

Balancing Power without Weapons

Why do states block some foreign direct investment on national security grounds even when it originates from within their own security community? Government intervention into foreign takeovers of domestic companies is on the rise, and many observers find it surprising that states engage in such behavior not only against their strategic and military competitors, but also against their closest allies. Ashley Thomas Lenihan argues that such puzzling behavior can be explained by recognizing that states use intervention into cross-border mergers and acquisitions as a tool of statecraft to internally balance the economic and military power of other states through non-military means. This book tests this theory using quantitative and qualitative analysis of transactions in the United States, Russia, China, and fifteen European Union states. It deepens our understanding of why states intervene in foreign takeovers, the relationship between interdependence and conflict, the limits of globalization, and how states are balancing power in new ways.

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*State Intervention into Cross-Border Mergers
and Acquisitions*

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CAMBRIDGE
UNIVERSITY PRESS

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University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi - 110025, India

79 Anson Road, #06-04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781107181861

DOI: 10.1017/9781316855430

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First published 2018

Printed in the United Kingdom by Clays, St Ives plc

A catalogue record for this publication is available from the British Library.

ISBN 978-1-107-18186-1 Hardback

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