

自由論題セッション報告申込用 要約フォーマット

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報告タイトル(Title)

The effects of Brexit on foreign multinationals in Europe:
The case of Japanese affiliates

キーワード(5 keywords)

Brexit, Japanese affiliates in Europe, employment, Toyo Keizai's
Overseas Japanese Companies database, foreign direct investment

要約(Abstract)

1. 研究目的(Objective)

On 23 June 2016, a referendum was held in the United Kingdom (UK) to decide whether the country should leave or remain a member of the European Union (EU). As it is well known, “leave” won by 52% to 48% paving the way for years of negotiations between the United Kingdom and the European Union to define a Withdrawal Agreement and the future of the trade and economic relations between the two sides. Although at first glance the Brexit affair may seem exclusively a European issue, it affects third parties as well, as remarked by the Japanese government. The Ministry of Foreign Affairs of Japan issued a note, Japan’s Message to the United Kingdom and the European Union, in September 2016, a few months after the Brexit referendum, where Japan expressed its concerns regarding the future of the UK-EU relations and its impact on the global value chains Japanese firms established across Europe.

The purpose of our research is to investigate whether Brexit has produced any effect on the organization of the Japanese multinationals in Europe by analyzing variation in the share of employment in the Japanese affiliates in Europe.

2. リサーチ・クエスチョン(Research question)

Investigate the impact of Brexit on the presence of Japanese multinationals in Europe.

3. 研究デザインと方法論(Research design/methodology)

We implement a panel data analysis where the dependent variable is the share of employment in Japanese affiliates over the total employment in Japanese affiliates in Europe. The independent variables are the main variables used in the FDI empirical literature.

The data for the employment in Japanese affiliates are collected from the Toyo Keizai's Overseas Japanese Companies database for the years 2000, 2010, 2021.

The analysis is implemented at affiliates level and at country level.

4. 発見事項(Findings)

At affiliates level, we find that the employment share of the affiliates is smaller for firms in the services sector and larger for affiliates with more parent companies. Additionally, the Eurozone membership coefficient is negative and statistically significant. Not statistically significant effects are found for Brexit, the EU membership, and other covariates.

At country level, we find that Brexit negatively affected the share of employment in Japanese affiliates. This may be due to Japanese firms moving employees from affiliates in the UK to other European countries, or to Japanese firms to invest more in European countries other than UK since Brexit. EU membership increases the size of employment share while the Eurozone membership is associated with a decrease. This may be due to the fact that Japanese firms started to invest more in new EU members such as Poland, Czech Republic and Hungary. Additionally, we also find that the employment share is

positively correlated to the size of GDP and trade openness, and negatively correlated to the unit labor cost.

5. 理論的・経営管理上のインプリケーション(Theoretical/practical implications)

The abrupt decision of the British government to withdraw from the EU and reverse years of integration and modify what firms considered a stable status quo in the European business environment may affect investments in the UK and lead more employment out of it.

6. 限界(limitations)

Limitations are due to the sample size:

1. We have three years of data 2000, 2010, and 2021. Since our dependent variable is the share of employment, we assume that it does not change swiftly between years because it is related to the long-run organization of Japanese investment in Europe. However, our model catches the effects of Brexit only for a few years, 2017-2021 (We consider the Brexit effect from the declaration of the outcome of the referendum because it brought uncertainty in the business environment in Europe that firms needed to take into consideration).
2. We report a detailed presence of missing values in the Toyo Keizai's database.

7. 独自性と価値(Originality/value)

This works analyzes the effects of Brexit from a different perspective by focusing on the employment levels in Japanese affiliates in Europe.

※ スペースが足りない場合は、ご自身で追加してください。