

## Region in strategies of transnational companies – the phenomenon of territorialisation of enterprises

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### Abstract

Internationalization of economic activity is one of important elements of the today's economy. And transnational corporations are one of the most important actors of these processes, possessing capabilities which make them able to coordinate economic activity in many spaces simultaneously.

In literature addressing the economic issues of globalization, one can notice the growing role of regions. Treating territories only like "boxes", where economic activity can be located is not more sufficient. The problem of optimum location as resultant of cost and distance reduction, explains only partly the success of enterprises.

Thus, analyzing the active role of the regions, especially the relations between enterprises and their "local milieu", is a very interesting cognitive issue. Firms coordinating their global activity and operating somehow "independently" from a definite space, often tend to build the relational networks of cooperation. Because some of these relations are territorially embedded, this phenomenon is named "territorialisation" or "embeddedness".

The aim of paper is to analyze linkages between global and local dimension of economy. The mainstream of considerations concerns the issues of territorialisation, defined as a process in which enterprise simultaneously contributes to and profits from resources which cannot be rebuilt or imitated in other territory

**Key words:** globalization, regional development, transnational enterprises, territorialisation.

### 1 Introduction

Internationalization of economic activity is today one of the most important aspects of the global economy. Globalization leads to growing international interdependencies, sensibility of economies on external trends and growing competitive pressure. Transnational corporations are one of the most important actors of these processes, possessing assets and management capabilities which make them able to coordinate economic activity in many spaces and many markets simultaneously.

Joining issues of regional development and globalization together, we cannot ignore the problem of attractiveness of regions for foreign investors on one hand, and the impact of transnational corporations on regional competitiveness, on the other hand. It can be argued, that extending flows of foreign capital to a given region are, at the same moment, a reason and a consequence of its economic position.

In literature addressing the economic issues of globalization, one can observe the growing role of regions. Treating territories only like a “boxes”, where economic activity can be located is not more sufficient. The problem of optimum location as resultant of cost and distance reduction, only partly explains the success of enterprises.

Thus, analyzing the active role of regions, especially relations between transnational enterprises and their “local milieux”, seems to be a very interesting cognitive issue. Big firms, coordinating their activity in a global scale, operating in some way “independently” from a definite space, often seek the competitive advantages by establishing their relations within the networks of cooperation. Because some of these relations are still territorially embedded, this phenomenon is named “territorialisation” or “embeddedness”. This term reflects the issues of linking up the success of a firm with a success of the region.

The aim of a paper is a theoretical analysis of linkages between global and local dimensions of economy, in the context of the transnational enterprises’ activity. Consequently, the mainstream of considerations concerns the issues of territorialisation, defined as a process in which enterprises simultaneously contribute to and profit from these kinds of resources, which build sustained competitive advantage of the region and cannot be transferred or imitated in other territory. Article consists of four parts. First one is devoted to the concept of “territory” as a new way of perceiving main factors determining regional development. Second part is an attempt to define the notion of territorialisation of enterprises. Third part of this paper is a review of some research projects concerning this matter, what finally leads to conclusions and proposals for future projects that might be undertaken in this field.

## **2 Region as spatial unit and as “territory”**

Rediscovering the growing role of region as a specific economic entity is one of important phenomenon in literature in economics and geography. Recently, especially representatives of Californian school of economic geography, called also *new industrial geography*, underline this aspect. A. J. Scott and M. Storper point out that in the époque of global communication and long-distance data transfers, geographical proximity and its impact on spatial concentration of economic activity still matter in case of many transactions. Contemporary economy can be characterized not only by internationalization of business activities, but also by growing level of complexity and diversity of economic interactions.

And thus, while transactions which are relatively frequent, predictable, simple and easily codifiable are indeed not sensitive to geographical proximity, relations characterized by high complexity, irregularity, uncertainty as well less limited codification and predictability (which are of growing importance in a knowledge intensive economy), are still embedded in regional context [1]. That is why “the regionalization of production systems is intensified by localized technological learning processes and by the locational inertia that is created by the accumulation of a mass physical capital at particular locations. In this manner, regional industrial agglomerations continue to be a significant (and much underrated) element of the landscape of capitalism, even in a world of steadily globalizing economic relations” [1, p. 509].

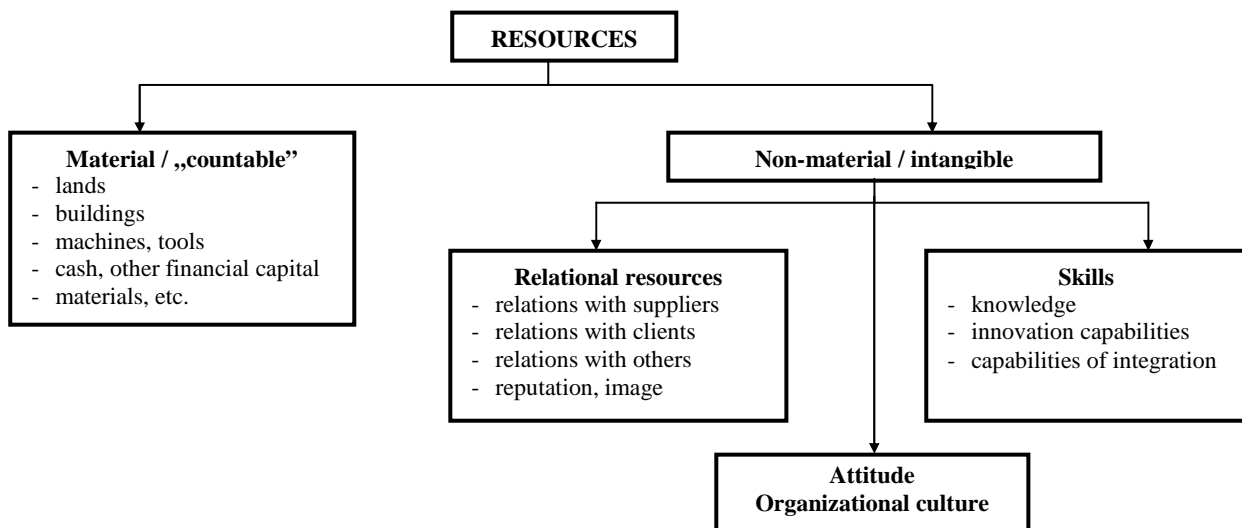
To confirm thesis about important role of regional or local and regional dimension [2] of economy, Scott and Storper call the processes of growing divergence of spatial redistribution of gross domestic product in both developing and well developed countries.

Despite revolution in telecommunication technology and lowering transport costs, mechanism of spatial concentration of production still works. It is stimulated by important role of *external effects* of agglomeration of economic activity, leading to better possibilities of finding appropriate workers, cooperators, suppliers, partners, who support *flexible specialization* of territory and creation of networks promoting fast diffusion of innovation [3].

In this context, in contemporary global economic landscape, the phenomenon of “region states” (as K. Ohmae calls it, equally extreme as periphrastic), becomes more and more discussed. Under this term K. Ohmae understands areas that are not limited by existing political borders. If these borders even exist, they rather “follow than precede real flows of human activity” [4, p. 78]. They do not menace national states and they are not protected by military forces. They are rather “natural economic zones”, in which human, material, intellectual, social resources concentrate, making some of them most important players in global economy [4, p. 79].

That is why we can observe, that today region (territory), is not identified with physical space only, treated in traditional location theory as “container” of land, capital, labor and perceived mainly in the context of transport costs, but is rather considered as “a form of organization that reduces uncertainty and risk, and which is a source of information and accumulation of knowledge and capabilities supporting innovation potential” [5, p. 34].

**Figure 1. Taxonomy of resources**



Source: [8, p. 75]. Although B. Godziszewski presents taxonomy of resources of enterprises, it seems to be adequate equally for regional (territorial) ones.

Globalization processes and growing competitive pressure accompanying it, is a framework for these considerations, leading to a broader discussion concerning the problem of regional competitiveness. Leaving a very broad and somewhere important matter of regional competitiveness aside for this moment, we can just state that considerations around competitive position as static situation and competitive advantage as a process lead to conclusion, that these are mainly endogenous resources of a territory and the ability to use them in economical practice that can really ensure continuous success. Not all resources that decide about continuous competitive advantage or even investment attractiveness in a given point of time can be simply assessed with regular accounting methods, as they are *embedded* in specific regional or local context of relations, and some of them are not truly of market type.

Moving on, these resources which are difficult or impossible to transfer or reproduce in another territory, (or costs of their transfer/reproduction are too high when comparing with potential benefits), can be legitimized as *specific regional resources* [6, p. 353]. It is comparable with R. A. Boschma's assumption that regional resources are these which are "embodied in a knowledge and competence base with a high degree of tacitness, which is sustained and reproduced by interaction patterns that are firmly rooted in a particular institutional setting" [7, p. 1012].

In this context, we can distinguish between weak and strong competition [9]. Weak competition is a static price competition, when enterprises concentrate on low labor costs, low taxes, liberalization of labor market etc. Strong competition is based mainly on exploiting the "soft", intangible, region-specific assets described above. This way of competition is based on: non-codified knowledge, common culture, institutions, competitions that seem to be much more effective in a long run [10, p. 1010]. They have the most important meaning for the processes of *territorialisation* of enterprises.

### 3 Processes of territorialisation of enterprises

Researchers engaged in issues concerning the role of space in economic processes started to point out that in a world where big corporations become more and more mobile, not only ability to attract, but to keep capital for a long time, decides about success of regions. Ann Markusen named regions that are able to "keep" capital in a metaphorical way – *sticky places*, which mean places that managed to create various form of spatial organization of production being propitious for building local "business climates". Although one can differentiate many forms of them, they possess one common characteristic, which is their "stickiness" interpreted as "ability to attract as well as to keep, like fly tape", capital and enterprises [11, p. 294].

The notion of enterprises' *territorialisation* seems to well reflect a coincidence of global and local dimensions of contemporary economy. It is strengthened by a fact that in many cases, foreign direct investment "is often attracted to, and has a reinforcing effect upon 'innovation clusters' in the targeted country" [12, p. 495; 13; 14]. As A. Jewtuchowicz states, "globalization and transformation of capitalistic economy accompanying it and a growing role of the importance of access to resources, have dramatically changed relations between enterprises and regions where they operate. That is why we experienced a problem of territorialisation, which is about linking together the success of a firm and success of a region and conversely, leading to a situation that well being of a given region will be a crucial conditions of firm's competitiveness" [15, p. 42]

The problem of territorialisation was also conceptualized in international management theory. In this literature we can find observations that local branches of transnational corporations are deeply rooted in specificities and systems of creation of new knowledge, having territorial character, because they derive form what A. M. Rugman and A. Verbeke call *subsidiary-specific advantages* [16]. So, even though they do not use the notion of "territorialisation" directly, they find out that in some cases transnational corporations gain access to regional/local specific advantages and systems of new knowledge and innovation, just through establishing their branches in specific countries and specific regions.

With a problem described above, term "embeddedness" is tightly interconnected. The latter is defined as entirety of factors that decide about durability of investment in specific place. Among factors of embeddedness of multi-branch company we should mention: position and function of subsidiary of a company in its whole organizational structure, its economic performance, and the level of sunk costs which refer to costs that cannot be "withdrawn" in case company decides to leave given territory (e.g. costs of buying and building company

assets, costs of teaching new employees, building positive image and positive relations with local suppliers, etc.) [17, p. 198; 18].

D. Harvey perceives context of territorialisation of enterprises in his statement that aspiration to eliminate barriers for flows is a natural characteristic of capital. And this can paradoxically be achieved only by construction of relatively fixed and immobile transport, communications and regulatory institutional infrastructure [19, p. 433]. Thus, “spatial organization is necessary to overcome space” [20, p. 145]. In reference to his conclusion N. Brenner claims that globalization should be understood as a process in which we can observe acceleration of flows of capital, goods, information and people on one hand, but on the other hand, only territories being able to maintain railways, highways, ports, canals, airports, as well as informational networks and institutions, can really derive from these processes [19, p. 435]. Capital, in its traditional meaning is to some extent “a-spatial” by nature; only places being able to “fix capital within their territories through the provision of immobile, place-specific assets and externalities that either cannot be found elsewhere or cannot be abandoned without considerable devalorisation costs” [19, p. 442], can be competitive. This is what *territorialisation of capital* really means.

Enterprises are these entities that are able to put regional resources into markets, and especially big transnational companies are clue actors on contemporary economical global stage. The latter possess capabilities to profit from both resources that are ubiquities and resources which cannot be transferred or imitated in other regions, but also can simultaneously contribute to building regional specificity of resources binding their strategies with the strategy of territory where they are localized. Thus, territorialisation can be defined as a process in which enterprises simultaneously contribute to and profit from these kind resources, which build the sustained competitive advantage of the region and cannot be transferred or imitated in other territories.

#### **4 Territorialisation in research projects**

The problem of territorialisation and embeddedness has not been deeply recognized in literature yet, especially in the empirical sphere. For the last year, author of this article has been reviewing some empirical studies concerning in some way problems discussed above, as well as made his own attempt in investigating it in the region of Łódź, for the purposes of his doctoral dissertation.

Before presentation of five different research initiatives one must state that the research on this field is not only rare, but also often incomparable, because of different methods used. It is not an author’s accusation, but a reflection that it seems to be just the matter of the stage of rise of this kind of research. That is why it seems to be a good time to start dealing with comparison of different approaches, in order to open a wide discussion about potential possibilities of some kind of “standardization” of this field of regional science in the future.

Among a few (as it was already mentioned) research concerning territorialisation, let us mention firstly about the research of autonomy of foreign subsidiaries of transnational corporations (TNC) in non-metropolitan areas in Norway. Research presented by S-E. Jacobsen and G. Rusten [21] was based on thesis derived from previous investigation in UK and Ireland by J. Taggart & N. Hood [22], who claimed that subsidiaries with a higher level of autonomy are more embedded in local context than their counterparts which are less autonomous.

Research in Norway was based on phone surveys conducted among managers from 225 TNC subsidiaries, asked about: main location factors, strategic position of a subsidiary within a whole organizational structure of the corporation, type and strength of linkages with local actors. Responses were classified into 1-7 scale and were used as interdependent

variables in formal model – multiple logistic regression, in which the level of autonomy of foreign subsidiaries was used as dependent “0-1” variable.

The results have shown up the positive and statistically significant correlation between the level of autonomy of foreign subsidiaries and the level of their territorialisation [23]. Usage of formal statistical methods seems to be an advantage of this research. However, this standardization leads, on the other hand, to missing very important qualitative information, which could explain the other factors of embeddedness (e. g. size of subsidiary, its position in organizational structure of TNC, its function, economic performance, etc.). Influence of the latter was discovered as statistically insignificant, despite sometimes common and obvious assumption that these factors often strongly determine the level of territorialisation.

It is worth noting that S-E. Jacobsen and G. Rusten underline the need of investigating more cases concerning this problem as well as the need of more international comparative research. In this context, usage of formal statistical methods is a very good approach.

In 2005, distinctly from previous research S-E. Jacobsen and K. Onsager made an attempt to investigate location of head-offices in Norwegian metropolitan regions [24]. Research was based on phone surveys among 123 head-offices of TNCs in Norwegian metropolitan regions and 21 intensive case studies. Questions asked in interviews related to head office location, its organization and linkages, while case studies aimed at gaining information about accurate head office location histories, their linkages and connections [24, p. 1521]. This time, authors did not use a formal mathematical model.

Results have shown that the reasons and ways of location are very special in case of head offices, comparing to other company branches. “Special” functions that headquarters play in organizational structure of company leads to a very big concentration in capital city (Oslo), and this concentration rises in time. Authors tried also to identify whether head offices tend to move their locations among metropolitan areas and if yes, what were reasons of such decisions. Case studies have confirmed that different factors lead to delocalization (change of ownership, growth or decline of headquarter in organizational structure of whole company, change in political and administrative regulations and change in location conditions) [24, p. 1527], but the direction is nearly always from regional to national centers and rarely vice versa.

This research did not concentrate strongly on the problem of embeddedness, but it led to conclusion that “local linkages are one of several sets of linkages that comprise the multiple linkages of head offices in a knowledge-intensive economy” or in other words: “head offices of large companies are involved in complex sets of networks at different geographical levels” [24, p. 1531]. In this context, the level of potential territorialisation is determined by a quality of local environment. In case of Norway, most specialized *milieux* assuring access to specified knowledge is offered in Oslo metropolitan region. That is why head offices located here derive from local resources much more often than in other territories. In a proposal of future research, authors recommend intercountry comparisons to find out variation in the level of embeddedness in different countries as well as identification of assets the “tie head offices to their locations” [24, p. 1534].

The problem, of embeddedness was also a subject of research in Poland. In 1997, J. Hardy investigated the strategies of 12 big transnational corporations operating in Wroclaw [25]. Case studies were based on 12 interviews with senior managers and aimed at response of questions whether strategies of TNC’s operating in Wroclaw are “cost” or “market” oriented and whether functioning of these companies stimulate endogenous regional development through territorialisation processes.

According to main conclusions, investigated companies were characterized by weak linkages with local suppliers (limited to delivering raw and low-technology materials and services) as well as weak spillover effects of these investments. In consequence, J. Hardy

concludes that FDI of both *brownfield* and *greenfield* type are rather “cathedrals in the desert” [26] than actors strongly integrated with local milieu. In consequence, because of lack of real territorialisation processes, “it is therefore not possible to talk about core or dynamic regions, but simply regions that contain a larger than average number of firms which have been made competitive by FDI” [25, p. 650].

Another research concerning embeddedness, conducted in Poland, took place in 2004 in Mielec Special Economic Zone – first polish economic zone opened in 1995 in south-eastern part of the country, aiming at attracting investors in order to generate economic growth of this region. B. Domański *et al.*, in their work [17] made an attempt to assess its efficiency after ten years of functioning, and were also interested in the problem of embeddedness of investors [26].

The level of territorialisation was assessed with usage of statistical data concerning financial effectiveness of firms as well as through direct interviews with representatives of 18 enterprises located in Mielec Special Economic Zone. What is more, some simple interviews were made also among many enterprises cooperating with them. Attempt to investigate this problem from not only investor’s but also local enterprises’ point of view makes this research very valuable.

Authors decided to assess the level of territorialisation, using overall *indicator of embeddedness*, based on five-points-scale assessment of following factors: scope of market operations and overall strategy of capital group, position of investigated branch in a whole group, economies of scale gained in Mielec SEZ, untraded (soft) competences of investigated branch, economic situation, the level of sunk costs, level of revenues, labor-intensity of production, value of local workers, and local linkages with other firms and institutions.

Results of research has shown that the level of territorialisation was rather average and it concerned mainly small and medium enterprises. What is more, among main reasons of territorialisation, enterprises indicated mainly cost-based factors (e. g. sunk costs), while existence of local networks of cooperation was assessed as rather weak and not able to “keep” enterprises. It leads to conclusion that in Mielec Special Economic Zone, there are still lower costs of operation rather than stable business and milieu environment, which decide about its advantages.

**Table 1. Review of empirical research dealing with the problem of territorialisation of TNC subsidiaries**

Authors	Region	Research method	Results	Main advantages	Comments
Jakobsen, S-E., Ruten, G. (2003)	Non-metropolitan areas in Norway	Phone surveys among 225 TNCs subsidiaries operating in Norwegian non-metropolitan areas	Statistically significant correlation between the level of autonomy of foreign subsidiaries and the level of their territorialisation.	Thanks to usage of formal statistical method, results can be broadly generalized and used for comparative purposes.	Usage of quantitative methods leads to missing some qualitative information, which could be helpful in explaining local specificities of investigated territories.
Jakobsen, S-E., Onsager, K. (2005)	Head-offices in Norwegian metropolitan regions	Phone surveys among 123 head-offices of TNCs in Norwegian metropolitan regions and 21 intensive case studies	Head offices present distinct reasons of location than other branches of large companies. They tend to locate in metropolitan areas, being “flow nodes” where companies can gain simultaneous access to both local	Research underlines the specificity of location factors that head-offices seek in space. It revealed that competitive advantages of metropolitan areas (mainly capital cities) in this matter. Besides, it shown that	Despite large amount of investigated cases, there is still a need of deep international comparative research in this field.

			and international resources of development. Metropolitan areas (mainly capital city) are more “sticky” than other regions; that is why territorialisation of large companies is most probable in metropolitan regions.	well developed local milieu is one of the most important conditions of knowledge spillovers and embeddedness of large companies. It also revealed that local and global linkages of companies are not opposite, but complementary factors of their economical success.	
J. Hardy (1997)	Wrocław metropolitan region	Case studies based on 12 interviews with senior managers	Companies were characterized by weak linkages with local actors; weak spillover effects of these investments – FDI in Wrocław are “cathedrals in the desert”	Discovered the problem of lack of territorialisation of FDI project in Polish regions. It shown for the first time that “just attracting” FDI is not sufficient to build dynamic regions.	Generalization of results, because of usage of only 12 case studies, should be cautious.
B. Domański (2005)	Special Economic Zone in Mielec	Usage of statistical data concerning financial effectiveness of enterprises and direct interviews with representatives of 18 enterprises located in Mielec Special Economic Zone	The level of territorialisation was rather average and it concerned rather smaller than big enterprises. In Mielec SEZ, lower costs of operation are still more important for investors than stable business milieu	Converting unstructured answers into structured 1-5 point scale in order to prepare overall, <i>synthetic indicator of embeddedness</i> .	Although some simple interviews were made also among firms being partners cooperating with investigated enterprises, it was rather superficial. However, attempt to investigate this problem from not only investor’s but also local enterprises’ point of view, opens new way of analyzing it.
M. E. Sokołowicz (2006)	Łódź metropolitan region	Case studies of 12 branches of big international companies, with usage of standardized interviews with management representatives	Branches of international enterprises operating in Agglomeration of Łódź did not embed in this region, leaning their strategies mainly on cost factors. They do not perceive specific resources in the region and tend to perform only one function of the value chain (production, assembly).	First attempt to investigate the problem of embeddedness of foreign companies in Agglomeration of Łódź., just in the beginning of FDI “boom” in this region. Another “brick” to Polish research on this field with a new method used.	Similarly to other Polish research, it was based on qualitative methods and on rather little number of cases. Companies in Poland (regardless the origin of capital) present aversion to cooperation with research institutions. There is still a need to broaden research sample and compare its effects with other similar projects.

Source: Own composition based on literature reviewed in article.

To the same or even more negative conclusion came M. E. Sokołowicz [27], investigating the level if TNC’s embeddedness in Agglomeration of Łódź – second largest urban region in the centre of Poland. Research method used here was a deep case study of 12 local branches of international companies, based on analysis of existing data (press releases,



web sites, etc.), as well as standardized interviews with management representatives. It was based on hypothesis that the level of territorialisation depends on strategy of a whole corporation. Besides, assumption that the small number of cooperative linkages with local actors in Łódź seem to be one of the most important limitations of embeddedness of transnational cooperation, was a starting point here.

After simple standardization of responses received from TNC' local representatives, the classification of 12 firms, based on level of integration of value chain in the region on one and density of local linkages on the other hand, was made [28]. It came out that only one enterprise integrates its value chain's main operations in the region as well as cooperates strongly with local milieu. Besides, two other firms perform only one element of the value chain (which was production), but tend to cooperate strongly with local actors. In other cases, level of integration with local environment was much more less, confirming assumption that branches of international enterprises operating in Agglomeration of Łódź do not embed into regional environment, leaning their strategies mainly on cost factors. It is brought about mainly by "centralized", global strategies of most of investigated enterprises, as well as perceived lack of region-specific resources in the region (e.g. atmosphere of cooperation, high networking competences, etc.). Among non-cost incentives factors of location, only personal *soft* competences of skilled local workers were indicated as important ones.

One of important value of this research is that it was first attempt to investigate the problem of embeddedness of foreign companies in Agglomeration of Łódź, especially that this problem was undertaken just in the beginning of foreign investment "boom" in this region [29]. However, because a new methodology was used (e.g. it was not possible to compare this results with results from Mielec Special Economic Zone), author is aware of some weaknesses of this research as well as a need of repeating it in a few years, enlarging research sample and comparing with other similar research projects.

At the end of this review it should be also stated that research concerning territorialisation in Polish regions was rather of qualitative type and was based on rather few number of cases (12 in Wrocław and Łódź, 18 in Mielec). One of the reason is that among Polish companies (even if they are with foreign capital share, many Polish managers work there), there is an aversion to cooperate with research institutions. It is postulated that some institutional solutions as well as promotional activities should be undertaken in order to deal with this very important problem of Polish economic and social science.

## 5 Conclusions

The phenomenon of territorialisation of enterprises has been a subject of yet elementary theoretical discussions, and for sure we can expect its broadening in the future. Efforts aiming at investigating these processes in reality are also at initial stage. However, some authors, who originate from the fields of regional science, social science, economics and management or economic geography, have already noted some successes. Reviewing some of them was a subject of this paper and author hopes it will be helpful for future research.

However, we must state, that different methodology used in every research discussed above, limits the possibility of deep comparisons and conclusions, but on the other hand, it shows a way for tomorrow's analyses of territorialisation. First of all, we can point out that three of five research projects presented in this paper, were conducted in big metropolitan regions, while two of them took place in non-metropolitan areas. It revealed differences in location factors between these two types of territories and also led to conclusion about better position of big agglomerations in the context of embeddedness processes. What is interesting, in case of metropolitan areas, being "nodes of global flows" and offering bigger level of

connectivity with the world, there is paradoxically higher probability of foreign companies' embeddedness, since they can derive from both global and local economic resources simultaneously. It confirms Amin's and Thrift's assumption that big agglomerations remain "relay stations in a world of flows" [24, p. 1518; 30].

Another conclusion coming from this review is that different type of activity (e.g. location of head-office or location of production branch), also influences the level of embeddedness, as well as leads to differences between factors determining territorialisation. We should state that some of research has led to different conclusions and while one of them showed that smaller enterprises tend to embed more strongly into local milieu than big companies [17], another failed at confirming this hypothesis [21].

All research undertaken in Poland showed that on present stage of development of its economy, processes of territorialisation do not actually take place. It means that cost factors remain the most important location factors and foreign companies locating in Polish regions are often "cathedrals in the desert" [25]. It should have implications for Polish FDI-attracting policy on both state, and regional/local level.

As far as methodologies of research discussed above are concerned, quantitative and qualitative methods proved equally strengths and weaknesses. It seems that it is *combination* of both that can bring most interesting conclusions, especially when one would succeed in establishing *international network of research* allowing broad comparisons and leading to gain a bigger research sample.

Establishing international research network would have another important advantage – it could cause elaboration of common methodology of research of this kind. For this purpose, elaborating one way of collecting data to be used in formal models should be a first stage. Usage of advanced computing methods, or geographical information systems (GIS) could be useful here too. After that, to capture specificity of regions, joining research network and qualitative research (in a form of case studies), can be undertaken.

Taking into consideration that in European scale, it is worth including post-communist countries to this kind of research, we should bear in mind problems experienced in Poland, mainly aversion of most of enterprises to cooperate with research institutions and problems with gaining statistical data accompanying it. This problem opens a discussion about special institutional and promotional solutions, e.g. public help for enterprises treated as a special "bonus" for cooperation.

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- [2] In recent years many authors have partly resigned of analyzing differences between so called "regional" and "local" scale of development (Bunnell T.G., Coe N.M., (2001), *Spaces and scales of innovation*, *Progress in Human Geography* 25(4), pp. 569-589). They often replace it with a term "territory", which is especially visible in French regionalists' literature. In this sense, "territory" does not reflect clearly defined spatial area, but is rather a "philosophy" of perceiving it as a specific space of economic and social relations. In this sense, territory is not given, but rather created by "actors" operating there (Jewtuchowicz A., (2005), *Terytorium i współczesne dylematy jego rozwoju*, University of Łódź Press, Łódź, p. 64). In this article, terms like "region" or "regional", are used exactly in this context.
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- [16] These authors offered taxonomy of three types of strategic advantages (resources): nonlocation-bound, location-bound and subsidiary-specific advantages. Nonlocation-bound advantages can be exploited anywhere in a global scale (e.g. products being an effect of their usage can be sold on many geographical markets) and they easily spread within organizational structures of enterprises. Second type of advantages cannot spread in a global scale and cannot diffuse within organizational structures at all. Subsidiary-specific advantages join together the most valuable characteristics of two former. They make firms able to produce and sell goods on international markets (so they are not “prisoners” of local context), but only if they derive from resources created in a specific local branch (which is somehow rooted in a given local production system), and use it in the whole organizational structure through it. For more details, see: Rugman A. M., Verbeke A., (2001), *Subsidiary-specific Advantages in Multinational Enterprises*, *Strategic Management Journal*, No. 22, pp. 237-250.
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