

BOOK REVIEW

Breinbauer, A., Brennan, L., Jäger, J., Nachbagauer, A. G. M., & Nölke, A. (eds) (2019). *Emerging Market Multinationals and Europe: Challenges and Strategies*. Cham: Springer, p. 279. ISBN: 978-3-030-31293-0.

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Emerging Market Multinationals and Europe: Challenges and Strategies, edited by Breinbauer et al., is the fruit of a five year long research project carried out by a group of scholars with expertise rooted in different disciplines (economics, economic geography, sociology, management, and political science). The volume's main objective is to unveil the future impact of emerging multinational companies' investments on European countries, using a multidimensional approach. Throughout the book, the focus of the authors was captured mainly by China's multinational companies in Europe. However, a few parts of the book have selected Brazilian, Turkish, and Russian companies as case studies.

The six parts of the volume include approximately three chapters each. Each of the chapters adopts different methods, case studies, and structures, all while contributing to the book's objective. The book offers three main findings as follows. First, the key element to strengthening the European economy and business is a prudent location policy. Second, a smart public location policy can lead to the creation of a sustainable and mutually beneficial business location for foreign investors and host markets. Finally, emerging multinationals' investments must not only contribute to the creation of long-term jobs and improvement of the host country's overall well-being, but they should also generate benefits for the society regionally, nationally, and on the European level. Furthermore, they must be in line with the objectives of the regional economic policy of the host country.

The book fills a gap in the literature to provide much needed answers to ease the rising concerns in several developed countries regarding the impacts of emerging multinational companies' investments on the advanced economies. In addition, it offers a guide for European decision-makers and institutions to formulate policies and strategies that would help attract long-term and stable investments to improve the general well-being of their nations without negative impacts.

The first part offers an empirical and theoretical overview, the second part addresses the internal governance and decision making of an emerging multinational, and the third part focuses on the impact emerging multinationals have on sustainability and the different strategies these entities use to measure their commitment to their host countries' sustainability goals.

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Furthermore, the fourth part is dedicated to investigating how this new wave of companies is changing labor conditions in Europe, while the fifth part explores the different strategies implemented by emerging companies to expand their businesses in Europe. The sixth part offers a conclusion summarizing the main findings of the book's chapters.

Following the introduction and a general overview of emerging multinational companies, the first chapter by Jonathan Perraton addresses the most recent phase of globalization and the changes it has caused in global economic activity. In addition, the chapter discusses the role multinational companies have played in this shift. The second chapter by Andreas Nölke discusses whether the close ties between emerging countries' institutions and their multinational companies might cause major problems for European economies. The third chapter by Johannes Jäger and Elisabeth Springler presents the recent rise of foreign direct investment from emerging economies' multinationals within a broader historical perspective, in addition to a brief overview of theories analyzing the cross-border investment and foreign ownership of firms and their impact on economic development. The fourth chapter by Andreas G. M. Nachbagauer is an attempt to understand the ability of an emerging multinational company's regional units to operate in the long term and exercise a substantial impact on the company's strategy and operation by offering insights on both external and internal conditions.

The fifth chapter by Roberta Aguzzoli and Ilona Hunek features an analysis of the power and control relationship between corporate headquarters of multinational companies and their regional headquarters located in the EU. The sixth chapter by Ute Heinrichs and Desislava Dikova is an exploration of the cross-border acquisitions of emerging multinational companies. It suggests a future research framework that may lead to more successful acquisitions through helping emerging multinational companies to overcome advanced market barriers. The seventh chapter by Andreas G. M. Nachbagauer and Barbara Waldhauser offers a definition of sustainability criteria that should be considered while determining the sustainability policies of multinational companies. The eighth chapter by Andreas Breinbauer, Johannes Leitner, and Katharina Becker explores the best practices adopted by investment promotion agencies to formulate successful sustainable investment promotion policies. The ninth chapter by Leo Hauska investigates how emerging multinational companies from different parts of the world are implementing the Sustainable Development Goals in their sustainability policies and reports.

The tenth chapter by Nathalie Homlong and Elisabeth Springler looks at the impact of Chinese multinationals on global labor conditions. Additionally, it discusses the impact on European economies by focusing on the structure of the current regulatory schemes in place. The eleventh chapter by Oliver Emons identifies the reasons behind the Chinese takeovers in Germany, explores whether the behavior of the Chinese investors has changed over the past few years, and examines if the image of these investors has been impacted by the LEDVANCE or KUKA cases. The twelfth chapter by Andreas Breinbauer is devoted to understanding the motives behind the Belt and Road Initiative and investigating its impact on Europe.

The 13th chapter authored by Johannes Jäger provides new empirical findings explaining the expansion strategies of Latin American multinationals in Europe based on data from Mexico, Chile, and Brazil as three of the most significant Latin American countries in terms of outward foreign direct investment. Furthermore, it offers recommendations for strategies to promote Latin America's attractiveness to FDI. The 14th chapter by Andreas Breinbauer and Johannes Leitner identifies the elements that play a significant role in investment projects of multinational companies and the impact on the business location, focusing on Turkey and Russia. The final



chapter by Andreas Breinbauer, Johannes Jäger, and Andreas G. M. Nachbagauer summarizes the findings of the volume under one main concept called, “the smart location policy”. This policy is the key to strengthen European economy and business through establishing multiple, mutually, beneficial, and sustainable business locations attracting investments that would contribute to the improvement of the overall well-being of the host country and Europe.

This edited volume is a timely and critical piece with multiple commendable features. First, while the book would have a more significant impact in the hands of experts or decision-makers, the language used by the authors was simple and accessible even for non-experts. Second, the ordering of the papers was logical and permits a smooth transition from one chapter to the next. Third, although the different chapters used different methodologies, they all contributed to the book’s overall main objective. Fourth, the concluding concept of the book, “the smart location policy” is present starting from the second chapter, and the reader gradually build an understanding of it moving through the chapters. Finally, the book undertook a very complex mission and managed to provide clear answers. Europe remains undecided on strategies to exploit opportunities created by investments from emerging markets, while protecting its economy and population from any negative impact that these newly established businesses might have in the future.

The editors of the book have succeeded in creating a timely and homogeneous volume; however, I believe that taking the following elements into consideration would have added to the quality and value of the book. First, although the authors have employed case studies of Chinese, Turkish, Russian, and Latin American multinationals, it is obvious that the focus is on the Chinese investments, which can be explained perhaps due to skepticism in Europe being directed towards Chinese companies. Nevertheless, looking into the impact of investments conducted by multinationals from other emerging origins is also important, since they may also have a significant effect on the European market. Second, tracking the characteristics of the home markets of the emerging market multinationals would have been a valuable addition to the volume, which would have also offered a way to group these companies. Consequently, picking case studies from each category of firms would have given a more complete view of the impact and behavior of these entities within the EU. Finally, the fourth and fifth chapters of the book seem to be repetitive and difficult to follow. The fourth paper analyses the structures and decision making emerging market multinationals based on the cases of two Multilatinas, while the fifth one investigates the relationship between headquarters and regional HQs in Brazilian companies. Therefore, the latter could have been incorporated as the last section of the former.

In summary, *Emerging Market Multinationals and Europe: Challenges and Strategies* fills a research gap regarding the impact of emerging multinational companies on the European market, in a time where the concerns about the presence of these companies are rising. I recommend this book to anyone with some previous knowledge about international economy and business.

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