European Union and the Race for Foreign Direct Investment in Europe

International Business and Management Series

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Description

The purpose of the volume is to analyze the impact of European Union on inward foreign direct investment in Europe and to discuss what type of effects are being created by the race for inward FDI that will follow the adoption of common economic policies in all member countries. The volume deals with two levels of discussion: First, by looking at the policy issues as addressed by the EU authorities and incentive regimes exercised in single countries by local governments. Second, by looking at company strategies towards location selection and whether there is a trend towards concentration in some countries or regions.

Although academically it is still under discussion, most countries believe that inward foreign direct investment is beneficial for local economies. It is considered positive not only for job opportunities but also for tax income, technological development and competitiveness of local firms. Countries thus create different type of incentives for foreign firms, such as: direct incentives/subsidies, tax relief, soft loans and preferred handling. This race for attracting inward FDI is here argued to increase in intensity in the European Union. However, there has hardly been any research to understand the impact of EU on the competition among EU-countries to attract FDI. This volume will investigate whether there is such a race or not and provide evidence from different industries and countries.

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