

On-Going Globalisation: Perform Multinationals Different than Non-Multinationals in Dutch Manufacturing Industries?

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Paper Abstract: Due to globalisation the impact of multinationals on national economies has grown over time. For example, the inward foreign affiliates statistics (FATS) show that the percentage of value added of the Dutch economy that is foreign controlled is increasing (CBS, 2015, Statline). Most likely multinationals will have an even bigger impact on the economy in the near future due to on-going globalisation, so it is important to monitor and understand the socio-economic impacts of activities of multinationals on the economy. By means of this information policy makers are better equipped to construct well designed policies for these developments.

This paper explores if multinationals perform different than non-multinationals in Dutch manufacturing industries. There are already many studies showing that there are differences between foreign and domestic controlled enterprises. But it is not that often researched if this is caused by “foreignness” or by being a multinational. To answer this question we will discern three groups: foreign multinationals, domestic multinationals and domestic nationals. Performance can be measured by different variables. This study will focus on two variables, namely jobs (FTE’s) and value added. It will examine the impact of globalization on growth in terms of jobs and value added growth in manufacturing industries by answering four different research questions:

Did multinationals grow faster or slower than non-multinational companies (production, value added)? Additional sub-question: do 'foreign companies' outperform 'Dutch companies' (based on ultimate control)? We discern between autonomous growth and growth due to mergers and acquisitions.

Is the output structure of multinationals significantly different from non-multinationals (wages vs. profits)? Additional sub-question: is there a difference between "foreign companies" and

Dutch companies' (based on ultimate control)? After the work of Piketty there is more attention for the distribution of wages and profits.

Is there a significant difference between the educational level of the people working in multinational companies and of those in non-multinational companies? Becomes the difference larger or smaller, are multinationals attracting all the talent or not? Additional sub-question: is there a difference between \"foreign companies\" and Dutch companies' (based on ultimate control)?

This study presents descriptive statistics on the issues mentioned above. On the basis of a time series 2008-2013 we will answer the three research questions and formulate policy relevant conclusions.