

Bridging the Psychic Distance Through Diaspora Networks: The Case of Polish Firms in Brazil

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The objective of this paper is to assess the role of Polish diaspora in Brazil as a possible distance-reducing mechanism, facilitating the entry of Polish firms to the Brazilian market. We conclude that the activity of Polish firms in Brazil is very limited, due to a significant psychic distance between the respective countries. A long perceived distance is driven by a number of 'psychic distance stimuli' (i.e. geographic, cultural, administrative and economic differences). The psychic distance may be reduced by frequent exposure to a country, however, we conclude that so far, the Polish diaspora in Brazil has not served as a vehicle for such an exposure.

Keywords: Brazil, diaspora, international business, Poland, psychic distance.

Redukcja postrzeganego dystansu za pomocą powiązań w ramach diaspory: przypadek polskich firm w Brazylii

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Celem artykułu jest ocena znaczenia polskiej diaspory w Brazylii jako mechanizmu redukującego dystans i ułatwiającego tym samym wejście polskich firm na rynek brazylijski. Artykuł wykazuje, że aktywność polskich firm w Brazylii jest niewielka ze względu na istotny dystans psychiczny między tymi krajami. Postrzegany dystans wynika z licznych 'stymulantów dystansu psychicznego' (tj. różnic geograficznych, kulturowych, administracyjnych i gospodarczych). Ekspozycja jednostki na dany kraj może ograniczać dystans psychiczny, jednak, jak wykazano w artykule, polska diaspora w Brazylii nie przyczynia się do wzrostu częstości takiej ekspozycji.

Słowa kluczowe: Brazylia, diaspora, biznes międzynarodowy, Polska, dystans psychiczny.

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1. Introduction

Although ‘globalisation’ has long served as a label to describe contemporary business, very few companies are truly ‘global’. Rugman and Bain (2003) argue that most firms that call themselves ‘multinational’ do not have a global presence. Instead, they focus their activity on markets proximate to their country of origin, very rarely reaching out to markets outside their home region. Polish companies are no exception to this rule. Nearly 90% of Polish trade and foreign direct investment (FDI) flows to Europe and Central Asia (World Bank, 2016a).

Numerous calls for an increased diversification of the structure of Polish exports and FDI (e.g. Ministerstwo Rozwoju, 2016), supported by the initiatives of the Polish government (e.g. ‘Go Africa’, ‘Go China’, ‘Go ASEAN’, ‘Go Iran’), are based on the assumption that geographic diversification of trade and investment *per se* is beneficial for the economy, and therefore Polish firms should ‘go global’. These claims receive little support in micro-level studies. Firms typically approach foreign markets in a gradual way, following the ‘Uppsala model’ of internationalisation (Johanson and Vahlne, 1977). Moreover, even for experienced firms pursuing FDI (instead of purely exporting their products), globalisation is not necessarily an advisable strategy, since regional MNCs outperform ‘global’ ones (e.g. Rugman, Yip and Jayaratne, 2008). Thus, contradicting the popular opinion that ‘the world is flat’ (Friedman, 2005), empirical studies typically indicate that ‘distance still matters’ (Ghemawat, 2001) in international business.

Diaspora networks may bridge the psychic distance (Hakanson and Ambos, 2016), thus stimulating trade and investment between distant locations. This mechanism, however, has received little attention in Poland. A rich body of literature on the Polish diaspora communities has typically drawn upon the historical (e.g. Kula, 2012) or sociological approach (e.g. Budakowska, 2014), rarely including the international business context. Literature on economic activity of this population includes studies on Polish immigrant entrepreneurs in Germany (e.g. Nowicka, 2013) and the US (e.g. Glinka, 2013). To the best of our knowledge, the impact of Polish diaspora communities on Polish trade and FDI to distant locations, suggested by some authors (e.g. Gorynia, Nowak and Wolniak, 2005; Brudzińska, 2014) has not been examined.

In this paper, we aim at exploring the role of Polish diaspora in Brazil as a possible mechanism contributing to the reduction of psychic distance between Poland and Brazil. In order to do so, we combine macro-level data on trade and investment with micro-level data provided to the author by the Trade and Investment Promotion Sections of the Polish Embassy in Brazil and collected based on financial statements of Polish stock-listed companies and press releases. We assess the psychic distance stimuli based on a framework offered by Ghemawat (2001), using the country-level data

relating to cultural, administrative, geographic and economic differences. In order to account for the 'perceptual' nature of distance, we employ the psychic distance measures elaborated by Hakanson and Ambos (2010), based on their study performed on a sample of 1400 managers from 25 largest economies, including Poland and Brazil.

The paper is structured as follows. In the following section, we briefly review two streams of literature: (1) research on distance and its role in firms' internationalisation (2) research on diasporas and their impact on foreign trade and investments. In Section 3, we describe the activities of Polish firms in Brazil. In Section 4, we assess the distance between Poland and Brazil. In Section 5, we discuss the role of Polish diaspora in Brazil as a possible distance-reducing mechanism. We conclude with a discussion of our findings, their theoretical and practical implications, as well as areas for further research.

2. Theoretical Foundations

2.1. The Role of Distance in Firms' Internationalization

International Business (IB) literature indicates the crucial role of distance in shaping firms' internationalisation strategies (Ghemawat, 2001). The IB literature employs a number of distance-related constructs. The first type of distance considered in IB was geographic distance, included in gravity models, explaining trade patterns between two countries (Tinbergen, 1962). Other types of distance include cultural distance, institutional distance, linguistic distance and economic distance. The many facets of distance have been encapsulated in the CAGE model (Ghemawat, 2001), including four dimensions: cultural, administrative, geographic and economic differences between two countries.

One of the most popular distance-related concepts in IB literature is 'psychic distance', defined as a set of factors disturbing the flow of information between the company and its target market (Johanson and Vahlne, 1977), a barrier to the understanding of a foreign market (Nordstrom and Vahlne, 1994) or a level of unfamiliarity with a foreign market (Dow and Karunaratna, 2006). According to the Uppsala model, psychic distance shapes the trajectory of internationalisation, as companies typically start with psychically close markets, gradually moving to more distant locations (Johanson and Vahlne, 1977). In the empirical studies, the issue of psychic distance has been typically narrowed down to 'cultural distance', measured with the index developed by Kogut and Singh (1988), based on the dimensions offered by Hofstede (2001). This approach has been severely criticised, but it is still in use, since it is extremely 'user-friendly' (Stahl, Tung, Kostova and Zellmer-Bruhn, 2016).

Recent conceptualisations of psychic distance emphasise the subjective, perceptual character of the construct (Ciszewska-Mlinaric and Trąpczyński,

2016). Dow and Karunaratna (2006) reconcile the 'objective' and 'subjective' approach to defining and measuring distance by arguing that country-level differences, such as those described by the CAGE framework, play a role of 'psychic distance stimuli', that is, they strongly influence the distance perceived by the company decision-makers. However, the formation of psychic distance is a complex psychological process, highly dependent on the individual experience and dispositions. Due to this subjectivity, perceived distance is not necessarily symmetric. For example, the distance to Poland, perceived by Americans, may be different than the distance to the US perceived by Poles. Hakanson and Ambos (2016) argue that psychological theories relating to attitude formation are instrumental in understanding the asymmetries in perceived distance. One of such theories is the 'mere exposure effect', that is an observation that repeated exposure enhances a positive attitude toward a stimulus (Zajonc, 1968). Based on this paradigm, Hakanson and Ambos (2016, p. 310) argue that 'any stimulus that represents a foreign country, such as a commodity, a person, or media coverage, can trigger the association of liking and thereby reduce perceived psychic distance to it'. In their study, they support this claim by revealing that smaller countries perceive psychic distance to the rest of the world as smaller than large ones. Moreover, they show that the psychic distance to a foreign country decreases with the volume of cultural goods imported from it and with the number of emigrants to it. The latter finding resonates with an increasing body of literature focusing on the role of diaspora networks in international business.

2.2. Diaspora Networks in IB Literature

The term 'diaspora', derived from Greek *speiro* ('to disperse'), can be defined in a number of ways (e.g. Cohen, 2008). Connor (1986, p. 16) broadly defines diaspora as 'that segment of people living outside the homeland'. Safran (1991) argues that the term 'diaspora' should be restricted to expatriate minority community of people who (1) have been dispersed to two or more regions, (2) retain a collective memory of their homeland, (3) feel (at least to some extent) alienated from their host societies, (4) regard their homeland as their 'true' home, to which they (or their descendants) will eventually return, (5) feel obliged to contribute to the prosperity of their homeland, (6) are still related and attached to their place of origin. Although no universally-accepted definition of diaspora exists in the literature, Brubaker (2005, p. 5) argues that the core elements constitutive of diaspora are: dispersion in space, orientation to a homeland and boundary-maintenance (i.e. preservation of distinctive identity within the host society).

Since the flow of information between countries is impeded by psychic distance, 'it is more difficult in the international than in the domestic market for producers to find the right distributors for their consumer goods, for assemblers to find the right suppliers for their components, for investing firms to find the right partners for their joint ventures and so on' (Rauch

and Casella, 2003, p. 22). From the perspective of the IB theory, the role of diaspora resides in facilitating the flow of information between the home and host countries. The Economist (2011) describes 'the magic of diaspora' in the following way: '[t]hese networks of kinship and language make it easier to do business across borders. They speed the flow of information: a Chinese trader in Indonesia who spots a gap in the market for cheap umbrellas will alert his cousin in Shenzhen who knows someone who runs an umbrella factory. Kinship ties foster trust, so they can seal the deal and get the umbrellas to Jakarta before the rainy season ends.'

Studies investigating the drivers of foreign trade and FDI treat immigrants and diaspora communities as 'information-sharing networks' (Rauch and Casella, 2003, p. 21), enabling agents to find trade or investment partners. These networks have been found to increase foreign trade, and this effect is stronger for heterogeneous (i.e. differentiated) than for homogeneous products (e.g. Rauch and Trindade, 2002). A number of studies investigated the effect of diaspora networks on inward FDI to the 'homeland' country. For example, Gao (2003) revealed that the population share of ethnic Chinese in the investing country is positively related to FDI in China. Gillespie et al. (1999), based on a study of Armenian, Cuban, Iranian and Palestinian diaspora communities in the US, revealed that their interest in investing in the respective 'homelands' is driven by the perception of 'ethnic advantage' (i.e. a sense of familiarity with the target country) and 'homeland altruism' (i.e. a sense of moral obligation to contribute to the development of the 'homeland'). The effect of diaspora communities on outward FDI from 'homelands' has also received attention in the literature. Anwar and Mughal (2013) found a positive relationship between the size of the Indian migrant community in a given country and the volume of Indian FDI in this country.

A number of studies examined the phenomenon of diaspora entrepreneurship (e.g. Mayer, Harima and Freiling, 2015). These studies reveal that the 'mixed embeddedness' of diaspora entrepreneurs (i.e. their involvement in both country of origin and country of residence environments) (Kloosterman, van der Leun and Rath, 1999) enables them to identify and exploit unique entrepreneurial opportunities, 'located' either in domestic (e.g. Mayer, Harima and Freiling, 2015) or foreign markets (e.g. Riddle, Hrivnak and Nielsen, 2010). Brzozowski, Cucculelli and Surdej (2017) reveal, however, that the propensity to become a transnational entrepreneur (i.e. maintaining regular cross-border operations by immigrant and ethnic entrepreneurs) diminishes with the length of resident experience in the host country. Comparing the role of ethnic and non-ethnic ties, Prashantham, Dhanaraj and Kumar, (2015) find that the latter are more significant for international growth than the former. They suggest that although ethnic ties help new ventures in initial entry to foreign market, non-ethnic ties are more potent drivers of further international development, since they are more likely to bring novel ideas and opportunities.

Tien and Luan (2015) argue that the effects of the diaspora network on the foreign entry decisions may be stronger at the early stage of firms' internationalisation process and diminish as firms accumulate international experience. In their study, they revealed that Chinese diaspora networks had no effect on Taiwan's export, import or total trade, thus concluding that the 'magic of the diaspora' may be overestimated.

The role of Polish ethnic ties in international business is an under-researched topic. Miera (2008) suggests that the mixed embeddedness of Polish diaspora entrepreneurs in Berlin prompted them to undertake cross-border activities, and that these activities were facilitated by the close geographic distance between Poland and Germany.

Systematic research on other (e.g. Italian, Spanish, Japanese, German) diaspora communities in Brazil and their role in reducing the psychic distance to and from respective countries is limited. Anecdotal evidence indicates, however, that some of the German FDI to Brazil has been facilitated by ethnic ties with the large German diaspora in this country (Deutsche Welle, 2008). Moreover, ethnic Japanese migrants (the Brazilian Nikkeijin), many of whom are now returning to Japan after living in Brazil for one or two generations (Knight, 2002), have been found to contribute to strengthening the economic ties between the two countries (e.g. Delanghe, 1999).

3. Activity of Polish Firms in Brazil

Brazil is the second recipient of Polish exports in Latin America (after Mexico). In 2015, Polish exports to Brazil amounted to USD 397.6 million (25% decrease in comparison to 2014) (World Bank, 2016a) and included mostly fertilisers, rubber, telecommunications equipment and parts and accessories of motor vehicles (Central Statistical Office, 2016a). Among the largest exporters from Poland to Brazil, there are mostly Polish subsidiaries of multinational corporations (Table 1).

Polish firms	Polish subsidiaries of MNCs
Autorobot-Strefa*, HTL-Strefa**, Medcom, Grupa Azoty S.A., ND Service, Przedsiębiorstwo Produkcyjno-Consultingowe ADOB, Synthos Dwory	Faurecia-Automotive Polska, Flextronics International Poland (Flex), FLSMIDTH MAAG Gear, Klingspor, Michelin Polska, Nidec Motors & Actuators Poland, Arcelormittal Poland, Arjohuntleigh Polska, Durr Poland, GE Power Controls, GlaxoSmithKline, Hamilton Sundstrand Poland, Adama Polska, Nexteer Automotive Poland, PCC Rokita, Philips Lighting, Rosti Polska

Notes: * A joint-venture company, created as a result of cooperation of Polish, Italian and Brazilian partners, ** Polish-born company, currently owned by the Swedish private equity fund EQT.

Tab. 1. Largest exporters from Poland to Brazil. Source: own elaboration based on data provided by the Polish Embassy in Brazil.

In 2015, Brazil was the second largest recipient of Polish FDI (after Chile), with USD 34 million of Polish FDI stocks located in this country. Both the value and the number of investment projects carried out in this country have been low. In 2014, the total number of subsidiaries of Polish firms established in South America amounted to 29, which, in terms of the number of investment projects, makes this continent the second least popular destination of Polish investment (Table 2).

	2008	2009	2010	2011	2012	2013	2014
Africa	38	35	36	32	44	55	69
South America	11	9	13	16	22	25	29
North America	138	150	164	164	173	178	217
Australia	21	20	12	12	14	10	21
Asia	127	122	153	160	179	176	258
Europe	2206	2411	2988	2794	2762	2922	3109
Total	2541	2747	2988	3178	3194	3366	3703

Tab. 2. Number of foreign subsidiaries of Polish firms (by continent). Source: own elaboration based on Central Statistical Office (2016b, p. 29).

Detailed data on the number of Polish investors in Brazil is not publicly available. Using a database of Polish FDI projects, created based on press releases and financial statements of Polish listed companies, we may conclude that Polish investments in this country typically involved large, mature firms, experienced in international markets (e.g. Selena, Boryszew). These companies usually followed the Uppsala model of internationalisation and FDI in Brazil represented an advanced stage of their internationalisation lifecycles.

Polish firms entering Brazil typically chose greenfield investments over M&A (acquisition of a Brazilian factory by Can-Pack in 2016 was an exception to this rule). Some recent projects include Medcom (subsidiary delivering solutions supporting public transport systems), Lug Group (subsidiary serving as a regional centre for sales and support registered in 2012) and Comarch (subsidiary responsible for production and distribution of IT systems in Latin America registered in 2015). There have also been some Polish investments in the real estate sector (e.g. the Eco Estrela project initiated by Grzegorz Hajdarowicz).

For Polish firms, investing in Brazil is challenging, as evidenced by some failed or suspended projects. For example, in 2007, Ciech, a chemical company, registered a subsidiary responsible for distribution in Latin America. In 2009, this subsidiary suspended its activity. In 2008, City Interactive, a large Polish game developer, acquired shares of companies located in Peru, Brazil and Mexico with the objective of starting production and distribution of

games in Latin America. The plan was abandoned after a year. In 2014, Synthos, a producer of chemical raw materials, announced the plan to build a large rubber factory in Brazil in order to replace exports with FDI (Lara, 2014). However, due to problems with suppliers and an underestimation of investment costs, the plan was abandoned in 2015 (Fontes, 2015).

4. Distance Between Poland and Brazil

Perceived distance between Poland and Brazil is shaped by a number of ‘psychic distance stimuli’, that is, objective, country-level differences many of which are measurable with publicly available data. Following the CAGE framework, we distinguish between four groups of factors: geographic location, economic development, administrative context and cultural environment¹.

Geographic distance between Poland and Brazil is significant (10 thousand kilometres from Warsaw to Brasilia), with no direct flights available and the substantial travel cost (approximately USD 1500²). The geography-related constraints are aggravated by major differences in climate, population density and physical infrastructure. In terms of economic distance, Poland scores higher than Brazil in GDP per capita (USD 8678 in Brazil, compared to USD 12559 in Poland in 2015) and considerably lower in the GINI index (51.4 in Brazil and 32.1 in Poland) (World Bank, 2017).

A large-scale comparative study of the world’s cultures conducted within the GLOBE project (House, Hanges, Javidan, Dorfman and Gupta, 2004) indicates that cultural practices of Poland and Brazil are similar in a number of ways (Figure 1). In most of the dimensions included in the GLOBE framework, Poland is more similar to Brazil than to Germany (Poland’s main trading partner). Major differences between Poland and Brazil on the one hand and Germany on the other include uncertainty avoidance and in-group collectivism.

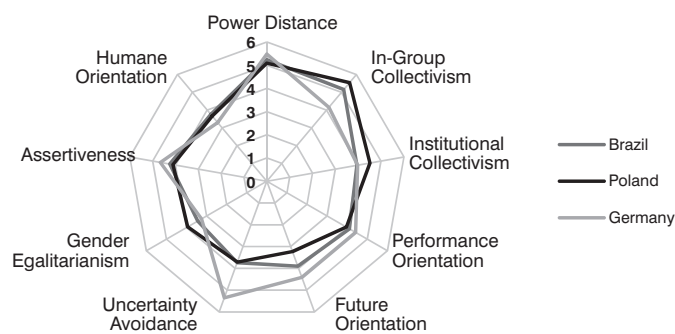


Fig. 1. GLOBE dimensions for Poland, Germany and Brazil. Source: own elaboration based on House et al. (2004) dataset.

Contrary to the cultural distance assessed by GLOBE, the administrative (institutional) distance between Poland and Brazil, measured with the Worldwide Governance Indicators (WGI), is substantial (Figure 2). In all of the dimensions of WGI, Poland is more similar to Germany than to Brazil.

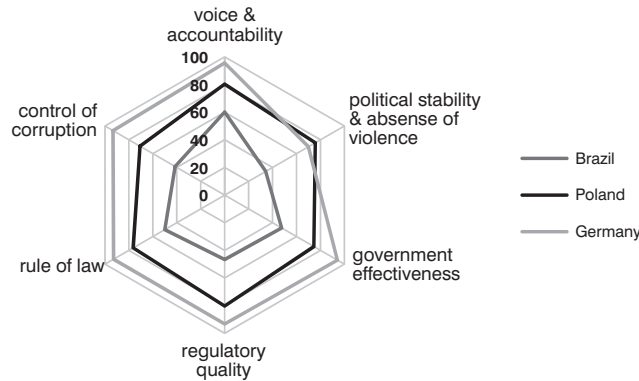


Fig. 2. Worldwide Governance Indicators for Poland, Germany and Brazil. Source: own elaboration based on World Bank (2016) dataset.

In line with the observations regarding the psychic distance stimuli, the perceived distance (i.e. ‘psychic distance’) from Poland to Brazil is substantial, with only four destinations – China, India, Japan and Korea – scoring higher (Figure 3). For Polish managers, the most familiar countries are those located in the EU, with Germany being assessed as the ‘most similar’



Fig. 3. Perceived distance to and from Poland. Source: own elaboration based on Hakanson & Ambos (2010).

to Poland. Interestingly, managers from EU countries, as well Norway, Switzerland, the US, Canada and Australia, perceive the distance to Poland as much longer than the respective distance from Poland assessed by their Polish counterparts. Based on the findings of Hakanson and Ambos (2016), this asymmetry may be explained by the ‘mere exposure effect’. Polish managers are exposed to Western, developed countries through import of products and services (especially cultural goods), inflow of FDI (e.g. experience gained by working in or collaborating with Western MNCs in Poland), as well as inflow of ideas (e.g. management fads). Conversely, the exposure of Western managers to Poland is far less frequent.

Asymmetries in country pairs including Poland and Latin American countries (e.g. Poland-Argentina, Poland-Mexico, Poland-Brazil) are much smaller than for Poland and Western economies. This indicates that the sense of unfamiliarity is reciprocal: in the case of Polish-Brazilian comparisons, both Polish and Brazilian managers perceive the respective country of comparison as substantially different, with the distance from Poland to Brazil slightly shorter than from Brazil to Poland. This can probably be explained by one of the drivers of ‘mere exposure effects’ (e.g. country size, import of goods, diaspora).

5. Polish Diaspora in Brazil as a Distance-Reducing Mechanism

The definition of the ‘Polish diaspora’ used by the Polish Ministry of Foreign Affairs is as follows: ‘[t]he Polish diaspora refers to people of Polish descent who live outside Poland. In Poland, the word *Polonia* – simply meaning Poland in several languages – is commonly used’ (MSZ, 2017). The number of this population is estimated at 15–20 million people (of which 800 thousand–2 million living in Brazil). The use of stricter definitions would probably result in much lower estimates of the size of the Polish diaspora. For example, Safran (1991, p. 85) argues that ‘the mass of Polish immigrants who came to the United States after the 1880s were not a diaspora: they came to settle and to work; and most of their offspring readily intermarried and assimilated, no longer spoke Polish, and were not much concerned with the political fortunes of their progenitors’ homeland’. From this perspective, the descendents of Polish settlers in Brazil would not constitute a ‘diaspora’ in a strict sense. In our considerations, we use, however, a broader definition of ‘diaspora’, following Connor (1986).

Since the mid-19th century, Brazil has received a few waves of Polish immigrants. The population of Polish descendants is concentrated in southern Brazil (states of Parana, Rio Grande do Sul and Santa Catarina), adding new elements to the Brazilian culture (e.g. Dvorak, 2013; Budakowska, 2014; Malczewski, 2008). The geography and character of the Polish presence in Brazil is deeply rooted in the history of both countries. First records of the Polish presence in Brazil date back to the 17th century, when a group

of Poles employed by the Dutch West-India Company travelled to Brazil. However, a more intense inflow of Poles to Brazil was observed only in the 19th century. Among them were researchers, engineers involved in the development of Brazilian infrastructure, priests, as well as political refugees escaping Poland after the failures of uprisings against the partitioning powers. In the second half of the 19th century, Brazil received a major wave of economic immigration. Since bringing slaves from Africa became illegal and slavery was abolished, the demand for cheap workforce exploded. The actions undertaken by the Brazilian government in order to attract immigrants (e.g. free transportation) found a fertile ground in Poland. The loss of independence, difficult economic situation and oppression from the partitioning powers pushed Poles to emigration (Kula, 2012).

The mass immigration of Polish settlers started in 1869, when a group of peasants from Opole arrived in Brazil. Contrary to the Polish migrants to the US, those heading to Brazil travelled with whole families, as they hoped that the Brazilian government would support groups with capacity sufficient to establish 'colonies'. The flow of migrants from Poland to Brazil intensified in the last decade of the 19th century. The massive migration wave, often referred to as 'Brazilian fever', had three phases: the first one (1890–1892) involved approximately 63 thousand peasants from the Kingdom of Poland, the second one (1895–1900): 25 thousand from Galicia and the third one (1911–1912): 10 thousand from the eastern regions of Poland. The regaining of independence by Poland put an end to the 'Brazilian fever'. In the interwar period, approximately 40 thousand Poles, often supported by the Sea and Colonial League, and during World War II, 20–30 thousand Polish immigrants arrived in Brazil. They represented mostly intelligentsia and settled in cities. In 1948, the social structure of Poles and Polish descendants in Brazil was as follows: peasants – 95%, blue collar workers – 3.5%, merchants – 1%, intelligentsia – 0.5% (Gmitruk, Klarner-Kosińska and Mazurek, 2000). In the second half of the 20th century, immigration from Poland had an individual character, often related to marriages with Brazilians (MSZ, 2013). The overall intensity of migrations from Poland to Brazil in the second half of the 20th century was very weak (MSZ, 2013).

The role of Polish settlers in the Brazilian history has been largely debated in the literature (e.g. Kula, 1976; Miodunka, 1997/2000). The estimated number of immigrants to Brazil between 1820 and 1930 is 4–5 million, of which Italians (1.2 million), the Portuguese (1.2 million), the Spanish (0.6 million), the Japanese (0.2 million), Germans (0.2 million) constituted the largest groups (Kula, 1987). The number of Polish immigrants is difficult to estimate, since for the most part of this period Poland was partitioned between Austria, Prussia and Russia, and the Brazilian immigration statistics included some Poles among the citizens of the respective countries, not recording their ethnic origin. Kula (1987) estimated that during the period

of mass immigration to Brazil, the number of Polish immigrants did not exceed 155 thousand. Given the relatively low share of Poles in the total immigrant population in Brazil, as well as the low economic status of Polish settlers (Kula, 1976), it has been argued that 'from the perspective of the history of Brazil, this immigration was less significant than it is often claimed in Poland' (Kula, 1987, p. 95). In relation to the role of Polish descendants in contemporary Brazil, Wachowicz (1997/2000) notes that they have rarely been appointed to higher posts of public administration and politics. In opposition to the 'pejorative categorisation' of Polish settlers in Brazil, Budakowska (2014, p. 39) argues that 'the Polish immigrant, since the very moment of landing in Brazil, was becoming an active actor, participating in an effective colonisation and building the European agriculture in the south of the country'. Wachowicz (1996) reminds that, despite the predominantly peasant character of the Polish immigration to Brazil, the group of Polish immigrants included also artists and intellectuals who greatly contributed to the 'material and intellectual development' of the country.

Regardless of the role of Polish immigrants and their descendants in the Brazilian history, this community has not received much attention in Poland. Miodunka (1997/2000) argues that the Brazilian Polonia evokes far less interest in Poland than the Polonia in the US. He observes that '(...) Brazilian Polonia remains exotic for most Poles. We could even say that the psychological distance between Poles and the Brazilian Polonia is longer than the geographic distance would suggest' (Miodunka, 1997/2000, p. 342). He indicates the following reasons for this situation: breaking up of family ties of those who emigrated from Poland before World War I, lack of emigration waves after World War II, inexistence, in the collective memory in Poland, of 'famous' Poles or Polish emigrants who would be associated with the presence of Poles in Brazil and a negative stereotype of the Polish emigrant. Walaszek (2013) compares the emigrants' ethos in Poland and Portugal. He argues that in the Portuguese culture, migrations were associated with explorations of the world and adventurous travels, bringing glory to the country of origin. Conversely, the Polish ethos was shaped by the literature created during the period of the Great Emigration, transmitting a rather tragic message, full of suffering rather than pride. This message resonated in the works by Henryk Sienkiewicz and Janusz Głowacki, depicting the character of the Polish emigration to the US. It may also be found in a pessimistic poem by Maria Konopnicka 'Pan Balcer w Brazylii', describing the life of Polish settlers in Brazil.

In the 21st century, the population of Polish descendants in Brazil is very diverse by profession and education, age and generation since ancestors' settlement, ethnic origin, degree of identification with Polish community, command of Polish language, etc. (MSZ, 2013). Despite the activity of the Polonia organizations (e.g. BRASPOL), newspapers (e.g. 'Polonicus'), and folk music artists (e.g. 'Wisła'), the Polish culture remains largely unknown

among Polish descendants. The Polish Ministry of Foreign Affairs (MSZ, 2013, p. 53) states that 'most of Polish descendants in Brazil know very little about Poland, its inhabitants, its history, its geography, its role in the contemporary world, the Polish contribution to the world's heritage. It is estimated that less than 10% of them speak any Polish'. Rizio Wachowicz (1997/2000), the president of the Polonia organisation BRASPOL, estimates that as many as 99% of Polish descendants in Brazil do not speak Polish. Gmitruk et al. (2000, p. 23) note that, although the courses of Polish are available in Brazil, few Polish descendants are motivated to learn this language, since 'it does not bring any benefits'. They argue that Polish descendants 'do not regard Poland as their homeland (...) Poland was replaced by Brazil, it is Brazil that they care about and it is in Brazil that they see their future' (Gmitruk et al., 2000, p. 23).

In 1911, Florian Znaniecki noted that the Polish immigrants in Brazil 'were very different from the immigrants in the US, especially the seasoned ones; their goal was not to earn money but to own land (...) (Znaniecki, 1911/2000, p. 110). These historical differences resulted in divergent trajectories of development of both communities and their relations with Poland. Contrary to Polish descendants in the US, who have revitalized business links with their homeland after 1989 (Cohen, 2008), people of Polish ancestry living in Brazil remain largely detached from Poland and do not play a significant role in facilitating Polish-Brazilian economic relations.

6. Conclusion

The objective of this paper was to assess the role of the Polish diaspora in Brazil as a possible distance-reducing mechanism, facilitating the entry of Polish firms to the Brazilian market. Our analysis of macro-level data reveals that, although Brazil is the second largest recipient of Polish exports in Latin America, the volume of exports is rather limited. Moreover, micro-level data indicates that the group of largest Polish exporters to Brazil is composed mostly of Polish subsidiaries of MNCs headquartered in the US and Western Europe. Therefore, exports from Poland to Brazil are to a large extent generated by MNCs locating parts of their value chains in Poland. We conclude that the role of Brazil in the international strategy of Polish decision-makers (i.e. top management teams, entrepreneurs) is even less significant than the macro-level data would suggest. Brazil hosts a very limited number of Polish FDI projects. Polish direct investors in Brazil are typically relatively mature companies, experienced in international markets, entering Brazil at a late stage of their internationalisation paths. The behaviour of Polish firms is consistent with the IB theories, indicating that the commitment to foreign markets and the distance between the home and host countries increases gradually, as the firms accumulate experiential knowledge (Johanson and Vahlne, 1977).

Polish descendents are unlikely to significantly contribute to bridging the distance between Poland and Brazil for at least two reasons. First, regardless of their contribution to the Brazilian history and culture (Budakowska, 2014; Wachowicz, 1996), in Poland they have received far less interest than, for example, Polonia community in the US (Miodunka, 1997/2000). Second, their 'homeland orientation', defined in terms of regarding Poland as their 'true' home to which they (or their descendants) will eventually return and feeling obliged to contribute to the prosperity of Poland (Safir, 1991), for example by investing there (e.g. Gillespie, 1999), is rather low. Although signs of the Polish culture are still present in Brazil (Malczewski, 2008) and many of the Polish descendents cultivate Polish traditions, maintaining the collective memory of Poland (Budakowska, 2014), they are not involved in revitalizing business links with Poland.

In formulating practical recommendations, we argue that the calls for Polish firms 'going global' should be treated with caution. Given the large psychic distance to Brazil and the early stage of internationalisation of the Polish economy (especially in terms of outward FDI), most Polish firms are probably unprepared to successfully compete in this market. Managers wishing to bridge the distance towards Brazil should actively seek first-hand exposure to this market (e.g. through travels, language courses, contact with cultural goods). They may also consider framing the Brazilian ventures in terms of 'real options', i.e. entering the market on an 'experimental', small-scale basis (e.g. one region only), using low-commitment entry modes.

This study has two major limitations. First, given the paucity of research on internationalisation from Poland to distant countries, as well as the novelty of the phenomenon itself, our study, exploratory and descriptive in nature, is based on secondary data. We strongly encourage further studies, using in-depth, qualitative methods, to investigate the phenomenon of internationalisation to distant markets and the role of diaspora in this process. Second, in discussing 'psychic distance stimuli', we opted for using popular indicators of cultural dimensions (i.e. GLOBE), institutional environment (i.e. WGI) and economic development (i.e. GDP per capita, GINI index), typically used in IB studies. This discussion could be enriched by referring to comparative, qualitative studies focusing on, for example, development trajectories of Poland and Brazil (e.g. Kula, 2012) and religion (e.g. Siuda-Ambroziak and Stachowska, 2017), and by using more refined measures focusing, for example, on social progress (e.g. O'Sullivan, 2017).

Further research on Polish firms venturing to Brazil is important for two reasons. First, these ventures are unique due to the large psychic distance between Poland and Brazil and thus they constitute 'extreme cases' of internationalisation. Second, they are pioneer, therefore their outcomes (both successes and failures) will greatly influence future attitudes of decision-makers (i.e. managers and entrepreneurs) towards Brazil and distant markets in general.

Endnotes

- ¹ In assessing the psychic distance stimuli between Poland and Brazil, we use macro-level, publicly available data typically used in IB studies. Avenues for further research, including a more detailed comparative analysis of the cultural, economic and institutional environment of the two countries, are discussed in Section 6.
- ² The cheapest 2-way ticket from Warsaw to Brasilia, booked 4 weeks in advance (based on Skyscanner, www.skyscanner.net, date of search: 30.05.2017).

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