in Argentina, Armenia, Azerbaijan, Belarus, Belgium, Brazil, Chile, China, Columbia, Denmark, Finland, France, Georgia, Germany, Guatemala, Hungary, India, Italy, Kazakhstan, Kirgizstan, Mexico, Netherlands, Paraguay, Poland, Russia, South Africa, South Korea, Spain, Sweden, Tajikistan, Turkmenistan, Ukraine , United Kingdom, United States, Uzbekistan
www.wageindicator.org

Foreign Direct Investment in Finance and Call Centres in 12 EU countries and its Social Effects – WIBAR-2 Report No. 3

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1 Introduction

In the globalizing world economy, activities of multinational enterprises (MNEs) are growingly covering various countries. In the European Union the impact of foreign direct investment (FDI) on wages and working conditions is supposed to be substantial, but especially on working conditions evidence in this field is lacking nearly totally. The available empirical studies mainly focus on comparing wages earned in subsidiaries of MNEs respectively in domestic firms in a number of countries. Whether multinational establishments in developed home and host countries offer better or worse working conditions compared to domestic firms, is an issue that has not yet been explored in a systematic way.[1] MNEs basically show two approaches to their activities in host countries, adaptive or innovative/transferring, the latter indicating the managerial aim to transfer human resources and other management practices from home to host country.[2] Various and contradictory forces may be at stake here. On the one hand, with the spread of firms operating at an international level the location (establishment) level tends to increase in importance; this can give rise to considerable variation in wages, working conditions and employment practices within MNEs.[3] On the other hand, encouraged by EU-wide production and marketing strategies and by improved information and communication technologies major MNEs seem to have put in place management systems and structures to diffuse "best practices across locations in different EU member states, with important spill-overs for industrial relations: such benchmarking may well diminish variation in human resource (HR) practices and working conditions.[4] National institutions constrain the transfer of HR practices within MNEs, but they are porous, presenting partial and temporal barriers.[5]

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1 Cf. Karolina Ekholm (2004) Multinational enterprises and their effect on labour markets, in Bo Södersten (ed.) *Globalization and the Welfare State*. Basingstoke: Palgrave MacMillan, 83; OECD / ILO Conference on Corporate Social Responsibilty (2008) *Report. The Impact of Foreign Direct Investment on Wages and Working Conditions.* Paris, 23-24 June, 14.

2 Tony Edwards (2000) Multinationals, international integration and employment practice in domestic plants, *Industrial Relations Journal,* 31(2): 115-129; Bela Galgoczi (2003) The impact of multinational enterprises on the corporate culture and on industrial relations in Hungary, *South-East Europe Review*, 1-2: 27-44.

3 Wilfried Ruigrok, Rob van Tulder (1995) *The logic of international restructuring*. London/New York: Routledge and Kegan Paul; Marta Kahancová (2007a) *Making the Most of Diversity. Social Interaction and Variation in Employment Practices in a Multinational Company*. Diss. University of Amsterdam; Marta Kahancová (2007b) One Company, Four Factories: Coordinating Employment Flexibility Practices with Local Trade Unions, *European Journal of Industrial Relations*, 13(1): 67-88.

4 Graeme Martin, Phil Beaumont (1998) Diffusing "Best practice" in Multinational Firms: Prospects, Practice and Contestation, *International Journal of Human Resource Management,* 9(4): 671-695; Keith Sisson, James Arrowsmith, Paul Marginson (2003) All benchmarkers now? Benchmarking and the Éuropeanisation'of industrial relations, *Industrial Relations Journal*, 34(1): 15-31.

5 Tony Edwards, Trevor Colling, Anthony Ferner (2007) Conceptual approaches to the transfer of employment practices in multinational companies: an integrated approach, *Human Resource Management Journal*, 17(3): 201-217.

Actually cross-country comparative data gathered by the *WageIndicator* web-survey allows to clarify the impact of FDI on wages and working conditions across a number of EU member states and to discuss these issues in the European trade union movement. With these two goals in mind, UvA-AIAS developed the current *WageIndicator Support for Trade Union BARgaining – 2* (WIBAR-2) project, which was supported by the European Commission in its Industrial Relations and Social Dialogue Program (nr VS/2007/0534) and is running from December 2007 – November 2008. University of Amsterdam / Amsterdam Institute for Advanced Labour Studies (UvA-AIAS) sought and found on this behalf the partnership of ETUC, European Metalworkers' Federation (EMF), Ruskin College (Oxford, UK), and WSI im Hans-Böckler-Stiftung (Düsseldorf, Germany). WIBAR-2 builds on the experiences of the first WIBAR project, developed jointly with ETUC and ETUI-REHS, which ran from September 2006 until August 2007, was also supported by the Industrial Relations and Social Dialogue Program (nr VS/2006/0178) and resulted in a book.[6] This book compares *WageIndicator* data on working time, low pay, training, older workers, collective bargaining coverage and work-related stress across countries and (13) industries. As we will explain in the next section, new *WageIndicator* data enable to compare wages and working conditions (in a broad sense) between subsidiaries of MNEs and domestic firms, thus allowing insight in the social effects of notably inward FDI.

As indicated above, the outcomes of the WIBAR-2 project will be of interest for the research community, various groups of policy-makers and the general public. They will also be relevant for the European trade union movement. The ETUC 2006 annual report of collective bargaining in Europe points out that the advancement of European economic integration "as well as changed practices by employers and, in particular, multinationals, have led to a situation in which bargaining processes in individual European countries become more and more linked to and influenced by collective bargaining in the rest of the continent", and emphasizes the need for adequate information: "More and more trade unions require such information to develop their bargaining strategies and to coordinate their practices elsewhere. It allows trade unionists to cope more effectively with issues like competitive wage dumping, sectoral bargaining, collective bargaining in multinationals, etcetera."[7] In its document "The coordination of collective bargaining in 2007", the ETUC states that the European economic model is turning collective bargaining into a matter of common concern for trade unions throughout Europe.[8] Both inside and outside the euro area, the ETUC

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6 Maarten van Klaveren, Kea Tijdens (eds) (2008) *Bargaining issues in Europe: comparing countries and industries.* Brussels: ETUI-REHS / University of Amsterdam- AIAS / WageIndicator.

7 Maarten Keune (2006) *The Coordination of Collective Bargaining in Europe. Annual Report 2006.* Brussels: ETUC, 2.

8 ETUC (2006) *The coordination of collective bargaining in 2007,* Resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 07-08 December 2006.

argues, wages and working conditions are under risk from the European economic model; in addition, the framework of reference for big companies is increasingly shifting from the national sectoral level towards the European level or even the global market on which these companies are competing, thereby putting pressure on nationally determined working conditions. The ETUC document concludes that, given the nature and extent of these challenges, the ETUC needs to reinforce the coordination of collective bargaining in Europe, and announces a number of actions to strengthen such coordination.

The current global financial and economic crisis emphasizes that internationalization cannot be separated neither from the growing dominance of shareholder value approaches of corporate governance and massive capital movements fuelled by the 'financialisation' and 'securitisation' of the economy, nor from pure greed and macho behaviour, without the corresponding development of forms of regulation at an appropriate (global, European) level.[9] Already in the years preceding the crisis the internationalization of trade and production, including benchmarking international management practice, has given rise to escalating levels of market uncertainty and to the permanent reorientation and reorganisation of companies in accordance with short-term goals. Under such conditions, it is even more important for trade unionists throughout Europe to get actual insights in the social effects of FDI, comparing these across countries and industries, as well as to intensify the debate on this issue.

The WIBAR-2 project includes 12 countries: Belgium, Denmark, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Spain, Sweden, and the UK. These 12 countries accounted for 91% of the total FDI inflow in the European Union in 2007, 85% in 2006 and even 96% of the EU total in 2005. In these years the shares of the 12 in the world's FDI inflow were respectively 40%, 34% and 50%. Calculated over 2005-2007, inward FDI flows were largest in the UK (29.5% of the EU total), followed by France (17.2%), the Netherlands (8.3%), Germany (7.9%), Belgium (7.5%), and Spain (5.6%). In these years, the Central and Eastern European countries (CMEs) jointly attracted 9.1% of the EU FDI inflow. In this group Poland was on top with 2.5% of the EU inflow.[10]

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[9] Cf. Andrew Watt (2008) The economic and financial crisis in Europe: addressing the causes and the repercussions, *European Economic and Employment Policy Brief* (ETUI-REHS), No. 3 – 2008, 6-10.

[10] The FDI outflow from the 12 countries was also considerable, jointly taking 89% of the total outflow from the EU countries in 2007, 92% in 2006 and 93% in 2005. Again calculated over these three years, FDI outflows were largest from France (19.3% of the EU total), the UK (18.1%), Germany (13.8%), Spain (10.9%), the Netherlands (9.0%) and Italy (7.3%). All calculations based on UNCTAD (2008) *World Investment Report 2008* (http://www.unctad.org/en/docs/wir2008_en.pdf), Table B.1.

The continuous *WageIndicator* web-survey is building an ever-growing dataset with information on wages, benefits, and other labour conditions, such as working times, contracts, jobs and job levels, training, and collective bargaining coverage. Currently in the 12 countries involved over 150,000 wage-earners yearly complete the *WageIndicator* questionnaire. Our reporting of the social effects of FDI primarily goes back on the question in this web-survey, posed in all countries at stake, whether the worker's firm has more than one location, and if so, if this is located in the country at stake or abroad. In our analyses we have linked the answers on this question given during the year 2007 and the first half of 2008 with those of the same individuals concerning wages and working conditions in MNEs and domestic firms. We have done so in preparatory reports for five industries: metal and electronics manufacturing; finance and call centres; transport and telecom; information technology, and the retail industry. In October and November 2008, the partners in WIBAR-2 organized three conferences, in which an audience of trade union officials and researchers discussed these reports. These conferences covered respectively metal and electronics manufacturing (in Brussels); transport and telecom (in Oxford), and retail (Duisburg). The report that you are currently reading covers the finance and call centre industries. Its analyses of the effects of FDI are altogether based on the answers of 8,592 respondents working herein, 15.4% of all respondents from the five industries under scrutiny.

The use of a second database connected with the *WageIndicator* dataset gives this report added value. As part of the WIBAR-2 project, Van Klaveren and Tijdens have developed a Multinational Enterprise (further MNE)-database for the 12 EU member states and the five industries in question. This database, to be explained more elaborately in sub-section 2.1, is underlying the *WageIndicator* web-survey for its survey question "What is the name of the company where you work?". In due course, the answers on this question linked with the MNE database will enable analyses of the country-specific impact of inward but also outward FDI on wages and working conditions, as well as comparing wages and working conditions across countries within one company as well as between companies. Already now, the MNE database allows offering the reader a state of affairs of FDI in the respective industries in the 12 countries per March 2008. We present the results of this first exploration of the MNE database in the next two sections. Afterwards, in the sections 4 to 12, we will treat the social effects of inward FDI in finance and call centres.

2 Foreign direct investment in finance and call centres: a state of affairs

2.1 Introduction

As stated, the MNE database is underlying the *WageIndicator* web-survey for its survey question "What is the name of the company where you work?". In this survey, respondents first tick the industry where they work, and then a list of company names in this particular industry pops up. At the bottom of the list an option 'Other' allows respondents to key in the company name if that name is not listed. An option 'Don't want to say' facilitates respondents not to identify the name of the company where they are working.

For the database sound knowledge of industries and enterprises was combined with information gathered through the Internet. Industry knowledge partly relied on industry studies carried out since 2000 by AIAS and STZ consultancy & research. This knowledge was brought up-to-date through search efforts in company annual reports, with UN publications[11] as a starting point, and additionally via Google and Wikipedia. For the call center industry a recent comparative study on low-wage work in five EU member states and the USA, in which both institutes participated, added quite some knowledge, also concerning ownership relations. This project confirmed that the majority of all centres as well as most call centre employees are hidden in the official statistics of their 'parents', like financial companies. The 'official' call centre industry, made up by the independent call centres, is just in its infancy as regards the development of industry institutions. Actually the workforce of these independents accounts for no more than 15-25% of the total call centre workforce in the countries at stake.[12] Names and ownership relations have been updated until March 25, 2008. This means that the situation concerning ownership relations as of that date will be the starting point for all analyses in the course of the WIBAR-2 project. We have to admit that the vehement changes worldwide in the finance industry in the course of 2008[13] have put more limitations to the scope of our analyses than is the case for the other industries.

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11 Notably UNCTAD (2008) *World Investment Report 2008*.

12 A.o. Maarten van Klaveren, Wim Sprenger (2008) Call Center Employment: Diverging Jobs and Wages, in Wiemer Salverda, Maarten van Klaveren, Marc van der Meer (eds) *Low-Wage Work in the Netherlands.* New York: Russell Sage Foundation, 269-296; Caroline Lloyd, Geoff Mason, Matthew Osborne, Jonathan Payne (2008) "It's Just the Nature of the Job at the End of the Day " Pay and Job Quality in United Kingdom Mass-Market Call Centers, in Caroline Lloyd, Geoff Mason, Ken Mayhew (eds) *Low-Wage Work in the United Kingdom.* New York: Russell Sage Foundation, 247-283; Claudia Weinkopf (2008) Pay in Customer Services Under Pressure: Call Center Agents, in Gerhard Bosch, Claudia Weinkopf (eds) *Low-Wage Work in Germany*. New York: Russell Sage Foundation, 253-287. In early 2009, the Russell Sage Foundation will publish a comparative overview of the analyses of low-wage work across Denmark, France, Germany, the Netherlands, the UK and the USA, including a chapter on the call centre industry by Caroline Lloyd, Claudia Weinkopf and Virginia Doellgast. See for the outcomes of a related project: David Holman, Rosemary Batt, Ursula Holtgrewe (2007) *The Global Call Centre Report: International Perspectives on Management and Employment. A Report of the Global Call Centre Network.* Sheffield/Ithaca/Vienna: University of Sheffield/Cornell University/FORBA.

13 The most significant events in 2008 being the take-over of Bear Stearns by JP Morgan Chase (March), the bankruptcy of Lehman Brothers, the acquisition of Merrill Lynch by Bank of America (September), the dismantling of Belgian-Dutch Fortis and its subsequent take-over by the Dutch state and (possibly) by BNP Paribas, and the failure of Landsbanki and related events concerning Iceland (October).

The WIBAR-2 MNE database contains 412 MNE names with in total 1,027 subsidiaries and with in total 4,244 establishments in the 12 countries involved. For the purpose of this research, a MNE is defined as a company with one or more subsidiaries, whereby at least one subsidiary has establishments in two or more countries. An establishment is defined at the level of the country. Within one country, establishments are not distinguished individually; even if subsidiaries own many establishments in that country, like stores in retail chains, these establishments are counted as one. For the sake of comparison in a later stage, for a number of countries the database also contains names of large domestic companies in the five industries. We have limited our search to subsidiaries that had a significant and visible existence in the market.

2.2 The finance and call centre industry in the database

This paper presents brief results of a first exploration of the MNE database. First, we have to face the fact that the financial crisis has shaken up finance business worldwide, not least the prevailing ownership relations. Thus, already now –seven months after completion of the first version-- this part of our database needs thorough updating. Anyway, its focus is on large companies in the finance and call centre industry; as already stated, the latter industry is made up by the independent call centre firms.[14] As detailed in Table 1 hereafter, we split up the two industries in five sub-sectors according to NACE coding. In the last two columns we give the numbers of the respective companies and subsidiaries.

Table 1 MNEs in the finance and call centre industry by sub-sector, according to NACE-coding, breakdown by numbers of companies and subsidiaries

NACE		No.companies	No. subsidiaries
6601	Life insurance	9	45
6603	Damage insurance	4	8
6512	Banking	41	154
66013	Reinsurance	2	2
7486	Call centre activities	11	20
Total		**67**	**229**

The average number of subsidiaries per company can act as a measure for the diversification of MNE interests. In total, the finance and call centre MNEs own 3.4 subsidiaries. According to our information, the life insurance sub-sector was most diversified (code 5244, average 5.0 subsidiaries), though it has to be noted that this average is skewed because of the very large number of subsidiaries of just one company (Aviva, UK, 20 subsidiaries). Banking (6512) ranks second with 3.8 subsidiaries per company, damage

[14] We have counted call centre workers only if they identified themselves in the *WageIndicator* survey as working for an independent call centre firm.

insurance (6601) follows with an average of 2.0. Call centre independents (7486) do not seem to diversify widely, looking at their average of 1.8 subsidiaries.

3 Internationalization in finance and call centres

According to our database, in the 12 countries at stake the 67 MNEs in finance and call centre have in total 229 MNE subsidiaries. These subsidiaries have 759 establishments. Thus, the subsidiaries have on average 3.3 establishments. This implies that subsidiaries on average are involved in between three and four of 12 countries.

3.1 Internationalization by host country

Table 2 show that in our MNE database 83.5% (634 of 759) of all finance and call centre establishments have parent firms with finance as their main activity; call centre independents count for 125 (16.5%) of all establishments. Within the finance sector, banking is by far largest, with 434 (57%) of all establishments, followed by life insurance with 168 establishments (22%) and damage insurance with 28 (3.5%). We only found 2 reinsurance companies, with 4 establishments.

Table 2 Number of MNE establishments in 12 countries in finance and call centres by MNE host country, breakdown by sub-sector, according to NACE code (Table 1)

	6601	6603	6512	66013	7486	Total
BE	18	2	42	0	14	76
DK	8	1	17	0	9	35
FI	6	1	21	0	10	38
FR	24	5	44	0	8	81
DE	16	5	52	2	11	86
HU	9	1	22	0	8	40
IT	12	2	33	0	9	56
NL	19	3	54	0	20	96
PL	12	1	23	0	8	44
ES	12	1	43	0	9	65
SW	8	1	24	0	9	42
UK	24	5	59	2	10	100
tot.	168	28	434	4	125	759

Looking at the division over 12 countries, Table 2 shows that we traced most establishments in the UK (100 of 759, 13%), followed by the Netherlands (96 or 12.5%), Germany (86 or 11%) and France (81, 10.5%). The lowest numbers of establishments were found in Denmark (35) and Finland (38).

3.2 Internationalization by MNE home country

Table 3 (next page) shows that by the end of March 2008 a considerable share of all MNE establishments (185, 24%) was owned by finance and call centre MNEs with the UK as their

home country, at quite some distance followed by those from France-based MNEs (105, 14%) and Netherlands-based MNEs (90, 12%). According to our database 133 (17%) of all finance and call centre MNE establishments in the 12 countries are owned by MNEs from outside the European Union, i.e. from the USA (93, 12%) and Switzerland (36, 5%).

Logically, the largest number of establishments of the respective home companies per country is mostly located in the own country: 44 in the UK, 32 in France, 31 in the Netherlands, etcetera.

Table 3 Number of MNE establishments in 12 countries in finance and call centres, breakdown vertical by MNE home country and horizontal by host country

	BE	DK	FI	FR	DE	HU	IT	NL	PL	ES	SW	UK	Total
Belgium	14	2	2	2	3	5	2	7	5	2	2	4	**50**
Belgium/France	2	0	0	2	0	0	0	2	0	0	0	0	**6**
Denmark	0	2	2	0	0	0	0	0	0	0	2	0	**6**
Finland	0	1	1	0	0	0	0	0	0	0	0	0	**2**
France	15	2	2	32	10	5	9	7	5	8	2	8	**105**
Germany	3	2	2	8	24	3	8	5	6	5	2	7	**75**
Italy	2	2	2	2	2	2	6	2	2	2	2	2	**28**
Netherlands	7	3	5	5	7	5	4	31	6	6	4	9	**90**
Netherlands/Belgium	3	1	1	1	2	1	1	4	1	1	1	2	**19**
Spain	3	0	0	3	5	2	2	6	0	14	0	3	**38**
Sweden	1	3	5	1	1	1	1	1	1	1	9	1	**26**
Switzerland	4	0	0	5	7	2	4	3	2	4	0	5	**36**
United Kingdom	16	10	9	16	14	10	12	19	12	12	11	44	**185**
United States	6	7	7	4	11	4	7	9	4	10	9	15	**93**
Total	**76**	**35**	**38**	**81**	**86**	**40**	**56**	**96**	**44**	**65**	**42**	**100**	**759**
of which top 38	52	26	27	53	59	30	42	67	35	51	33	65	540
Share top 38 firms	68%	74%	71%	65%	69%	75%	75%	70%	80%	78%	79%	65%	71%

The table reveals various patterns of internationalization of the finance and call centre business by MNE home country. France-based MNEs in finance and call centres have expanded particularly to Belgium, Germany and Italy. German MNEs spread their expansion rather evenly, as did Dutch MNEs. UK-based MNEs in finance and call centres notably internationalized towards the Netherlands, France, Belgium and Germany. US-based finance and call centre firms showed an orientation especially towards the UK and to a lesser extent towards Germany and Spain.

In Table 21 (Annex) we present an overview of the 38 largest and most internationalized finance and call-centre MNEs active in “our” 12 countries that are included in our database. In order to be ranked, they should have deployed substantial activities in at least three of 12 countries by March 2008. In this overview 29 of the world’s top 50 commercial finance groups are represented that we ranked for 2007 according to sales (see below), plus four finance firms outside this top 50 (Banco Popular Espana, Dexia, Enskilda Banken and KBC). Moreover, five call centre groupings are included with establishments in at least three countries. It turns out that these 38 most internationalized MNEs jointly own, according to our database, 157 of 229 subsidiaries (68.5%) and 540 of 759 establishments (71%). These

figures imply averages of 4.1 subsidiaries and 14.2 establishments – or 3.5 establishments per subsidiary. (In the table, the first row --No. establishm./1-- on the total number of establishments gives a simple footing of the 'x's and 'xx's' indicating presence as such per country; the second row --No. establishm./2-- shows the real number, as many large firms have 'parallel' subsidiaries with their own establishments in a host country). The remaining 29 MNEs with substantial activities in less than three countries own 72 subsidiaries and 189 subsidiaries, meaning averages of 2.5 subsidiaries and 6.5 establishments per firm, or 2.6 establishments per subsidiary -- in every respect lower than their more internationalized competitors.

It is interesting to note the share of the top 38 firms in the number of establishments per country (last row of Table 3). This share is lowest in the UK and France (both 65%), followed by Belgium and Germany. The share is highest in Poland (80%), followed by Sweden, Spain, Italy and Hungary. These outcomes suggest that the largest, most internationalized finance firms had conquered strong positions in FDI in notably the latter countries – at least shortly before the financial turmoil of 2008.

Table 22 (Annex) shows an overview of the world's top 50 finance firms according to sales over 2007 that we composed from various sources. We also included a ranking of these 50 according to employment. Looking at the current debates on what went wrong in the last decades in the financial world, we judged a ranking according to sales more defendable than a ranking according to assets. This overview includes 26 firms based in the EU: eight UK, five French, four German, three Dutch, two Spanish and two Italian firms, as well as one Danish and one Belgian-Dutch firm. 15 US-based and four Swiss finance firms are included, and one firm each from Japan, China, Australia, Brazil, and Canada. The US was somewhat stronger represented in the top-20, with seven US-based firms, while 11 of these 20 firms had their headquarters in EU member states; the other two were Swiss. World's top 20 finance firms accounted for 58.9% of 2007 sales of the top 50 firms and for 56.4% of the latter's 2007 employment. In 2006 as well as in 2007, US-based Citigroup was world's no. 1 financial MNE in sales as well as in employment; this firm was also more internationalized in terms of host economies of its affiliates (in 2006 65[15]). It needs no further explanation that firm rankings over 2008 will differ considerably from earlier overviews.

[15] UNCTAD (2008) *World Investment Report 2008*, Annex Table A.I.17.

4 The social effects of foreign direct investment in finance and call centres

For the analyses in this part of the report, we use the *WageIndicator* data collected in 2007 and the first half of 2008. Initially, we aimed for analyses of the social effects of FDI in 12 EU member states, but the number of *WageIndicator* observations in Denmark, Italy and France were too few. For France, this is not surprising because the questionnaire started just in 2008. For Italy and Denmark, *WageIndicator* unfortunately lacks media partners with a strong position in the national Internet market. Consequently, the analyses will be performed for nine countries only. During the year 2007 and the first half of 2008, altogether 8,592 employees in finance and call centres in nine countries completed the questionnaire. Table 4 shows a breakdown by country. The reader should be aware that the numbers of respondents in Finland, Hungary and Sweden remain small.

Table 4 Number of observations in finance and call centres by country

Belgium	Finland	Germany	Hungary	Netherl.	Poland	Spain	Sweden	UK
828	207	1,581	14	3,626	559	413	43	1,304

In the next chapters (5 to 7), we deal with the characteristics of the finance and call centre firms: their establishment size, locations, and ownership. In the chapters 8 to 12 we go into the effects of FDI on wages, working conditions, working hours, training and industrial relations, through dividing the outcomes between MNEs and non-MNEs.

5 Establishment size

How large are the company establishments in finance and call centres? Table 5 shows that the finance and call centre establishments where the respondents are employed, vary from a median size (headcount, see last row) of 1,936 (Germany) to 494 (Spain). The Finnish, Polish and especially the Spanish establishments are substantially smaller than the others.

Table 5 Distribution over four establishment size categories and median establishment size in finance and call centres by country

Establishment size	BE	FI	DE	HU	NL	PL	ES	SW	UK
Less than 20	38	30	11	7	16	33	58	21	20
20 — 100	15	30	12	21	20	24	11	35	21
100 — 500	14	20	24	29	27	19	14	19	19
500 — 1000	15	9	23	29	12	14	10	9	15
1000 and more	18	10	31	14	24	11	7	16	24
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Median head count	1180	610	1936	1218	1511	726	494	1105	1537

Note: Firm size is measured on a 10-point scale, ranging from a 1-person firm to a firm with more than 5,000 employees at the locality of the respondent. In order to approach reality, for this table the midpoints of the values have been taken.

The share of those working in companies with 500 or more employees is largest in Germany (54%), followed by Hungary (43%), the UK (39%) and the Netherlands (36%). In Spain only 17% of all establishments belong to this size category. In that country a majority of the employees (58%) answers to be working in an establishment with less than 20 employees.

6 Locations of the firm

The *WageIndicator* web-survey includes a question whether the worker's firm has more than one location, and if so, if this is located in the country at stake or abroad. For the purpose of this report, we define a Multinational Enterprise (MNE) as a company that has one or more locations abroad. Unfortunately, in Hungary this question was not operational in the web-survey in 2008 until week 21. Therefore, table 6 covers eight countries only.

Table 6 Distribution over location categories in finance and call centres by country

	BE	FI	DE	NL	PL	ES	SW	UK
No	27	14	22	19	18	11	14	17
Yes, in 1 city / municipality	2	3	5	3	5	2	5	9
Yes, in 1 region	4	6	13	5	3	3	2	7
Yes, in 2 or more regions	8	19	6	11	6	8	16	6
Yes, throughout the country	12	29	15	15	29	31	5	10
Yes, throughout the country and abroad	42	23	36	43	37	42	40	45
Yes, but only abroad	4	4	3	4	2	2	19	5
Total	100	100	100	100	100	100	100	100
MNE median establishment size	1964	839	3204	2445	1071	663	1717	2318
No MNE median establishment size	435	545	1121	679	597	215	254	833
Med. MNE size: med. No MNE size	4.5	1.5	2.9	3.6	1.8	3.1	6.8	2.8

The share of workers that is employed in MNEs seems particularly high in Swedish finance and call centers (59%: the answers on *Yes, throughout the country and abroad* combined with those on *Yes, but only abroad),* but mind the small sample in Sweden. The MNE share of the UK is in second position (50%), while Belgium, Germany, the Netherlands, Poland and Spain are all in the 39-47% range; like in other industries Finland closes the ranks (27%). If we compare the median sizes of their workforces (headcount), the MNE establishments prove to be much larger than those of the non-MNE firms in all countries, with Sweden (6.8 times as large), Belgium (4.5 times) and the Netherlands (3.6) as most extreme cases. Nevertheless these size differences are smaller than those in the other four industries under scrutiny.

7 Firm ownership

Besides location of the firm, we are also interested in firm ownership. Unfortunately, only four countries in the *WageIndicator* web-survey have put a question on ownership of the firm of the worker. Three categories are distinguished: firms that are fully domestic-owned, firms that are partly domestic and partly foreign-owned, and firms that are fully foreign-owned. In order to create an indicator for ownership, we grouped the latter two categories into one category 'foreign owned', and compared their employment share with that of the fully domestic-owned.

Table 7 Percentage of workers in foreign-owned firms and in MNEs in finance and call centres by country

	BE	NL	ES	SW
Total workers in foreign-owned company	33%	10%	13%	39%
Working in MNE, in foreign-owned company	91%	44%	39%	61%

Table 7 presents the results. The first row concentrates on those indicating to work in a foreign-owned finance and call centre company. It shows that particularly in Belgium and Sweden, a substantial share of the respondents –33% and 39% respectively—is employed in such companies. In contrast, employees in the Netherlands and in Spain are much more often employed in nationally owned companies. The other industries show the same pattern. For Belgium this corresponds with the very high 'transnationality index' (made up of FDI inward stocks, value added and employment in foreign affiliates) that UNCTAD attaches to this country, for 2005 the highest in the EU.[16] Belgium has also the no. 1 ranking in the KOF Index of Globalisation for 2007 and 2008, composed from indices of economic, social and political globalisation, with in 2008 Sweden in 3rd position, the UK in 4th, the Netherlands in 6th and Spain ranking 12th.[17]

The second row concentrates on those working in finance and call centre MNEs. It indicates that in two countries majorities of MNE staff are working in foreign-owned MNEs: in Belgium even 91% (implying that only 9% works in Belgium-based MNEs). In the Netherlands and Spain this concerns minorities.

[16] UNCTAD (2008) *World Investment Report 2008*, 9.

[17] Axel Dreher, Noel Gaston, Pim Martens (2008) *Measuring Globalisation. Gauging its Consequences.* New York: Springer, 52. For 2008: KOF Swiss Economic Institute (2008) *press release January 8, 2008* (http://globalisation.kof.ethz.ch).

8 Wages

8.1. Comparison of wage levels

A major issue in much research and debate on foreign direct investment and MNEs, and in our research as well, is that concerning the levels of wages paid in establishments of MNE versus those in domestic-owned firms. Table 8a (next page) presents the outcomes of the *WageIndicator* web-survey in this respect for all workers, for the MNEs as defined earlier (a company that has one or more locations abroad) versus domestic firms, and for seven countries. It reveals that in all countries the median gross hourly wage level in MNEs is substantially higher than that in non-MNE firms, varying from 14.9% of the MNE-wage in the Netherlands to 26.5% in Belgium.

We based ourselves on the *median* wages, but also calculated *average* wages (not shown). In all countries the overall *average* wages are higher than the overall *median* wage values, in extremis in Spain (50%), Belgium (45%), and the UK (25%). This indicates the incidence of a long tail towards the top of the income distribution in finance and call centres.

Table 8a Median gross hourly wages of workers in MNE and non-MNE firms, in finance and call centres by country (in Euros, current exchange rates av. 2007-1st half 2008), all

	BE	FI	DE	NL	PL	ES	UK
MNE	19.11	15.01	23.09	17.49	6.35	12.19	17.54
No MNE	14.04	12.68	18.00	14.88	4.85	9.12	14.20
Total	16.23	13.25	20.02	16.14	5.34	10.39	15.96
Difference ((MNE-non-MNE):MNE)	26.5%	15.5%	22.0%	14.9%	23.6%	25.2%	19.0%

In Table 8b (next page) we present the same information but only for those working 20 hours or less per week. There is quite some variety in the position of part-timers. Their wage levels are lower than the overall wages in Belgium (1%), Germany (14%), the UK and the Netherlands (16%); in the latter three countries the low wages for part-time call centre employees, mostly students, may have played a role.[18] Yet, surprisingly enough in Finland, Poland and Spain the wages of those with small hours prove to higher than overall: in all three countries the difference is about 6%. The general picture that MNEs pay higher wages than domestic firms does not change.

[18] Van Klaveren, Sprenger, *op. cit.,* 261-263; Weinkopf, *op. cit.;* Lloyd *et al, op. cit.*

Table 8b ***Median gross hourly wages of workers in MNE and non-MNE firms, in finance and call centres by country (in Euros, current exchange rates av. 2007-1st half 2008), working week 20 hours or less***

	BE	FI	DE	NL	PL	ES	UK
MNE	-	-	20.00	14.59	6.93	11.32	16.94
No MNE	-	11.16	16.17	12.60	5.01	10.28	14.94
Total	15.97	14.11	17.22	13.52	5.77	11.07	15.59
Difference ((MNE-non-MNE):MNE)	-	-	19.2%	13.6%	27.7%	9.2%	11.8%

Table 8c provides this wage information for the largest hours category, those usually working more than 20 till 40 hours per week, representing 44% (Poland) to 68% (Finland) of the finance and call centre workforce (cf. Table 17). Except for Belgium and Poland, these median hourly wages are slightly lower than the overall median. In six of seven countries, MNEs pay higher wages for this category as well, though except for Belgium the differences are smaller than overall and though for the Netherlands the wage levels of MNEs and domestic firms come quite close. With these figures the Finnish overall difference in favour of wages of domestic firms is explained: the median of this hours' category is nearly 5% above that in the MNEs.

Table 8c ***Median gross hourly wages of workers in MNE and non-MNE firms, in finance and call centres by country (in Euros, current exchange rates av. 2007-1st half 2008), working week >20-40 hours***

	BE	FI	DE	NL	PL	ES	UK
MNE	17.09	13.65	20.73	16.74	5.35	10.69	15.93
No MNE	13.86	12.32	17.02	14.35	4.33	9.59	14.04
Total	15.37	12.58	18.00	15.30	4.59	9.92	14.53
Difference ((MNE-non-MNE):MNE)	5.8%	-4.6%	18.1%	1.2%	12.7%	10.3%	11.9%

Our calculations (not shown) for those usually working over 40 hours / week reveal that the differences between hourly wages in MNEs and in non-MNEs tend to grow considerably with a length of the working week of over 40 hours, reaching for those with a working week over 48 hours even a 32% gap in Belgium and a 26% gap in the Netherlands. Except for Finland and Poland hourly wages tend to increase regularly with more hours, also in domestic firms, but this increase is mostly much larger in MNEs. Here the UK is the exception: hourly wage growth with more hours is somewhat higher in British domestic firms.

Yet, it can be questioned to what extent size of operations matters, and whether other factors may be relevant as well. In order to find some clues, we first compare median wages between MNEs and non-MNEs within three size categories: table 8d (next page).

Table 8d ***Median gross hourly wages of workers in MNE and non-MNE firms, in finance and call centres by country and firm size (in Euros, current exchange rates av. 2007-1st half 2008)***

		BE	FI	DE	NL	PL	ES	UK
MNE	< 100 empl	13.92	13.79	19.85	16.46	5.77	12.40	13.45
MNE	100-500 empl	13.33	13.31	19.80	16.68	5.16	9.38	16.39
MNE	> 500 empl	20.56	19.37	24.29	19.45	8.06	14.02	19.35
MNE	Total	19.11	15.36	23.09	17.49	6.35	12.19	17.54
No MNE	< 100 empl	12.31	12.59	16.28	14.06	4.12	8.74	13.49
No MNE	100-500 empl	-	13.77	17.51	15.77	5.68	9.72	15.07
No MNE	> 500 empl	23.72	12.19	19.54	18.22	7.70	11.15	16.02
No MNE	Total	14.04	12.68	18.00	14.88	4.85	9.12	14.20
Total	< 100 empl	12.71	12.79	17.09	14.50	4.33	10.38	13.48
Total	100-500 empl	18.10	13.38	18.01	16.11	5.56	9.43	15.79
Total	> 500 empl	21.46	16.52	22.19	19.25	5.63	12.48	17.98
Total	Total	16.23	13.25	20.02	16.14	5.20	10.39	15.96
Difference ((MNE-non-MNE):MNE)	< 100 empl	11.6%	8.7%	18.0%	14.6%	28.6%	29.5%	-0.3%
Difference ((MNE-non-MNE):MNE)	100-500 empl	-	-3.4%	11.6%	5.5%	-10.1%	-3.6%	8.1%
Difference ((MNE-non-MNE):MNE)	> 500 empl	-15.4%	37.1%	19.5%	6.3%	4.4%	20.5%	17.2%
Difference ((MNE-non-MNE):MNE)	Total	26.5%	15.5%	22.0%	14.9%	23.6%	25.2%	19.0%

From this table the picture emerges that in six out of seven countries there is a wage premium in finance and call centre MNEs in establishments with less than 100 employees, that varies widely: from 9% in Finland to 29% in Poland and Spain. The UK is the exception, with median wages slightly higher in small domestic firms. The medium-sized category shows a mixed picture. In the category with 100-500 employees MNEs show a rather modest wage advantage (5-12%) in Germany, the Netherlands and the UK, while in Finland, Spain and notably Poland MNEs have a *dis*advantage compared to domestic firms, in Poland even of 10%. Except for Belgium the wages in the largest size category are clearly in favour of MNE wage: the medians are 4% (Poland) to 37% (Finland) higher than those in domestic firms. Yet, the Belgian domestic finance and call centre firms in this category pay 15% more than the comparable MNEs. In the end, Germany and the Netherlands have a consistent pattern in favour of MNE wages, but the other five countries do not. Notably Poland and Spain show a remarkable pattern, with a high MNE wage premium in the small and large size categories but a wage disadvantage in between. Our evidence clarifies that size is not always the dominant factor. In Finland, Poland and Spain medium-sized domestic finance and call centre firms seem to have a rather strong position in the labour market, and this may also be the case for larger domestic Belgian firms.

In our last comparison of wage levels we go into the gender pay gap, the difference between median male and female gross hourly wages (divided by the male wage) at the cost of women, in MNEs respectively non-MNE firms: table 8e.

Table 8e Median gross hourly wages of workers in MNE and non-MNE firms, in finance by country and gender (in Euros, current exchange rates av. 2007-1st half 2008)

		BE	FI	DE	NL	PL	ES	UK
MNE	male	23.05	19.40	25.40	20.79	6.71	15.88	19.14
MNE	female	15.27	13.75	20.73	15.52	5.98	10.39	16.02
MNE	difference ((m-f):m)	33.7%	29.1%	18.4%	25.3%	10.9%	34.6%	16.4%
No MNE	male	17.44	13.86	20.21	18.58	5.77	11.15	16.25
No MNE	female	12.71	12.41	15.39	12.88	4.33	7.62	13.49
No MNE	difference ((m-f):m)	27.2%	10.5%	23.8%	30.6%	25.0%	31.6%	17.0%
Total	male	20.20	16.38	21.78	19.72	6.42	12.86	17.93
Total	female	13.57	12.65	17.35	13.98	4.72	8.29	14.69
Total	difference ((m-f):m)	32.8%	22.7%	20.3%	29.1%	26.4%	36.1%	18.1%

Only cells with more than 8 observations are included

The finance and call centre MNEs in all countries show a considerable gender pay gap, from 11% in Poland to even 34-35% in Belgium and Spain. Yet, in four countries the gap is even larger in domestic firms, from less than 1%-point in the UK, 5%-pts in Germany and the Netherlands, to 14%-pts in Poland. A breakdown of male and female wages by firm size (not shown) reveals a variety of patterns: in Germany by far the largest gap in small firms, mainly caused by a 38% gap in domestic firms; in Poland and Spain the largest gaps in the 100-500 employees' category, in both countries mainly caused by large male – female differences in MNEs; in Finland and the UK the largest gaps in the largest size category, caused by differences in MNEs and domestic firms alike. Finally, Belgium and the Netherlands show about equal gaps in all three size categories, with in Belgium slightly larger gaps in MNEs and in the Netherlands in domestic firms.

So far our results seem to be in line with the majority of empirical studies on the subject, that have established that MNEs pay higher wages than domestic firms for comparable jobs, also in developed countries, though with some reservations: investments of these MNEs or cross-border take-overs mostly also contribute to wage inequality; positive effects on average wages may be short-term, and for EU member states recent studies anyway find rather small individual wage premia.[19] The mainstream reasoning is that MNEs have ample opportunities

[19] Most evidence on the effects of FDI on host countries relates to manufacturing and to a lesser extent to mining; this also applies to wage effects. Goldberg concluded in 2004 that data on the effects of financial FDI in this respect "have not yet been parsed out" (Linda Goldberg (2004) *Financial-sector FDI and host countries: New and old lessons.* Cambridge, MA: National Bureau of Economic Research, NBER Working Paper 10441, 6). As far as we can see, this observation still holds. Cf. in general for wage effects: Robert E. Lipsey (2002) *Host and home country effects of FDI.* Cambridge, MA: National Bureau of Economic Research, NBER Working Paper 9669; OECD (2008) Policy Brief. The Social Impact of Foreign Direct Investment, *OECD Observer*, July; Paolo Figini, Holger Görg (2006) *Does Foreign Investment Affect Wage Inequality? An Empirical Investigation.* Bonn: IZA. Discussion Paper No. 2336; for the UK: Karl Taylor, Nigel Driffield (2005) Wage inequality and the role of multinationals: evidence from UK panel data, *Labour Economics*, 12(2): 223-249;

to create ‘high quality’ jobs, given their size, their level of production technology, their better management techniques, their HRM abilities, and their more intensive use of intermediate products. Indeed there seems to be a tendency that the so-called wage premium that they tend to pay is higher for high-skilled staff.[20]

We already compared wages in MNEs and non-MNEs taking into account working hours, firm size and gender. Moreover, to make a more “honest” comparison one needs to take into account the educational levels and tenure (years of work experience) of the workforce in MNEs respectively non-MNEs, as these two factors mostly exert the largest influence on wage levels. In order to undertake a comparison that includes the relevant factors, we carried out a regression analysis to control for the influence of five factors: work experience, gender, working hours, education, and firm size. We did so per country: Table 8f.

Table 8f Results of regression analysis in finance and call centres by country

	BE		FI		DE		NL		PL		ES		UK	
Constant	2.601	***	2.152	***	1.925	***	1.557	***	0.960	***	1.184	***	2.252	***
Work experience	0.008		0.042	***	0.039	***	0.044	***	0.060	***	0.045	***	0.015	
Work experience SQ	0.000		-0.001	**	-0.001	***	-0.001	***	-0.001	***	-0.001		0.000	
Female	-0.172		-0.210	***	-0.122	***	-0.212	***	-0.126		-0.193	**	-0.077	
Working hours p.w. > 40	-0.093		0.114		0.126	***	0.136	***	0.132		0.185	*	0.102	
Educ (1=low,…,5=high)	0.185	***	0.065	*	0.126	***	0.184	***	0.336	***	0.171	***	0.053	
MNE	-0.027		0.079		0.155	***	0.083	***	0.187	**	0.274	***	0.088	
Company > 100 empl.	0.096		0.102		0.087	*	0.095	***	0.262	***	0.059		0.092	
N	395		198		1433		3047		386		339		884	
R square	0.078		0. 278		0.191		0.327		0.286		0.225		0.023	

The results of our analysis show that in four of seven countries there is a wage premium for working in MNEs if controlled for the five factors, though for Poland the influence is somewhat weaker (see row ‘MNE’). There are no significant differences for Belgium, Finland and the UK. The influence of working in a MNE in IT is highest for Spain, followed by Poland and Germany.

Alexander Hijzen (2007) International Outsourcing, Technological Change, and Wage Inequality, *Review of International Economics*, 15(1): 188-205; for Germany: Ingo Geishecker, Holger Görg (2004) *International outsourcing and wages: Winners and losers.* DIW Berlin: paper; for Denmark: Nikolaj Malchow-Møller, James R. Markusen, Bertel Schjerning (2007) *Foreign Firms, Domestic Workers.* Cambridge, MA: National Bureau of Economic Research, NBER Working Paper 13001 (small positive effect); for Finland: Kristiina Huttunen (2007) The Effect of Foreign Acquisition on Employment and Wages: Evidence from Finnish Establishments, *The Review of Economics and Statistics*, 89(3): 497-509 (small positive effect); for Hungary: John S. Earle, Almos Telegdy (2007) *Ownership and Wages: Estimating Public-Private and Foreign-Domestic Differentials with LEED from Hungary, 1986-2003.* Cambridge, MA: National Bureau of Economic Research, NBER Working Paper 12997. By exception, for Sweden recent research found lower individual wages in foreign firms relative to their counterparts in domestic firms: Fredrik Heyman, Fredrik Sjöholm, Patrik Gustavsson Tingvall (2007) Is there really a foreign ownership wage premium? Evidence from matched employer – employee data, *Journal of International Economics,* 73: 355-376.

[20] Taylor & Driffield, *op. cit*.; Hijzen, *op. cit.;* not confirmed by Sourafel Girma, Holger Görg (2007) Evaluating the foreign ownership wage premium using a differences-in-differences matching approach, *Journal of International Economics,* 72(1): 97-112. While in the 1990s related to FDI the position of unskilled labour in highly developed countries like the UK and Sweden was already deteriorating, in the last decade this trend became visible in Central and East European Countries (CEECs) too, notably in Hungary, Poland and the Czech Republic. Cf. Peter Egger, Robert Stehrer (2003) International Outsourcing and the Skill-specific Wage Bill in Eastern Europe, *The World Economy*, 26(1): 61-72; Rosario Crino (2007) *Offshoring, Multinationals and the Labour Market: A Review of the Empirical Literature*. Milano: CESPRI, Working Paper 196.

If controlled this way, Belgium and Finland do not show wage premia for the other four industries as well, while the UK in three industries does not show wage premia and in two shows rather weak influences. Germany is the only country clearly showing a wage premium for all five industries, followed by the Netherlands with three of five, Poland (two industries) and Spain with one industry.

8.2. Overtime compensation

The *WageIndicator* web-survey includes questions about overtime compensation in pay, in time, or no overtime compensation at all. Here we compare workers in MNE and non-MNE firms with regard to the percentages receiving overtime compensation in pay. At this point the picture deviates clearly from that concerning wage levels. Table 9 shows a mixed picture: in finance and call centres in Belgium, Finland and Poland receiving overtime in pay is more common in MNE firms than in non-MNEs, but in Dutch, Spanish and British MNEs it is less common.

Table 9 Percentage of workers receiving overtime compensation in pay in MNE and non-MNE firms in finance and call centres by country

	BE	FI	DE	NL	PL	ES	UK
MNE	13%	35%	7%	17%	25%	9%	28%
No MNE	10%	29%	7%	23%	15%	12%	31%
Total	11%	31%	7%	20%	19%	11%	29%

If, as the working hours' figures we will present (Tables 17 and 18) suggest, the incidence of long working hours is in most countries in finance and call centres higher in MNEs than in non-MNEs, this implies that working for an MNE is paired with less compensation for overtime. This is in accordance with detailed findings for the Netherlands that were also based on *WageIndicator* outcomes.[21] It means that for the Netherlands, Spain and the UK the wage premium calculated over *weekly* wages for considerable groups of workers in MNE establishments which often work overtime is smaller than that presented earlier for *hourly* wages.

8.3. Performance-based pay

The *WageIndicato*r includes a number of questions on the incidence of performance-based pay. Here, we define performance-based pay as any bonus based on individual, group, team or departmental performance in addition to monthly payments. It also includes any annual

[21] Fabienne Fortanier (2008) *Multinational Enterprises, Institutions and Sustainable Development*. Diss. Erasmus University Rotterdam, 178.

performance allowance or commission, but it does not include skill bonuses or labour market shortage bonuses.

Table 10 reveals that workers in finance MNEs more often receive performance-based pay than their colleagues in non-MNEs, except for Germany and Finland. It is remarkable that in these two countries the disadvantages for MNE employees are quite marked, while in the other five countries the differences clearly go the other way around.

Table 10 Percentage of workers receiving performance-based pay in MNE and non-MNE firms in finance and call centres by country

	BE	FI	DE	HU	NL	PL	ES	SW	UK
MNE	20%	5%	12%	-	18%	-	25%	12%	12%
No MNE	9%	20%	19%	-	10%	-	19%	6%	9%
Total	14%	16%	16%	-	14%	-	22%	9%	10%

9. Job quality and working conditions

The *WageIndicator* web-survey includes several questions about job quality and working conditions. We will treat six issues here: working in dangerous conditions; the incidence of work-related stress; whether the job level matches the educational level of the worker; internal promotion (opportunities for careering); the incidence of reorganizations, and finally job satisfaction and job security.

We will first treat the incidence of working in dangerous conditions. As the related question was only asked in the *WageIndicator* survey in four countries, we have to limit ourselves to these four: Belgium, the Netherlands, Poland, and Spain. Table 11 shows the average scores, based on answers ranging from never (=1) to daily working in dangerous conditions (=5). The outcomes are mixed: working conditions are perceived as slightly more dangerous in MNE firms in the Netherlands and Spain, while the results for Belgium and Poland are reverse. In the other industries working in dangerous conditions mostly scores a higher (perceived) incidence in non-MNE firms.

Table 11 Average score on working in dangerous conditions, ranked on a scale from 1 = Never to 5=Daily, in MNE and non-MNE firms in finance and call centres by country

	BE	NL	PL	ES
MNE	1.3	1.3	1.2	1.5
No MNE	1.4	1.2	1.3	1.3
Total	1.3	1.3	1.3	1.4

It has to be noted that these figures are low, especially if compared to those for transport and telecom and for metal and electronics manufacturing.

Second, we go into the incidence of four indicators of work-related stress. Here we have got information for six countries: Belgium, Germany, Hungary, the Netherlands, Poland, and Spain. On all four indicators, the respondents are asked to give their opinions on a five-point scale, ranging from never (=1) to daily (1=5), or from fully disagree (=1) to fully agree (=5).

Table 12 clarifies that for the first indicator, 'finds job stressful', the average scores hardly differ: scores are higher in Hungarian MNEs compared to domestic firms, and slightly lower in Polish and Spanish MNEs, while in the other three countries they are at par. Overall these scores, if compared with the other industries, are high. 'Work physically exhausting' also shows a mixed picture: a higher incidence in MNEs in Belgium, Hungary and the Netherlands, but lower in Poland and Spain. For the third indicator, 'work mentally exhausting', finance and call centre results are in line with those in other industries: in four out of six countries the scores in MNEs are higher, with Poland as the exception and results at par in Belgium. Finally, for 'finds job boring' higher scores show up clearly for MNEs in Germany, the Netherlands, Poland and Spain, while results in Belgium and Hungary are at par.

Table 12 Average score on four work-stress related issues, all ranked on a scale from 1 = Never to 5=Daily in MNE and non-MNE firms in finance and call centres by country

		BE	DE	HU	NL	PL	ES
MNE	Finds job stressful	3.5	4.0	3.9	3.5	3.5	3.7
No MNE	Finds job stressful	3.5	4.0	3.7	3.5	3.6	3.8
Total	Finds job stressful	3.5	4.0	3.8	3.5	3.5	3.8
MNE	Work physically exhausting	2.8	1.0	2.3	2.5	2.7	3.1
No MNE	Work physically exhausting	2.7	-	2.2	2.4	2.9	3.2
Total	Work physically exhausting	2.8	1.0	2.2	2.4	2.8	3.2
MNE	Work mentally exhausting	3.4	4.0	3.0	3.3	3.3	4.1
No MNE	Work mentally exhausting	3.4	3.0	2.9	3.1	3.6	4.0
Total	Work mentally exhausting	3.4	3.5	2.9	3.2	3.5	4.0
MNE	Finds job boring	2.2	3.0	2.2	2.4	2.4	2.9
No MNE	Finds job boring	2.2	2.0	2.2	2.2	2.1	2.6
Total	Finds job boring	2.2	2.5	2.2	2.3	2.3	2.7

Summarizing, in the smallest majority of comparisons (12 of 23) the stress-related scores are higher in MNEs than in non-MNEs; this most clearly is the case for Hungary and the Netherlands, while the other countries show a mixed picture. Thus, our results for finance and call centre hardly support the assumption that inward FDI i.e. working for a MNE generates more stress.

Our third job quality issue is that concerning the possible gap between the level of the job performed and the educational level of a worker. Such a gap can indicate whether workers

are over-skilled or overeducated (which is most likely) or under-skilled or undereducated (which mostly may be the case for smaller groups). If continued, both situations of mismatch can well be detrimental for workers' mental health, and over-skilling is generally also rather disadvantageous for one's earnings.[22] Here we have data available for five countries.

Table 13 reveals for four countries in finance and call centres 'match'-levels between 63% (Spain) and 79% (Sweden), with Poland as an exception with the very high score of 95%. The outcomes show a mixed picture: somewhat higher levels in MNEs in the Netherlands and Poland, lower in Belgium, Spain and Sweden. Though the differences between MNEs and non-MNEs are not large, this is somewhat surprising, as in other industries (notably in metal and electronics and in transport and telecom) the results were univocally in favour of the MNEs.

Table 13 Percentage of workers reporting that job level matches educational level, in MNE and non-MNE firms in finance and call centres by country

		BE	NL	PL	ES	SW
MNE	Job level matches education level	75%	71%	96%	61%	76%
No MNE	Job level matches education level	76%	69%	94%	64%	83%
Total	Job level matches education level	76%	70%	95%	63%	79%

The fourth job quality issue concerns internal promotion. Table 14 shows that in all seven countries for which we have adequate information, the share of those reporting to have been promoted in the current firm is much higher in MNEs than in domestic firms. The differences vary from 9%-points in Germany and Spain till 17%-points in Belgium, suggesting that finance and call centre MNEs in these countries are offering better career opportunities. The larger scale of MNE establishments may well favour promotion opportunities. A minor but striking observation is that the share of workers stating to have been promoted in the current firm is smaller in Germany than in all other countries.

Table 14 Percentage of workers reporting to have been promoted in the current firm, in MNE and non-MNE firms in finance and call centres by country

		BE	FI	DE	NL	PL	ES	UK
MNE	Has been promoted in current firm	57%	58%	43%	61%	59%	57%	56%
No MNE	Has been promoted in current firm	40%	44%	34%	48%	48%	48%	41%
Total	Has been promoted in current firm	49%	48%	38%	54%	53%	52%	49%

Our fifth job quality issue regards experiences with the incidence of reorganizations and expectations on this subject. The two relevant questions in the *WageIndicator* survey were whether the organization where the respondent works faced a reorganization in the last 12 months, and whether he/she expects a reorganization to happen in the next 12 months.

[22] Cf. Joop Hartog (2000) Over-education and earnings: where are we, where should we go?, *Economics of Education Review*, 19: 131-147.

The upper half of table 15 shows the experiences and indicates that in all five countries for which we can make comparisons the MNE finance and call centre organisation much more often faced reorganizations in the past year. The outcomes presented in the lower half of the table reveal that the expectations concerning coming reorganizations closely match with experiences. Again, in all five countries the shares expecting reorganizations in the year to come are higher in MNEs, varying from 3%-points in Poland to even 19%-pts in Belgium. Moreover, these figures are much higher than seem to be justified by recent experience.

Table 15 Percentage reporting that organisation faced reorganization, and percentage reporting to expect a reorganization in the next 12 months, in MNE and non-MNE firms in finance and call centres by country

		BE	DE	NL	PL	SW	UK
MNE	Organisation faced reorganisation	42%	56%	50%	59%		55%
No MNE	Organisation faced reorganisation	27%	45%	30%	47%		46%
Total	Organisation faced reorganisation	35%	50%	39%	52%		51%
MNE	Reorganisation exp. in 12 months	64%	75%		71%	63%	70%
No MNE	Reorganisation exp. in 12 months	45%	60%		68%	57%	63%
Total	Reorganisation exp. in 12 months	54%	65%		69%	60%	67%

Our last issue related to job quality is job satisfaction (although of course job satisfaction is wider than job quality and is also related to wages and other aspects of working life). The respondents were asked to give their opinions on a five-point scale, ranging from 1=Not satisfied to 5= Satisfied. The same holds for the question whether one worries about his/her job security. Here the opinions range from 1=Wholly disagree to 5=Wholly agree.

Tabel 16a reveals that in three of eight countries for which the data enables comparisons between categories of firms, the job satisfaction scores are higher for MNEs; in four they are at par, and for Finland the results are reverse. Yet, note that the differences are small, except for Sweden (but keep the small Swedish sample in mind!). Looking at the totals, it can be noted that the outcomes except for Spain and the UK are rather high compared to the outcomes for these countries in other industries.

Table 16a Average score on job satisfaction, ranging from 1=Not satisfied to 5= Satisfied, in MNE and non-MNE firms in finance and call centres by country

		BE	FI	DE	NL	PL	ES	SW	UK
MNE	Satisfaction with job	3.6	3.5	3.4	3.6	3.4	3.1	3.4	3.1
No MNE	Satisfaction with job	3.6	3.6	3.4	3.5	3.3	3.1	3.1	3.1
Total	Satisfaction with job	3.6	3.6	3.4	3.6	3.4	3.1	3.3	3.1

We can present data for job security only for three countries, Germany, the Netherlands and Poland. Table 16b (next page) indicates that differences in feelings of job insecurity between MNEs than in non-MNEs hardly show up, be it that in Poland such feelings are slightly lower in MNEs.

Table 16b Average score on job security, ranging from 1= Wholly disagree with worries to 5= Wholly agree with worries, in MNE and non-MNE firms in finance and call centres by country

		DE	NL	PL
MNE	Security in job	2.4	2.3	2.4
No MNE	Security in job	2.4	2.3	2.5
Total	Security in job	2.4	2.4	2.4

It is interesting to observe, based on the results presented above, possible relations between three aspects: the incidence of reorganizations, job insecurity and job satisfaction. Even if job insecurity in MNEs is enlarged through more reorganizations, that insecurity may not be higher than in domestic firms and also obviously does not automatically translate into lower levels of job satisfaction. Other aspects of working in a MNE, like the comparatively high wage levels and/or better career prospects, may form compensating elements.[23]

10. Working hours

Under this heading we will discuss three working hours' issues: the length of the working week; the incidence of overtime, and the incidence of irregular hours (including shift work). Overtime is defined as usually working more hours than agreed. It has to be noted that the survey question about shift work was not asked during the full one-and-a-half year of the survey period.

As Table 17 (next page) reveals, the length of the average usual working week varies widely in finance and call centres, from an average 35.5 hours in Finland and 35.9 hours in the Netherlands to 39.6 in Poland and, on top, 39.7 in Germany. In seven out of eight countries for which we have adequate information, the average usual working hours per week are longer in MNEs than in non-MNEs, the exception being Spain. In the Netherlands the difference is even 4.0 hours and in the UK 2.9 hours. In all eight countries, including Spain, the share of those working over 40 hours per week is also higher in MNEs than in domestic firms. For extremely long weeks of over 48 hours the shares in MNEs are higher than in domestic firms, while in Belgium they are equal.

On the other side of the spectrum, except for Spain the share of small part-time jobs (20 hours per week or less) proves to be higher in domestic firms, most manifestly in the Netherlands (7%-points higher).

[23] Not often discussed as it concerns the relationship between insecurity and job satisfaction. Cf. Kenneth Scheve, Matthew J. Slaughter (2004) Economic Insecurity and the Globalization of Production, *American Journal of Political Science*, 48(4): 662-674.

Table 17 ***Distribution over three categories of usual working hours and average usual working hours in MNE and non-MNE firms in finance and call centres by country***

		BE	FI	DE	HU	NL	PL	ES	SW	UK
MNE	0-20 hrs (col %)	9	9	7		10	6	14		13
MNE	>20-40 hrs (col %)	63	73	38		57	50	51	82	52
MNE	>40-48 hrs (col %)	22	13	37		19	29	16	18	23
MNE	>48-80 hrs (col %)	6	5	18		14	14	19		13
MNE	Total (col %)	100	100	100		100	100	100	100	100
No MNE	0-20 hrs (col %)	10	12	9		17	10	11	6	16
No MNE	>20-40 hrs (col %)	72	77	49		62	53	54	81	63
No MNE	>40-48 hrs (col %)	13	9	32		14	26	23	13	14
No MNE	>48-80 hrs (col %)	6	2	10		7	12	11		7
No MNE	Total (col %)	100	100	100		100	100	100	100	100
Total	0-20 hrs (col %)	9	11	8	14	14	9	12	3	14
Total	>20-40 hrs (col %)	68	76	44	64	59	53	54	82	57
Total	>40-48 hrs (col %)	17	10	34	7	16	25	19	15	18
Total	>48-80 hrs (col %)	6	3	14	14	12	13	15		11
Total	Total (col %)	100	100	100	100	100	100	100	100	100
MNE	Usual working hours	37.3	36.5	41.0		37.7	40.8	37.1	39.9	36.8
No MNE	Usual working hours	35.6	35.0	38.6		33.7	39.0	37.4	37.9	33.9
Total	Usual working hours	36.9	35.5	39.7	37.6	35.9	39.6	37.4	38.9	35.6

The answers concerning overtime, gathered in Table 18, give indications in the same direction as those concerning the length of the working week. Large majorities of the finance and call centre employees have agreed working hours. Yet, contrary to the results for other industries this share is mostly i.e. in five countries higher in non-MNEs. Only in Poland the MNEs score (slightly) higher, while in the Netherlands and Spain there is no difference.

Table 18 ***Percentage having agreed working hours with employer, of these the percentage working usually more hours than agreed, and percentage working shifts or irregular hours, in MNE and non-MNE firms in finance and call centres by country***

		BE	FI	DE	HU	NL	PL	ES	SW	UK
MNE	Working hours agreed	78%	94%	92%		98%	96%	93%	83%	95%
No MNE	Working hours agreed	80%	96%	96%		98%	95%	93%	94%	97%
Total	Working hours agreed	78%	95%	94%	85%	98%	96%	93%	88%	96%
MNE	Usual more working hours	60%	29%	63%		51%	41%	49%	38%	57%
No MNE	Usual more working hours	43%	23%	58%		42%	44%	48%	54%	41%
Total	Usual more working hours	50%	25%	60%	56%	46%	40%	47%	46%	48%
MNE	Shifts or irregular hours	13%	-	-		14%	-	3%	4%	-
No MNE	Shifts or irregular hours	15%	-	-		18%	-	4%	0%	-
Total	Shifts or irregular hours	15%	-	-	9%	16%	-	4%	2%	-

In a number of countries the percentages usually working more hours than those agreed are high. Germany scores overall a disquieting 60%, while the outcomes for the other countries except Finland (25%) are all in the 40-50% range. In six of eight countries for which we have sufficient data, the incidence of overtime is higher in MNEs than in non-MNEs, in Belgium,

the Netherlands and the UK even substantially higher. Poland and Sweden show a reverse picture here.

For only four countries we gathered information on the incidence of shift or irregular work, to be compared between MNEs and non-MNEs. In three, Belgium, The Netherlands and Spain the incidence of such work was higher in non-MNEs than in MNEs, though the differences were small. Compared to the other industries the incidence of shift or irregular work n finance and call centres remains low.

11. Training

Training, or the acquisition of human capital, can be related to the MNE wage premium issue. One explanation for the fact that MNEs pay higher wages than domestic firms may be that, though starting wages in MNEs may not be higher than in domestic firms, workers in MNEs receive more and/or more efficient on-the-job training and experience higher wage growth. There is some empirical support for such an explanation of firm-specific human capital acquisition, be it that the wage effect of training is most likely stronger in developing than in developed countries.[24]

We will discuss three training-related issues here. The first relates to the incidence and duration of employer-paid or provided training, and is based on the question: “Over the past 12 months, how much training have you received, paid for or provided by your *employer*, in order to improve your skills?”. The second issue relates to the incidence and duration of self-paid training, based on the question: “Over the past 12 months, how much training have you paid for *yourself* in order to improve your skills?”. The third issue is the assessment of the importance that the respondents attach to training, which goes back to the question: “How often do you find training for your job would be worthwhile?”. The latter is measured on a five-point scale, ranging from 1=Never to 5=Daily.

As Table 19 (next page) shows, in all seven countries for which we gathered reliable data, the incidence of employer-received/paid training is higher in MNEs than in non-MNEs, varying from 5%-points in Germany to 10%-pts or more in the Netherlands, Spain, Sweden and the UK. For duration (number of days received in last year) the results are in favour of the MNEs, except for Sweden. Except for that country, the ratios MNEs : non-MNEs are more or less similar for both yardsticks. Compared to other industries the incidence of

[24] Holger Görg , Eric Strobl, Frank Walsh (2007) Why Do Foreign-Owned Firms Pay More? The Role of On-the-Job Training, *Review of World Economics*, 143(3): 464-482; OECD/ILO, 2008, *op. cit.*

employer-provided training is quite high. These results seem to confirm the evidence concerning on-the-job training we just cited.

Table 19 Incidence and duration of employer-received and self-paid training and opinion over training, ranging from 1=Never to 5=Daily in M&E, in MNE and non-MNE firms in finance and call centres by country

		BE	DE	HU	NL	PL	ES	SW	UK
MNE	Received training from employer (Y/N)	83%	73%		84%	82%	71%	92%	83%
No MNE	Received training from employer (Y/N)	77%	68%		74%	74%	55%	67%	69%
Total	Received training from employer (Y/N)	79%	70%	54%	78%	77%	63%	81%	76%
MNE	No of days training received from employer in last year	9.0	5.8		9.9	7.3	10.9	4.6	12.9
No MNE	No of days training received from employer in last year	6.9	5.4		8.0	6.1	8.7	6.0	11.9
Total	No of days training received from employer in last year	7.8	5.6	4.0	8.9	6.8	9.7	5.2	12.4
MNE	Self-paid training (Y/N)	19%	24%		21%	46%	38%	8%	25%
No MNE	Self-paid training (Y/N)	18%	25%		23%	45%	23%	11%	27%
Total	Self-paid training (Y/N)	19%	25%	42%	23%	46%	29%	10%	27%
MNE	No of days self-paid training in last year	3.9	4.6		4.2	6.8	13.1	2.3	3.9
No MNE	No of days self-paid training in last year	2.8	5.6		5.2	8.3	7.3	0.5	6.0
Total	No of days self-paid training in last year	3.4	5.4	15.4	5.1	7.6	9.7	1.5	5.2
MNE	Finds training would be worthwhile	3.2			2.7	3.5	3.2		
No MNE	Finds training would be worthwhile	3.4			2.6	3.6	3.2		
Total	Finds training would be worthwhile	3.3			2.6	3.6	3.2		

Obviously the incidence and duration of self-paid training is not directly related to those of employer-provided training. Especially in Poland but also in most other countries a considerable effort on self-paid training comes on top of rather well-provided training through the employer. Except for Spain, where both the incidence and the length of self-paid training is substantially higher in MNEs, there is not much difference in this kind of training between MNEs and domestic firms.

The outcomes on respondents' assessments of the importance of training are mixed: in Belgium and Poland slightly higher in MNEs than in their domestic counterparts, in the Netherlands somewhat lower, in Spain at par.

12. Industrial relations

Our research covers three core issues in industrial relations. The first is the incidence of trade union membership (union density). The second relates to whether the respondent is covered by a collective bargaining agreement (collective bargaining coverage). The third

concerns the incidence of workplace employee representation (works council, staff council, trade union representatives, shop stewards, or alike).

The results, presented in the upper third of Table 20, concerning trade union membership show that union density is higher in MNEs than in non-MNE firms in four out of seven countries (Finland, the Netherlands, Spain and the UK), and lower in three (Belgium, Germany and Poland), though in all cases the differences are rather small. In general there does not seem to be a case (anymore) against unionization in MNEs, though some firms can form nasty exceptions. It may be interesting to note that the outcomes in three of the four other industries show an even more favourable picture for MNEs in this respect; the exception is transport and telecom, where the situation in MNEs turns out to be less favourable from a union viewpoint.

Table 20 Percentage covered by a collective agreement, with employee representation and member of a trade union, in MNE and non-MNE firms in finance and call centres by country

		BE	FI	DE	HU	NL	PL	ES	UK
MNE	Member of trade union	28%	52%	9%		13%	4%	31%	14%
No MNE	Member of trade union	32%	49%	10%		11%	5%	29%	10%
Total	Member of trade union	32%	50%	10%	0%	12%	5%	30%	12%
MNE	Covered by collective agreement	93%		81%		78%		92%	33%
No MNE	Covered by collective agreement	65%		73%		58%		80%	18%
Total	Covered by collective agreement	77%		76%	36%	68%		86%	25%
MNE	In workplace empl representation	65%		88%		90%	48%	85%	38%
No MNE	In workplace empl representation	33%		77%		60%	37%	65%	23%
Total	In workplace empl representation	49%		81%	50%	74%	42%	73%	30%

The outcomes concerning collective bargaining coverage and workplace employee representation, covered by Table 20 too, are remarkable. All five countries for which we are able to compare collective bargaining coverage show a much higher coverage in MNEs than in non-MNEs, with differences from 8%-points (Germany) up to 28%-pts (Belgium). This pattern repeats itself in the four other industries.

For workplace employee representation the results, presented in the lower third of the table, are also univocally in favour of the MNEs. In all six countries for which we can compare data, the incidence of such representation is much higher in MNEs than in non-MNE firms; in Belgium it is even about double. With some country exceptions, the other industries show the same picture. Most likely the larger average scale of MNE establishments works out favourably for both collective bargaining coverage and workplace employee representation.

13. Conclusions

Concerning FDI and internationalization in the finance and call centre industry, the following picture emerges:

- The finance and call centre MNEs included in our database are modestly diversified, owning on average 3.4 subsidiaries.
- The finance and call centre industry shows a comparatively modest level of internationalization: subsidiaries have on average 3.3 establishments, implying that an average subsidiary is involved in between three of four countries out of 12.
- The UK, France and the Netherlands prevail as home countries of finance and call centre MNEs; in this industry 17.5% of the MNE establishments in the 12 countries are owned by MNEs from outside the EU.

Concerning the social effects of FDI in the finance and call centre industry, our main conclusions are:

- In all seven countries under scrutiny hourly wages in finance and call centre MNEs are substantially higher than in domestic firms, though these MNE premiums vary widely across countries (15 to 27%). Except for Finland, this picture remains intact for the various working hours' categories.
- Hourly MNE wages in all countries show a considerable gender pay gap, from 11% in Poland to even 34-35% in Belgium and Spain. Yet, in four countries the gap is even larger in domestic firms.
- A breakdown of establishment size shows that the MNE wage premium is largest in the smallest size category and lowest or even reverse in the category with 100-500 employees.
- Based on a regression analysis in which we controlled for experience, gender, working hours, education, and firm size results, we show that in four of seven countries there is a wage premium, though for Poland the influence is somewhat weaker. There are no significant differences for Belgium, Finland and the UK. The influence of working in a MNE in IT is highest for Spain, followed by Poland and Germany.
- In finance and call centres in Belgium, Finland and Poland receiving overtime in pay is more common in MNE firms than in non-MNEs, but in Dutch, Spanish and British MNEs it is less common.
- The scores on work-stress related issues are slightly higher in MNEs compared to domestic firms, and thus our results hardly support the assumption that working for an MNE generates more stress.

- In all seven countries workers in finance and call centres MNEs clearly report to have been promoted more often than in domestic firms.
- In all five countries for which we have data workers report that they faced reorganizations in the past year more often in MNEs; in comparable cases about the same share of workers expects reorganizations in the year to come.
- Except for Finland, job satisfaction in finance and call centre MNEs is at par or slightly higher than in domestic competitors.
- Except in Spain, the average usual working week is longer in MNEs, as is the share of those working over 40 hours per week.
- In all seven countries under scrutiny the incidence of employer-received/paid training as well as the number of average training days is higher in MNEs than in non-MNEs; except for Sweden, this also holds for the number of average training days.
- In four of seven countries, union density is higher in MNEs, while in Belgium, Germany and Poland density is slightly higher in domestic firms.
- In four of five countries for which we have adequate data collective bargaining coverage is higher in MNEs, in Belgium, the Netherlands and the UK even much higher.
- In all six countries with adequate data the incidence of workplace representation is much higher in MNEs than in domestic firms.

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ANNEX. TABLES

Table 21 38 largest (sales 2007) and most internationalized MNEs in 12 countries in finance and call centres, March 2008

MNE	no.subs	NACE	BE	DK	FI	FR	DE	HU	IT	NL	PL	ES	SW	UK	Total
Aegon	3	6601	x			x	x			**x**				x	5
Allianz	6	6601	x	x	x	x	**x**	x	x	x	x	x	x	x	12
Aviva	20	6601	x	x	x	x	x	x	x	x	x	x	x	**x**	12
AXA	4	6601	x			**x**	x	x	x	x	x	x	x	x	10
Banco Santander	9	6512					x	x	x	x		**x**		x	6
Barclays	3	6512	x	x	x	x	x	x	x	x	x	x	x	**x**	12
BBVA-Banco Bilb.	2	6512				x	x					**x**		x	4
Banco Popular Es	3	6512				x	x		x	x		**x**			5
BNP Paribas	6	6512	x			**x**	x			x		x			5
Citigroup (US)	3	6512	x			x	x		x	x	x	x	x	x	9
Commerzbank	4	6512	x				**x**				x	x			3
Credit Agricole	2	6512	x			**x**	x								3
Credit Suisse(CH)	2	6512				x	x	x	x			x	x	x	7
Danske Bank	2	6512		**x**	x								x		3
Deutsche Bank	2	6512				x	**x**		x				x	x	5
Dexia (BE/FR)	2	6512	**x**			x				x					3
Enskilda Banken	2	6512		x	x								**x**		3
Generali Group	2	6601	x	x	x	x	x	x	**x**	x	x	x	x	x	12
Fortis (BE/NL)	7	6512	**x**	x	x	x	x	x	x	x	x	x	x	x	12
HBOS	8	6512				x	x		x	x		x	x	**x**	7
HSBC	5	6512	x	x	x	x	x	x	x	x	x	x	x	**x**	12
ING Group	6	6512	x	x	x	x	x	x	x	**x**	x	x	x	x	12
JP Morgan C(US)	4	6512				x	x					x		x	4
KBC	6	6512	**x**					x		x	x				4
Kinnevik Group	4	7486	x	x	x	x	x	x	x	x	x	x	**x**	x	12
Legal & General	3	6601				x	x			x				**x**	5
Lehman Bros (US)	2	6512				x	x			x				x	4
Lloyds TSB	6	6512	x	x		x	x		x	x		x	x	**x**	8
Morgan Stanl (US)	2	6512		x	x		x						x	x	5
Rabobank	7	6512	x				x			**x**				x	4
RBS	3	6512	x	x	x	x	x	x	x	x	x	x	x	**x**	12
Sitel Corp.	1	7486	x	x	x	x	x		x	x	x	x	x	x	11
SNT	1	7486	x		x					**x**					3
Societe Generale	5	6512	x	x	x	**x**	x	x	x	x	x	x	x	x	12
Sykes (US)	1	7486		x	x		x	x	x	x		x	x	x	9
Teleperformance	3	7486	x	x	x	**x**	x	x	x	x	x	x	x	x	12
UBS Ag (CH)	2	6512	x			x	x			x		x	x	x	7
Unicredit Group	13	6512	x			x	x	x	**x**	x	x		x	x	9
	157		**BE**	**DK**	**FI**	**FR**	**DE**	**HU**	**IT**	**NL**	**PL**	**ES**	**SW**	**UK**	
No. comp/home c.			3	1	0	5	3	0	2	4	0	3	2	7	30
Tot. companies		misc. 8													**38**
No. subsidiaries															**157**
No. establishm./1			25	17	16	29	33	17	22	29	17	25	24	29	**283**
No. establishm./2			52	33	27	53	59	30	45	60	35	51	33	62	**540**

bold = home country

Table 22 50 largest firms by sales in finance (banking and insurance, excl. independent call centres), worldwide, 2007

		Country	Sales (bil. USD)	Ranking employ ment x)	Employment (employees, 31-12-2007)
1	Citigroup	US	159.23	1	374,000
2	AXA Group	FR	151.70	18	103,534
3	HSBC Holdings	UK	146.50	3	330,000
4	Allianz	DE	139.12	6	181,207
5	Bank of America	US	119.19	5	210,000
6	Berkshire Hathaway	US	118.25	4	233,000
7	UBS AG	CH	116.98	20	85,208
8	JP Morgan Chase	US	116.35	7	180,667
9	BNP Paribas	FR	116.16	11	132,507*)
10	American Int'l Group	US	110.16	16	116,000
11	Royal Bank Scotland	UK	108.45	9	142,000
12	ING Group	NL	104.94	15	120,082
13	Societe Generale Gr.	FR	103.44	17	115,134*)
14	Generali Group	IT	102.16	45	12,179
15	Credit Agricole	FR	101.59	25	77,063*)
16	HBOS	UK	100.32	27	72,000
17	Deutsche Bank	DE	95.50	24	78,291
18	Goldman Sachs	US	87.97	40	30,552
19	Morgan Stanley	US	85.33	34	48,256
20	Credit Suisse Group	CH	83.72	35	48,100
21	Aviva	UK	81.83	31	59,000
22	Barclays	UK	79.70	13	122,600*)
23	Banco Santander	ES	72.26	12	129,749*)
24	Prudential	UK	70.34	43	28,432
25	Munich Re	DE	67.57	37	38,600
26	Unicredit Group	IT	63.67	10	139,061*)
27	Merrill Lynch	US	62.68	28	64,200
28	Lehman Brothers	US	59.00	42	28,500
29	Lloyds TSB	UK	58.74	26	74,000*)
30	Aegon	NL	57.73	40	30,414
31	Wachovia	US	55.53	14	121,890
32	Zurich Fin. Services	CH	55.05	32	58,000
33	BBVA-Banco Bilbao	ES	54.53	19	91,000
34	CNP Assurances	FR	54.23	50	3,247
35	Wells Fargo	US	53.59	8	159,800
36	Metlife	US	53.01	33	49,000
37	Mitsubishi UJF Fin.	JP	49.49	23	78,302
38	Fannie Mae	US	44.77	48	5,700
39	Rabobank	NL	44.45	30	60,342
40	Danske Bank Group	US	43.81	44	23,600
41	Royal Bank Canada	CA	43.57	22	80,000
42	Freddie Mac	US	43.10	49	5,281
43	Legal & General Gr.	UK	41.03	47	8,800
44	Fortis	NL/BE	40.83	29	62,210
45	Commerzbank	DE	39.98	39	36,770
46	Nat. Australia Bank	AU	38.88	36	39,048
47	Swiss Re	CH	37.75	46	10,891*)
48	ICBC	CN	37.48	2	351,448*)
49	Allstate	US	36.77	38	38,000
50	Banco Bradesco	BR	36.12	21	82,773
	TOTAL		3,844.55		4,770,438

x) = only in this table *) 2006

Sources: *Forbes Global 2000*, 2008; company Annual Reports; various news reports