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Πανεπιστήμιον Αθηνών  
ΙΔΡΥΘΕΝ ΤΟ 1837

**ΕΠΙΣΚΕΠΤΡΙΑ ΚΑΘΗΓΗΤΡΙΑ**  
**ΜΑΡΙΝΑ ΠΑΠΑΝΑΣΤΑΣΙΟΥ**  
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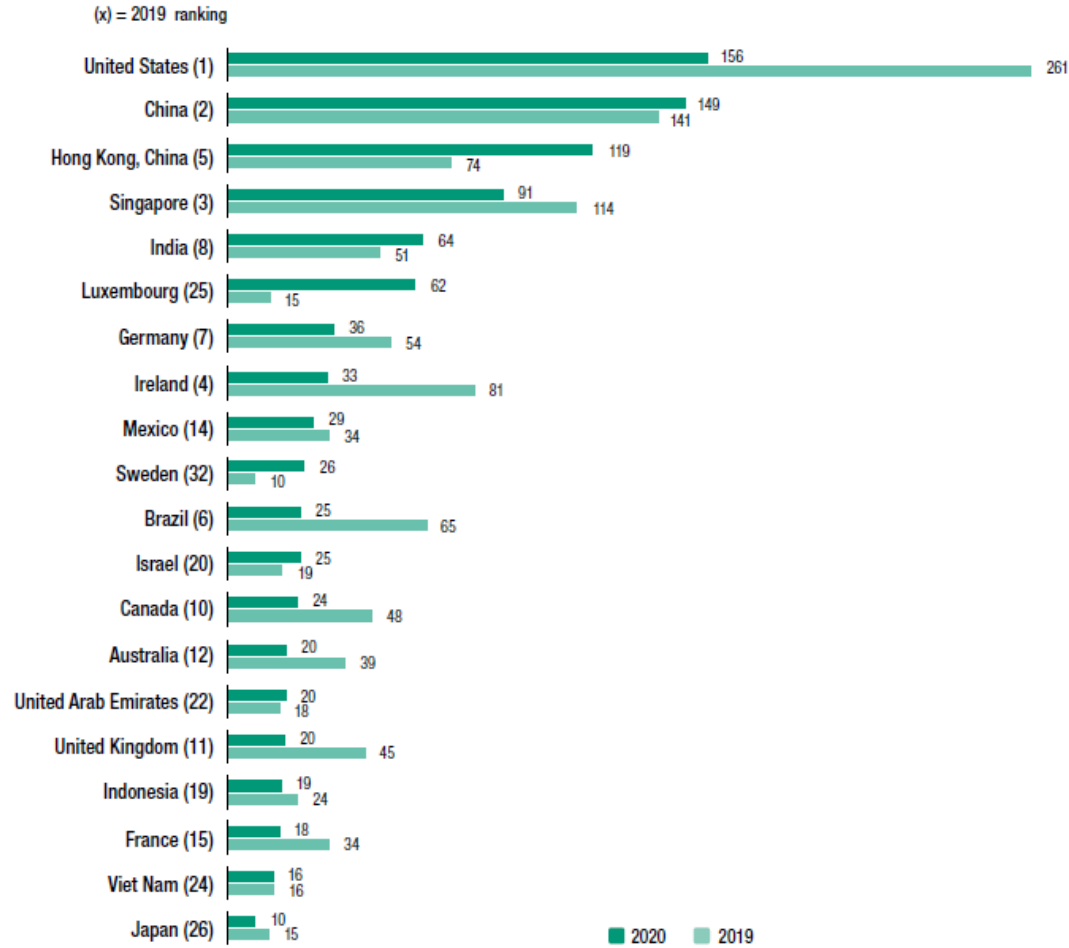


Ορισμοί: Τι  
είναι  
πολυεθνική  
επιχείρηση

- The Multinational Enterprise (MNE) as “ a firm which owns or controls value-adding activities in two or more countries”.
  - Value-added activities
  - Two or more countries
  - “own or control”
  - MNE theory encompasses many factors of production
  - Foreign Direct Investment (FDI) versus portfolio investment: Control central in the distinction: FDI includes lasting interest in an overseas operation+ effective voice in management (from the part of the investor)//portfolio -----share in profits
- 

Inflows and outflows of FDI: Top countries UNCTAD. Source: UNCTAD, World Investment Report 2021.

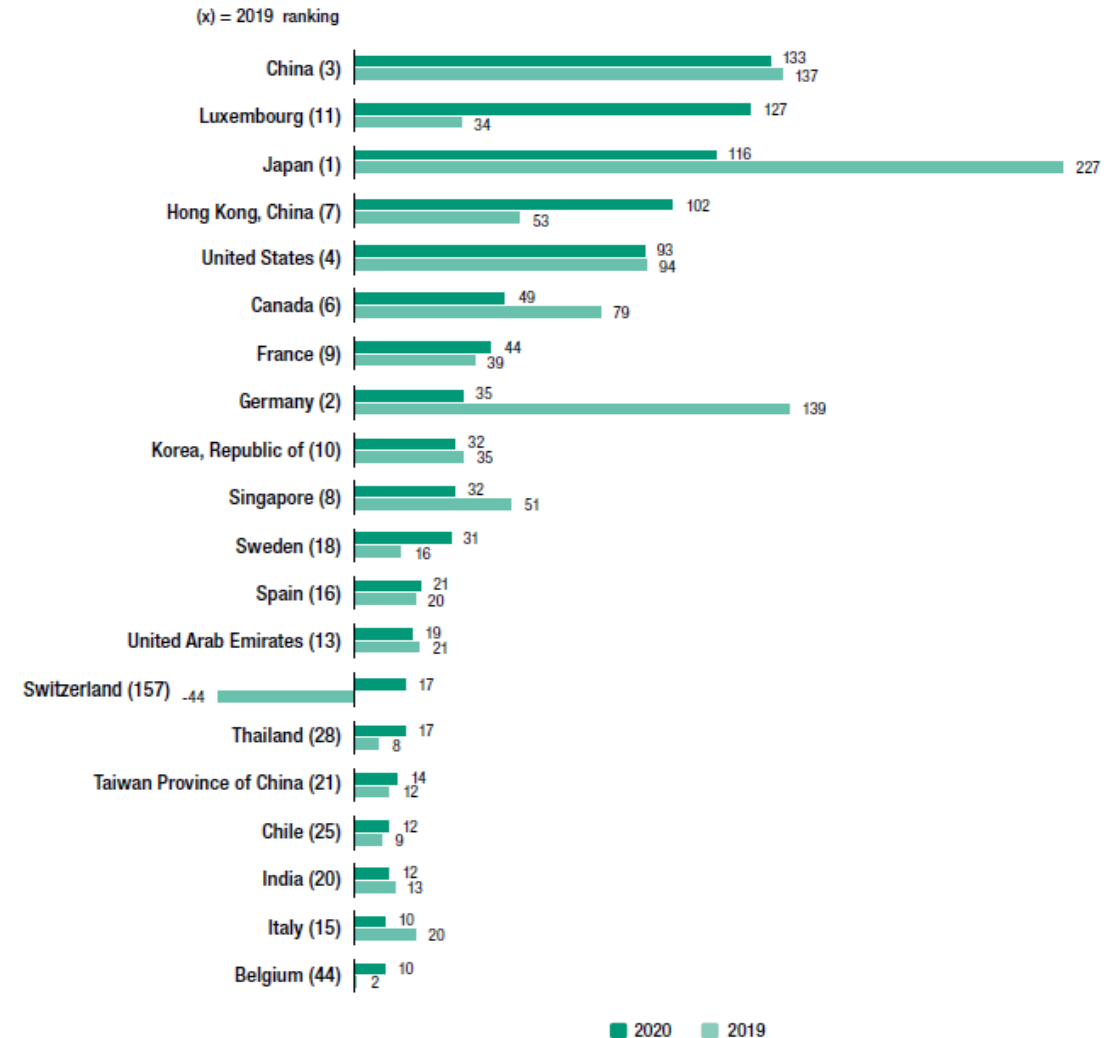
Figure I.5. | FDI inflows, top 20 host economies, 2019 and 2020 (Billions of dollars)



Source: UNCTAD, FDI/MNE database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

Inflows

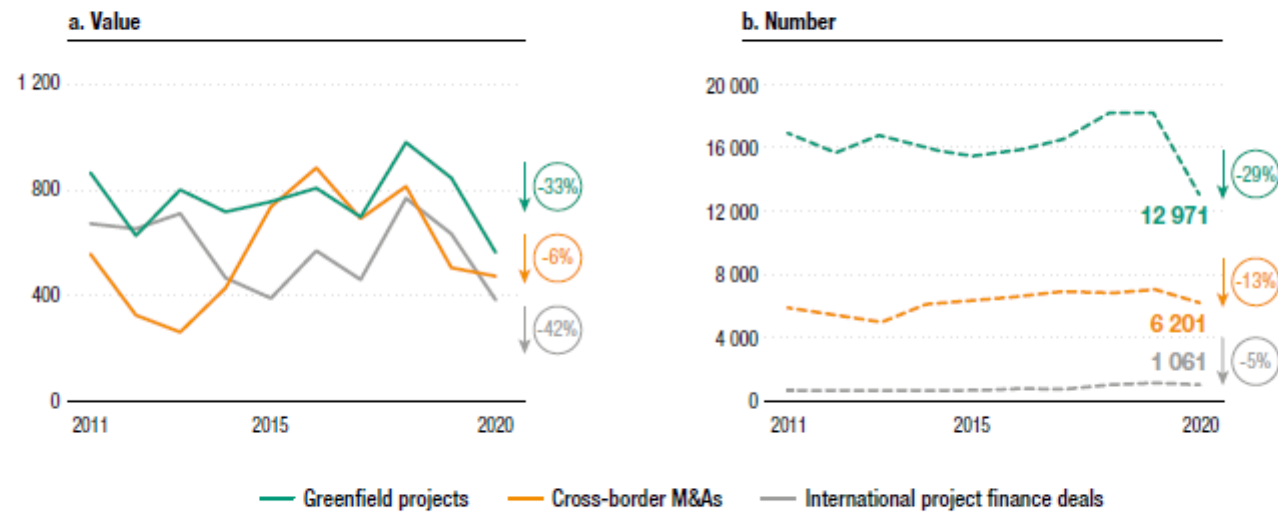
Figure I.7. | FDI outflows, top 20 home economies, 2019 and 2020 (Billions of dollars)



Source: UNCTAD, FDI/MNE database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)).

Outflows

**Figure 1.8. Announced greenfield projects, cross-border M&As and international project finance deals, 2011–2020** (Billions of dollars and number)



Source: UNCTAD, cross-border M&A database ([www.unctad.org/fdistatistics](http://www.unctad.org/fdistatistics)) for M&As, information from the Financial Times Ltd, fDi Markets ([www.fDimarkets.com](http://www.fDimarkets.com)) for announced greenfield FDI projects and Refinitiv SA for international project finance deals.

Table I.5.

### The pandemic impact on investment in SDGs: announced greenfield and project finance, change in value, 2019–2020 (Per cent)

<p><b>Infrastructure</b> Transport infrastructure, power generation and distribution (except renewables), telecommunication</p>	  	-54	<p><b>Health</b> Investment in health infrastructure, e.g. new hospitals</p>		-54
<p><b>Renewable energy</b> Installations for renewable energy generation, all sources</p>		-8	<p><b>Food and agriculture</b> Investment in agriculture, research, rural development</p>		-49
<p><b>WASH</b> Provision of water and sanitation to industry and households</p>		-67	<p><b>Education</b> Infrastructural investment, e.g. new schools</p>		-35

Source: UNCTAD.

# Παναπροσδιορισμό της Πολυεθνικής Πιχείρησης

- Liability of foreignness
- Embeddedness
- MNE are viewed as “a coordinated system or network of cross-border value-creating activities, some of which are carried out within the hierarchy of the firm, and some of which are carried out through informal social ties or contractual relationships”

Cantwell, J., Dunning, J.H., and Lundan., S.M. (2010). An evolutionary approach to understanding international business activity: The co-evolution of MNEs and the institutional environment. *Journal of International Business Studies* 41: 567-586.

# What are companies saying?

“ At NEC and Philips, at Ericsson and Matsushita,....., executives have questioned traditional head office-subsidary relationships”.

# What is the trend?

“Headquarters can only do so much. Often that’s too much”

“International subsidiaries shouldn’t just be pipelines to move products. Their own special strengths can help build competitive advantage”

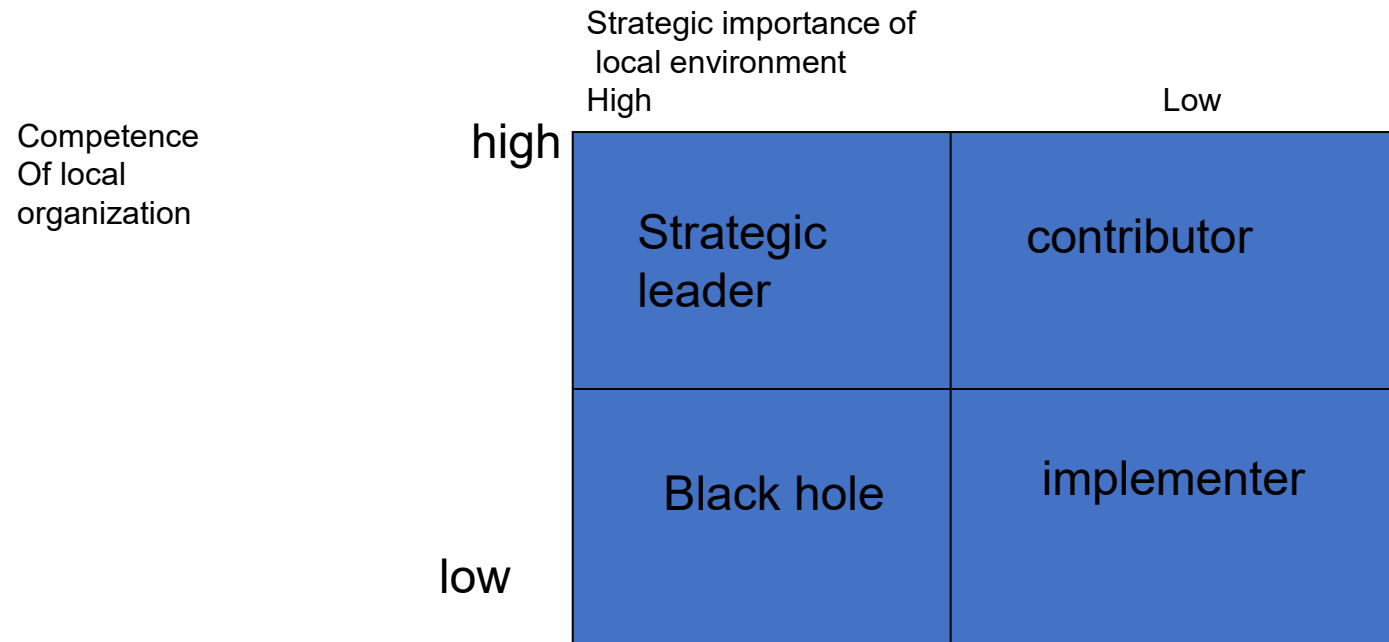


# Strategic motivations

- Market seeking
- Resource seeking
- Efficiency seeking
- Knowledge seeking

# Roles of subsidiaries: Bartlett and Ghoshal

## B&G



# Roles of subsidiaries

- Truncated Miniature Replicas
- Rationalized Product Subsidiaries
- World Product Mandates

# Typology analysis

- There is a wide literature concerning the different roles a subsidiary can assume ([Bartlett and Ghoshal, 1986](#), [Jarillo and Martinez, 1990](#), [Taggart, 1997](#), [White and Poynter, 1984](#)).
- We adopt a typology emerging from [White and Poynter \(1984\)](#) and we distinguish among four major subsidiary roles, i.e. Truncated Miniature Replicas (TMRs), Rationalized Product Subsidiaries (RPSes) and World Product Mandates (WPMs). This represent a revised version of the role categorization, originally initiated by Canadian scholars and their research into centers of excellence.
- According to this classification, a TMR produces mainly well-established products. An additional form of TMR—being a more specialized-narrow product mandate, i.e. a SMR—is also investigated. An RPS is specialized in the production of component parts of the final product. WPM is ascribed with the task of producing differentiated products.
- The specific typology was selected, because ‘...it emphasizes potentials for various evolutionary paths and restructuring processes, which are seen as interdependent with key changes in the global competitive environment’ ([Tavares & Pearce, 1999, p. 7](#)).
- Source: Manolopoulos, D., Papanastassiou, M., & Pearce, R. (2005). Technology sourcing in multinational enterprises and the roles of subsidiaries: An empirical investigation. *International Business Review*, 14(3), 249-267.

APPENDIX

Table A.1

Business activity	N. investments projects		% projects
<i>Coordination activities</i>	<b>6,026</b>	<b>6,026</b>	<b>5.4%</b>
Headquarters	6,026	6,026	5.4%
<i>Support Services</i>		<b>10,980</b>	<b>9.9%</b>
Customer Contact Center	1,589		
Logistics, Distribution & Transportation	6,580		
Maintenance & Servicing	1,321		
Shared Services Center	765		
Technical Support Center	725		
<i>R&amp;D-related activities</i>		<b>7,788</b>	<b>7.0%</b>
Design, Development & Testing	5,610		
Research & Development	2,178		
<i>Production</i>		<b>33,346</b>	<b>30.0%</b>
Manufacturing	26,507		
Construction	5,205		
Electricity	841		
Extraction	448		
Recycling	345		
<i>Advanced Services</i>		<b>53,170</b>	<b>47.8%</b>
Business Services	20,877		
Education & Training	1,261		
ICT & Internet Infrastructure	1,563		
Sales, Marketing & Support	29,469		

Source: Castellani, D., & Santangelo, G. (2016). Quo vadis? Cities and the location of cross-border activities. In *Conference Paper Presentation, iBEGIN Conference*.

Figure A.4 – Geographical distribution of cross-border investment projects in Production activity

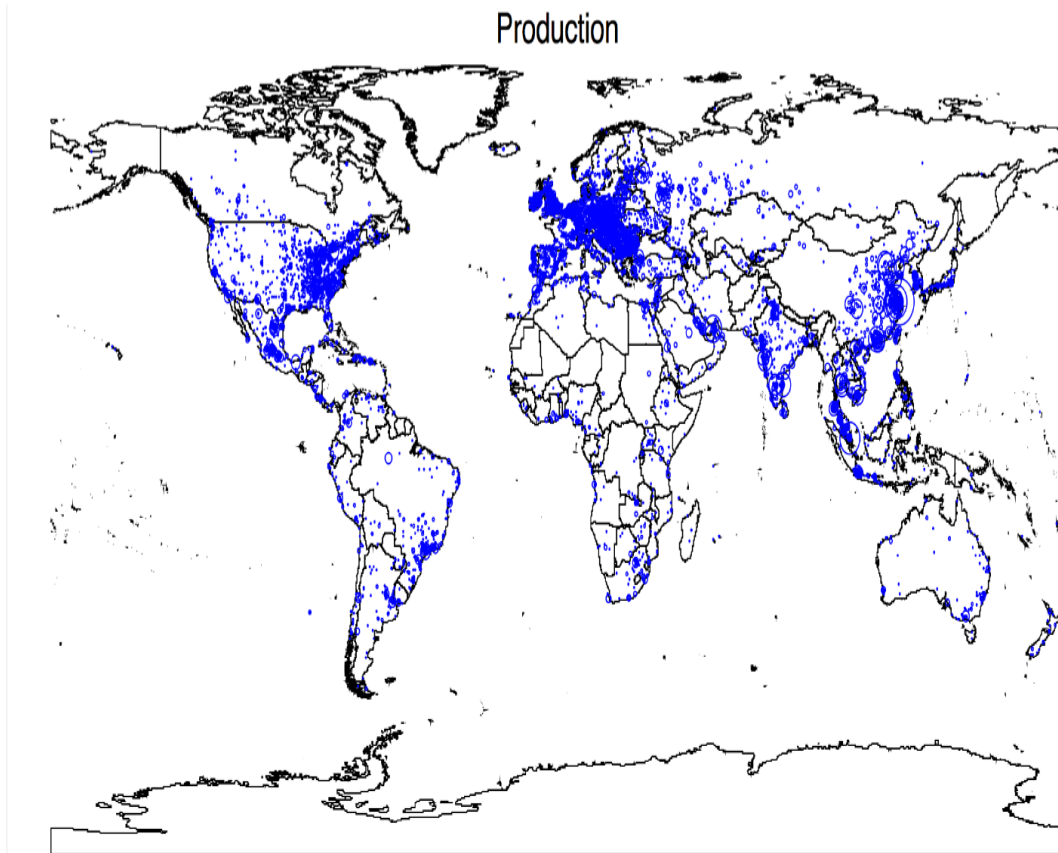


Figure A.1 – Geographical distribution of cross-border investment projects in Headquarter activity

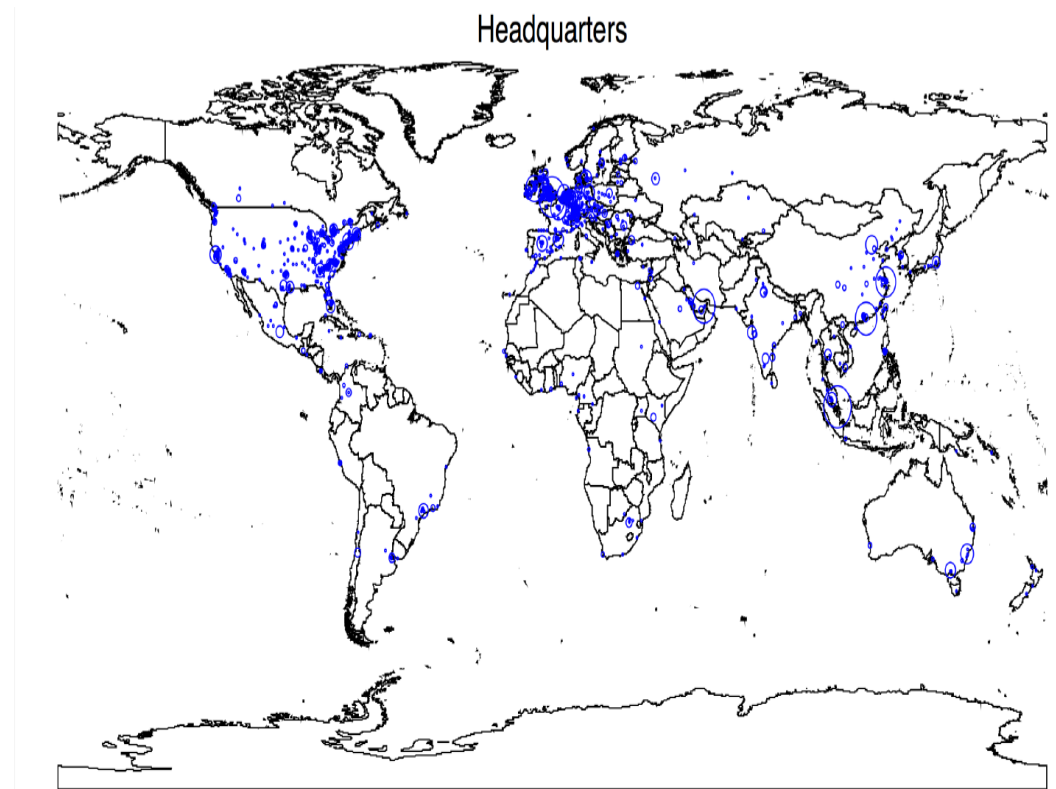


Figure A.5 – Geographical distribution of cross-border investment projects in Advanced services activity

## Advanced Services

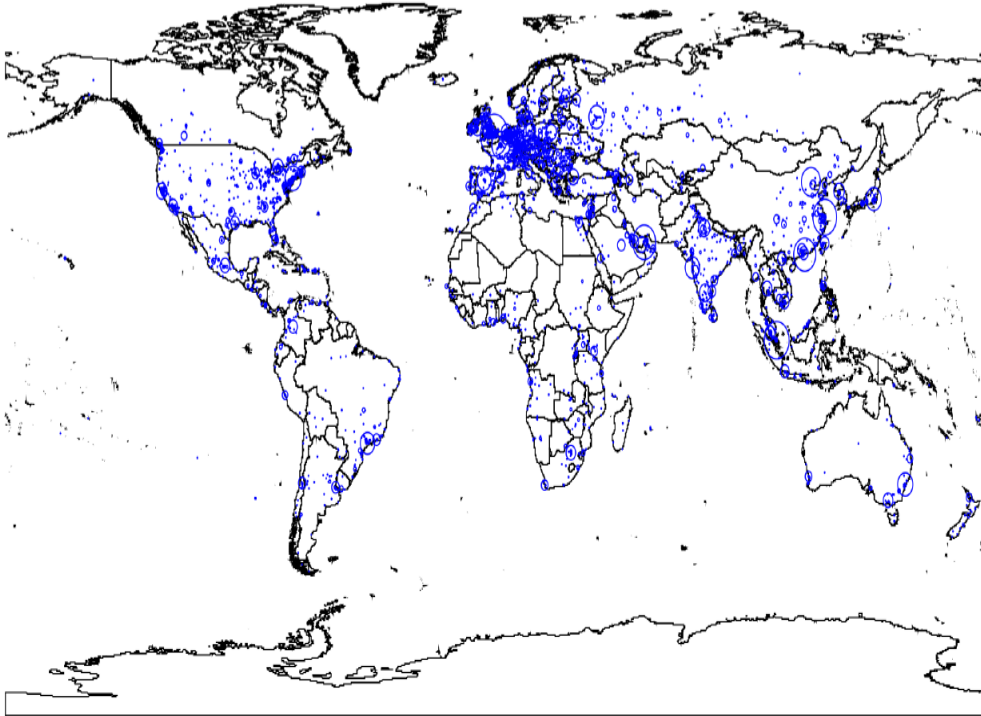


Figure A.2 – Geographical distribution of cross-border investment projects in Support services activity

## Support Services

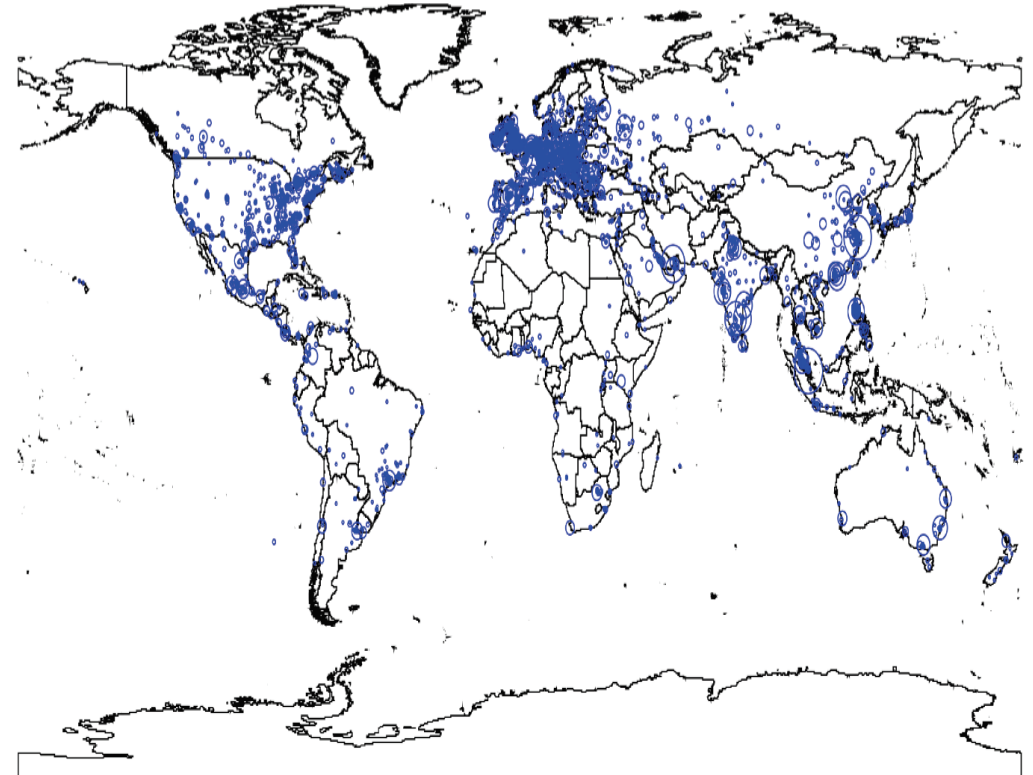


Figure A.3 – Geographical distribution of cross-border investment projects in R&D-related activity

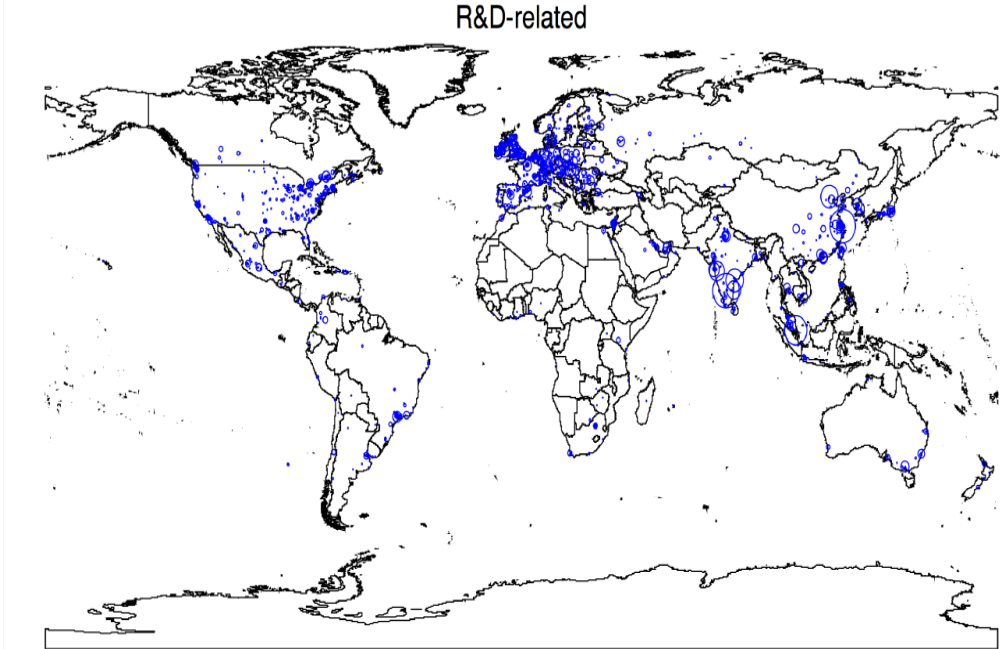


Figure A.4 – Geographical distribution of cross-border investment projects in Production activity

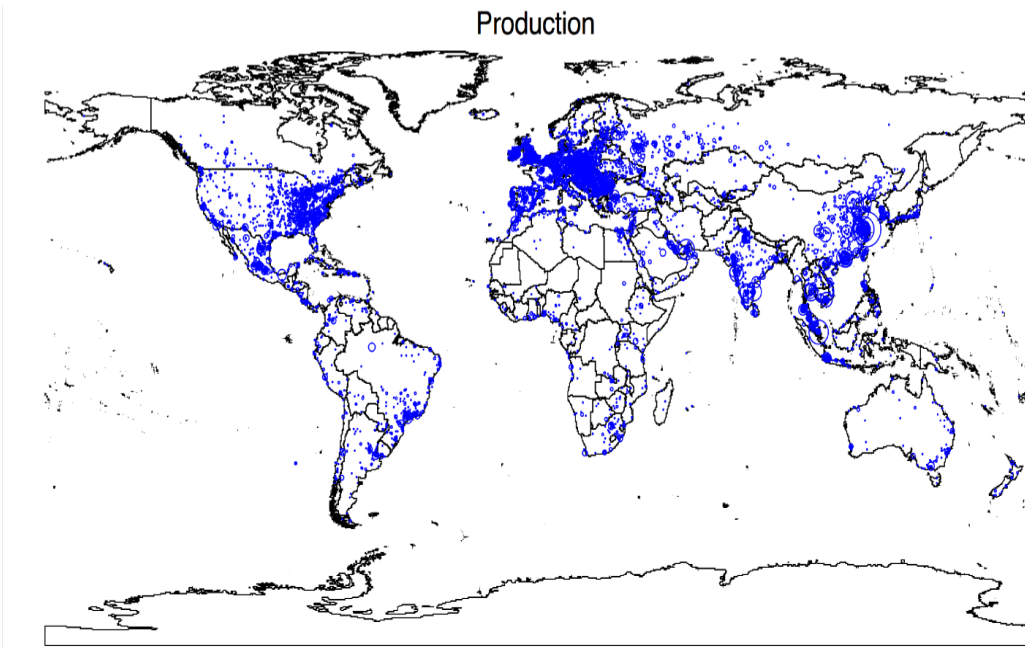
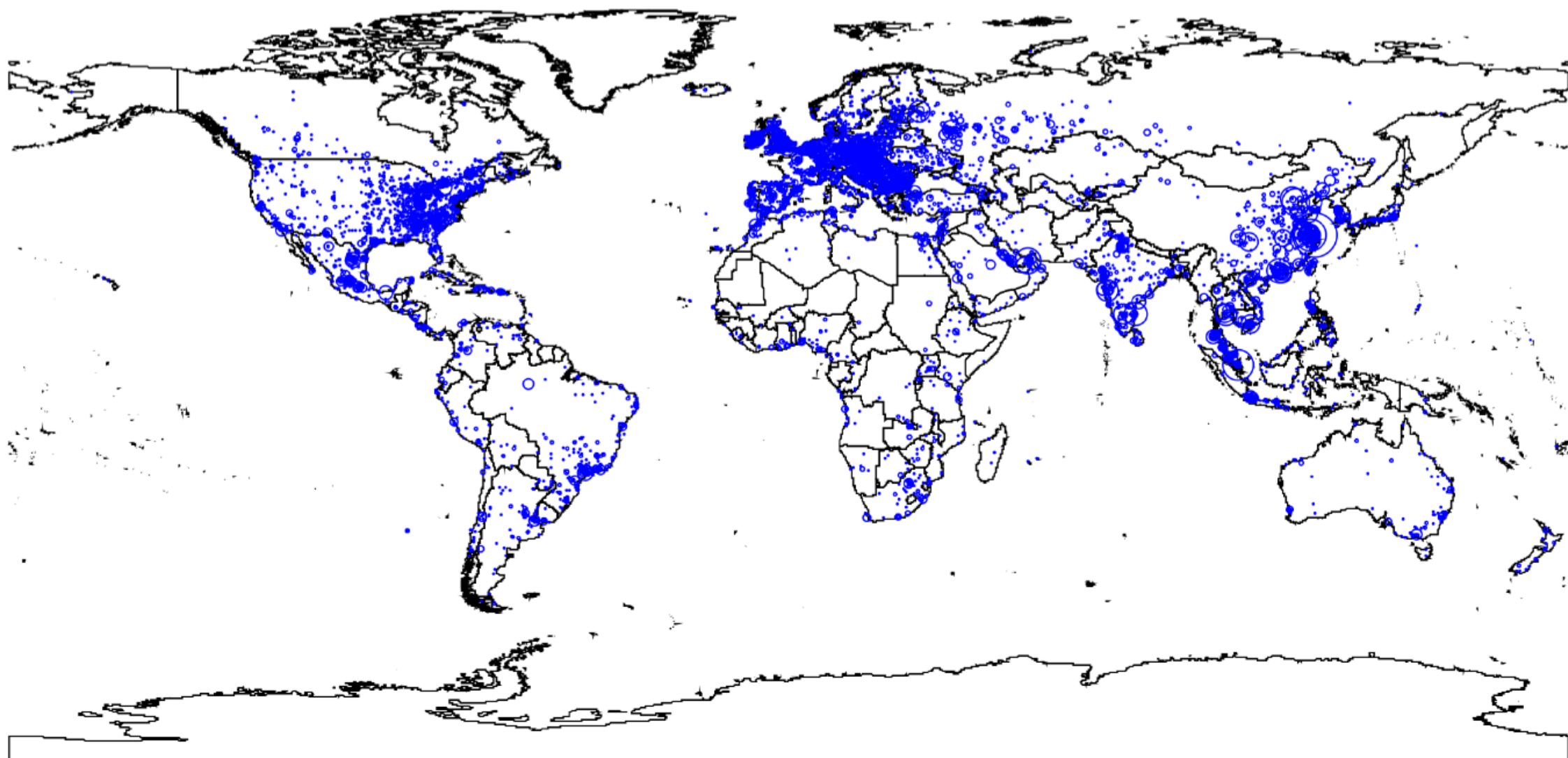




Figure A.4 – Geographical distribution of cross-border investment projects in Production activity

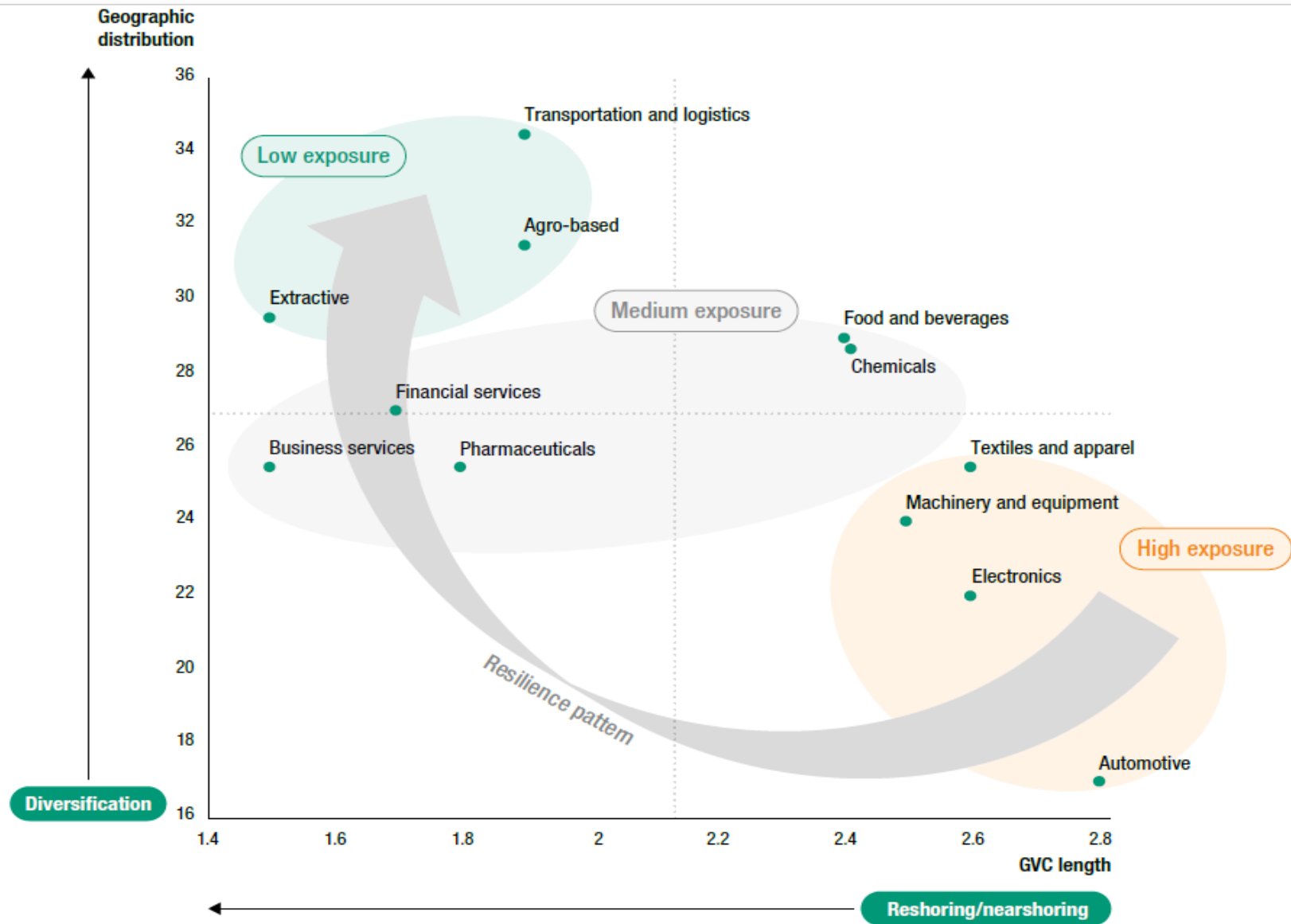
## Production



**Box table IV.1.1.**

## Features of the two main types of international investment for development

	Production investment	Infrastructure investment
Types	<ul style="list-style-type: none"> <li>Resource-, efficiency- and market-seeking investment in the context of GVCs</li> </ul>	<ul style="list-style-type: none"> <li>Strategic-asset- and market-seeking investment less dependent on international trade</li> </ul>
Main actors	<ul style="list-style-type: none"> <li>MNEs</li> </ul>	<ul style="list-style-type: none"> <li>Investment funds, financial institutions, development banks and MNEs</li> </ul>
Ownership advantages	<ul style="list-style-type: none"> <li>Technology, intellectual property, network access and managerial advantages</li> </ul>	<ul style="list-style-type: none"> <li>Financial strength, risk management skills and project management reputation</li> </ul>
Nature of intrafirm transactions	<ul style="list-style-type: none"> <li>Trade transactions and financial flows</li> </ul>	<ul style="list-style-type: none"> <li>Financial flows</li> </ul>
Policy relevance	<ul style="list-style-type: none"> <li>Long-standing focus of development strategy, industrial policy, investment policy and IPAs</li> </ul>	<ul style="list-style-type: none"> <li>Cross-border investment a relatively recent focus in the context of the SDGs</li> </ul>
Selected data sources	<ul style="list-style-type: none"> <li>Balance of payments (FDI)</li> <li>Greenfield project announcements</li> <li>Foreign affiliate statistics</li> </ul>	<ul style="list-style-type: none"> <li>Balance of payments (FDI, debt, portfolio)</li> <li>International project finance announcements</li> <li>Bilateral/multilateral financing commitments and disbursements</li> </ul>



Source: UNCTAD.

Note: GVC length is measured by the number of production stages involved in a specific GVC. Geographic distribution reflects the degree of concentration of value added and is measured as the average of the number of countries that account for 80 per cent of global value added in gross export and the number of countries that account for at least 0.5 per cent of global value added in gross exports. Values are reported in *WIR20* (table IV.4).

# Greece and FDI

- <https://www.enterprisegreece.gov.gr/en/greece-today/why-greece/foreign-direct-investment>
- <https://www.bankofgreece.gr/en/statistics/data-reporting/reporting-of-balance-of-payments-and-external-statistics>