	0	0	<b>5</b>	<b>1.3</b>
International (Poland unaffected)	0	0	0	0	0	2	0	0	1	0	0	0	<b>3</b>	<b>1.3</b>
EU	0	0	0	0	0	0	0	0	0	3	0	0	<b>3</b>	<b>0.8</b>
Rest Europe (excl Poland)	0	0	0	1	0	0	0	0	0	0	0	0	<b>1</b>	<b>0.3</b>
Africa	0	0	0	0	1	2	0	0	0	0	0	0	<b>3</b>	<b>0.8</b>
US/Canada	0	1	1	1	0	0	1	1	0	0	1	0	<b>6</b>	<b>1.5</b>
Latin America	0	0	2	2	0	0	1	0	0	0	0	0	<b>5</b>	<b>1.3</b>
Middle East	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>	<b>0.0</b>
Asia	6	0	1	0	2	0	0	0	0	0	0	0	<b>9</b>	<b>2.3</b>
Australasia	0	0	1	0	0	0	0	0	0	0	0	0	<b>1</b>	<b>0.3</b>
<b>Total</b>	<b>9</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>39</b>	<b>10.3</b>

<i>Sweden</i>	<b>Ed</b>	<b>Yth</b>	<b>Hlt</b>	<b>Dis</b>	<b>Env</b>	<b>Dev</b>	<b>CAL</b>	<b>Shl</b>	<b>Eth</b>	<b>Art</b>	<b>Spt</b>	<b>Oth</b>	<b>Tot</b>	<b>AAv</b>
Poland	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>	<b>0.0</b>
Home	1	1	1	0	0	0	0	0	0	1	1	0	<b>5</b>	<b>0.8</b>
International (Poland unaffected)	1	0	0	3	1	1	0	0	3	0	0	1	<b>10</b>	<b>1.7</b>
EU	1	1	0	1	0	0	0	0	0	0	0	1	<b>4</b>	<b>0.7</b>
Rest Europe (excl Poland)	0	0	0	5	0	0	0	0	0	0	0	0	<b>5</b>	<b>0.8</b>
Africa	0	0	0	7	0	0	0	0	0	0	0	0	<b>7</b>	<b>1.2</b>
US/Canada	0	0	0	2	0	0	0	0	0	0	0	0	<b>2</b>	<b>0.3</b>
Latin America	0	0	0	6	0	0	0	0	0	0	0	1	<b>7</b>	<b>1.2</b>
Middle East	0	0	0	2	0	0	0	0	0	0	0	0	<b>2</b>	<b>0.3</b>
Asia	0	0	1	3	0	0	0	0	0	0	0	0	<b>4</b>	<b>0.7</b>
Australasia	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>	<b>0.0</b>
<b>Total</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>29</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>46</b>	<b>7.7</b>

<i>UK</i>	<b>Ed</b>	<b>Yth</b>	<b>Hlt</b>	<b>Dis</b>	<b>Env</b>	<b>Dev</b>	<b>CAL</b>	<b>Shl</b>	<b>Eth</b>	<b>Art</b>	<b>Spt</b>	<b>Oth</b>	<b>Tot</b>	<b>AAv</b>
Poland	6	11	3	2	3	4	0	0	1	0	1	0	<b>31</b>	<b>2.2</b>
Home	16	18	1	0	10	2	10	2	1	5	1	0	<b>66</b>	<b>4.7</b>
International (Poland unaffected)	4	1	6	1	11	18	1	0	10	1	1	0	<b>54</b>	<b>3.9</b>
EU	11	20	18	1	25	1	2	0	0	3	0	0	<b>81</b>	<b>5.8</b>
Rest Europe (excl Poland)	2	8	6	1	5	0	1	0	0	1	0	0	<b>24</b>	<b>1.7</b>
Africa	11	8	15	2	20	9	2	0	2	1	0	1	<b>71</b>	<b>5.1</b>
US/Canada	5	5	19	2	28	0	4	0	0	0	0	2	<b>65</b>	<b>4.6</b>
Latin America	13	18	10	1	7	3	2	1	1	1	1	0	<b>58</b>	<b>4.1</b>
Middle East	2	3	0	0	0	0	0	0	0	0	0	0	<b>5</b>	<b>0.4</b>
Asia	16	7	3	4	22	4	2	0	2	1	0	0	<b>61</b>	<b>4.4</b>
Australasia	2	2	4	1	10	2	1	0	0	0	1	0	<b>23</b>	<b>1.6</b>
<b>Total</b>	<b>88</b>	<b>101</b>	<b>85</b>	<b>15</b>	<b>141</b>	<b>43</b>	<b>25</b>	<b>3</b>	<b>17</b>	<b>13</b>	<b>5</b>	<b>3</b>	<b>539</b>	<b>38.5</b>

## Notes

<sup>1</sup> CIA online World factbook, 2002 estimate.  
[http://www.reference-guides.com/cia\\_world\\_factbook/Poland/Economy/GDP\\_\\_per\\_capita/](http://www.reference-guides.com/cia_world_factbook/Poland/Economy/GDP__per_capita/)

<sup>2</sup> Data from the Development gateway website, 17<sup>th</sup> August 2003.  
<http://www.developmentgateway.org/>

It is important to note that many of the projects listed here appear to have finished thus it is not clear that our measures of largely ongoing MNC projects are comparable to these figures.

<sup>3</sup> The UNFPA is a United Nations-based organisation, which “works to ensure universal access to reproductive health.”

<sup>4</sup> Polish Workforce statistics are from ILO reports. There are at least a further 27 MNCs, employing on average 93 individuals, that were not included in the study because they had insufficient employees.

<sup>5</sup> Danone website. Most recently checked 29<sup>th</sup> November 2003.  
url: <[http://www.danonegroup.com/group/index\\_group.html](http://www.danonegroup.com/group/index_group.html)>

<sup>6</sup> Data provided by Danone’s HR Office in Poland in Late August 2003.

<sup>7</sup> Bayer website, mid July 2003. <http://www.bayer.com>

<sup>8</sup> Information provided by conversation with Bayer Polska Human Resources office, mid-August 2003.

<sup>9</sup> Transnational engagements were included only if they pertained directly or indirectly to Poland.

<sup>10</sup> For an explanation of the NACE codes, please see Appendix 1 Table A2.

<sup>11</sup> Blanks indicate a score of zero, although zeros are used in the totals column.

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