

### 3. The impact of investment



## a. The impact of IKEA's investment with regional development



### Positive effects:

- Several new jobs created (**270 workers** employed at IKEA's factory in Orla; **90% of the workforce** comes **from the Podlaskie** voivodship)
- Improve Orla employees' skills and experience (send them to abroad for training)
- Resource transfer effects (capital, technology and managerial skills)
- Raise wages, income and tax (tax income per inhabitant ↑ ranking **423** (2011) to **45** (2012))
- Growth regional economics

**Negative effect:** Environmental problems (toxic emissions released, polluted nearby rivers)

## b, Distinguish direct and indirect effects of investment

Criteria	Direct Effects	Indirect Effects
<b>Quantity</b>	<ul style="list-style-type: none"><li>- Capital inflow;</li><li>- Create more job, reduce unemployment rate</li></ul>	<ul style="list-style-type: none"><li>- Boost related industries</li><li>- Labour market effects (wages and labour mobility)</li></ul>
<b>Quality</b>	<ul style="list-style-type: none"><li>- Contributing to productivity growth;</li><li>- Change in demand for labour skills</li></ul>	Transfer effects: sharing experience, technology & management skills
<b>Location</b>	New better working places in the industries	Environmental problems