

## **Foreign investments controls motivated by national security concerns: comparative analysis of the legal regimes in the European Union and United States**

### **Popular science summary**

The last thirty years have been characterized by the progressive internationalization, or as some say ‘hyperglobalization’, of the economic relations. A system of deep transnational interdependencies and connections has been created, driven by the aim of achieving the highest economic efficiency. Consequently, nowadays nobody is surprised that a product, which is designed in the US, is subsequently developed in the Europe, but produced in factories located in South-East Asia. More recently, however, this neoliberal order seems to be changing and transforming into a new arrangement that is based on geostrategic competition between states and other international actors. States now seem to be turning their attention to the national security considerations in their attempts to control foreign investment and trade flows. At the same time, however, they try to keep the benefits (as much as possible) resulting from international free movement of capital, technologies and knowledge. While being pushed in two contradictory directions (towards both openness and closeness), states have to decide what would be the main foundation of their economies in the upcoming years – protection national security with all associated costs or openness to foreign investments with possible threats to national security. This contradiction is at the heart of the project.

In particular, the project will explore the regulatory models and legal mechanisms safeguarding national security through control of foreign investments in the United States of America (US) and in the European Union (EU). The comparative analysis of the both regimes, each with different historical traditions and approaches to investment control, will allow the versatile understanding of existing differences and similarities and the reasons behind them. It can also shed the light on the advantages and disadvantages of each regime and thus facilitate the decision of other states as to the choice of the most suitable solution. The special attention will be paid to the impact in this field of the Covid-19 pandemic and its aftermath, e.g. the on-going economic crisis in most of the Western countries and expansive economic policies increasingly employed by China.

The research and its conclusions will form a basis for a doctrinal analysis regarding a possibility of creating new mechanisms at the international level that would harmonize certain aspects of investment control. In this context, the project will particularly investigate which specific issues can be harmonized, what kind of formats (e.g., non-binding standards, international clearing house, binding requirements) and which international forum can be used for such arrangements (e.g. Organisation for Economic Co-operation and Development, World Trade Organization, United Nations Conference on Trade and Development). The project will also attempt to connect its findings with the theoretical framework proposed by Anthea Roberts et al. and to assess whether and to what extent the changes that are happening in the field of investment control can be regarded as an element of the bigger transformation of the current paradigm of international economic relations (i.e. from the neoliberal order to geoeconomic one).