

US Military Promotes Trade

Glen Biglaiser, Karl DeRouen, Jr. International Studies Quarterly. "Following the Flag: Troop Deployment and U.S. Foreign Direct Investment". Nov 27, 2007. //HL

<https://academic.oup.com/isq/article/51/4/835/1860086>

U.S. troops also provide a credibility signal for U.S. MNEs when they are stationed in host countries. Outside of combat situations, U.S. troops are stationed abroad to conduct regular training exercises with local **military** forces, staff bases, and engage in activities that include drug interdiction **and peacekeeping efforts. Such hospitality can spill over into cooperation and stability for U.S. MNEs, prompting greater U.S. investor interest.** The willingness of potential FDI host countries to accommodate an American troop presence, even if only on a temporary basis, may be an important **signal to U.S. MNEs of a more positive political environment.** In other words, the presence of U.S. troops indicates a political relationship between the host country and the U.S. government that reduces the chances of the host country interfering with U.S. investments.