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DOI : 10.14746/rie.2016.10.28

Institutional factors fostering internationalisation. The case of Polish policy towards OFDI

Introduction

Whereas the inward FDI with all its costs and benefits is well explored and recognized topic of economic literature, issues of outward FDI and in particular of policy assisting such process seem rather under-researched area. This holds true also in Poland. As an advanced emerging economy who managed to attract an impressive stock of foreign investors it tries now to gain the foothold in global or at least European market as an important source of FDI. The need to foster the activity abroad by competitive domestic firms is gaining attention of various circles – media, policy makers, scholars and broader public opinion. As there are various benefits associated with such expansion, not only for companies themselves but also for home country economy, plethora of institutions has been designed and implemented to facilitated this process. Public administration is being tasked with assisting companies in their foreign endeavors.

This article draws also on the findings of the research project conducted under the Small Grant Program by Visegrad Fund devoted to policies towards outward FDI flowing from V4 countries (Research project, No. 11430010 Small Grants Program of the International Visegrad Fund „Outward FDI policies in Visegrad Countries"). Our investigation focusing on Poland has been organised around four research proposals touching upon: possible (post)crisis change of perception of OFDI and subsequently policy towards it to more beneficial one; specificity of offered help directed mainly to SMEs; priority given to „perspective markets" i.e. fast growing far economies promising high returns such as BRICS and finally reception of support available.

In this paper by referring to qualitative method of in-depth interviews – expert survey we concentrate on some aspect of policy pursued towards OFDI in Poland in (post) crisis realms. Specifically, our aim was to investigate the issues highlighted in the following four research proposals:

1) since crisis eruption in 2008 we have observed a certain change of perception of OFDI in Poland towards a more beneficial one. Such outflows are not regarded as cost for domestic economy but can be associated with a number of benefits;[1]

[1] The results of the study related to the first research proposal have been presented during the 2nd International Conference of Academy of International Business, 17–19th September, Warsaw in a paper – "The role of home country government in supporting the OFDI in the perspective of economic crisis 2008. Evidence from Poland".

2) offered help is directed mainly to SMEs, as bigger players do not need it.;
3) priority is given to „perspective markets” i.e. fast growing far economies (Brazil, Algeria) that are often promising high returns;
4) support available is, however, often critically seen by potential beneficiaries – Polish firms planning expansion – as ill-suited, negligible or simply inadequate suggesting a room for improvement.

First, after the short introduction, we bring the reader closer to conceptual issues and outline some premises of theoretical approaches framing our discussion namely around the institutional approach and the “push and pull factors” in the internationalization processes. Then we discuss the results of experts’ survey organized around four aspects of (post) crisis OFDI policy in Poland highlighted in the research proposals. The final part concludes.

Institutions in internationalization processes in the light of the institutional approach

In the recent decade the popularity of the institution-based view has grown significantly (Peng, et al., 2008). That view functions within the institutional economics (North, 1990; Williamson, 1985) and the sociological institutional theory (DiMaggio, Powell, 1983; Scott, 1995). The importance of that view is related to the growing role of certain macro-contextual aspects that can be associated with the concept of institution. The key word in the institutions-based view is the institution. North (1990) and Williamson (1990) define institutions as the rules of the game in a society. Such “rules” structure political, economic and social interaction (North, 1991). Scott (1995, p. 50) pointed to some other aspects of institutions. Defining legal, moral and cultural boundaries, setting off legitimate from illegitimate activities is the role of institutions.

The incorporation of institutions in the studies of international business manifests itself in considering them as factors determining the entry mode choice (Estrin, et al., 2009; Meyer, et al., 2009; Santangelo, Meyer, 2011), foreign direct investment locations (Flores, Aguilera, 2007; Quer, et al., 2012; Kang, Jiang, 2012) and performance of MNEs (Chan, et al., 2008; 2010; Cuervo-Cazurra, Genc, 2011; Ma, et al., 2013).

Dunning and Lundan (2008) noted that the globalization process that has affected most industries in last years has increased the significance of the institution-based view. Nowadays internationalization decisions are driven by formal and informal institutional context in which a firm operates among others (Scott, 1995; Peng, 2002). Formal institutions can be defined as laws, regulations, property rights protection, discipline of economic and political markets and contracts (Dunning, Lundan, 2008; Meyer, et al., 2009). Their establishment is the result of particular behaviours of an authority, an organization or an individual. The institutional factors in the home country of a firm can foster or hinder firm internationalization (Meyer, Peng, 2005; Peng, et al., 2008; Wan, Hoskisson, 2003). Liberal and consistent home country policy can work as an incentive to enter foreign markets

(Buckely, et al., 2007). The receptivity of companies to expand abroad is determined by home market institutional settings. Such settings can be the source of some advantages that contribute to home firms' international competitiveness and can be exploited while internationalizing.

Informal institutions refer to constraints that people impose upon themselves and are difficult to change over time (North, 1990, p. 37). In the set of informal institutions there is tradition, religion, language, customs, values and trust-based relationships as informal institutions (Dunning, Lundan, 2008). Such institutions can foster or inhibit the foreign expansion too.

The whole institutional framework will motivate businesses to go abroad if it decreases the transactions costs of establishing new business relationships. The prominent role in the creation of the institutional framework a firm operates in plays the home country government. And its policy towards FDI can be regarded as the transmitter of the impact of the home-country settings on the foreign expansion of firms, FDI among others.

The institutional factors fostering or impeding firm's internationalization are encompassed by the broad set of the "push and pull factors" standing behind firm's foreign expansion (Leonidou, 1995; Tatoglu, et al., 2003, Pett, et al., 2004). Traditionally push factors are considered as unfavourable home market conditions that prompt firms to internationalize. The policy implemented by the government towards local companies, and in particular towards foreign investors can be regarded as the "push factor". In that case the push factor is not related to unfavourable home market conditions but works as a positive incentive for the firms which are eager to expand abroad. Pull factors are associated with the factors functioning in the international market and host markets. The group of pull factors encompasses characteristics of foreign markets that make them attractive for foreign direct investors and exporters. Lopez and Fan (2009, pp. 283–285) underlined that "push and pull" work simultaneously. In this sense pushing conditions encourage firms to expand abroad only if there is a pulling factor making foreign markets attractive to penetrate. This statement seems to be important for governments while encouraging home companies to invest abroad. The OFDI policy to be effective has to smartly combine the incentives with host markets characteristics.

The issue of policy towards FDI was broadly discussed in the literature. The significance of the inflow of FDI to particular economies fostered the research focused on the measures attracting foreign investors. The perception of the FDI undertaken by home market companies has changed – from rather negative to positive (see e.g. Head, Ries 2004; De Beule, Van Den Bulcke, 2010a; Federico, Minerva, 2008; Hong, Lee, Makino, 2015). Usually the researchers conducted the discussion from the perspective of FDI undertaken by MNEs from developed economies or exposed the issues related to the inflow of FDI to emerging, transition or developing markets (Bellak, Leibrecht, Stehrer, 2008; Demekas, Balász, Ribakova, Wu, 2007; Huidumac-Petrescu, Joia, 2013; Krifa-Schneider, Matei, 2010; Oman, 2000; Rajan, 2004; Te Velde, 2007). That is why we concentrate our research on the policy measures towards FDI undertaken by firms from advanced transition economy like Poland.

Policy towards OFDI in Poland – results of experts' survey

Cursory review of existing documents may suggest that given the size and scope available assistance is directed predominately towards SMEs, although, officially not always confined to them (*Promocja Polskiej*... 2014; Götz, 2013,). In practice, however, larger firms show no interest in applying for, burdensome and negligible from their perspective, internationalisation schemes (Götz, 2014). Besides the attention of policy makers seems to be paid to fostering expansion to distant more promising so called perspective markets (Antoniszyn-Klik, 2012). This implies likely mismatch and low adequacy of offered help given the main recipients of such assistance are SMEs, whereas the policy focuses on remote, fast growing riskier markets. In this paper we leave aside the details of existing internationalisation schemes. We go beyond simply describing available instruments covered already by various reports and papers (see V4 report for detailed review of existing measures Elteto, et al. 2015) and present the reflections of the representatives of Polish national and regional government and business-support institutions on some aspects of the OFDI of Polish firms.

In the group of interviewees there were representatives of such institutions like the Marshall Office of Wielkopolska – the Internationalization Division of the Department of Economy, PAIIZ (Polish Agency for Information and Foreign Investment), Ministry of Foreign Affairs, ARAW (Wroclaw Agglomeration and Development Agency) and the more private initiative think tank "Poland, Go global!". Our interviewees agreed first to comment on the first research proposal related to the change of perception of OFDI in Poland towards a more beneficial one since the crisis eruption in 2008.

Some of our interviewees underlined the accelerating nature of the crisis and some not. Crisis acted as a catalyst in that sense that it forced firms to think about the changes of their target markets. Diversification become crucial in order to increase the safety of internationalization processes. The EU markets are vulnerable and engrossed in solving their own internal crisis and post-crisis problems. The fragility of the focus on Europe was underlined by our interviewees. We cannot treat the crisis as the trigger of OFDI among Polish firms but as a factor that reinforced the necessity of broader internationalization. The reorientation of the approach towards FDI among Polish firms is crucial not only just because of the crisis events but even more because of the changing global competitive landscape. Africa seems to be the right direction for Polish firms although the competition in that region became very strong as next to the European countries China keeps on getting foothold dynamically. But the Polish focus on the EU doesn't secure the economic success any more. Hence, Polish firms should exploit their advantages for instance in the African markets. The Polish OFDI destinations need to be rebalanced. Polish firms' main advantage is that they are not characterized by the colonial stigma and may be more welcome in Africa. Some even argued that the economic crisis exposed the advantages of Polish companies. They are recognized as extremely flexible and able to react swiftly to market changes which sometimes calls for scaling up and sometimes for scaling down the scope of operations and to adjust to clients' needs. This kind of abilities are accompanied by the unique combination of low costs with high efficiency that are crucial while succeeding not only in the African but also n the mid-income countries less attractive for a bit "spoiled" western Europe

firms. Such firms usually expect higher and faster returns. On the one hand, the brand “Made in Poland” is becoming more and more popular. On the other, however, there are still many entities not eager to accept the risk and thus they avoid venturing abroad. In such cases it is the risk aversion that explains the relatively lower level of internationalization and not the lack of funding. Such firms keep on prioritizing the Polish market which means often loosing attractive growth opportunities. And the competitive landscape has been changing much as the strategies of Chinese companies that have been silently purchasing many valuable European firms, for example Morliny or Volvo. The need to intensify Polish OFDI can be explained by the fact of the massive expansion of Chinese companies too. The monopolization of some industries by Chinese capital is the potential threat for European, and Polish firms among others. The process might endanger the future economic position of European companies. The reorientation in the internationalization strategy of Polish firms spurred by the economic crisis should manifest itself in avoiding the domination of the traditional division “pure export vs. FDI”, which does not hold anymore. Participation in joint large scale projects, setting up subsidiaries or starting distribution are all hybrid forms of expansion that make the simple division trade vs. investment blurred. The defensive approach has to be replaced by the offensive one which means not „going abroad just when a firm wants to compensate losses”.

The changes in the OFDI policy that occurred after the crisis can be also traced back to the tightening of fiscal policies. The tax system has been reorganized in order to prevent abuses, erase tax loopholes etc. The incentives available in Special Economic Zones (SEZ) are granted only to new investors. Additionally, these new investments cannot be linked to any relocation or imply closing factory or subsidiary somewhere else. The support measures are tailored to Greenfield projects that are most costly. M&As or Brownfield investments are not restricted but not favoured. However, the crisis stressed the relative advantages of ready M&As over Greenfield project that require more funding.

Since the economic support comes mainly from public budget its size in fact determines the value and forms of the assistance offered. Quite strong and easily to be noticed is the intensification in the post-crisis support in terms of the economic diplomacy. In 2014 the Ministry of Foreign Affairs strengthened promotional activities. However, it is difficult to conclude if it has been just the consequence of the crisis. In the set of new initiatives launched there has been also the award for the most effective Embassy in supporting Polish firms’ expansions on foreign markets. The initiative means that the economic issues are crucial points in the agenda of state visits. As far as the numbers are concerned, in 2014, globally 20 visits have been accompanied by 1000 Polish companies interested in a given market. More precisely, 50 Polish firms participated in 10 visits in Europe. Our earlier statement of the importance of African markets and the post-crisis growing awareness of threats arising from the „Europecentrism” can be confirmed by the fact, that 30 visits to Africa gathered some 450 firms (Presentation and speech of the representative of the Ministry of Foreign Affairs, Conference „German market – opportunity for Polish firms?” 15.12.2014). We have to remember that the support comes from the public budget which obviously determines the available funds.

The opinions on some changes in the OFDI policy in Poland towards more beneficial one after the economic crisis 2008+ have to be complemented by opposite reflections. According to some of our interviewees there are no visible alterations in the OFDI policy triggered by the economic crisis either in Poland or elsewhere in Europe. A kind of sign of the crisis could be some more occasions for bargain, cheap acquisitions. Although the support was not intensified Polish firms successfully expanded abroad. The successful stories encompass Kolener acquisition of UK based Rawplug, Selena investment in Brazil, Toja purchase of Chinese Jato or KGHM expansion in Chile. Those are the most prominent examples which often materialized despite the lack of some exceptional, strong state support. The growing awareness of benefits stemming from foreign investments among Polish firms was crucial.

Then each of the interviewees was asked to reflect on the next three proposals related to more specific aspects of OFDI policy in Poland.

The representative of the Internationalization Division within the Department of Economy in the Marshall Office of the Wielkopolska Region underlined that among the potential investors targeted are mainly SME with the help offered for expansion to particularly exotic but closer markets such as Kazakhstan, Georgia, whereas these really remote and risky ones like Iran or Iraq are meant more for larger firms. As there is a need to acquire some knowledge about these markets, such „fact finding mission" are valuable for big players as well. Indeed, BRICS countries enjoy particular attention as signified by programmes such as "Go China" or "Go Africa" and "Go Asia". Against this background, the EU as internal market, is not perceived as strategic one, requiring some special assistance. It is theoretically accessible with transparent rules, and featuring cultural proximity. In the opinion of the representative of the Wielkopolska Marshall Office mismatch of help offered and expected does not seem to exist at least as judged by the evaluation surveys. Firms are basically satisfied with help received. Missions' and fairs' participation provides them insight into foreign distant markets operation. Due to the remoteness of such countries the value added of public help cannot be overestimated. Details of further activity are not known, since countries hide behind business secrecy and invoke commercial confidentiality. But existing examples allow to believe, that help was useful and can translate in some foreign activity, usually in form of exports. Cases of setting offices or subsidiaries are very rare. This might confirm again the early stage of internationalisation of Polish economy.

Another institution that operates at the regional level of economy and participated in our study was ARAW – The Wroclaw Agglomeration and Development Agency. ARAW set up in 2005 started as institutions entrusted in attracting foreign firms and offering aftercare services. Over time it has been evolving towards agency assisting local companies in their regional development as well as their expansion on foreign markets. As two representatives of the ARAW stated both SME and bigger firms take advantage of help offered. Small companies, particularly these in early stages of development, need assistance to crystallize, to get foothold, to gain critical mass enabling further steps also venturing abroad. In case of larger firms their interest in ARAW and support available can be linked to local market rather. Interestingly they seek a boost in their credibility and strive for more social reputation as trustworthy and reliable

employer. Such assistance would then strengthen them regionally, improve image and allow to get necessary reputation which in turn make them better equipped for foreign market expansion. Thus ARAW assistance leads to internationalization via capability building. For large companies such assistance guarantees more neutral perception and can confirm engagement in broader initiatives. It shows that even big players are part of local community. Umbrella support offered by ARAW and its auspices play important role as it seems. Summing up, for SMEs it is all about capacity building, helping to crystallise and reach critical mass, whereas, big firms thanks to the assistance can get credibility boost. Help provided takes into account not only different size of firm but also development and differentiate between new born start-ups and companies with long tradition. The ARAW workers expressed that three quarters of firms is not interested in far markets and actions such as „Go China” or “Go Africa”. Russian market with sanctions imposed also does not seem to be lost. Presumable, it had never been an important target given local companies profile (hardly food processing firms but IT or advanced business services providers). ARAW experience suggests interest in exotic distant markets is overrated. Firms are mostly interested in venturing to European countries even advanced and more difficult such as Scandinavian countries. This tendency might be traced back again to the profile of these companies – IT, business services. Specificity of ARAW as bottom up institution geared towards genuinely assisting local firms, to cater to their needs and to accommodate their preferences make the offered help efficient, useful and valuable. There have not been any particular evaluation surveys but given the frequency of informal contacts and how often firms inquire certain issues at ARAW, their services are sought after pretty much. Three things shall be underlined. First, the problem often lies in inadequate information. Thus improving the flows of information seems indispensable in order to avoid accusations of lack of interest or low media coverage etc. Only if both sides equally engage and dedicate their time and work the project can be successful. Firms in need of assistance must open themselves as well. Such knowhow is necessary for future project, networking and accumulated base of local specificity (smart regions). It is therefore recommended to learn each other better and share information. Secondly, worth mentioning is the interest among East and Central European countries’ similar agencies seeking advice and consulting ARAW. These inquires confirm high utility of services provided and their quality. Azerbaijan, Moldova, Slovakia, Czech Republic and Ukraine were mentioned. Thirdly and finally, projects, joint study visits under auspices of ARAW are all adjusted to and guided by firms needs and expectations. ARAW acts as broker facilitating contacts. It is very flexible offering tailor made solutions.

We conducted the interview with one representative of PAIIZ – an institution that focuses its activity on foreign investors who are interested in the Polish market and on Polish firms that attempt to expand abroad. As the person noted there are special dedicated measures but SMEs suffer more due to frequent law amendments, lack of stability (“today money for cluster initiatives, tomorrow perhaps not anymore?”) than only lack of funds. To some extent SMEs are favored by the competition policy pursued in the EU aiming at dismantling conglomerates, break monopolies and in this way stimulate development of medium sized firms. „English Cadburry had to sell Wedel to Japanese Lotte due to these regulations. LOT can be another example of possible privatization

but due to public money recently invested in this firm it seems questionable at the moment". EU funds constitute also important help. In general existing regulations (competition policy) and available help (EU funds) seem to favor SMEs. For firms willing to invest it is much easier and perhaps more profitable to invest in countries with good business environment with well-developed ecosystem of SMEs potential suppliers, contractors (at arm's length) than start as holding and risk for instance transfer pricing allegations. Constantly more and more attention is paid to the distant markets. Europe offers negligible margins and has fierce competition. Easier profits can be achieved only outside the EU. Unfortunately, Russia which so far enjoyed much interest, as a result of sanctions is becoming less accessible market. At the same time number of Bilateral Investment Treaties (BIT) concluded can be also illustrative and to where conditions are conducive for investments. Special attention should be paid to domestic ecosystem for instance labour market where still much can be improved and more flexibility seems needed. Reforming tax policy including frequency and transparency of rate changes would also improve business conditions.

Some reflections of the representative of the Polish Ministry of Foreign Affairs related to the aspects of OFDI were expressed during a conference on the 15th of December 2014 (Poznań). The speech and presentation in the conference delivered some comments and answers to the research issues highlighted in our research proposals. Ministry of Foreign Affairs seeks thus to encourage Polish firms to consider also more distant markets which, although, tough, competitive and often less accessible offer significant opportunities. The Ministry of Foreign Affairs hopes on emergence of certain „follow the leader" phenomena where Polish SMEs encouraged by the success of other big player would start their expansion. Seen this way, although not directly, such approach aims at stimulating SME expansion abroad. Certain lack of knowledge among Polish firms as far as expansion's support is concerned can be diagnosed. It is often accompanied by simple lack of interest in applying for such assistance. Firms as it seems due to many reasons (bad experience, too much administrative requirements, being not entitled to, etc.) rarely seek support. They are also unaware of available possibilities, international cooperation, programmes, projects etc. System of recently established awards for most effective Embassies (departments of trade and investment promotion) may serve as indirect indicator of how the offered help is evaluated by its recipients – firms expanding abroad (as they are the jury issuing verdict).

In the whole set of actions aimed at facilitating the outward internationalization of Polish firms, an important place belongs to the initiative "Poland, Go global!". One representative of the think tank explained to us the philosophy behind "Poland, Go global!" and the main aim which is to complement the official initiatives by governments and it's agencies. Being closer with companies – as it derives from think tank operating formula – implies more effective, targeted and tailor made support. The opinions of the representative of the think tank "Poland, Go Global!" the economic crisis stressed that special attention is paid to middle companies occupying niche markets with huge potential. Unfortunately, many promising start-ups lack necessary funding and their knowledge technologies are acquired or patented by foreign firms depriving Polish firms for further development into truly Polish champions. This issue need to

be addressed as well (venture funding, seed capital, business angels). Though, large firms also need assistance. Their problem derives from the fact that they attract media attention and their success provokes some detrimental reactions. Being in spotlight often cause problems. KGHM acquisition in Chile and subsequent decision by Polish government to impose tax on minerals or Selena facing VAT hike in China after having successfully purchased one of Chinese firm are case in point. Besides crisis accentuates the need for being well-prepared, having watertight expansion strategies particularly with regard to patent law and intellectual property. Much emphasis is put on cooperation. The basic idea behind think tank activity is to foster and strengthen the multiplier effects of Polish FDI – to encourage these venturing abroad to pull other Polish firms along, to create the bunch of investors following the leader. Special attention should be given also to many small firms remaining unknown since they are headquartered outside main agglomerations in Eastern Poland. They are outside spotlight, though, offer great solutions and should be more promoted and advertised. On the one hand Europe is an obvious target. So obvious that it remains often unmentioned, silent topic. On the other hand more companies realise chances of venturing to Africa or China, where Polish firms have indeed very good reputation. Official help might be well-meant but often seems not aligned with firms’ needs. Economic missions are too universal and lacking the necessary specialisation. Latest developments suggest the importance of prepared in advanced meticulous strategies, due diligence and comprehensive plans for negotiations. Frequently companies need financial support. Consortium with bank would offer good financing backup. Networking is also crucial for those considering expansion. However, also failures should be illuminated. Experts suggest to show FDI as in fact constant overcoming of new barriers, as development by problem solving and hurdles taking/eliminating, as simply „learning by doing”.

Last but not least, we provide the opinion of one Polish experts in the field of FDI and MNE. During the phone call on the 9th of December 2014 we had the opportunity to learn more about his remarks as to the FDI policy in Poland. Particular interest enjoyed by distant markets as prospective ones have not been underlined. Targeting SME and some special status they enjoy can be confirmed by recent (2014) BGK (Bank Gospodarstwa Krajowego) initiative aiming at facilitating the expansion abroad. Worth mentioning is the problem of some informational mismatch. Low interest shown among companies to apply for guarantees and insurance at KUKE (Korporacja Ubezpieczeń Kredytów Eksportowych), which is highly dominated and skewed towards export assistance, can reflect high requirements, too tough to be met. It can also illustrate the general lack of knowledge that such support is available or simply the lack of interest as there are no plans to expand abroad in the form of FDI.

Conclusions

Institutional approach can offer theoretical framework enabling conceptualization of internationalization processes including its most advanced form namely OFDI. Such approach encompasses not only informal, unwritten institutions but also formal ones consisting of rules, regulations, authorities all being in fact cornerstone of policy

pursued towards FDI. Fiscal system and financial incentives or technical support and agencies tasked with information provision designed and run with aim to shape the OFDI flows are such formal institutions.

In our research we have concentrated on OFDI policy in Poland in the aftermath of the recent economic crisis which hit also European countries. The study has been organised around four research proposals investigating selected problems of OFDI assistance. They stipulated in particular: 1) some crisis-induced more friendly approach towards the idea of supporting outward investments; 2) assistance focusing on sector of SMEs as the ones requiring special attention; 3) some bias towards remote emerging and perspective markets as far as geographical coverage is concerned and 4) rather limited effectiveness evaluated usually as mediocre and unfit for purpose.

The assumed imperfect fitting of such help cannot be fully confirmed, however, with beneficiaries assessing the received assistance differently. As it seems evaluation surveys evaluating the support received are rare. Whereas in general beneficiaries seem content with support they got, the actual utility and effectiveness of assistance scheme is difficult to assess. Experts, however, draw attention to more general problem with this respect namely simply the unawareness among companies as to the availability of any internationalisation support. Resulting low interest among firms to apply for such help is the only consequence of such lack of knowledge. Initiatives like the content among Embassies rewarding the most effective ones can suggest that this approach is changing. Attention is being gradually paid not just to providing assistance but also to monitoring it, evaluating its effectiveness and utility and in consequence upgrading it. Experts also stress to the role the information plays other way round, when it flows from investors to decision-makers. In such situation it can be seen as a feedback and input necessary for right policy making and implementing.

Given the available sums and rules governing the support (threshold for eligibility) as well as restrictions involved state help provided in internationalisation processes covers in fact only SMEs. Larger firms, as commonly believed, mostly can fend well for themselves. Experts argue that this SMEs preference happens not only directly but also in a subtler indirect way for instance by regulations favouring SME ecosystem. Stricter antitrust regulations make the life harder to large corporations and thus promote smaller firms more than bigger holdings. Nevertheless, as stressed by interviewers the latter must not be forgotten as they also cope with many challenges and may require some state assistance particularly felt in international fiercely competitive markets (problem of „latecomer liability”).

Distant yet promising geographic areas seem to be in the spotlight of public assistance as far as outward FDI is concerned. Fast growing economies in Africa or Asia attract particular attention. Their popularity, however, does not result only from actual opportunities they may provide but also from relative familiarity and maturity of neighbouring European markets. EU internal market is theoretically well accessible for Polish firms and is characterised by cultural proximity. Whereas, it offers only negligible profit margins, it assures fierce competition. Such environment seems to explain the relative low interest showed to this area with regard to OFDI support policy. Distant markets although more rewarding are usually much riskier, and thus require more information. This is inevitable for seizing any opportunities there and justifies

the offered help. Interviewed experts, however, stress that this geographic bias shall be regarded with more precision, as it is very much sector dependent.

The growing approval in Poland for foreign expansion with more active state support and promotional actions in this respect seem to reflect not that much the crisis induced changes but should be seen rather as the result of long-term processes which started already 25 years ago and intensified only after 2004 – joining the EU. This recently witnessed acceleration of pro-expansionary actions could be thus described as path dependant. Internationalisation is not just the reaction to the 2008+ crisis. It should be rather seen as subsequent step in the comprehensive processes of strengthening the economy by building larger multinational companies capable of weathering global competition. As it brings various benefits not only for directly involved expanding companies but also for the broader economy via multiple spillover effects designing and implementing the right set of support measures cannot be underestimated. Whereas the recent friendly approach towards internationalisation of domestic firms can be seen as highly positive tendency, more attention should be paid to the system facilitating this process. In particular, to its effectiveness, accessibility, adequacy or perception among beneficiaries. Presented findings have naturally limited explanatory power and might be regarded as exemplification of certain processes. Though, we believe they shed light on some important aspects of new policy area namely the assistance to the most advanced form of internationalisation. Further exploring this area is of importance not just for involved practitioners but also scholars and decision-makers designing the support system.

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Summary

This article touches upon the institutional aspect of internationalization processes. It focuses on the role of formal institutions in pursuing foreign direct investment (FDI). By discussing and evaluating the current policy towards outgoing FDI (OFDI) in Poland, we seek to assess the significance of state support after 2008 global economic turmoil. Drawing on available literature and mainly expert survey as qualitative method, we exemplify some of the challenges involved in designing and implementing policy which aim at facilitating OFDI. Presented findings shall be seen as starting point for further more detailed research.

* Research project, No. 11430010 Small Grants Program of the International Visegrad Fund „Outward FDI policies in Visegrad Countries"

Key words: economic crisis, policy towards OFDI, Poland, internationalization

Instytucje w procesach internacjonalizacji przedsiębiorstw. Przypadek polityki wsparcia zagranicznych inwestycji bezpośrednich wychodzących z Polski

Streszczenie

Artykuł podejmuje zagadnienie instytucjonalnych aspektów internacjonalizacji przedsiębiorstw. Autorzy koncentrują uwagę Czytelnika na roli, jaką odgrywają formalne instytucje w procesach umiędzynarodowienia przedsiębiorstw, w szczególności w zakresie zagranicznych inwestycji bezpośrednich. Celem artykułu jest prezentacja oraz próba oceny polityki wsparcia zagranicznych inwestycji bezpośrednich wychodzących z Polski po okresie globalnego kryzysu ekonomicznego 2008. Autorzy najpierw podjęli studia literaturowe w odniesieniu do in-

stytucjonalnych aspektów umiędzynarodowienia, następnie przeprowadzili badania jakościowe z zastosowaniem metody wywiadu bezpośredniego z reprezentantami instytucji makro- i mezoszczebla (ministerstwo, władze regionalne, organizacje otoczenia biznesu). Wywiady pozwoliły na scharakteryzowanie podmiotowego oraz przestrzennego zorientowania polityki wsparcia zagranicznych inwestycji bezpośrednich wychodzących z Polski oraz na zasygnalizowanie wyzwań, jakie rysują się przed tą polityką po 2008 roku. Uzyskane rezultaty stanowią punkt wyjścia do dalszych, bardziej szczegółowych badań w przyszłości.

* Projekt badawczy: No. 11430010 Small Grants Program of the International Visegrad Fund „Outward FDI policies in Visegrad Countries”.

Słowa kluczowe: kryzys gospodarczy, polityka wobec BIZ wypływających, Polska, umiędzynarodowienie

Article submitted: 1.12.2015; accepted: 30.08.2016