

Diploma Thesis Evaluation Form

Author: Ing. Petra Neumanová

Title: EU member states FDI policies and Chinese investments

Programme/year: Security Studies MA, 2021

Author of Evaluation (supervisor/external assessor): Zachary Kramer, external assessor

Criteria	Definition	Maximum	Points
Major Criteria			
	Research question, definition of objectives	10	6
	Theoretical/conceptual framework	30	10
	Methodology, analysis, argument	40	14
<i>Total</i>		80	30
Minor Criteria			
	Sources	10	5
	Style	5	2
	Formal requirements	5	5
<i>Total</i>		20	12
TOTAL		100	42

Evaluation

Major criteria: The topic, research question and two main hypotheses are specified in the introduction. The research question is unworkably broad and poorly fitted to the actual topic of interest, which seems to be the reasons for the securitization of EU FDI policy as reflected by the implementation of a foreign investment screening mechanism(s). It is left unclear why 1999 is chosen as a starting point for the analysis, and also how the discussion of EU, German and French policy will be related to one another—is it a comparative study? Were the outcomes across the three cases the same? Why these cases? We are only presented with the fact that they will be discussed. In general, information about the methodology of the thesis is not available.

A Copenhagen School approach to security influenced by Buzan is apparently the basis of the study's understanding of security, but is just presented at face value and not supported or analyzed. While this might indeed be a good fit for framing the EU's approach to security, this is not discussed, and no alternative approaches to security are mentioned. The discussion of realism and neorealism makes no effort to explain why these approaches are being paired up with the syncretic, (inter)subjectively-oriented Copenhagen School approach to security, which is not obviously compatible with Morgenthau or Waltz's conventional (neo)realist theories focused narrowly on the traditional, objective, military-oriented view of power and security threats. Though they are contrasted, there is no information as to whether a realist or neorealist approach is ultimately being used in this study, or why. The section on IPE appears to confuse Gilpin and Strange's realist approaches to IPE with IPE as a whole; it is not obvious that the author realizes that they remain a relative minority in a field long dominated by liberal/institutionalist approaches rather than realist ones. In general, the conceptualization is grossly superficial, relying on 1-2 sources from 1-2 of the most prominent authors in security studies, international relations theory, and IPE apiece. It makes no real effort to connect the four discussed topics (security, realism, neorealism, IPE) together or explain how any of them fit into the overall logic of the thesis, its assumptions or its hypotheses. On a more fundamental level, of these four, only security can properly be called a "concept", realism and neorealism being theoretical paradigms and IPE an entire approach/discipline. This section reveals serious problems in the foundations of the research, and its ability to meaningfully answer its own research question is thus dubious. The overall purpose of this entire chapter and its relationship to the rest of the thesis is left totally up to the interpretation of the reader.

Chapter 2 consists of a discussion of FDI as an economic practice, the reasons firms and states engage in it, and the grounds for exclusion of certain investments on security grounds. While it is not well-organized, and the lengthy discussion of the history of FDI is of limited relevance here, this chapter is better connected to the topic laid out in the introduction than the first chapter. However, as with the last chapter there are major deficiencies in the sourcing—only a handful of sources are used, many of which are non-academic (e.g. Wikipedia). Much of the chapter seems to have been paraphrased from a single UN 2004 publication.

The chapter is somewhat less confusing than the first, but is nonetheless indicative of a bare-minimum research effort, and is mostly a general overview of facts about FDI that do not cohere into any kind of argumentation or conceptual/contextual foundation for answering the research question. Some information about the rise of FDI from developing countries in the 21st century is presented, but fails to steer focus towards China in particular, which has still received minimal attention despite being an apparently integral part of the thesis, according to its title.

Chapter 3 begins with discussion of changes in the OECD indicator for the restrictiveness of FDI policies across 69 countries between 1999-2019 (these 69 country-cases are problematically treated as representative of the entire world, without discussion). The indicators did not increase in any observable way for the EU over this entire period, seemingly contradicting the study's first hypothesis. It is then noted that the OECD ignores the implementation of investment screening on national security grounds. This makes the OECD indicator seemingly irrelevant to the hypotheses; the reasoning for including 5 pages of discussion about the indicator in the middle of the thesis is left unclear. Likewise, the discussion of the UNCTAD indicator is confusing; it seems primarily focused on broad global trends in FDI regulation rather than changes within the EU or its member states. As far as I can gather from this section, the sole significant event of interest pertaining to the EU is the 2019 implementation of the EU foreign investment screening mechanism, so reviewing the uneventful 19 year preceding this implementation serves no obvious purpose.

The section on Germany presents a timeline of developments in Germany's FDI regulation, specifically its shift from one of the world's more liberalized regimes to a somewhat more restrictive system today. The section is relatively coherent and makes some effort to connect the narrative on Germany back to the notion of an expanding definition of security. There is more evidence of a genuine research effort here, and a clearer focus on the role of Chinese investments specifically in the securitization of FDI policy.

The section on France is mostly concerned with French FDI policy prior to 2009, taken from just two sources. Some other facts about developments in French FDI regulation in more recent years are also briefly mentioned, without context. It is noted that China is a marginal source of France's FDI inflows, but that France has shown the same pattern of widening its notion of security over time as Germany has. It is not explained which factors, if not increasing interaction with China, might have contributed to France's securitization of FDI policy. The bulk of the more recent information is gathered from a single body, the UN Investment Policy Monitor.

The thesis proceeds to outline the history of FDI policy at the EU level. It breaks the narrative into pre- and post-Lisbon Treaty sections, the former mostly well outside of the 1999-2019 scope the study commits to in the first chapter. The discussion shows signs of a more substantial research effort than others, but revolves mostly around developments unrelated to the study's hypotheses about securitization/Chinese investments. The FDI screening mechanism, implemented in 2019, again appears to be the main focal point of this section,

though there is no discussion of the role of China, or pressure on the EU from the US, or other power-relational, external factors (i.e. those compatible with a realist framework) in bringing about this policy change.

The following section proceeds to review the dynamics in global FDI flows between 1999-2019. Focus is not placed on either EU countries or China in particular, with information about US, Japanese, Russian etc. flows intermingled with information about the actors of interest to the thesis. Again, information is taken exclusively from UN sources. The thesis closes with information about Chinese investments in the EU, much of which would logically have come at the beginning of the thesis/ comprised a much larger part of its empirical sections. This section does, finally, get at some of the key reasons for security concerns about investments from China specifically (intransparency, Chinese state control of its firms and global domination strategy, industrial espionage). However, these come far too late and receive far too little attention. The section concludes that “Even though there are still clear ties to the military related aspects of security (especially by introduction of restricted sectors list), the concept of what actually constituted security had to be revisited several times following specific cases of transactions as we reviewed. I argue that the job security and predominantly the economic security were the most important parts of the security in question.” However, neither job security nor economic security are conceptualized in any way, nor are they discussed with reference to the empirical developments in Chapter 3 in any extensive way.

Though its empirical sections are presented plainly and without connection to the outlaid conceptual framework, such as it is, there is no substantial discussion section reviewing and contextualizing the study’s findings. The thesis proceeds directly to its conclusions. These are mostly a review of the findings from the sub-chapters: that FDI flows changed between 1999-2019, that developing economies remain a minor source of EU FDI inflows, that the main development in FDI regulation over this period in the EU was the implementation of investment screening mechanisms at the EU and national levels, and that the number of economic sectors affected by security concerns grew over this period. These are held up as (unconvincing) evidence of the validity of realist theories of IR. The final conclusion is muddled—that China and other developing economies are still a fairly unimportant source of FDI for the EU, but that the securitization of FDI policy occurred in response to the rising role of developing economies, specifically China. It is argued that France and Germany implemented similar policy despite differing positions vis-à-vis Chinese investment because they had implemented an FDI policy “alliance”, a confusing notion which is never clearly supported in the text.

Minor criteria: Sources are generally properly cited. However, the author relies mostly on non-academic sources, and draws overly heavily on a few groups of documents issued by the UN specifically, without obvious justification. The style is profoundly disorganized and sloppy—careless grammatical mistakes in even the thesis’s title and research question indicate a total disregard for presentation. The thesis appears to meet all formal requirements.

Overall evaluation: This thesis is not of an acceptable quality for a master's level program at Charles University. It is totally devoid of any methodological foundation. The research question is unworkable and poorly suited to the actual focus of the thesis. Scope and case selection are complex and problematic but presented without any justification. Actual conceptualization and a theoretical framework are for the most part also absent, and to the extent that they exist, are confusing and poorly suited to and integrated with the research topic. The empirical sections mostly consist of scattered facts on various topics, presented without reflection, and most of the information is ultimately irrelevant to the study's hypotheses. Reasoned discussion of the collected information is for the most part also totally absent, it is instead left to 'speak for itself'. Its conclusions are superficial and poorly supported by the assembled facts, most of which, if anything, contradict the predictions of a realist IR/IPE theoretical approach. China, the EU, Germany, and France are all poorly conceptualized as actors, and in general relevant changes in global politics and economics outside of the FDI context over the selected 1999-2019 period are completely left out of the thesis. There is no meaningful effort to relate the Germany, France, and EU case studies to one another. The sources are of low quality and of limited provenance, an indication of a rushed and unthorough research effort. The thesis's few relatively coherent moments in Chapter 3 are lost in its overall disorganization, surfeit of irrelevant information, and total lack of an appropriate, consistently-applied analytical framework.

Suggested grade: F

Signature:

A handwritten signature in black ink, appearing to be 'Zdeněk Štěrba', written in a cursive style.