



XI Congreso Internacional de la AEHE
4 y 5 de Septiembre 2014
Colegio Universitario de Estudios Financieros (CUNEF)
Madrid

**Sesión: La inversión directa extranjera desde el siglo XIX:
movimientos de capital dentro de un capitalismo más global**

Título de la comunicación: US FDI in the Southern Europe during 1970's and Oil crisis: a raise in Spanish firm's competitiveness

Autor/es: Julio Tascón Fernández y Misael Arturo López Zapico

Filiación/es académica/s: Investigador colaborador (IP) Instituto Franklin-UAH y Universidad de Oviedo / Investigador colaborador Instituto Franklin-UAH y UNED. Centro Asociado de Asturias

Dirección electrónica de contacto: juliotf@uniovi.es y m.artzapico@gmail.com

**US FDI in the Southern Europe
during 1970's and Oil crisis: a
raise in Spanish firm's
competitiveness**



**XI CONGRESO INTERNACIONAL
DE LA AEHE
MADRID
2014**

**JULIO TASCÓN-FERNÁNDEZ
(JULIOTF@UNIOVI.ES)
&
MISAEEL ARTURO LÓPEZ-ZAPICO
(M.ARTZAPICO@GMAIL.COM)**

Table of Contents



- 1. Institutional background**
- 2. US influence through MNC's**
- 3. US FDI in Western Europe & the Mediterranean Countries**
- 4. US FDI trends in Spain**
- 5. US FDI in Spain during a short run, 1974-1977**
- 6. Discussion on competitiveness**

INSTITUTIONAL BACKGROUND

70's



MEDITERRANEAN COUNTRIES: THIRD WAVE OF DEMOCRATIZATION

COUNTRIES	ERP	EEC	NATO	UN	GATT	OEEC/OECD	EFTA	POLITICAL SYSTEM*
SPAIN	No	1986	1982	1955	1963	1958/1961	1979 FTA	Dictatorship 1939-1975
ITALY	Yes	1952	1949	1955	1950	1948/1962	NO	Democracy
PORTUGAL	Yes	1986	1949	1955	1962	1948/1961	1960-1985	Dictatorship 1930-1974
GREECE	Yes	1981	1952	1945	1950	1948/1961	NO	Dictatorship 1967-1974
TURKEY	Yes	1987 A 1997 C	1952	1945	1951	1948/1961	1991 FTA	Democracy **

Source: Own elaboration. *End date opens a transitional process to democracy; ** Temporary suspended due military coups (1960, 1971, 1980); A=Application; C=Candidate; FTA=Trade agreement with EFTA but not formal adhesion

- **U.S. POLITICAL UNCERTAINTY: Nixon, Ford & Carter years**

US INFLUENCE THROUGH MNC'S



- **MNC's value for the State: taxes, employment...**
- **Support provided by the US Administration**

**US Government Department & Agencies.
For instance:**

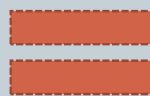
Export-Import Bank

US Foreign Service



INFORMATION

Data: Assesments, Reports, advises...

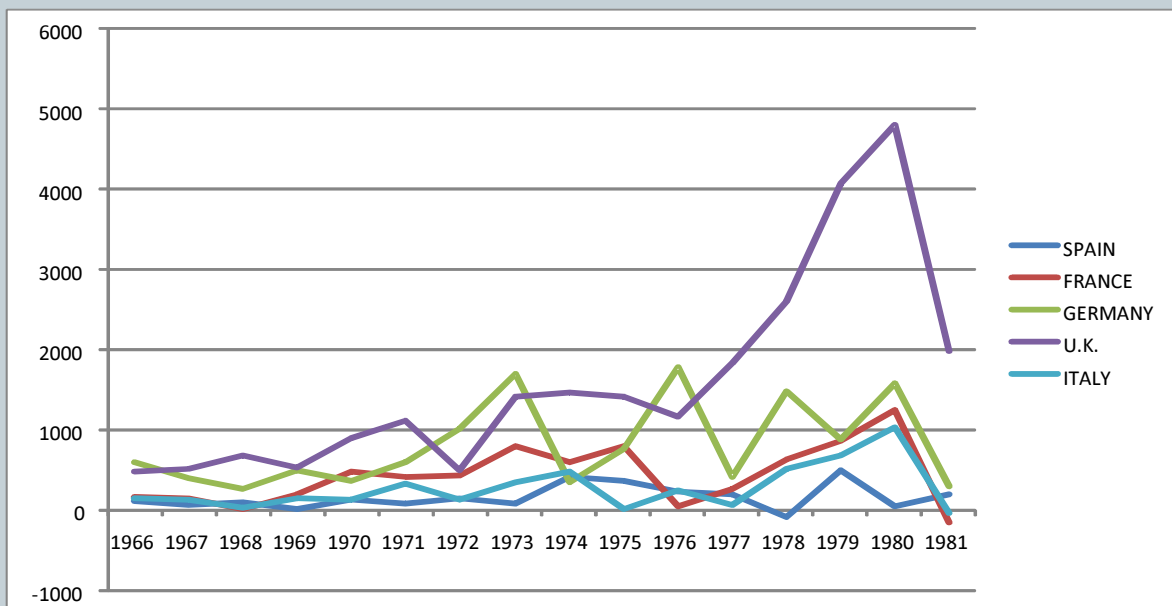


DECISION MAKING PROCESS

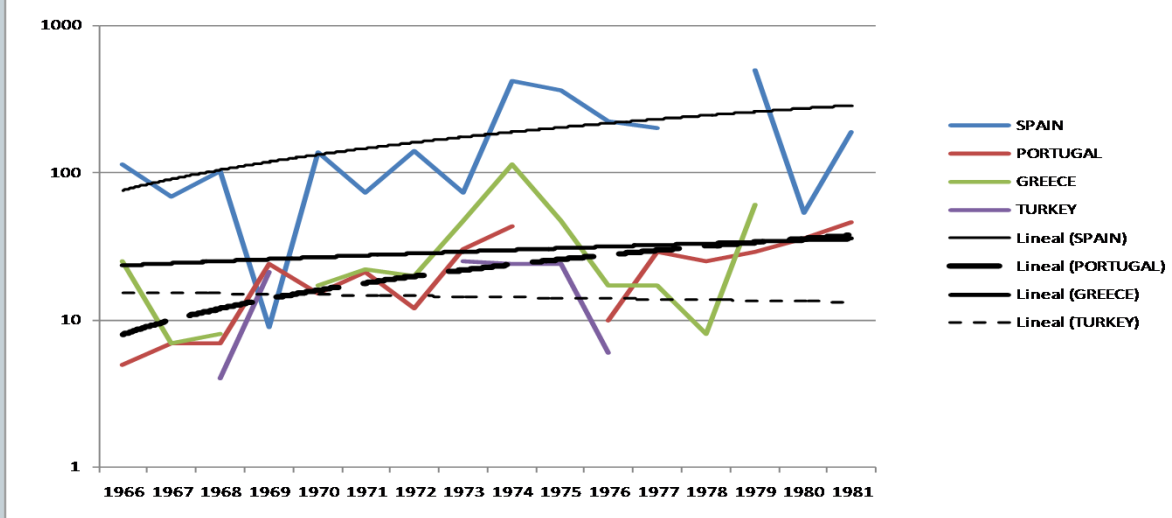
US FDI: WESTERN EUROPE & MEDITERRANEAN COUNTRIES



US FDI IN WESTERN EUROPE (SET OF 5 COUNTRIES), 1966-1981



US FDI in Mediterranean countries, 1966-1981

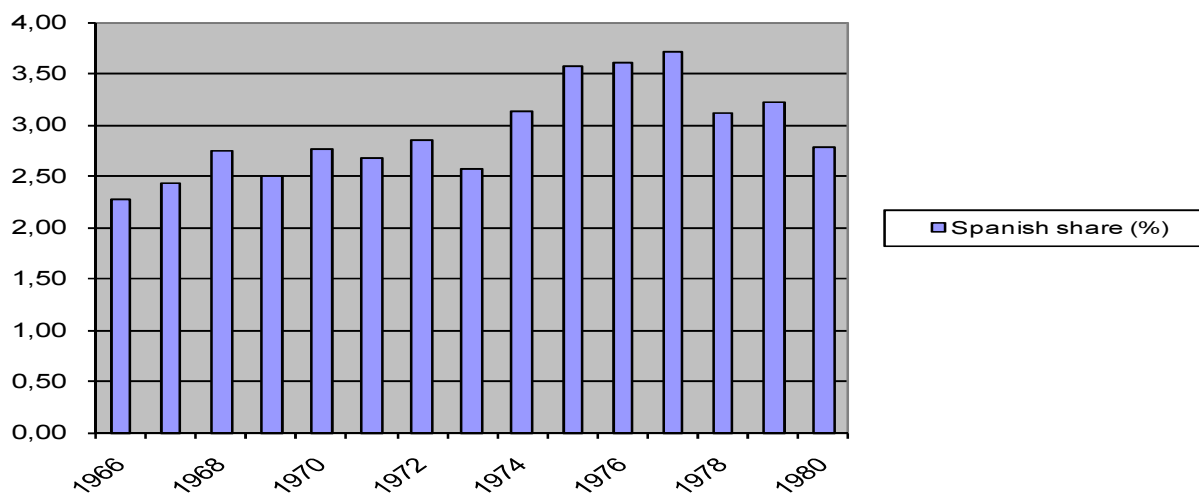


Source: U.S. Department of Commerce, Bureau of Economic Analysis & own elaboration

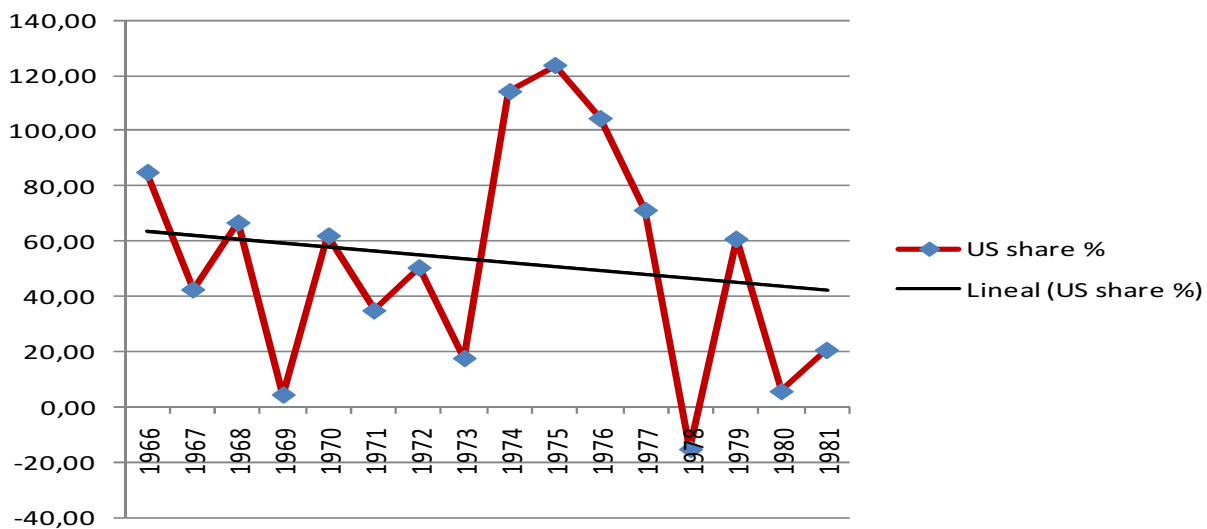
US FDI TRENDS IN SPAIN



US direct investment position abroad on a historical-cost basis. Spanish share over Europe total, 1966-1981



US share in FDI in Spain, 1966-1981

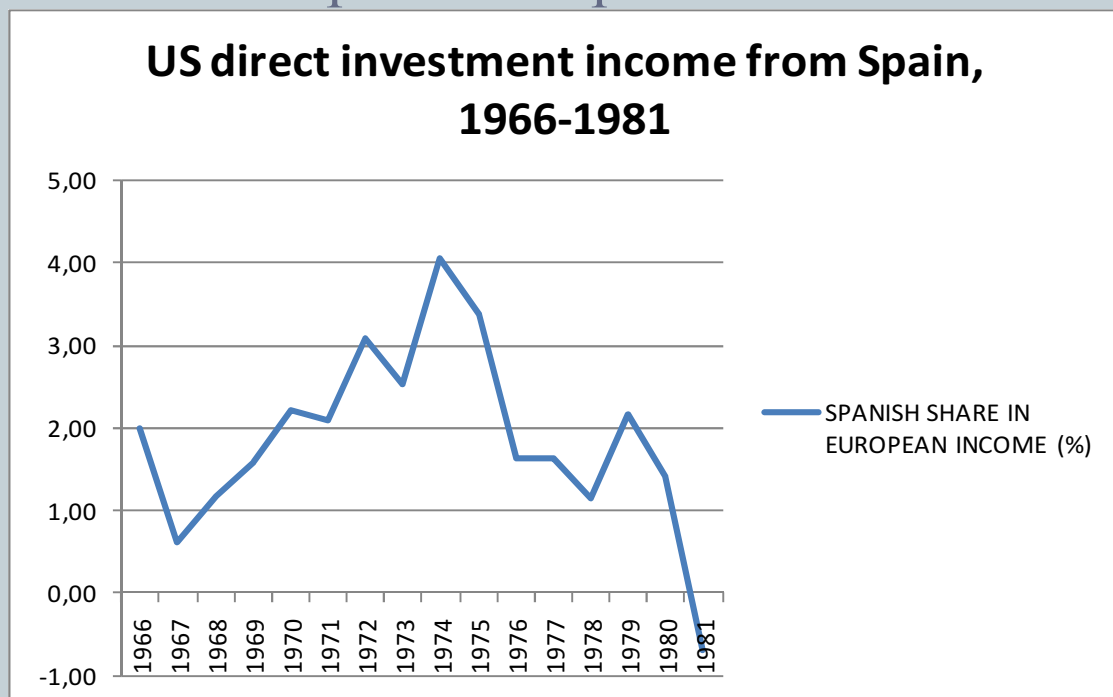


Source: U.S. Department of Commerce, Bureau of Economic Analysis & own elaboration

US FDI IN SPAIN DURING A SHORT RUN, 1974-1977 (I)



- Stocks of US FDI remain steady at a good level (remember that stock variable is weighted over European total).
- Labour market level:
- Number of employees by US firms in Spain between 1972-1983 increased.
- Therefore, US MNC's wanted to stay and decided to resist in Spain during the late Francoism period despite the uncertainties.

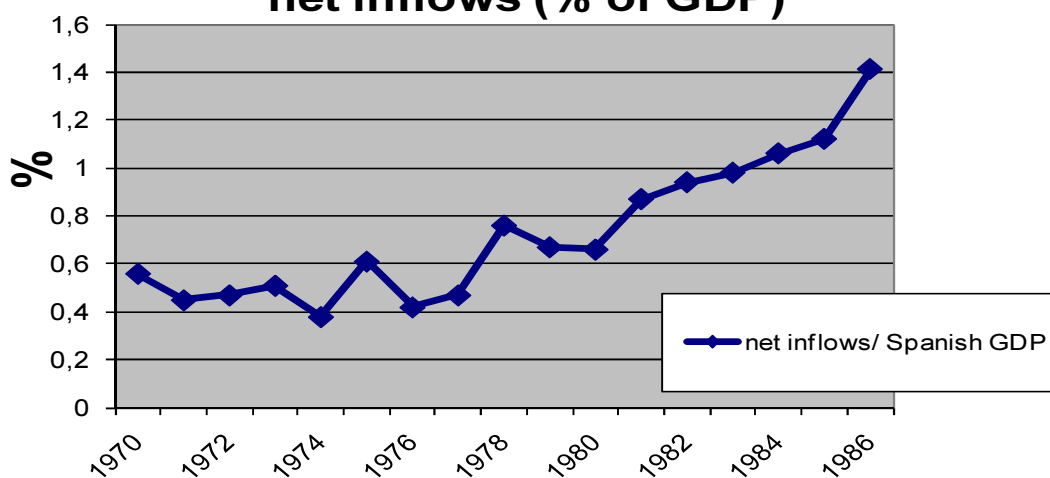


Source: U.S. Department of Commerce, Bureau of Economic Analysis & own elaboration

US FDI IN SPAIN DURING A SHORT RUN, 1974-1977 (& II)

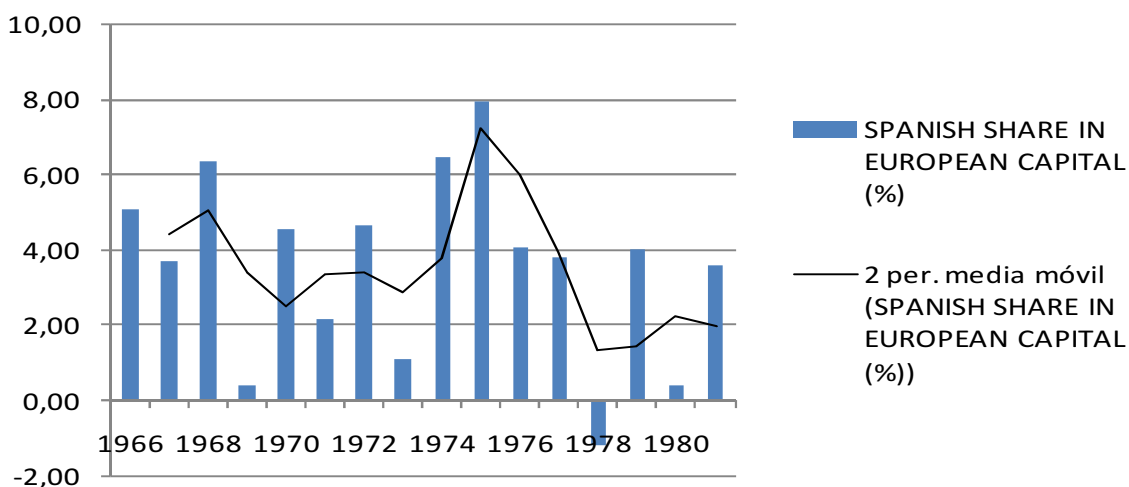


**Foreign Direct Investments in Spain:
net inflows (% of GDP)**



Source: International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

**U.S. DIRECT INVESTMENT (OUTFLOWS) IN SPAIN,
1966-1981**



Source: U.S. Department of Commerce, Bureau of Economic Analysis & own elaboration

DISCUSSION ON COMPETITIVENESS



- US Spanish affiliates competitiveness

- Discussion lines checking references:
 - Porter
 - Dunning
 - Lipsey
 - World Economic Forum