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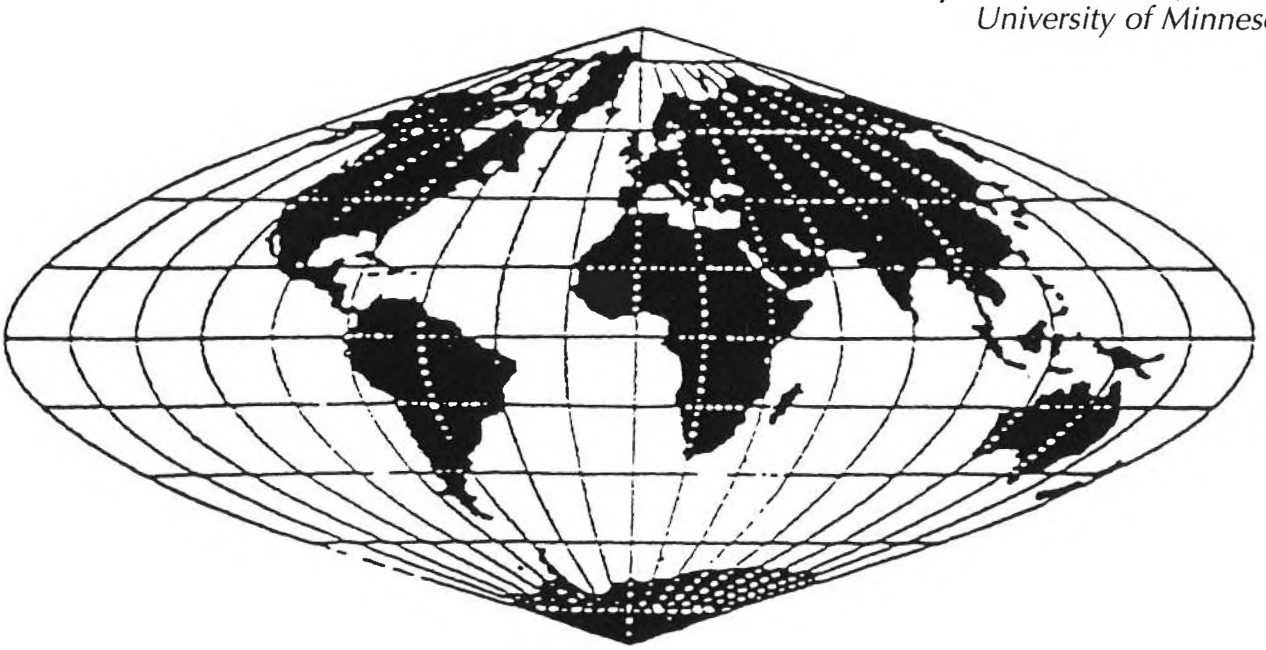

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Globalisation and the Polish Economy

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Poland's participation in the globalisation process can be perceived as being mainly the effect of foreign direct investment made in this country by multinational firms pursuing global strategies. Upon examining the relationship between the Polish economy and the globalisation process it must be stressed that the role of Poland in this context is predominantly that of a host country. This paper attempts to explore the relationship between globalisation and the Polish economy by analysing the following issues: the internationalisation of the Polish economy, the basic issues concerning the inflow of foreign direct investment into the Polish market, and the competitive strategies of Polish firms vs. those of foreign multinationals operating in Poland.

The process of internationalisation and its ultimate stage of globalisation can be conceived as the two most important factors influencing change and evolution in a country's economy and its competitive position in the world economy today. Poland's economy has been subjected to both these processes with increasing intensity and scope since her embarking a decade ago on a trajectory of often painful transformation leading to the adoption of a market led economic system.

The entry of foreign firms, especially through foreign direct investment (FDI), proved to be a major stimulant which engulfed Poland in the network of global interlinkages and competition and exposed her economy to the pressing necessity to react and adjust to the challenges and change which they have brought about. The introduction of the free market system opened up Poland to international competition but at the same time it revealed the low competitiveness of the previously protected domestic industries and forced these industries to seek new sources for financing the process of their restructuring. In face of lack of domestic capital and a rising demand for such capital foreign direct investment proved to be a desirable and advocated source of financing the development of the Polish economy. Foreign investment has filled up at least a major part of the gap in the country's internal capital accumulation and stimulated growth of industries that have so far been underdeveloped. Moreover through competition and the effect of demonstration FDI has been exerting on domestic Polish firms a unique pressure to upgrade.

Foreign Direct Investment in Poland – Regulations, Inflow and Effects

Evolution of Legal and Institutional Conditions for the Inflow of Foreign Capital

A significant feature of the Polish economy in the present decade has been its continuous opening up to foreign direct investment. The following factors (Kubielas, Markowski, & Jackson, 1996) have had the most powerful influence in this context:

1. Liberalisation of legal regulations governing the inflow of foreign direct investments.
2. Liberalisation of trade and currency convertibility.
3. Privatisation of state-owned enterprises.

Before the beginning of the market transformation in Poland, there existed the so-called enclave model of the foreign direct investment which treated this investment in a special way as compared with the remaining part of the economy (Samonis, 1992). The legal and institutional changes in the conditions for the inflow of foreign capital meant abandoning this model in favour of treating foreign investment in the same way as the domestic one (national treatment principle). The enclave model functioning in Poland had the following characteristics:

1. Foreign capital could be present in small firms and only in form of a minority shareholding.
2. The operating permit granting procedure was long and complicated.
3. There was a wide range of sectors where foreign capital was banned or restricted.
4. Foreign firms had to resell foreign currency revenues from their exports.
5. Restrictions existed in the transfer of profits abroad.
6. Restrictions existed in the purchase of real estate.
7. There was a 3 year tax holiday on corporate income tax.

The 1991 act on the operation of economic entities with the share of foreign capital contributed significantly to the establishment of national treatment of foreign companies operating in Poland. Among its most important features were:

1. No restrictions in the transfer of profits and initial capital.
2. The necessity to obtain permits issued by the state administration only when the property of state was being transferred to foreign owned firms. This refered to permission for obtaining shares in the company with foreign capital by the state legal person or to leasing or purchasing the property of state legal person by the company with foreign capital. Permits were granted by the Ministry of State Treasury.
3. Abandoning of the principle of automatic three years tax holidays.
4. Full guarantee of compensation in case of expropriation.
5. Foreign entities could conduct their operations in two forms only: limited liability companies and joint stock companies (this was an exception to the principle of national treatment, approved by the OECD).
6. In the lottery and gambling business foreign investment was forbidden.
7. Other restrictions in observing the national treatment principle refered to the maximum share of foreign capital in the firm's initial capital, determined by appropriate acts, which when applied to the telecommunication services amounted to 49%, to communications – 33% and in the radio and television sector – 33%.

Volume and Structure of Foreign Direct Investment in Poland

The data on the value of foreign direct investment in Poland are presented in Table 1. These data show that in the first half of the nineties the volume of investment in Poland was by no means impressive. Practically the year 1994 can be considered as borderline after which the inflow of FDI increased considerably. This was mainly due to the successful elimination of much of the earlier political and social turbulence and instability which tended to scare off many, especially big, foreign investors. Economic and fiscal policy also became more stable and more geared to attract foreign investment

Only recently has Poland become a leader among the countries of Central and Eastern Europe in the value of foreign investment received, overtaking Hungary (see Table 2). However, it must be noted that in the calculation of the value of foreign investment per capita Hungary, Slovenia and the Czech Republic still rank higher than Poland. All these countries seem to attract most of the FDI flowing into Central and Eastern Europe. One can observe here the effects of the agglomeration phenomenon in spatial distribution of FDI in the region. The major determinant of the agglomeration effect in this case is the high rate of GDP growth in these countries coupled with the highest pace, speed and effectiveness of introducing the free market mechanism and institutions, far faster than in the remaining countries of the region, where not so long ago capital allocation was decided centrally by the planning commission.

Table 1. Cumulated value of foreign direct investment in Poland in the years 1989–1997 (in mln USD)

Year	Investment above 1 mln USD	Investment below 1 mln USD	Joint investment
1989	8	1	9
1990	105	15	120
1991	324	45	369
1992	1408	197	1605
1993	2828	396	3224
1994	4321	605	4926
1995	6832	956	7788
1996	12028	1999	14027
1997	17705	2882	20587

Source: Olesinski, Pac-Pomarnacki, 1998, p.97.

Table 2. Inflow of Foreign Direct Investment in Selected Countries of Central and Eastern Europe, in the years 1993–1996 (in mln USD)

Country	1993	1994	1995	1996
Central-East European	6287	5882	14317	12261
Albania	58	53	70	72
Belarus	10	15	7	18
Bulgaria	55	105	90	150
Czech Republic	654	878	2568	1200
Estonia	162	215	202	138
Lithuania	30	31	73	152
Latvia	45	214	180	152
Moldova	14	12	67	292
Poland	1715	1875	3659	5196
Russia	700	638	2017	1800
Romania	94	341	410	624
Slovakia	199	203	183	150
Ukraine	200	159	267	440
Hungary	2350	1144	4519	1982

Source: Olesinski, Pac-Pomarnacki 1998, p.98.

The list of the most important foreign investors is presented in Table 3. It is interesting to note that from 1994 the first ten of the most important investors have not changed much: FIAT, EBRD, IPC, Coca-Cola and ABB have always been in the lead. The new entrants on the list include Daewoo, PepsiCo, the ING Group and Philip Morris. It is obvious that besides EBRD, IFC and the ING financial group these are all major transnational or global companies. All of them occupy a dominating position in their respective industries in Poland.

Table 3. The largest foreign investors in Poland – investments made by the end of 1997

Investor	in mln USD	Branch
FIAT	1141,9	car industry
Deawoo	1011,3	car industry
EBRD	616,5	banking
PepsiCo	412,0	food industry
IPC	370,0	paper industry
ING Group	350,0	banking
Coca-Cola	285,0	food industry
ABB	282,0	engineering industry
Philip Morris	282,0	tobacco industry
IFC	277,3	financial intermediation
Nestle	248,0	food industry

Source: Raport o inwestycjach zagranicznych w Polsce, 1997

The industry structure of foreign direct investment in Poland at the end of 1997 revealed that there were three dominating sectors: manufacturing, financial services and trade (see Table 4). Within manufacturing, industries relatively low in capital intensity and not knowledge and high technology intensive were those most preferred by foreign investors (i.e. food. beverages and tobacco). The main reason for this tendency was the fact that there were no significant and strong domestic competitors in these industries, many of them being former and inefficient state owned firms. Concentration in financial services was due to the sector being in its infancy stage and offering high rates of return whereas trade was also offering substantial growth opportunities, especially in the retail end of the distribution chain. This last element was being lately intensively explored by major French, Dutch and German supermarket chains.

Table 4. Foreign direct investment according to industry, at end of 1997 (in million USD)

Industry	Investment made	Investment planned
Manufacturing including:	11042,0	5782,6
• food products, beverages, tobacco	3276,9	1109,4
• transport equipment	2510,5	1969,5
• paper, publishing and printing	1158,4	293,3
• chemicals and chemical products	1087,4	518,0
• non-metallic raw materials	971,4	864,5
• optical and electrical appliances	667,4	260,8
• metals and processed metallic products	375,3	184,3
Financial services	3130,4	422,0
Trade	1408,5	2033,8
Transport, storage and telecommunications	734,5	299,4
Construction	554,9	511,8
Service and municipal activity	354,6	232,0
Hotels and restaurants	305,5	431,0
Electricity, gas and water supply	96,5	1040,0
Real estate services	38,3	24,5
Mining and extraction	16,2	0,0
Agriculture and fisheries	15,0	0,0
Total	17705,4	10777,1

Source: Olesinski, Pac-Pomarnacki 1998, p.109.

Significance and Effects of Foreign Direct Investment in Poland

The share of foreign direct investment in Poland's GDP, an important indicator of the role of FDI in Poland, rose from 1,6% in 1994 to 4,2% in 1997. Another significant measure – the share of FDI in Poland's total investment outlays reareached 20,6% in 1997, giving an average of 17,2% for the period between 1994 and 1997 (Chojna, 1998). Foreign firms have thus made a significant contribution to the total investment effort of the Polish economy.

The data on employment in firms with foreign capital (Chojna, 1998) show that the share of these entities in overall employment although not high was steadily increasing (from 1,3% in 1991 to 4,6% in 1996). This may indicate a much better utilisation of labour resources in foreign owned firms. Foreign firms also had a clear advantage over the remaining enterprises in labour productivity measured by revenue per employee. In 1996 labour productivity in firms with foreign capital was twice as high as the average in the total number of firms in Poland.

Foreign firms were also more export oriented than domestic enterprises. In 1996 the share of export sales to total revenues in these two groups of entities amounted to 13.9% and 8.8% respectively. However, in the years 1994–1996 the share of foreign firms showed a slightly declining tendency (from 15.6% to 13.9%). The share of firms with foreign capital in total Polish exports in the years 1994–1997 amounted to 25.0%, 30.0%, 33.8% and 43.0% respectively. In imports these shares amounted to 32.9%, 37.1%, 42.2% and 49.9% respectively (Durka, & Chojna, 1998). The high export and import propensity of foreign firms was accompanied by a negative balance in their foreign trade. This balance was steadily growing and in 1994 amounted to –2.8 bln USD, in 1995 –3.9bln USD, in 1996 –7.4 bln USD and in 1997 –10.0 bln USD.

The share of supply designated imports in the total imports of foreign firms amounted to approximately 60% and in the imports of domestic firms it reached approximately 70%. The share of investment designated imports in both categories was similar and amounted to approximately 15%. However, the share of consumption designated imports in foreign firms exceeded its equivalent in domestic firms by 5–10%.

What differentiates foreign firms from other economic entities is a more extensive use of external funds compared to their own capital. At the end of 1996 the capital of these companies was made up in 38% of their own funds and in 62% of external funds. As for the total number of firms in Poland these relationships were exactly the opposite (62% was their own capital and 38% were external funds).

The financial results of foreign firms in Poland have been improving. In the years 1994–1997 profitability rose considerably and from negative figures in 1994 they became positive and comparable with those of the total number of economic entities in Poland. It should be emphasized that in companies with foreign capital the rates of return on capital and assets look quite good as compared with those of domestic firms. The improved effectiveness of foreign companies arises from the fact that they have reached a „mature" level of economic activity (after the initial start up period) and restricted the practice of manipulating transfer prices.

The share of foreign capital in the privatisation of the Polish economy also deserves attention. For 203 companies which underwent capital privatisation in the years 1990–1997 there were 104 Polish and 83 foreign strategic investors who purchased their shares, whereas in 16 companies the shares were bought by mixed investors (Wlodarczyk, 1998). In the course of direct privatisation of small and medium size enterprises 80 firms were sold to foreign investors. Under the programme of National Investment Funds, out of 93 portfolio companies whose significant or major bundle of shares were made available to strategic investors, 32 were sold to foreign firms.

How Have Domestically Owned Polish Firms Countered Foreign Competition?

It is obvious that the general perception by domestic Polish firms of foreign owned entrants in the different sectors of the Polish economy has been one of apprehension or even fear stemming from the foreigners' stronger competitive position irrespective of the fact of whether it has been real or only so perceived. The threat of foreign competitors is usually associated separately or jointly with the following factors:

1. Economic power associated with size and scope of often worldwide activities which many times surpasses the potential of even the largest local competitors and leads to monopolistic market distortions on the local market.
2. Ownership and internalisation advantages arising from access to superior products and/or technologies, superior know how in management and/or marketing systems, and the ability inherent to transnational firms to operate efficiently in many national markets and environments (Dunning, 1988).
3. Lack of sufficient experience of the majority of domestically owned firms in aggressively competing in the framework of a market led system. This factor is moreover compounded by the necessity to change the attitudes and mentality of the local management and work force. And since this process, viewed from a psychological and sociological perspective, is prone to intense perceptual and cognitive barriers, its time frame is estimated more as being medium than short term, especially in the existing or just privatised state enterprises.

The First Strategy

The first on the list of strategies explored in this paper, adopted to counter the entry of a foreign owned firm is centered around the advancement of the „national champion" idea. It is observed in industries where the existing market structure has either nourished a national oligopoly or where the initial demonopolisation of state owned entities (banks are a case in point here) has led after a few years to a reverse tendency to effect consolidation by mergers, creating holding companies or strategic alliances. The national champion case is best exemplified by the petroleum industry having formed one holding company (Nafta Polska S.A.) encompassing the major domestic producers and distributors.

It can be observed that this first strategy is being pursued in strategic sectors of the Polish economy. In all of its known occurrences it is has carried a tacit blessing of government encouragement, being at the same time more of a „grass roots" movement initiated by the companies' managements and guided by their foresight based on experience in operating in a market becoming itself gradually deregulated.

Maintaining and strengthening the national oligopoly in the case of the Polish petroleum industry bears some resemblance to the situation in France in the sixties when the expansion of US firms into the French market raised widespread fears that the control of French industry was falling into foreign (i.e. American) hands. The French government reacted with a policy of promoting the national champion idea and proposing concrete measures to support national firms so that they could effectively counter the foreign competitors. Amalgamations were encouraged and financial support offered for introducing new technologies and products.

Although the Polish petroleum industry has the comfort of still being protected from foreign direct investment in manufacturing it has received political support in its efforts to consolidate and invest in order to modernise and expand output capacity. Both the still state owned petroleum firms and the Polish industrial policymakers are well aware that they have practically only one year left to improve their competitive position versus the foreign multinational competitors who are already expanding their distribution networks on the Polish market, having gained a total market share of 7,8% (Rzeczpospolita, 1999).

A similar approach has also been observed in the banking sector where on September 16, 1996, under much more explicit government coaching, the first Polish banking group was formed with the bank PeKaO SA acting as the leader and dominant partner. The group consists of the following as yet state owned banks: Powszechny Bank Gospodarczy in ód, Bank Depozytowo-Kredytowy in Lublin and Pomorski Bank Kredytowy in Szczecin. The group is considered as being the strongest banking entity functioning in Poland, controlling almost 1/4 of the assets of the whole banking sector and 24% of all banking outlets in Poland (Ignatowicz, 1996).

This competitive strategy, due to the fact that it covers sectors of strategic importance to the country's economy, is most prone to government pressure and intervention. In this context the advocates of a liberal approach to the functioning of a market economy in Poland point out to the cost and efficiency advantages of consolidating and restructuring these sectors by privately owned Polish companies **without direct** government interference. Perhaps government actions, they point out, should be more directed at facilitating such moves by the private sector in form of financial and tax incentives or modification of the antimonopoly legislation.

The Second Strategy

The second strategy, followed by Polish firms being already subjected to foreign competition that has entered the Polish market through FDI, is one of aggressively meeting the foreign competitors. It is interesting to observe how many Polish firms in all size categories have adopted as their priority goal improving the quality of their products. A salient evidence of this trend is seen in a growing number of domestic firms applying for and receiving the ISO 9000 quality benchmark certificates. Furthermore the marketing strategies of other such domestic firms have also been undergoing a process of accelerated adjustment to meet the standards of their foreign competitors. This has been especially visible in the improvement of their promotion mix, increasing considerably for example, advertising expenditures, changing (i.e. modernising) packing and expanding distribution networks.

The principal barrier that has appeared here is the obvious lack of sufficient resources, experience and expertise which has placed the Polish firms in a much weaker competitive position versus their foreign counterparts. However there are a few examples of those that have succeeded by overcoming those deficiencies and increased their sales and market shares. The case in point is that of Elektrim. A former state owned foreign trade enterprise, Elektrim was privatised by going public, then acquired many of the firms for which it had been a trade intermediary in the previous system, and finally undertook a strategy of conglomerate diversification.

The Third Strategy

The third strategy boils down in reality to the implementation of the idea that if you cannot effectively compete with foreign firms then why not try joining forces with them even if this does in practise mean being reduced to a minority shareholding position and/or playing a marginal role in corporate governance, or even being deprived of it completely. This approach can be observed in the majority of the manufacturing and chemical industries.

Within this strategy various structural forms may be employed. We can thus have a straightforward acquisition/takeover operation whereby the domestically owned/managed firm ceases to exist and becomes a wholly owned subsidiary or branch of a foreign parent. The second possibility is that of a foreign firm merging with a Polish counterpart, leaving the former sole Polish owners with a minority share. Those two forms are predominantly characteristic of the transformation of large and medium sized state enterprises with considerable fixed assets that exist but are often mismanaged and/or obsolete. It is interesting here to observe that after most takeover operations of Polish state owned firms with well established brand names in the consumer goods sector the foreign owners usually maintain and pour considerable resources into improving these old brands.

The third structural form of joining forces with foreign firms is seen in different contractual arrangements which are closer to alliances and coalitions rather than to joint ventures and mergers. Those arrangements are usually of a non-equity character, i.e. the foreign participant is not required to provide financial capital as his input into the whole operation. The Polish side in the whole arrangement forms its core and determines its strategic development. It is thus perceived as the initiator and leader of such arrangement/undertaking. Foreign firms may be tapped for their particular firm specific or industry specific competencies/inputs such as new products, technologies, management and marketing know how and expertise.

The Polish firms are mostly newly formed in such instances and generally small to medium size indicating that they are only in their initial stages of the firm life cycle. A case in point are firms in the computer/data processing industry which draw heavily on and cooperate with their Western transnational counterparts. The principal question here is, if the Polish firms are strong enough to maintain their identity and whether or how quickly will they be bought out or taken over by their foreign partners or co-owners. At best this is in essence a survival strategy which has as its maximum a medium term life span if it is not at some (rather early) point supplemented and eventually superseded by a version of strategy no. 2. The other limiting factor is of course the power and/or long term strategy of the foreign counterpart.

The Fourth Strategy

The fourth response strategy is aimed at keeping foreign competition out of the country or reducing its competitive impact for as long as possible. This is attempted by direct or indirect actions of Polish firms (through political parties and other pressure groups) aimed at creating new and maintaining old tariff and non tariff barriers. This is evident especially in sectors which have demonstrated fragmented market structure (like agriculture) or where the capital, managerial and technological gap separating domestic from foreign competitors has been particularly wide (like in the insurance business). Under the pressure, for example, from the Polish oil refineries, the government applied to the European Commission and was finally granted the right to extend to the end of the year 2000 the period of protection for these refineries against foreign competition (Gazeta, 1996).

The in part illusory nature of such a strategy stemms from the fact that for large transnational firms trade barriers have always been a favorite motive to circumvent them by undertaking foreign direct investment. Once inside a foreign market these transnationals have behaved like purely domestic firms, clamouring for continued tariff and non-tariff protection.

A prime example in Poland was the GM Opel Co. with its joint venture with the now non existing FSO (the largest former Polish auto maker). Once GM began to assemble cars in Poland it pressured the government not to abandon or reduce the existing level of tariff protection ahead of the schedule agreed upon with the European Union. Ameritech the strategic shareholder in Poland's first cellular phone network was so upset by the government's supposed refusal to keep its promise of granting the US firm the licence to operate a more modern GSM cellular phone system without going through the usual tender procedure, that it took the issue to the courts. Thus it seems that only the existence of political barriers (in form of political instability and marked disequilibria) as well as administrative and legal impediments are able to keep foreign competition out of the country if the economic aspects of entering its markets are favourable.

The Effects of Competition

The four „model" strategies outlined above should not be viewed as being hermetic or unconnected alternatives. Their practical application always creates room for overlapping or combining, for example of two strategies. It is self explanatory, that the strategy of „national champion" cannot succeed if it will not be accompanied by the one of actively competing with foreign companies on the domestic as well as foreign markets, unless of course the government will create considerable protectionist barriers and grant extensive privileges only to domestic firms.

The general dimensions of the observed process of Polish firms meeting the competitive challenge of foreign entrants have thus far been relatively small in magnitude due to the still modest inflow (versus the actual possibilities and expectations) of foreign capital in form of direct investment. In many instances exposure to foreign competition on the local markets has indeed produced positive effects, spurring domestically owned firms to restructure, adjust and modernise.

However more prevalent were cases of Polish firms being taken over and whole sectors falling under foreign firms' control. This fact is interpreted as a confirmation that in this „battle" the competitive advantage does generally side with the „stronger", foreign owned companies. The sectors where Polish firms have „lost" have been usually those where the foreign entrants have been large transnational corporations. Domestic firms have been unable to compete primarily because of their domestic nature. The ownership, internalisation and location advantages (perceived in the J. Dunning tradition) coupled with relationship marketing and network creation with suppliers and buyers, as in the P. Kotler (1997) approach, have jointly led to a creation of a system which is out of reach for the Polish firms or at least impossible for them to emulate or imitate in a short to medium time span. In sectors not thus far penetrated by transnational firms the Polish domestic firms have not been able to raise effective economic barriers (as perceived by M. Porter) for the entry of foreign competitors.

The long term solution to this asymmetry lies in the Polish companies embarking on the path of growth and evolution already experienced by transnational companies, i.e. in starting to consolidate and internationalise their operations. It must be stressed here that just exporting will not suffice of course. The key to success lies in foreign direct investment. Some Polish companies have already started to expand along this path, mostly into the neighbouring countries of Eastern Europe. Many unfortunately still think that just exporting will be sufficient to maintain their competitive positions (even in such a market as Russia). Exploiting the continuing expansion of the Polish economy as evidenced by the rate of GDP growth, they should strive to gain a firm foothold in these markets and then selectively expand their market shares. It is much more in the transforming economies of Eastern Europe than in the highly developed regions of the world that the Polish firms are likely to gain sizeable or dominant shares in the local markets. They should seize this unique opportunity and if they lack resources for expanding individually they should consider the form of strategic alliances with other Polish or even Western firms.

It is worth noting here that collaboration with strong Western firms in form of alliances does not have to always imply a weaker, subservient position of the Polish partners. Indeed the experience of Japanese and S. Korean firms shows that through developing learning processes they were able to evolve from the weaker to the dominant partner in their alliances with US and European companies (Hamel, Doz, & Prahalad, 1995, p.152). Two decades were necessary for such evolution to occur and it is an open question whether this is a relatively long or short time period. The main idea for the Polish firms is to develop their core competencies which embedded in new products and technologies could form a solid base for their competitive advantage.

All of what has been said above does not preclude the necessity of being present and investing in other regions of the world, especially in the European Union and in the developing countries, in many of which Polish brand names have through exports become quite familiar.

For those Polish firms following the strategy of intensive competition with their foreign owned counterparts concentrating on quality alone will not assure long term market share and profit performance. Their priority target lists should also include such internationally acknowledged determinants as customer service, product differentiation and innovations. Reliance on low prices and traditional brand names coupled with high quality will never be enough to form and develop a lasting firm specific core competence.

Polish firms should also remember not to withdraw too rapidly from mass markets when invaded by a foreign entrant and retreat and concentrate on specialized, high value niches of these markets. This lesson has been received many times by US and British firms competing on their home markets with Japanese producers. In such cases the foreign (Japanese) firm would usually establish a firm foothold on these volume markets, then acquire a dominant position and sufficient experience, cash flow and distribution capabilities to attack and eliminate the domestic firms in their niches (Doyle, Saunders, & Wong, 1995, p.364).

The challenges of competing with foreign owned firms in Poland should not obscure their unquestionable contribution to the development of the Polish economy. Foreign capital without doubt has been the principal agent of change, involving and thrusting Poland deeper into the process of globalisation. In the context of this process, by making domestic Polish firms react, the foreign entrants/ investors have released new layers of competitiveness in their local counterparts. They have broken competitive barriers inherent to the previous economic system, given local partners access to their international distribution networks and introduced (besides capital input) new technologies, skills, modern management and marketing know how and expertise. In essence they have made a salient contribution by raising the competitiveness of the Polish economy and thus making it more receptive to meet successfully the present and future challenges of globalisation.

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