

Abstract

The topic of this master thesis are the EU FDI policies and their development specifically in the period 1999 – 2019. The aim of this master thesis is to answer the research question: “Why the European FDI policies have changed during 1999-2019?” In April 2019, a new regulation regarding a framework for screening of foreign direct investment in the European Union has passed. The process of screening should be applied in case a foreign direct investment would pose a threat to security or public order. The EU has been traditionally a promoter of the liberal trade and free movement of capital. Yet, the proposal presents a new tool in the FDI policy that can be seen as restrictive. In this thesis author analyzes what processes led to the introduction of this new framework. Following the theoretical framework regarding security concepts and evolution of new threats, the author elaborates on the first hypothesis that “It is possible to identify strengthening of the concept of security and more restrictive approach in the FDI policies of EU member states during 1999-2019” by analyzing the evolution of EU FDI policy and policies of Germany and France as ones of the biggest recipients of FDI in the EU. Furthermore, the author uses the theoretical framework of realism and international political economy to analyze the state’s behavior in the international arena and its relation to FDI. By this, author constructs the second hypothesis that “The qualitative change in FDI policies was caused by the influx of FDI from emerging countries” which is elaborated via analysis of FDI inflows in the EU in the reviewed period and specifics of the new investors from the emerging countries (specifically China). Author concludes that the concept of security was evolving and appeared increasingly significantly especially in the context of introduction of screening mechanisms during the reviewed period. Moreover, author concludes that this change in the FDI policies was not caused only by the sheer quantity of incoming FDI but that the qualitative characteristics of the new investors from the emerging countries played a role.