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Securitized political economy, investment regulation and business influence in a geoeconomic era

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Abstract
In recent years, many advanced economies have implemented restrictions on cross-border economic activity for national security purposes. The seeming lack of an effective counter lobby against these regulations is puzzling, especially since previous theory and empirical analysis suggests the largest, most globally engaged firms are the best positioned to influence economic policymaking. I develop a theoretical framework to explain firms' political behavior when economic policy has become "securitized," meaning that policy entrepreneurs have successfully framed economic regulation as essential for national security. When firms face highly securitized regulatory proposals, they are less able to organize effective opposition. I use a recent case of foreign direct investment (FDI) regulation in the United States to probe and refine the theory's plausibility. Politicians successfully framed regulation as a national security imperative in a way that limited the business community's ability to launch public opposition campaigns. Firms responded by either strategically disengaging or using quieter influence tactics that relied on associational groupings. My theory and findings explain why global firms have been largely unable to arrest a substantial and rapid reshaping of the post-war prevailing economic order. These results have broad implications for the domestic and transnational political power of global business in an era of increased geoeconomic competition and raise important questions about how securitized economic landscapes may further erode democratic institutions.

Keywords
FDI, geoeconomics, investment screening, lobbying, regulation, securitization

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Introduction

In recent years, many advanced economies have implemented a range of restrictions on cross-border economic activity for national security purposes. They have imposed or expanded inward investment screening mechanisms and have also begun to restrict outward investment in strategic business activities. They have increased the use of export controls and strict licensing regimes to limit trade in high-tech items. Many have enacted digital privacy and data localization policies that make cross-border trade in digital services more complicated. And, many advanced economies have developed, individually and through partnerships, new industrial policy strategies to strengthen domestic production of "critical" goods while seeking to limit global firms' ability to outsource key parts of production networks.

These policy developments reflect a broader geoeconomic turn in the global economy, in which governments appear to be rethinking the national security implications of economic interdependence (Bauerle Danzman and Meunier, 2023; Cohen, 2020; Farrell and Newman, 2019; Meunier and Nicolaidis, 2019; Weiss and Thurbon, 2021; Wijaya and Jayasuriya, 2024). But globally engaged commercial actors likely view such policies as unwelcome and costly regulatory barriers to their economic success. The seeming lack of an effective counter-lobby to constrain governments' regulatory reach is puzzling; previous research on lobbying activity suggests the largest, most globally engaged firms are the best positioned to influence economic policymaking (Hill et al., 2013; Kim and Osgood, 2019; Osgood, 2021). More fundamentally, international and comparative political economy literatures across a diverse set of methodological and theoretical traditions have converged over recent decades on a shared understanding that capital owners[1]—whether classified as firms, corporations, or capital fractions—have amassed substantial structural, instrumental, and discursive power through globalization processes (for example Eden et al., 2005; Hathaway, 2020; Irobge, 2013; Mosley, 2003; Palan, 2024). But, does the cascade of increasingly exacting limitations on global corporate and finance activity indicate that firms desire these regulations or that politicians have successfully, if partially, harnessed corporate power? And, if the latter, what explains this diminution of firm influence?

In this article, I develop a theoretical framework for explaining firms' political behavior when economic policy has become "securitized," meaning that policy entrepreneurs have successfully framed economic regulation as essential for national security and defense (Waever, 1995). I call this Securitized Political Economy. My theory applies to firms that do not traditionally or historically see themselves as connected to a country's defense industrial base. In other words, this approach explains what happens when actors who understand themselves as operating in primarily commercial spaces find that political leaders increasingly view their activities as having (negative) security ramifications and provides an analytic framework for studying firms' political strategies and actions in such settings. Securitization complicates business interests' political influence campaigns by increasing the salience of relevant regulation to voters. At the same time, novel regulatory structures create uncertainty among firms regarding the distributive implications of proposed policies, which makes it challenging for businesses to calculate whether and how to invest in policy advocacy. When firms face highly securitized regulatory proposals that also have highly uncertain costs, they are least able to organize an effective opposition.

I use a combination of qualitative and quantitative data to explore a key set of observable implications of my theoretical framework on interest group behavior in one issue area that has been at the front line of securitization under policy cost uncertainty—foreign direct investment (FDI) regulation. I focus on the case of the U.S. Foreign Investment Risk Review and Modernization Act (FIRRMA), which was passed with overwhelming bipartisan support in 2018. I trace FIRRMA's legislative and regulatory process, in the tradition of grounded theory building. By giving careful, thickly descriptive attention to this process, I am able to build a theoretical framework through which to understand a rapidly changing policy environment without making strong *a priori* assumptions about the preferences firms hold over these policies. In addition, my analysis benefits from, but does not build an empirical case around, ethnographic experience working within the CFIUS bureaucracy during the time in which FIRRMA regulations were implemented. My focused approach helps to establish that the regulation generated mixed costs to firms, that key policy entrepreneurs were able to frame the issue as a national security imperative in a way that limited the business community's ability to launch public opposition campaigns against the legislation and that firms responded to these realities by either strategically disengaging from the process or by using quieter influence tactics that relied on associational groupings.

My analysis explains why, contrary to expectations of International Political Economy (IPE) scholars across a broad array of intellectual traditions, global firms have been largely unable to stop a substantial and rapid reshaping of the post-war, largely neoliberal prevailing economic order.[2] While my empirical analysis is limited to a particular case of FDI regulation, it helps develop a more general set of expectations about when, why, and how business interests will be more or less able to influence regulatory policy across different issue domains. And, while the case is U.S. focused, the fact that, contra to trade policy, almost all OECD countries have developed new or strengthened existing investment screening mechanisms in recent years further suggests that similar dynamics exist in other countries.[AQ: 1]

My analysis has broad implications for the political power of global business in an era of increased geoeconomic competition. When national security expands into the economic policy realm, firms face increasing challenges to effectively shaping regulatory projects or influencing regulatory outcomes. In such circumstances, the very set of actors that have supposedly gained the most political power in the era of globalization—multinational firms and global financial interests—are likely least able to overtly challenge securitized policy initiatives. IPE scholars will need to tunnel into the relatively opaque and technically complex structures and arguments that characterize the process of turning legislative requirements into implementable rules in order to uncover the site of business influence in a geoeconomic age.

Moreover, the implications of Securitized Political Economy theory expands far beyond scholarship on the tactics of policy influence. As geoeconomic competition and related policy developments rapidly transform international economic governance structures, it is vital for International Relations (IR) scholars to explore the preference aggregation processes through which these policies are adopted, their welfare and distributive effects, and how geoeconomic logics and policies affect the political power of firms. As national economies and global value and ownership networks are unevenly reshaped in service to security exigencies and offensive geoeconomic coercive capabilities, firms' abilities to freely organize in opposition to state policies they dislike will likely diminish. The relative political power of commercial interests and the strategies these groups use for influencing regulatory outcomes is consequential for how power and authority are organized across multiple levels of governance. If securitization percolates through national economies, firms are likely to have declining political power both domestically and globally. As governments construct national security states that require firms to obtain approval for an expanding set of activities, then globally engaged firms will need to appease political leaders willing to leverage their regulatory authority to extract political, economic, or personal favors. Such attenuation of firms' political power as actors autonomous from the state would reduce their capacity to act as a check against state power accumulation. Explaining when, why, and how firm power and political strategy changes in a securitized economy, then, has wide-ranging implications for democracy, corruption, and political and economic inequality.

Geoeconomic statecraft and the missing counterlobby

Economic policy guided by concerns over national security policy, self-sufficiency, and "strategic autonomy" create new and heterogeneous challenges for firms. Until recently, national security exceptions in economic treaties were rarely invoked and therefore largely overlooked (Cohen, 2020). But now, governments invoke national security concerns more frequently and over a broader range of issues that, at least since the end of the Cold War, were not considered to belong to a national security domain (e.g. Bauerle Danzman and Meunier, 2024; Drezner, 2023; Helleiner, 2024; Paulsen, 2022). As they do so, the position that national security exceptions can be thought of largely apolitical technical carve outs becomes unsustainable.[3] This "geopoliticization" of economic policy, however, creates opportunities and costs for business interests which in turn generates interest group politics (Meunier and Nicolaidis, 2019; Moraes and Wigell, 2022).

We require a theoretical model to understand why firms, particularly globally oriented ones, have been ineffective or absent backstops to geoeconomic statecraft, a term I define below. We need such a model because firms' seeming dis-empowerment over geoeconomic regulatory issues is odds with both conventional and critical IPE traditions which understand globalization as empowering large multinational corporations and transnational capital at the expense of other social actors and state authority. In the open-economy politics tradition, interest groups are foundational to recognized dynamics in the development of trade and investment regulations (Grossman and Helpman, 2002; Kim, 2017; Kim and Osgood, 2019). The challenges associated with exerting state power to tax and regulate when capital is globally mobile is a perennial concern among scholars (e.g. Mosley, 2003; Rudra, 2008). Critical traditions view capital interests, refracted through the state, as drivers of (de)regulatory structures (Babic et al., 2017; Hameiri and Jones, 2022; Jessop and Overbeek, 2019). Structural theories also emphasize the influence of transnational firms on policy outcomes because their credible threat of exit and because subsidiary legal structures allow them to organize their activities to avoid and evade state authority (Farrell and Newman, 2015; Hirschman, 1970; Palan, 2024; Strange, 1996; Winecoff, 2015; Young and Pagliari, 2017). And, within the U.S. context—where much of these new "economic security" regulations are being developed—scholars have shown that the state and civil society groups are especially weak contra business interests (Evans, 1997; Gilens and Page, 2014; Paster, 2013).

Given existing theory, the rapid expansion of geoeconomic statecraft regulation and rhetoric within advanced industrial states is puzzling. Here, I define *geoeconomic statecraft* as state use of economic tools for national security objectives. This conceptual framework echo's Edward Luttwak's widely used articulation of geoeconomics as "the logic of conflict with the grammar of commerce" (Luttwak, 1990). Geoeconomic statecraft blurs economic and national security policy in ways that challenge traditional liberal views that the national interest is, or should be, efficient and open markets. It is a narrower concept than "economic statecraft," typically understood as the use of economic tools for foreign policy objectives (Aggarwal and Reddit, 2021) because of its emphasis on national security rather than broader foreign policy concerns and also because it focuses on policies that run counter to ideological commitments to economic globalization.[4]

Even as scholarship related to geoeconomic statecraft has proliferated in recent years, few approaches are well positioned to explore the political power of firms in the creation, implementation, and maintenance of the vast array of economic security regulations. This is less because of deficiencies in these literatures and more a difference in the kinds of questions that propel such research agendas. Scholars of coercive economic statecraft such as financial and trade sanctions have generally focused on questions of targeting, compliance, and effectiveness of sanctions regimes (e.g. Drezner, 2023). There is less analytic attention paid to the political economy of sanction law and policy. To the extent that scholars have considered the bargaining dynamics around such regulations, they tend to explain inter-state conflicts over whether and how to cooperate multilaterally.

Many scholarly treatments of geoeconomic statecraft apply a weaponized interdependence (WI) framework to explain how uneven patterns of thick globalization have created network dependencies that states can exploit to extract policy concessions from other states (Farrell and Newman, 2019). WI, in contradistinction to liberal institutionalism, views globalization not as a welfare-improving enterprise, but one that generates vulnerabilities that other states can use coercively (Babic, 2021; Babic et al., 2022; Drezner et al., 2021; Ferguson, 2022; Roberts et al., 2019; Vekasi, 2023). The reemergence of "state capitalism," and the increasingly transnational nature of both state ownership—through sovereign wealth funds—and state management—through transnational state owned enterprises—sharpens these concerns (Alami and Dixon, 2024; Alami et al., 2021; Babic et al., 2020).

The capacity to weaponize interdependence depends on states' ability to press commercial actors into service for the "national interest" (Farrell and Newman, 2019). Farrell and Newman emphasize that governments must enjoy a conducive domestic regulatory environment in order to effectively weaponize their network positions, and the stickiness of domestic institutions due to complex socio-political dynamics often make it difficult for countries to quickly restructure institutional forms in response to WI dynamics (Farrell and Newman, 2019: 57–58). Thus, differences in domestic political economies intersect with security capabilities to produce variation across countries and types of globalized exchange in terms of states' ability to engage in coercive economic statecraft as well as productive state-guided technological development (Beaumier and Cartwright, 2024; Cha, 2023; Chen and Evers, 2023; Weiss and Thurbon, 2021). However, WI as a theoretical approach treats domestic institutional capacity as an input rather than a variable, object, or condition to explain. It therefore can quite powerfully identify when and why certain states can exploit particular network dependencies, but it leaves unanswered when, why, or how the domestic and transnational actors who constitute these networks are unable to shape the regulatory environment to their favor (Wijaya and Jayasuriya, 2024: 548).

Nor do traditional models that view barriers to cross-border exchange as reflections of protectionist coalitions well explain the recent increase in geoeconomically motivated market regulation. This is not to say that economic policies framed as national security-relevant are never protectionist in orientation.[5] However, it is often, though not always, the case that these policies of protection are implemented in spite of, rather than due to, firms' preference. Scholars of trade politics have found that firms have tried, but often failed, to counter rising tariffs such as with the "Trump Tariffs" against China (Lee and Osgood, 2022; Zhu et al., 2021). Others argue large firms embedded in the China market have more resources to mitigate costly tariffs and therefore have less incentives to lobby against protectionist measures (Liu et al., 2022). But even if tariffs are good politics in the context of electoral appeal of anti-globalization messages (De Vries and Edwards, 2009; Feigenbaum and Hall, 2015; Fernandes, 2020; Ritchie and You, 2021; Schoenfeld, 2021; Yeung and Quek, 2022), this still does not explain why transnational business interests have seemed to rapidly lose political influence over economic policy.

Securitized political economy and firm behavior

I argue that variations in the degree to which firms voice disagreement with geoeconomic measures, and the degree to which firms are successful in preventing the construction of geoeconomic barriers is a function of whether a particular aspect of economic integration has been effectively "securitized" by policy entrepreneurs. Securitization here means process of transforming a policy issue into a security concern through speech acts that effectively develop a widely-accepted social understanding of the issue as one that poses an existential threat (Waever, 1995). Securitization turns a policy domain from one of "normal" politics and thus subject to inertia, contestation, deliberation, and capture by special interests to one of exception and emergency, making it possible for governments to take extraordinary measures to bypass the normal deliberative process of policy formation and implementation (Buzan et al., 1998). This article does not primarily address why or when politicians can effective securitize economic issues, but instead considers how firm behavior and political influence shift under conditions of securitization. Indeed questions of when, why, and how issues become securitized requires additional sustained attention, theorization, and empirical assessment.

Securitization reduces business interests' influence over regulatory outcomes. When political entrepreneurs successfully frame issues as security concerns, they legitimate policies aimed to address and mitigate the related security risk and processes for implementing these policies urgently and outside of "normal" politics that usually favor well organized and resourced interest groups (Buzan et al., 1998; Waever, 1995; Williams, 2003). Security can be defined in various ways, including security of the nation, the economy, individual human rights), or the environment. My focus is on the use of national security arguments to justify economic policy and regulation of international economic activities. Policy entrepreneurs often attempt, to varying degrees of success, to frame issues in other domains, such as environmental challenges, as national security priorities (Busby, 2008, 2022) precisely because legitimating an issue as a national security emergency helps to construct bipartisan coalitions and because the executive branch has substantial discretion to identify and respond to threats to national security in comparison to other policy issues (Milner and Tingley, 2016).

Of course, traditional defense contractors are deeply integrated into the defense industrial base and well-versed on how to navigate through and benefit from security-oriented views of industrial organization. My securitization framework does not seek to explain these firms' behavior. Indeed these firms typically have close ties—often through their boards—to military acquisition and sustainment offices and are adept at understanding governments' concerns regarding the security and assurance of continued supply lines. Instead, a securitized political economy framework helps make sense of firms' political power when activity that is usually seen as commercial and private is reframed as a national security imperative. It is a theoretical intervention for when securitization comes to firms rather than when firms seek to be incorporated into the defense supply chain. While certain industries—for example, advanced manufacturing and critical infrastructure—may be more easily viewed through the prism of security, securitization can also extend to other industries and business activities. For example, the finance industry may face securitization headwinds from its role in providing capital and expertise to sectors or actors viewed as national security risks. Similarly, shifting ideas about what "counts" as national security could lead businesses who never thought of themselves as operating in sensitive areas suddenly having to defend their business activities (Bauerle Danzman and Meunier, 2023; Buzan and Hansen, 2009). Recent concerns around social media companies like TikTok and Grindr in the United States as well as football teams with foreign owners in Europe provide clear examples of when securitization can take industries and companies by surprise.

Credibility risks

Advocating against policies that are widely seen as matters of national security is a risky business. Unlike "normal" economic regulatory politics, business interests are less likely to find support among elites for regulatory forbearance, who might otherwise defer to firms as subject matter experts and look to them for informational cues and technocratic assistant in developing complex regulatory policies (Bauerle Danzman, 2019; Culpepper, 2011). When matters are seen as security relevant rather than related to market functions or as redistributive choices, traditional cleavages along class, factor, industry, or producer/consumer divides dissipate. Instead, policy elites view their role as protecting the security of the nation as distinct from, and supraordinate to, more traditional policy debates around the wisdom of regulating markets. In "normal" economic regulatory contexts, policymakers often privilege information about regulatory design, costs, and implications provided by industry groups (Garlick et al., 2025). Information lobbying can backfire when a regulatory problem has been securitized because revealing information about the costs to firms of restrictions on trade with and finance from entities from competitor nations may provide further justification for government intervention rather than dampen enthusiasm for such regulations.[6]

This national security imperative can provide political leaders with more room to enact regulations that otherwise would divide interest groups along more traditional state versus interest group lines. In other words, business interests may find that pressing for "business as usual" in the face of what the national security bureaucracy and national security-oriented political leaders see as existential security threats only succeeds in undermining policy makers' trust in these companies' expertise, judgment, and commitment to country. Under such conditions, business groups may calculate the credibility risk of taking strong positions against securitized regulations, as well as the regulatory risks of revealing their potentially problematic connections to foreign entities, to far exceed the likely benefits. By credibility risk, I mean the extent to which business interests will suffer reputational damage in their relationship with policymakers. If regulators and lawmakers view businesses as aligned with foreign competitors or transnational interests rather than with national interests, policymakers will view information firms reveal about their policy preferences and regulatory costs will be seen as less credible or less important to resolve.

Reputational risks

Securitization can also create public pressures and shift issues from the domain of "quiet politics" where firms are most likely to achieve their policy preferences with little political push back to "loud politics" where their interests are held in suspicion and where politicians believe their reelection prospects will increase if they publicly take policy positions in opposition to "big business" in favor of "national security" priorities (Culpepper, 2011, 2021). This may be because voters have biases against economic cooperation with unfriendly or "enemy" nations, but it also may reflect politicians' incentives to frame securitized regulations as indications of their principled stance to protect the nation against threats in the face of greedy business interests who care more about profits than they do about the country. In this context, companies that are viewed as insufficiently patriotic can suffer reputational risks and brand liabilities with consumers who may boycott their products and services (Chen Weiss et al., 2023; Pandya and Venkatesan, 2016). The shadow of reputational risk also reduces the benefits that normally accrue through transactional lobbying (Garlick et al., 2025). If the public views a particular corporation as acting contrary to the national interest, politicians will likely wish to avoid being seen as granting them favors.

Quiet and obscure tactics

When securitization raises credibility and reputational risks of visible policy influence campaigns, firms will strategically disengage from public position taking or attempts to

Table 1. Policy engagement types.

	Low securitization	High securitization
Uncertain costs	Loud measures Firm-led Medium engagement	Quiet measures Association-led Low engagement
Clear costs	Loud measures Firm-led High engagement	Quiet measures Association-led Medium engagement

shape public discourse over the issue and instead channel influence activities through less conspicuous and more technical channels in an attempt to "recommercialize" policy issues that have been framed as questions of security rather than of the proper relationship between governments and markets. Conceptually, under these conditions, corporates will limit their "voice" and instead be more inclined to practice "loyalty" when issues have been securitized (Hirschman, 1970; Liu et al., 2022). In practice, this might mean shifting away from public position taking, high-level public meetings with policy makers, and direct lobbying expenditures toward instead focusing on providing technical comments through the regulatory rulemaking process.

Cost uncertainty and collective action

Finally, beyond determining effort level and whether to engage publicly or through less visible measures, firms also must choose whether to act individually or collectively. Securitization creates countervailing incentives regarding in which manner to engage politically. There is a rich literature on the trade-offs between individual or collective lobbying efforts, often focused on how free-riding makes collective lobbying more challenging (Olson, 1965). This is especially true when proposed regulations generate firm-specific winners and losers that are not uniform across industries (Kim, 2017; Kim and Osgood, 2019; Madeira, 2016). When costs and benefits are unevenly distributed or poorly understood, joint action will become even more challenging.

However, if issues are high securitized, firms will be less willing to engage in unilateral policy influence activities due to credibility and reputational concerns. Instead, they are likely to seek the relative safety of associational political action rather than lobbying directly. This creates a conundrum for business interests because collective action may be safer, but harder to execute when the costs of geoeconomic policies are unknown or mixed across industries and firms. Therefore, issues of high securitization are most likely to generate the least amount of business policy engagement because of the challenges of organizing opposition to new regulation when the issue is effectively securitized and the costs to firms is uncertain. Table 1 distills these expectations.

Table 1 clarifies how a securitized political economy framework develops expectations over how firms engage in policy debates across a range of issues. The low securitization column accommodates existing literature on firm behavior during "normal" politics and over regulatory issue spaces that have not been successfully refracted through a security frame. Traditional lobbying over trade, tariffs, and investment rules fit in these quadrants. I am most interested in exploring the high securitization column, as expectations over firm behavior in these circumstances diverge considerably from dominate existing theories of interest group politics.

In sum, firms' political behavior and influence over policy in a securitized political environment is likely to exhibit the follow patterns. First, securitization should limit the extent to which firms are comfortable speaking publicly on related policy matters. Concerns over reputational costs and potential political and regulatory targeting will lead many firms—and especial those who most desire continued access to open global markets—to strategically disengage from policy advocacy, for fear of creating blow back. Firms that do choose to engage will do so in ways that attempt to "quiet" and "recommercialize" the conversation by shifting battlefields from "loud" legislative processes to technically dense regulatory rulemaking processes. They will also engage primarily through associational politics to avoid being singled out by politicians.[7] Finally, securitization creates countervailing pressures that lead to a lower volume of policy engagement. This is because association-led policy engagement creates collective action challenges, especially when private costs of proposed regulations are unclear.

These insights lead to three observable implications about the nature of interest group political activities when economic policy issues shift from "normal" to "securitized" frameworks and when the costs of regulatory changes are uncertain.:

> Expectation 1: Pro-integration special interest groups become more disengaged from lobbying activities, because their chance of achieving policy victories declines as national security concerns overwhelm economic considerations.
>
> Expectation 2: Firm-driven lobbying declines while the ratio of trade association lobbying to firm-specific lobbying increases.
>
> Expectation 3: Pro-integration interest groups reduce their more public and political forms of political action to more private and technocratic forms of political action.

Investment screening and firm political behavior—the US case

I use a recent case of investment screening regulatory reform in the United States to explore firms' political behavior around an economic issue that has been successfully framed as a national security concern. I do so to ground test the plausibility of this theory and provide a richer treatment of one important case of a high securitized regulatory issue over which there is little existing IPE literature. Therefore, this analysis is not a definitive test of the broader theory, but instead provides an extended illustrative example of the conceptual framework, similar to the "grounded theory" approach to theory generation, before further testing the theory's explanatory power across multiple issue areas (Tucker, 2016; Wilson, 2012).

This case is useful as a plausibility probe for numerous reasons. In reference to Table 1, investment screening fits the upper right quadrant. Investment screening is high securitized, as described below. It also generates uncertain firm specific costs. Firms do not know a priori if they are likely to pursue an FDI transaction that would be negatively affected or blocked by a screening authority. It is also challenging to assess how such rules would affect firm-specific financing costs. Unlike trade policy, firms also have limited ability to lobby for and receive specific carve-outs akin to tariff exclusions. Moreover, insights from investment screening politics in the United States are more likely to be relevant to a broader set of countries than are the politics of tariff policy because investment screening has become ubiquitous across developed economies while tariff escalation has not (Bauerle Danzman and Meunier, 2023).

The U.S. reviews foreign investment for national security concerns through the Committee on Foreign Investment in the United States (CFIUS). The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) updated U.S. screening authority in several key ways, including emphasizing the national security risks associated with foreign investment in critical technologies and sensitive personal data.[8] FIRRMA expanded review of non-controlling foreign investment in U.S. businesses operating in critical technology, critical infrastructure, and sensitive personal data (TID), and allowed the U.S. government to mandate review of certain TID transactions. Previously, review was voluntary and only applied to controlling transactions, that is investments that are normally thought of as FDI rather than portfolio investment.

The FIRRMA legislative and rulemaking process provides a rich opportunity to assess the explanatory power of the securitized political economy theory, by using a single case to intensely explore firms preferences over, and political behavior regarding, a specific economic regulation couched in national security terms. First, the legislative process around FIRRMA provides a window into firm preferences and influence activities related to the drafting of and voting on the law. Second, FIRRMA required the U.S. government to develop implementing regulations within 18 months and also allowed for the development of a pilot program (FIRRMA pilot program or FPP) to test how a mandatory declaration process would work. There were three public comment periods related to this rulemaking. Third, interest group participation in multiple rounds of public comments regarding regulatory drafting of these new rules provides insight into who chose to engage with the FIRRMA regulatory process—a process that is far more technical and less salient or comprehensible to voters or legislators—and how this engagement did or did not change over time as firms learned more about the effect and costs of the pilot regulation. Figure 1 provides an overview of the FIRRMA legislative and regulatory rule-making timeline.

I use a mixture of primary and secondary sources, including elite interviews, lobbying data, and public comments to rulemaking, and contemporaneous reporting, to trace the policy influence efforts of business interests over the FIRRMA legislative and regulatory drafting process. This analysis uncovers how policy entrepreneuers were able to effectively securitize investment screening during legislative debates, and how interest groups then employed a different repertoire of tactics to press their preferences in quieter and more technical settings. Consistent with my expectations, firms expended less lobbying resources on investment screening policy compared with other, less securitized policy areas such as trade. They also focused attention on technical areas of regulatory implementation rather than engage in public position taking. Finally, throughout the process,

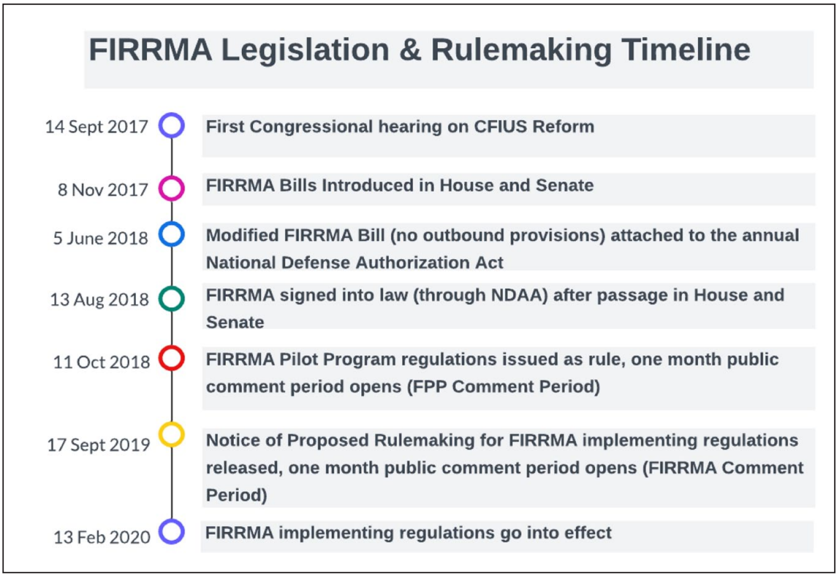

Figure 1. FIRRMA legislative and regulatory rule-making timeline.

firms increasingly turned to associations and joint statements rather than individual lobbying efforts, as expected by a securitized political economy framework. Table 2 summarizes my theoretical expectations from above and evidence from the case that support these expectations.

Lobbying in the shadow of securitization

In this section, I trace the lobbying and consultation efforts of business interests over the FIRRMA legislative and regulatory drafting process. I provide evidence that business interests did indeed exert effort to shape investment policy, with limited but important success. However, the way that firms engaged in the policy process does not fit expectations of lobbying behavior derived from the trade lobbying literature, and instead are better explained through a securitized political economy perspective. Some firms and industries were conspicuously absent from the process, as there are major credibility and reputational risks associated with lobbying against policies that are successfully framed as supporting national security. Firms that did engage preferred to do so through associational structures that also exacerbate collective action problems (Olson, 1965). These dynamics help to explain why business interests have been less successful in mounting counter-lobbies to increasingly invasive regulation in the name of national security.

Legislating security, limiting business lobbying

Business groups participated in limited public lobbying around the FIRRMA legislative process. Companies registered about $582 million in lobbying related to FIRRMA from

Table 2. Summary of theoretical expectations and relevant supporting evidence from the case study.

Expectation	Evidence
Expectation 1: Pro-integration special interest groups become more disengaged from lobbying activities, because their chance of achieving policy victories declines as national security concerns overwhelm economic considerations.	• Limited lobbying expenditures • Limited public statements during legislative debate • Semiconductor industry did not participate in comment process
Expectation 2: Firm-driven lobbying declines while the ratio of trade association lobbying to firm-specific lobbying increases.	• Associations dominated lobbying expenditures • Rule-making comments channeled mostly through associations
Expectation 3: Pro-integration interest groups reduce their more public and political forms of political action to more private and technocratic forms of political action.	• Shifted to limited aims (stopping outbound restrictions) • Public anodyne support (e.g. Business Roundtable Letter) • Emphasis on technical rule-making • Number of public comment submissions increased relative to FINSA

Table 3. Lobbying expenditures by issue and type of lobby group.

	Expenditures	% Associations	# Unique lobbies
CFIUS/FIRRMA	$581,814,333	60.8%	242
Section 232/301 tariffs	$1,195,506,680	57.4%	1265
Trans-Pacific partnership	$3,334,845,733	47.6%	1829
Data security	$4,643,958,374	46.2%	2216

Source: Kim (2018). Industry classification of lobbying entity/client hand-checked for accuracy.

2017 to 2020.[9] This is equal to about 17 percent of lobbying related to the trans-Pacific partnership (TPP), a significant preferential trade and investment agreement, and about half the lobbying spent on section 232 and 301 tariffs during the same time period. Table 3 contrasts lobbying expenditures as well as the percentage of lobbying done by industry associations for several major economic policy issues.[10] Consistent with expectation 1, the amount of lobbying was much lower for FIRRMA than for other economic regulatory issues. Consistent with expectation 2, a higher proportion of this lobbying occurred through industry associations rather than individual firms.[11]

Congressional tactics effectively neutralized opposition voices. Across seven congressional hearings, only four of 27 witnesses were from the technology or financial industries. Through the process, key policy entrepreneurs successfully securitized the issue of inward investment—specifically from China—through speech acts that forcefully laid out the vulnerabilities inherent in openness, the lack of reciprocity and trust-building on the part of the Chinese government, the threats to national security that accrue from sharing sensitive technology capabilities with a potential adversary, and the complicity of U.S. businesses who opposed FIRRMA in the PRC's malicious actions. For example, Senator John Cornyn from Texas said from the Senate Chamber, "I believe the opponents of the reforms that I have just talked about are trying to perpetuate the status quo as long as possible—not to protect our national security interests but just the opposite—so they can bolster their bottom line, regardless of its potential negative effects on the rest of our country and on our national security."[12] These kinds of exhortations, particularly in the context of a president who was willing to make brash public statements on social media about specific companies that angered him, created a chilling effect where opponents of the legislation worried that criticism of the bill would be effectively branded as anti-American behavior.[13] [AQ: 2]

While business lobbies were not able to stop the FIRRMA legislation from passing, they did limit a key provision in the bill. The original legislation would have allowed CFIUS to review outbound investments from U.S. companies to offshore locations. Industry groups homed in on limiting FIRRMA to inbound investment and instead using export controls to address national security risks associated with outbound investment. IBM executive Christopher Padilla in January 2018 congressional testimony reflected this focused attention, saying FIRRMA "could constitute the most economically harmful imposition of unilateral trade restrictions by the United States in many decades (Mohsin, 2018)." News reporting emphasized Information Technology Industry Council, which represented most major U.S.-based technology companies, lobbying to remove CFIUS jurisdiction over outbound joint ventures (Bartz, 2018). This ensured any outbound controls would be limited to critical technology, and that the Commerce Department—where business had better connections and a shared focused on increasing trade opportunities for U.S. businesses—would be in charge of issuing licenses for export of these technologies.

But even this victory is best understood as the exception that proves the rule; in the absence of the ability to prevent FIRRMA's passage, key industry groups instead focused on one, highly technical, aspect of the bill to lessen its (negative) impact. As one former official articulated, industry would have preferred to "kill FIRRMA outright," but instead only succeeded in limiting CFIUS's jurisdiction to inbound investment, and even then only by conceding to an expanded export control program, encoded in statute. In the mind of the former official, industry "lost the overall war."[14] Indeed, the emergence of a stand-alone outbound investment regulation, first introduced in Congress in 2021, signed by executive order in 2023, and the continued subject of Congressional lawmaking in 2024 provides further evidence that business interests—even over the component of investment regulation that was most concerning to them—were successfully worn down and sidelined over time.[15]

Securitization made the legislative politics around FIRRMA both loud and salient (Culpepper, 2011, 2021). As Figure 2 illustrates, news coverage of CFIUS exploded during the FIRRMA legislative process. Key policymakers were able to shape the legislative hearing process to amplify the voices of government officials and think tank researchers who were more sympathetic to the national security considerations inward investment engendered. Opposition to the bill was successfully labeled as pro-China, anti-patriotic, and evidence that U.S. businesses put global profits over national security interests—thus proving the necessity of stricter regulation. Representative Robert Pittenger, the

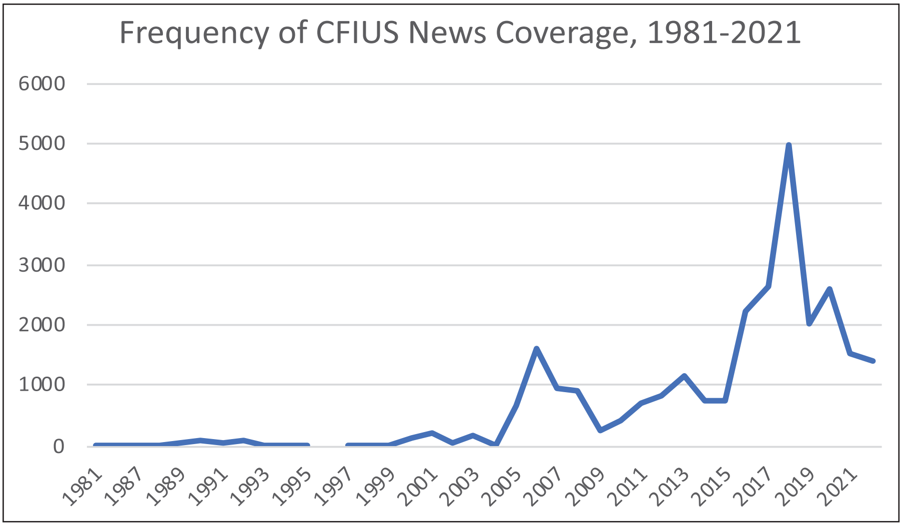

Figure 2.[AQ: 3] Data Source: All news articles on Factiva that mention "CFIUS," "FINSA," "FIRRMA," or "Committee on Foreign Investment in the United States" from 1981 to 2021, collected by author.

sponsor of the House's FIRRMA bill, summed up the argument, "Certain American companies need to decide whose national security they really care about: America's or China's?"[16] Industry lobbying over the legislative process was able to strike outbound investment review from the final legislative text, but only by moving such authorities to a strengthened export control regime. Industry concerns over the enhanced review of critical technology businesses—which would be initially regulated through a pilot program, the FPP—were rejected. Despite these concerns, major business associations released a joint statement of support for the final bill.[17] The U.S. Chamber of Commerce, BSA/Software Alliance, and the Organization for International Investment all released their own similar letters of support, which focused on limiting FIRRMA reforms to inbound investment.

Congress's successful maneuvering around a FIRRMA counter-lobby is best explained by key policy entrepreneurs' ability to securitize the issue. Industry tried to frame the legislation as one that overreached from national security to economic competitiveness, created too many vague regulatory requirements, and would starve key sectors—particularly in advanced technology—of the capital needed to finance innovation and defend global market share.[18] However, this framing did not work. Policymakers effectively sidelined opposition as unpatriotic and the legislative process made these previously esoteric questions about technical details of investment review suddenly the realm of "loud politics" in which politicians worried that deference to industry was politically unpalatable (Bauerle Danzman, 2019; Culpepper, 2011). In this context, individual companies and their representative went mostly quiet in the public sphere, preferring instead the safety of associational engagement. Even these trade associations were hesitant to

Table 4. Public comment filing, FPP, & FIRRMA.

	FPP	FIRRMA
US-based trade association	7	15
Foreign government controlled investor	3	10
Specific company/private investor	1	13
Law firm	3	4
Foreign trade association	0	7
Foreign government	0	2
Anonymous/individual	1	4
Other	0	1
Total	15	56
Average length in pages	6.5	5.5

Source: regulations.gov; docket TREAS-DO-2019-0008-0002.

counter lobby—at least in public. The Business Roundtable statement of support is an example of how business groups determined it was in their best interest to voice support for the legislation in order to preserve access to legislatures and avoid being branded as pro-China.

The quiet politics of the regulatory process

In the context of loud politics over securitized policy issues, firms can shift their influence tactics, as anticipated by expectation 3. In the case of FIRRMA, this entailed three strategies. First, industry focused more intently on the rule-making process, which is highly technical in nature and often escapes the public eye or media attention. Focusing on technical definitions and review process details allowed industry to at least partially "re-commercialize" and "quiet" issues that had previously been securitized and highly salient. Second, and consistent with expectation 2, public commenting through the rule-making process was done largely through trade associations and legal firms that specialized in representing businesses in CFIUS matters. This removed the political risk of being branded anti-patriotic, something that businesses especially wanted to avoid in the context of a president who had a habit of using his social media presence to verbally attack individuals and companies who crossed him. Third, some industries most in the cross-hairs of the legislation, such as the semiconductor industry, largely sat out of the rulemaking process, as expectation 1 anticipated. Strategic disengagement allowed other industries with similar interest to apply technical pressure, while turning down the heat generated by the most politically sensitive technologies.

As Table 4 reports, the FIRRMA pilot program (FPP) rule-making received 15 comments. Of these, seven comments came from industry associations, three from law firms on behalf of unspecified clients, three from foreign-government connected investment entities, one from a specific foreign company with close ties to the U.S. defense industrial base (BAE). An additional comment came from an individual who requested that CFIUS consider education to be critical infrastructure. Table 5 reports emergent themes

Table 5. Emergent positions in public comments.

	FPP	FIRRMA
Scale back authorities	9	43
Strengthen authorities	3	5
Compliance costs	7	11
Increase threshold (reduce coverage)	7	16
Narrow definition of foreign investor	9	10
Narrow definition of U.S. business	4	19
Broaden list of 'excepted states'	4	39
Remove/change mandatory declarations	1	30
Total Comments	15	56

Comments can contain multiple positions, thus counts of positions do not equal total comments.

in the FIRRMA FPP rule-making comments, as well as future rounds of rule-making comments.[19] While all comments emphasized commitment to U.S. national security and indicated at least theoretical support for CFIUS, nine comments asked for changes to the rules that would effectively scale back regulatory authority. Most of such requests came in the form of technical changes around definitions of foreign investors (9) and U.S. businesses (4), as well as with requests to limit review to investments from adversaries such as China or to create a long "white list" of investors or states that would be exempted from CFIUS review (4). Only one comment requested strengthening FIRRMA authorities further; the Domestic Energy Producers Alliance requested that foreign government-owned entity acquisitions of oil and natural gas refineries and infrastructure to go through pilot program review.[20] This request for protection was unheeded.

Across these comments, concerns over regulatory ambiguity (42 mentions) and access to capital (31 mentions) were by far the most consistent concerns. These issues are directly related to each other; industry was clearly worried that draft rules were scoped too broadly and created too much uncertainty, especially given the technical nature of the FIRRMA Pilot Program coverage. The American Investment Council's comment is a good representation of the typical issue framing:

> To ensure that CFIUS can carry out its essential functions without inadvertently ***impairing beneficial passive foreign investment***, we support a CFIUS process that provides transaction parties with regulatory certainty, operates according to predictable timelines, and is readily administrable to permit CFIUS to focus on the transactions that implicate U.S. national security.[21]

The National Venture Capital Association provided a more overtly critical interpretation of the program's draft implementing rules:

> The Interim Rule focuses significantly on foreign investors, including limited partners, altering the Committee on Foreign Investment in the United States (CFIUS) and the attractiveness of the United States as a recipient of foreign investment. While NVCA shares with CFIUS the goal of protecting national security and preventing illicit transfer of technology to other

> countries, NVCA is concerned that the Interim Rule could significantly harm not only the U.S. economy, but also U.S. national security. That is so because the Interim Rule will ***deter investment*** in U.S. companies and technologies that are critical for U.S. technological leadership and national security—indeed it already has deterred investment from allied countries in Europe and elsewhere.[22]

Throughout the comments, it is clear that industry assumed that the pilot program would hamper firms access to capital, that some technical fixes could reduce—but not eliminate—the deleterious effect of the regulation on financial access, and that more certainty in regulatory drafting could also lessen negative impacts of the pilot program. Contrary to expectations that domestic industry pursue FDI restrictions due to protectionist impulses, the vast majority of comments sought to weaken the regulations rather than to protect domestic industries.

Tactical adjustment and advocacy by being boring

The final FIRRMA implementing regulations were released for public comment in Fall 2019 and took effect in February 2020. Over three times more entities submitted comments for the FIRRMA rules than did entities for the FPP rules, but commenters continued to be disproportionately industry associations or foreign entities. Even though 13 companies submitted stand-alone comments, 8 were foreign firms and only 1 was a major U.S. firm—Motorola Solutions.

Importantly, the legislation delegated substantial leeway to Treasury, as the implementing agency, in how to construct the new rules. The legislation allowed Treasury to decide whether or not to continue to require mandatory notifications at the end of the FPP period. It also allowed, but did not require, Treasury to create some form of list of "excepted states and investors" who would be subject to less stringent notification requirements for non-controlling covered transactions. Thus, Treasury had substantial authority to write stringent or relatively lax rules, and so the public comment period had the potential to substantially shape how strict FIRRMA would be in practice.

Perhaps not surprisingly, the majority of comments focused on these issues. Thirty-nine of the 56 comments dealt with requests related to the excepted state and investor rules. Letter writers had voiced three different types of appeals. First, U.S.-based companies and associations often requested that excepted state and investors rules be scoped as widely as possible—normally to NATO and treaty allied countries—in order to reduce the amount of companies that would be subject to review for non-controlling but non-passive investments. The American Investment Council's comment is typical: "To avoid the risks of the system being flooded with unnecessary filings, we would recommend a more inclusive approach [to the excepted foreign states provision] that excepts investors who have a demonstrable record of meeting clear criteria that, taken together, fairly reflect that a non-controlling or greenfield investment by such investors would not reasonably raise national security concerns" (AIC Comment, pg 8–9). Non-Chinese foreign-based companies, associations, and governments, largely wrote to request that their country be included on an excepted state list. For example, the Alberta Investment Management Corporation's comment reads, "AIMCo respectfully submits that Treasury should designate Canada as an excepted foreign state" (AIMCo Comment, pg 2). Finally, Chinese entities, correctly anticipating that excepted foreign states would provide non-Chinese companies with a regulatory advantage, asked that the final rules "remove 'country specific exceptions' and treat all foreign investors equally" (Cyber Security Association of China, pg 3).

As Table 5 reports, comments also emphasized a desire to remove or substantially diminish the regulatory reach of the mandatory declarations process. The BIO association, which represents U.S. biotechnology firms, explicitly argued that the pilot program measurably reduced their members' access to finance, citing internal data that found venture investments into U.S.-based biotech companies faced a 20 percent decrease in funding while biotech companies in Europe saw a mirror increase in funding (BIO Comment, pg. 5). While no other commenter brought such specific data to the table, many letters emphasized a concern that the mandatory declarations process was confusing and time consuming, and that this regulatory burden diminished U.S. start up companies' ability to raise funds for their growth and expansion to market. Other frequent requests related to modifying key definitions—such as U.S. business, foreign investor, critical technology, and sensitive personal data—in ways that would narrow the breadth of FIRRMA's regulatory reach.

Almost no comments requested more stringent rules. Of the four comments that made recommendations that would strengthen CFIUS authorities, two were from the steel industry, one (Motorola) was a direct competitor with Chinese information technology vendors, and one appeared to be a consulting company poised to be able to sell CFIUS compliance services. This stricter regulation lobby is well explained by standard political economy theories of regulatory rent-seeking. But, the pro-regulation lobby was very small compared to the vast majority of companies and commenters who instead used the comment period to attempt to limit the reach of the final rules.

In choosing to couch their opposition to—or at least concerns over—FIRRMA in technical language, comments in this period were mostly straightforward and focused on narrow definitional concerns rather than on broader statements of principles. However, U.S.-based associations, and especially investor associations, were much more likely to issue tougher rejoinders about the possible negative consequences of overly strict FIRRMA rules. For instance, the American Investment Council argued that due to Treasury's broad definitions, "CFIUS may unintentionally encourage a proliferation of similarly expansive and ambiguous terms in other countries' laws. It could also inadvertently lead to a backlash against[the U.S.]." The Biotechnology Innovation Council cautioned that CFIUS's application to biotechnology companies could "be a national disaster," if not pared back. In less bombastic language, the U.S. Chamber asked for similar changes and narrowing of the final rule "so that national security concerns can be appropriately addressed without any adverse impact on foreign investment." Table 6, which tabulates the frequency of key words across comments in each period, illustrates how comments over the final rule were more likely to use broader language around balancing national security and economic growth priorities, issues of regulatory uncertainty, and the importance of foreign investment for capital, employment, and other positive outcomes.

Table 6. Common concepts and language in public comments.

	FPP	FIRRMA
Balance	2	24
Unintended consequences	14	20
Legitimacy	5	9
Capital/finance	31	136
National security	77	374
Ambiguity/uncertainty/clarity	42	166
Technology	123	340
Jobs/employment	14	61
Benign/beneficial investment	14	63
Scope	3	78
Total comments	15	56

Despite clear preferences across comments to eliminate the mandatory declarations requirements, develop an expansive excepted states and excepted investors program, and return to a narrower definition of U.S. business, Treasury's final rules declined incorporate these suggestions into the implementing regulations.[23] Instead, Treasury opted to provide more clarity to industry by providing extended examples and scenarios in the rules to help facilitate a better understanding of industry's filing obligations. The one substantive issue that seemed to change due to the comment period is that the final rules changed the definition of sensitive personal data to not apply to de-identified medical data as requested by several letter writers. Thus, industry's preferences continued to be largely sidelined, though engagement over the rules at least pushed the implementing agency to provide greater regulatory clarity, perhaps the second or third best outcome for industry in the context of a highly securitized issue.

Conclusion

This paper seeks to develop a new theory about the preferences and power of firms that can help explain puzzling observations of business lack of power in an age of geoeconomic competition and securitized economic policy environments. It starts by developing a theoretical frame through which to structure examination of interest groups' political behavior toward increasingly stringent economic regulations that relate to, or are at least justified by, national security concerns. It then uses the specific case of the U.S.'s legislative update to its investment screening mechanism, along with a novel policy pilot program, to trace firms' engagement in, and influence over, the policy process. The case confirms and illustrates key expectations of a securitized political economy theory of firms' political behavior, at least when policies are highly securitized and the costs of such policies are highly uncertain.

Narrowly, the analysis shows that the FIRRMA legislative and regulatory process is not well explained as a tool of economic protectionism. There was very limited lobbying in support of CFIUS. To the extent that firms did engage in the process, they usually did so to voice concerns of regulatory overreach. Moreover, interest group behavior over FIRRMA followed expectations that follow from a securitized political economy framework. First, as policy entrepreneurs were increasingly successful in framing the issue as a national security imperative, pro-integration interest groups receded from taking public stances against the legislation—a shift in tactics most clearly illustrated by the Business Roundtable's decision to issue a letter endorsing FIRRMA. Second, lobbying data along with review of public comments show that most attempts to defang FIRRMA came through associational interest groups and legal communities rather than through firm-level influence campaigns. Third, despite a dearth of corporate interests publicly opposing the regulation, business groups did attempt to shape key features of the law's implementing regulations by participating in public comment, which allowed them to hide their opposition in technical language.

The FIRRMA process underscores how weak firms' power is to influence policy outcomes when issues are effectively securitized by political entrepreneurs. This finding may not seem particularly surprising, but it is at odds with dominate theories in international and global political economy that expect business interests—and especially global capital—to hold substantial structural, instrumental, and discursive power over domestic and transnational regulatory structures. It is risky in securitized environments for firms to press for their preferred outcomes. That does not mean, however, that business interests entirely disengage from politics. Rather, their strategies to attempt to influence outcomes shift. They channel lobbying and influence activities through trade associations rather than firm-based lobbying or public position taking. This may lead to collective action dynamics that decrease investments in such activities. Some firms, particularly those that stand the most to lose from increased regulation, often strategically disengage to avoid backlash from politicians. Here, it is better to avoid being the tallest blade of grass. Finally, business interests have the best chance of shaping outcomes to their preferences when they engage in the quiet politics of re-commercializing economic policy making. This entails shifting their efforts away from highly visible legislative debates and instead focuses on reducing the impact of policy through engaging in the iterative process of drafting and revising implementing regulations.

These findings very well may generalize beyond this specific case and future research should test these emerging theories in other country contexts and in other issue domains. As investment and trade restrictions, justified on national security grounds, become more prominent among a wide range of economies such as Japan, the United Kingdom, Singapore, and the Philippines, it is increasingly important for IPE and CPE scholars to examine the civil society foundations of support and resistance to such policies, and how the securitization of economic life is changing the power structures between firms, states, and citizens. For instance, the European Union's "geoeconomic turn" raises similar questions about the role of business interests in constructing and limiting a growing set of security-oriented economic regulations both within EU-level and in member state's regulatory apparatuses.[24] The multi-level nature of EU governance, as well as variations between member states in how business interests organize can help better understand how differences in political and industrial organization influence how and to what extent corporate interests can mount counterlobbies to geoeconomic regulations. Firms, through their trade associations, do engage over geoeconomic policy developments, but they do so through quieting their engagement strategies. They don't always win, but they can slow down policy movements. This helps them adjust.

At the same time, this research suggests that IPE scholars will have to go beyond the workhorse models of preference formation and interest aggregation to excavate the ways in which ideology, rhetoric, and lobbying strategies affect economic policy making and reform when the lines between the economy and national security are increasingly blurred. If scholars do not look in these quiet, internecine spaces of technocratic debates, they may well miss the locations of where firms are mostly likely to influence outcomes. At the same time, the degree to which business interests increasingly have to modify their tactics, and the extent to which their victories are partial or non-existent, requires IPE scholars to re-evaluate the political power of firms and global capital in our current era. It certainly is the case that globally oriented firms are on the back foot. Will their power stay diminished? And, if so, who, if not them, will advocate for deeper economic integration and a rules-based international economic order? What will be the effect on global growth and inequality?

The answers to these questions have broad implications for IR and scholars of comparative political institution. If firms increasingly rely on the beneficence of government authority to be allowed to trade and invest, will they cease to be important checks on state power? If so, what are the implications for institutions and practices of democratic governance? These are the pressing questions for the discipline as well as for policy makers navigating a rapidly changing global context.

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Ethical considerations

Initial interviews were undertaken while a Council on Foreign Relations International Affairs Scholar. The International Review Board at Indiana University determined my interviews are exempt (approval: 21475) on January 4, 2024. Respondents gave verbal consent before starting interviews.

Consent to participate

Respondents provided verbal consent before starting interviews.

Consent for publication

Not applicable. No identifying individual data used.

Data availability

Transcripts of interviews cannot be shared due to confidentiality concerns. Public comments and their qualitative codes will be made available on the author's website.

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Notes

1. In this article, I use the terms "business elite," 'firms "capital," and "corporations" as mostly interchangeable. I do so to facilitate discussion across a wide range of literatures that tend to quite deliberately prefer one term over the others but that still are theoretically relevant to each other.
2. This is not to say that these changes should be understood as "deglobalization." It is more likely that shifting regulations across investment, trade, and procurement will restructure global value chains rather than eliminate them (Wijaya and Jayasuriya, 2024).
3. But see Daniels and Krige (2022) for a detailed account of how export control policy became increasingly politicized in the U.S. through the 1980s and 1990s.
4. See, also Weiss and Thurbon (2021) for a similar distinction, though they focus more narrowly on "government initiatives designed to reach for or push the high-tech frontier" (pg. 474).
5. It may be that globalized firms view "economic security" measures as a form of regulatory protectionism that increase barriers to entry, preserving market dominance of incumbents (Gulotty, 2020; Perlman, 2023). In the empirical section of this article, I show that a regulatory protectionism theory does not well explain the rise of investment restrictions.
6. In the U.S. context, the activities of the Select Committee on the Communist Chinese Party, which was established in 2023 provides a particularly clear illustration of such concerns. This body has issued strongly worded open letters along with subpoenas to testify in front of the committee to a range of U.S. companies, investors, and Universities whose ties to China have been scrutinized. See, for example, O'Keefe and Jin (2023).
7. Indeed, de-securitization through re-commericalization is risky because if the strategy fails its proponents could be vilified as weak on security and as unpatriotic. This is precisely why efforts to de-securitize issues are done through quieter, more technocratic engagement and channeled through associations where there are safety in numbers.
8. The 2007 Foreign Investment and National Security Act (FINSA) focused on risks associated with critical infrastructure. Prior to FINSA, CFIUS was primarily concerned with acquisitions of U.S. businesses that were integrated into the defense industrial base.
9. Includes lobbying disclosures for "CFIUS," "FIRRMA," or their expansion (Kim, 2018).
10. Issues were chosen to represent a range of regulations with major economic ramifications, including trade issues explicitly framed as security concerns (Section 232/301 tariffs), general trade issues (TPP), and regulations over business conduct with substantial costs to prevalent existing business models (Data Security).

11. Also note the substantial differences in expenditures and composition of lobbying between the 232/301 tariffs and the TPP. TPP was framed as "normal" politics while 232/301 tariffs were justified through national security rationales. Lobbying across these discrete trade issues reflected the expectations of a securitized political economy framework: less lobbying for tariffs with more activity through associations.
12. Cornyn Senate Floor Remarks, April 19, 2018.
13. Mohsin (2018), Interviews 3 and 5.
14. Interview 5.
15. See Biden (2023) and Ratnam (2023).
16. Quoted by Bartz (2018).
17. Business Roundtable Joint Association Letter on FIRRMA and CFIUS, May 21, 2018. This letter was sign by the American Petroleum Institute, BSA/Software Alliance, Business Roundtable, Coalition of Services Industries, Computing Technology Industry Association, Information Technology Industry Council, National Foreign Trade Council, Organization for International Investment Software & Information Industry Association, TechNet, United States Council for International Business, and U.S. Chamber of Commerce.
18. See, for example, Chittooran (2018).
19. Thematic coding was undertaken by the author with the assistance of two research assistants. The author reviewed all RA work. Coding themes emerged through inductive review of each comment, and was informed by deep contextual understanding of the rule and its implication derived from ethnographic field study as a member of the CFIUS bureaucracy for 1 year.
20. DEPA Comment on Pilot Program.
21. AIC Comment on Pilot Program, page 2.; emphasis mine.
22. NVCA Comment on Pilot Program, page 2.; emphasis mine.
23. In part III of the final regulations, as published in the Federal Register, the Treasury overviewed differences between the September 2019 draft rules and the final rules, including substantive input from public comments and whether the rule was changed in response to this input from the public (U.S. Treasury, 2020: 3114–3123).
24. See, for example, the Journal of Common Market Studies' recent special issue on on "The Geoeconomic Turn of theh Single European Market" (Volume 62, Issue 4).

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