JCMS JOURNAL OF COMMON MARKET STUDIES UACES

JCMS 2024 pp. 1–19 DOI: 10.1111/jcms.13599

The EU's Geoeconomic Turn: From Policy Laggard to Institutional Innovator

SARAH BAUERLE DANZMAN[1] and SOPHIE MEUNIER[2]
[1]Indiana University Bloomington, Bloomington [2]Princeton University, Princeton

Abstract

Heightened geopolitical tensions and the growing securitization of economic exchange over the past decade have prompted many countries to adopt new geoeconomic tools. Long resistant to this geoeconomic turn, the European Union (EU) has since 2017 created a panoply of innovative policy tools that blend trade and investment with essential security concerns. This article asks why and how the EU has been able to operate the doctrinal and policy changes necessary to put economic tools at the service of geopolitics. After introducing a typology of the defensive and offensive geoeconomic tools deployed by advanced industrial economies, we present the novel geoeconomic toolkit quickly assembled by the EU, which we explain by the confluence of external factors that triggered European leaders' beliefs that change was necessary and internal factors that made such change institutionally and politically possible, a trend reinforced by the pandemic and the Russian invasion of Ukraine.

Keywords: economic security; European Union; geoeconomics; geopoliticization; investment screening

Introduction

Upon taking office as president of the European Commission in December 2019, Ursula von der Leyen (2019) vowed to lead a 'geopolitical' Commission. Amidst the brewing US and China rivalry, she argued that the European Union (EU) had to proactively use economic tools for geopolitical purposes (referred to here as 'geoeconomics'), instead of naively preaching free flows of trade and investment whilst its partners had seemingly abandoned multilateralism and openness.[1] The creation of these geoeconomic tools became the cornerstone of the EU's new doctrine of 'open strategic autonomy', referring to the capacity to defend EU interests and values and manage interdependence in a more confrontational world (Borrell, 2020).

Neither its history nor its unique institutional structure suggested that the EU would be well positioned for this geoeconomic turn. As a multilateral institution revolving around a single market characterized by freedom of movement, the EU was less equipped institutionally and politically than other advanced economies to adjust to the new world of deglobalization, fragmentation and economic statecraft (Meunier and Nicolaïdis, 2019). However, in the face of a shifting global context where interventionism and unilateralism became increasingly commonplace from 2017 and where the conceptual line between national security and economic policy blurred substantially, the EU adapted remarkably

[1]Haroche (2024) in this volume defines geoeconomics more narrowly, focusing on absolute versus relative gains. We use a broader framework to allow that some geoeconomic strategies may seek to open markets, 'level playing fields', and deepen alliances with like-minded countries.

quickly and created a series of innovative tools that have enabled it to play the geoeconomic game.

Placing the EU's geoeconomic turn in the global context, this article asks why and how the EU has been able to develop the doctrinal and policy changes necessary to put economic tools at the service of geopolitics.

We start by situating the shift in EU economic strategy globally by presenting a typology of the defensive and offensive geoeconomic tools deployed by advanced industrial economies over the past decade. Next, we show that even though the EU initially resisted geoeconomics, it quickly assembled a defensive and offensive geoeconomic toolkit starting in 2017. Using process tracing based on primary and secondary sources, Section II explains what made this swift geoeconomic turnaround possible by focusing on the confluence of external factors that triggered European leaders' beliefs that change was necessary (increasing authoritarianism and self-reliance in China and the United States's protectionist and unilateral turn under the Trump administration) and internal factors that made such change institutionally and politically possible (competence transfer over investment policy, Brexit and political successes of populist parties), a trend reinforced by the pandemic and Russia's invasion of Ukraine.[2] We conclude by considering how the EU's geoeconomic turn creates both opportunities for deeper co-operation amongst allies and risks for further fragmentation of economic networks into regional blocs.

I. A Shifting Global Context

The EU has long remained committed to liberal economic institutionalism, even as the global context shifted to interventionism and unilateralism. Because of the centrality of the single market to the process of European construction, the institutional division of competences that empowers the Union in the areas of trade and competition and the traditionally pro-free market ideological bent of Directorate General for Trade (DG Trade), the EU clung to neoliberal globalization.

In contrast, its major economic partners were quicker to embrace geoeconomic thinking. Here, we follow others who use the term 'geopoliticization' to denote a rhetorical and ideational shift away from principles of liberal institutionalism – mainly, the project of removing 'at the border' and 'behind the border' barriers to the flow of goods, services and finance through legally binding international instruments – towards one that places greater import on identifying and mitigating the security vulnerabilities that accrue from open, globally integrated markets (Meunier and Nicolaïdis, 2019).

Defining Geopoliticization and Geoeconomic Tools

Geopoliticization need not be incompatible with generally open markets and is not synonymous with protectionism or economic nationalism. What differentiates geopolitical attitudes from liberal institutionalism is a matter of emphasis. Policy guided by liberal institutionalism sees economic interdependence as generating economic welfare and positive security externalities through the pacifying effects of commerce. Policy guided by a geopolitical lens, in contrast, sees interdependence primarily as a source of power to

[2]See also Herranz-Surrallés et al. (2024) in this volume regarding external pressure, EU internal change and feedback loops.

exploit or a vulnerability that can be weaponized by strategic competitors (Herranz-Surrallés et al., 2024).

Geoeconomic tools are the principal levers through which states engage in geopoliticization of markets. Some of these instruments are defensive, designed to prevent others from leveraging economic dependencies against them – such as investment screening, supply chain diversification policies and trade remedies (Haroche, 2024). The use of these tools reflects 'reluctant geopoliticization' because they seek to defend economies against other countries' instruments that exploit economic openness to gain leverage in other, non-economic domains. Other tools are offensive, designed to develop and maintain key chokepoints in trade, finance, information, technology and infrastructure – such as supporting national champions to build infrastructure abroad, controlling critical technology through export controls and using industrial policy to undercut competitors and dominate key global markets. Controlling these chokepoints provides governments with the power to use access to these resources as a bargaining chip in negotiations over a range of issues. Control of critical resources, such as advanced semiconductor technology, can also shape governments' military capabilities. These tools may reflect 'deep geopoliticization' because their use reflects a willingness to reject norms and ideas central to liberal economic thought and to instead embrace more mercantilist views of how national economies should be organized (Herranz-Surrallés et al., 2024). The geoeconomic tools states develop to pursue defensive or offensive policy objectives could be inducements, or 'carrots', and sanctions, or 'sticks'. For instance, industrial policy is an inducement instrument because it operates through rewarding desired behaviour. However, industrial policy could be used defensively to prevent a country from becoming too reliant on one other actor or offensively to establish a dominant position in a critical supply chain, thereby creating economic leverage for it to exploit. Thus, whether an instrument is offensive or defensive is not always clear, and instruments can be used for mixed purposes. Table 1 organizes these insights to provide a typology of these geoeconomic tool ideal types.

A Growing Geoeconomic Turn?

Major non-EU Organisation for Economic Co-operation and Development (OECD) economies were quicker to embrace geopolitical strategies towards managing economic

Table 1: Typology of Geoeconomic Instruments.

	Offensive	*Defensive*
Inducement	Industrial policy to achieve global market dominance in chokepoints Subsidized infrastructure projects abroad to control chokepoints like ports, electricity and IT networks	Industrial policy for supply chain diversification
Sanction	Export controls to maintain global market dominance in chokepoint technology Outbound investment screening Extraterritorial application of otherwise defensive tools	Inward investment screening Trade remedies against foreign subsidized items Anti-coercion instruments Narrow export controls to prevent critical technology leakage

integration and to create new geoeconomic tools. This section provides an overview of geoeconomic policy developments in Australia, Canada, Japan, South Korea and the United States from 2010 onwards. We focus on these countries because they are the five largest OECD economies, excepting the EU and the UK. As the UK only recently exited the EU, its geoeconomic trajectory is more closely tied with EU developments and therefore is not useful comparison. The geopolitical turn is reflected in policy, practice and rhetoric because some aspects of geopoliticization are more clearly viewed through the articulation of rhetoric and strategic posture than concrete policy changes or alterations of economic flows, which take longer to adjust. These countries entered the 2010s with greater access to existing institutional resources to address geoeconomic considerations than did the EU. As unitary states, they also faced less complicated domestic political environments within which to enact changes, due to either bipartisan agreement (the United States, Australia and Canada) or state–society relations that facilitated faster change without long public consultation processes (Japan and South Korea). Moreover, these countries all face more direct security challenges from China than EU member states for geographic reasons. Despite these unifying features, the country experiences outlined here display important differences in their approaches to geoeconomics relating to their varying structural constraints and growth models and their responses to the geoeconomic actions of others. Table 2 illustrates our typology of geoeconomic tools by using examples of legislation and regulations from these five countries.

1 Defensive Sanctions
The most prominent examples of the emerging geoeconomic turn are defensive sanctions. These instruments seek to delineate small areas of the domestic economy that have substantial security implications and then prevent foreign actors from gaining access to these areas. Officials often characterize these tools as 'small yard, high wall' approaches. Inward investment screening and traditional export controls focused on

Table 2: Examples of Geoeconomic Instruments in Non-European Countries.

	Offensive	*Defensive*
Inducement	Elements of US IRA and CHIPS and Science Act (2022) Overseas development banks' investments in strategic infrastructure	US IRA (2022) US CHIPS and Science Act (2022) Japan's Economic Security Promotion Act (2022)
Sanction	Japanese semiconductor materials export controls on South Korea (2019) US Oct 2022, export controls on semiconductor items US expanded use of foreign direct product rule	Inbound investment screening: Australia (10 times since 2010); Japan (4 times since 2014); and the United States (FINSA in 2007 and FIRRMA in 2018) Huawei procurement bans: Australia (2018); Canada (2022); Japan (2018); South Korea (2021); and the United States (2019–2020) Export control reforms: Japan (2022) and the United States (2018)

Abbreviations: CHIPS, Creating Helpful Incentives to Produce Semiconductors; FINSA, Foreign Investment and National Security Act; FIRRMA, Foreign Investment Risk Review Modernization Act; IRA, Inflation Reduction Act.

non-proliferation of military technologies are best characterized as defensive sanctions because their purpose is to protect the home country from foreign interference in a narrow range of activities and the method by which they do so is by denying ownership or export of sensitive assets. Additionally, mechanisms designed to thwart others' more aggressive use of economic leverage, such as anti-coercion instruments (ACIs) and trade remedies against foreign subsidized critical items in order to maintain indigenous capacity, are also inwardly focused and defensive in nature.

All the countries reviewed have strengthened their investment screening mechanisms in recent years.[3] Australia's Foreign Investment Review Board has been amended 10 times since 2010, lowering thresholds, establishing filing fees and fines, increasing timelines for review, adding greenfield investment to review and even eliminating a threshold for review during the pandemic. Australia also established separate mechanisms for reviewing telecommunications and critical infrastructure projects in 2017 and 2018. Canada has updated its investment screening law multiple times since 2015, most recently creating a voluntary filing process for non-control investments in 2022. Japan has tightened its inward investment review process four times since 2014, more closely aligning its regulation of national security threats to critical technologies, especially technologies developed with governmental support. During Covid, Japan reduced the threshold for review to acquisitions of 1% for publicly traded companies. South Korea has similarly amended its investment screening authority numerous times over the last decade, strengthening its mandate and focusing on key critical assets and technology. Finally, the United States updated the laws governing the Committee on Foreign Investment in the United States in 2018 in response to aggressive Chinese economic policy. The new regulations placed greater emphasis on emerging technology, sensitive data and the cumulative effect of foreign purchases on market control and created mandatory filing requirements for transactions involving certain critical technologies and foreign government-controlled buyers. The legislation also funded outreach efforts to encourage allies to adopt or strengthen their own investment security regime.

The United States, Japan and South Korea have also strengthened their export control authorities in recent years. These changes reflect increasing concerns about the transfer of sensitive knowledge and critical goods. The US Export Control Reform Act of 2018, passed concurrently with its investment screening law, shifted the country's export control system from one based on executive authority to one encoded in statute. It also introduced the concept of 'emerging and foundational' technologies, expanding the set of technologies to control. Other countries have been less enthusiastic about substantially expanding their export control lists but have strengthened their ability to prevent technology transfer to entities that may subsequently provide this technology to the Chinese military or surveillance organizations. Japan implemented new regulations in 2022 that make it easier to restrict technology access to individuals in Japan who are controlled or influenced by foreign governments. South Korea strengthened its export control regime through a series of reforms undertaken in 2007 and regularly updates its control lists to incorporate changes in multilateral control regimes (Ghiretti, 2023). In contrast, Australia and Canada, not major actors in the semiconductor supply chain, have weaker export control policies.

[3]Data on investment screening come from Bauerle Danzman and Meunier (2023).

Finally, these countries all implemented bans on Chinese telecommunication services and infrastructure provider Huawei, usually by prohibiting them from receiving government contracts after a series of incidents in 2018 and 2020 indicating that Huawei equipment was used to collect intelligence on the African Union (Satter, 2020). Australia and Japan issued bans in 2018, the United States moved to exclude the companies' equipment from its networks in a series of policies implemented in 2019 and 2020, South Korea issued a ban in 2021 and Canada issued a ban in 2022.

2 Offensive Sanctions

Not all of these economies' geoeconomic policies have remained defensive in nature. The United States, in particular, has often employed offensive tools, such as the extraterritorial application of its export control rules. Its foreign direct product rule, expanded seven times since 2013, allows the US government to extend its export licencing regime to cover foreign items made using US technology. The United States has leveraged extraterritoriality to build technology control coalitions by imposing unilateral controls first whilst engaging in diplomatic efforts to cajole key partners into implementing complementary controls. The United States has used this tool for both list-based export controls on companies such as Huawei and end-user export controls for advanced semiconductor items and tools in China. This strategy illustrates how geoeconomic tools can often mix offensive and defensive strategies and tactics of inducements and sanctions.

Japan has also used its export control regime more assertively in recent years, sometimes for clearly offensive rather than defensive purposes. In 2019, retaliating against a court ruling related to Japanese business' conduct during World War II, Japan removed South Korea from its export control whitelist for semiconductor manufacturing chemicals. This had the effect of requiring businesses seeking to export to South Korea to apply for product licences, creating costs and delays to shipments.

3 Offensive and Defensive Inducements

Compared with the adoption of geoeconomic sanctions, countries have embraced inducements more recently, reflecting growing institutionalization of policy organs devoted to developing and implementing co-ordinated economic security strategies. Many advanced economies have created new bodies to compile data on and co-ordinate action related to geoeconomic issues such as supply chain resilience. Japan created a National Security Council in 2013 and added an economic directorate to the body in 2019 to focus on technology, investment and telecommunications (Shigeta, 2019). Australia, Canada, South Korea and the United States have all developed new working groups and committees to address economic security issues stemming from supply chain security concerns, often with international collaboration (e.g., Canada–US Supply Chain Working Group, 2021).

This increased focus on supply chain resilience, especially in the wake of Covid-19, reflects an increased willingness on the part of governments to develop industrial policy in the name of economic security. Canada (2022) developed an industrial policy around critical minerals. Japan's 2022 Economic Security Promotion Act focused on advanced critical technologies and related materials (GreenbergTraurig, 2022). In 2022, Australia created a support programme for semiconductor chip foundries. South Korea provides financial assistance to companies to facilitate stockpiling and diversification for items for which Korea is overly dependent on foreign suppliers

(Ghiretti, 2023). The United States passed two important pieces of industrial policy legislation in 2022 – the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act and the Inflation Reduction Act (IRA). Both used a combination of direct subsidies and tax incentives to encourage domestic semiconductor fabrication and electric battery production. The laws' local content provisions helped strengthen a domestic coalition between security hawks and organized labour but also bolstered charges that the United States's geoeconomic turn is really protectionism in disguise. Whether such industrial policies are defensive, offensive or mixed motive ultimately depends on whether governments use subsidies merely to encourage supply chain diversification – especially to friendly nations – or instead use subsidies to cultivate their own positions as technology chokepoints.

Finally, some countries have used development assistance programmes to support offensive economic security objectives, particularly to block China from controlling critical infrastructure in developing countries. The United States, Japan and Australia have developed co-operative relationships between their overseas development finance organizations to finance critical infrastructure in the Indo-Pacific (United States–Japan–Australia, 2022).

II. The EU Strikes Back

Whilst other countries gradually embraced geoeconomic instruments throughout the 2010 decade, the EU lagged behind. The EU has always used trade strategically. The European Economic Community (and later, the EU) was itself a geoeconomic project that sought to promote peace in Western Europe and create a powerful capitalist democratic community as counterpart to the Soviet Union. In the post-Cold War era, the EU leveraged its position in the global economy, using access to the single market to induce conditional change amongst its trading partners, notably with respect to human rights, rule of law and the environment (Meunier and Nicolaïdis, 2006). But this frequent use of trade as a coercive instrument was done for political, not geopolitical, purposes (Herranz-Surrallés et al., 2024).

Several factors explain why the EU embraced geoeconomic policies more slowly than its partners. First, EU trade policy has long been characterized by neoliberal ideology, especially emanating from the powerful DG Trade at the European Commission (Freudlsperger and Meunier, 2024; Siles-Brügge, 2014). Second, due to the EU's division of competences between national and supranational levels, there was no logical place in its institutional apparatus to oversee the nexus between economic objectives and national security. Third, by 2015, the EU had decided to recentre its trade policy around traditional economic objectives, with its 'Trade for All' strategy focusing on the redistribution of benefits from globalization in the tradition of embedded liberalism (Young, 2019). Fourth, remaining 'open for business' whilst other countries were erecting barriers was interpreted by several member states as a comparative advantage, especially in the area of investment screening (Meunier, 2014) and relations with China, with which the EU engaged as a partner, competitor and rival, against US insistence to be more cautious.

By 2017, however, the EU shifted policy. Emphasizing the importance of reciprocity for access to the European market and the limits of openness, former European Commission President Jean-Claude Juncker (2017) declared in his 2017 State of the Union address, 'Let me say once and for all: *we are not naïve free traders*. Europe must always defend its strategic interests' (emphasis in original). Juncker's address announced the development of a foreign direct investment (FDI) screening regulation and set in motion intense work within the Commission to develop new geoeconomic tools. Subsequent policy documents provided a broader basis for geoeconomic strategy, first with the 2019 China strategy, then the 2021 trade policy review 'An Open, Sustainable, and Assertive Trade Policy' and, most recently, the Economic Security Strategy (European Commission, 2019, 2021, 2023). Both the EU and its largest member states began to worry that the organizing principles of the international economy had changed and that they needed new tools to defend their interests in an increasingly geopolitically competitive environment.

Once the EU made the assessment that their 'naive' adherence to liberal ideals had indeed been costly, it rapidly unleashed a series of unilateral policy tools to accompany its new doctrine of 'open strategic autonomy' (Juncos and Vanhoonacker, 2024). The broader objective of EU trade and investment policy had not changed: to preserve and grow an open, multilateral, sustainable economy considered essential for prosperity, democracy and peace. But the methods to achieve this objective have been radically updated, especially with the creation of innovative policy instruments, including tools designed to defend a level economic playing field, ensure sustainability and environmental security, respond to the new linkages between economic and national security and preserve European sovereignty. We survey these instruments briefly by using our geoeconomic tools typology, as illustrated in Table 3.

Defensive Sanctions

Because member states have competence over national security, the EU has lagged behind its partners in adopting defensive sanctions designed to prevent foreign actors from gaining access to economic areas with the potential to jeopardize national security. However, as the linkage between economic and national security intensified, the EU jumped into the fray.

The first new instrument of strategic autonomy proposed and passed was the foreign investment screening framework, adopted in 2019 and implemented in 2020 [Regulation (EU) 2019/452]. Launched in September 2017, the policy process that led to the passing of the first pan-European investment screening capability was surprisingly swift, despite

Table 3: Mapping the New EU Geoeconomic Instruments.

	Offensive	*Defensive*
Inducement		European Green Deal Industrial Plan (2023) European Chips Act (2022) Carbon Border Adjustment Mechanism (2022)
Sanction	International Procurement Instrument (2022) Outbound FDI screening (in consultations)	FDI Screening Regulation (2019) Export Control Regulation (2021) Foreign Subsidies Regulation (2022) Carbon Border Adjustment Mechanism (2022) Anti-Coercion Instrument (2023)

Abbreviations: EU, European Union; FDI, foreign direct investment.

initial opposition or indifference from the vast majority of member states (Chan and Meunier, 2022; Vlasiuk Nibe et al., 2023). This regulation created procedures for foreign investment in the single market to be reviewed and potentially prohibited for security concerns. The ultimate decision to accept or reject an investment lies with the host country. The main feature of the EU Investment Screening Mechanism (ISM) is a co-operation mechanism between the member states and the Commission to exchange information and raise concerns about specific transactions that 'may threaten security or public order', mostly concerning investments in critical technologies and infrastructure. Still, this new instrument has had a significant impact in at least two ways. First, the number of national ISMs in Europe has drastically increased: whilst only 11 member states had investment screening measures in 2017, by 2023, all but one (Bulgaria) have an ISM in place or in development. Second, the EU received 414 FDI notifications from its member states in 2021, with investors coming mostly from the United States, the UK, China, Canada and the United Arab Emirates (UAE) in a variety of sectors dominated by manufacturing, information and communications technology (ICT) and financial services (European Commission, 2022a, 2022b).

The EU has also reinforced its ability to respond to new security risks and emerging technologies through a new Export Control Regulation, adopted in 2021, designed to tighten controls on trade in dual-use items – civilian goods and technologies with possible military or security use [Regulation (EU) 2021/821].

Another novel defensive geoeconomic instrument is the Foreign Subsidies Regulation (FSR), adopted in 2022 and implemented in 2023. This instrument filled an EU regulatory gap that existed for decades regarding subsidies for companies active in the single market (Basedow et al., 2023). The EU long ensured a level playing field internally by limiting state aid given by its member states and externally by using countervailing duties to nullify cost advantages of subsidized imports. However, until 2022, the EU could not address market distortions caused by foreign subsidies, putting European companies at a competitive disadvantage at home and in world markets when foreign companies participated in mergers and acquisitions and bid in public procurements supported by home state subsidies that EU companies could not receive from their own governments. After decades of inaction, the Commission issued a legislative proposal in May 2021 allowing the EU to monitor FDI transactions, investigate potentially distortive subsidies and, if necessary, adopt remedial measures (European Commission, 2021b).

The Carbon Border Adjustment Mechanism (CBAM) is another EU geoeconomic tool adopted in 2022. Created to deal with issues of sustainability at the nexus of economic and environmental security, the CBAM imposes tariffs on carbon-intensive products and processes. We view the CBAM as a defensive sanction because it is designed to prevent offshoring of carbon-intensive critical goods without reducing emissions standards. Whilst others have argued that the EU designed CBAM to compel other countries to implement similar carbon taxes, this objective is not focused on developing a strategic advantage to exploit as coercive leverage in unrelated disputes.

Finally, the EU created the ACI, intended to defend European sovereignty by countering economic coercion by third countries. The European Parliament and the Council finalized an agreement on this most controversial 'assertive' geoeconomic tool in June 2023, with entry into force expected by the end of 2023. Proposed by the Commission in December 2021, the ACI facilitates retaliation against countries that use economic coercion to attempt to undermine a member state's legitimate sovereign (and non-economic) policy choices (European Commission, 2021b).

Offensive Sanctions

Even though the EU has long been wary of jeopardizing the open, multilateral economic order, it has also begun to develop offensive sanctions capabilities. The most prominent is the International Procurement Instrument (IPI), adopted in 2022. Though negotiations on this instrument had stalled for a decade, renewed momentum came from the Commission's strategic autonomy framework and new willingness to confront and counter others' protectionist policies. Once negotiations resumed, the European Parliament (2022) and the Council quickly agreed in 2022 to set up the IPI to pressure foreign countries to open their protected markets to EU operators. The IPI instructs the Commission to determine if third countries allow EU companies fair access to their public tenders and, if they do not, to impose measures such as a price penalty on the bid. Designed to restore a level playing field and introduce reciprocity in public procurement, the IPI limits the conditions under which companies from non-EU countries that do not offer EU reciprocal access can bid on open procurement tenders in the EU. The IPI illustrates that geoeconomic tools can be used not only to generate relative gains but also to open markets and limit foreign government interference in manners consistent with the goals, if not the tactics, of market liberalism.

If the EU develops outbound investment regulation, this would also be an example of offensive sanctions. Following the lead of the United States, which has introduced regulations and restrictions on outbound investments in certain critical technologies, the Commission began consultations about the costs and benefits of such restrictions in 2022 and indicated in its Economic Security Strategy that it plans to release a proposal by the end of 2023 (European Commission, 2023; Interview 2, 2022; Interview 4, 2023).

Offensive and Defensive Inducements

Finally, the EU has started to adopt elements of interventionist industrial policy in pursuit of 'open strategic autonomy'. This includes the European Green Deal Industrial Plan proposed by the Commission in February 2023 and the 2020 EU Industrial Strategy focused on green energy and digital leadership transitions. It also includes the European Chips Act, proposed in 2022 to increase the EU's resilience to semiconductor supply chain disruptions. These are also competitive responses to US industrial policy developments. The CBAM could also be considered a defensive inducement because it is designed to prevent companies in jurisdictions that do not price carbon from gaining competitive cost advantages.

As seen in Table 3, the EU has clearly been most comfortable with defensive tools. In contrast to some other actors, the EU has been far less willing to develop offensive tools, consistent with its desire to achieve strategic autonomy with openness. This embrace of defensive tools and continued wariness of offensive tools that strain commitments to economic liberalism suggest that the EU's approach to geoeconomic measures is one of 'reluctant geopoliticization' rather than 'deep geopoliticization'.

III. Explaining Speed

How has the EU been able to create these many geoeconomic tools so quickly when neither its history nor ideology supports their use? This swiftness can be explained by the confluence of external factors that triggered European leaders' beliefs that change was necessary and internal factors that made such change institutionally and politically possible, reinforced by the pandemic and the Russian invasion of Ukraine (Quaglia and Verdun, 2024).

China Concerns

The EU had been agnostic towards the rise of Chinese investments and other tools of Chinese economic interdependence. Whilst Washington expressed earlier concern about the looming geopolitical rivalry with China, individual member states and the EU as a whole treated Chinese investment as an unexpected economic opportunity (Meunier, 2014). This was particularly true for countries that suffered most from the euro crisis. The German economy under former Chancellor Angela Merkel forged strong ties between the German and Chinese automobile and technology sectors whilst Chinese investors scrambled to acquire *Mittelstand* technology firms. Smaller, export-oriented member states were keen to uphold the EU's commitment to open markets and endeavoured to keep business and security concerns separate.

However, this position became less tenable as Chinese policy developments since 2012 substantially weakened traditional boundaries between economic competitiveness and essential security concerns. Under Premier Xi's leadership, the Chinese government implemented policies that directly linked its economic strategy with broader foreign policy and security objectives. It strengthened military–civil fusion, which intensified efforts to obtain and ultimately indigenously develop advanced technology in the pursuit of military modernization. The PRC's 2015 release of its 'Made in China 2025' self-reliance industrial policy underscored the government's design to indigenize capabilities in technologies critical to military applications.

One example of EU's and member states' shifting attitudes towards China's Belt and Road Initiative (BRI) is the fate of the '16/7 + 1' initiative, which several member states – especially in Central and Eastern Europe (CEE) and Southern Europe – initially joined. Whilst many member states believed BRI investments could finance much needed infrastructure, despite concerns over the opacity of Chinese lending and procurement, this view soon soured. In 2015, the Commission signed a memorandum of understanding with the PRC to catalyse infrastructure investments through the EU–China Connectivity Platform (European Commission, 2015). By 2018, 27 EU ambassadors to the PRC had signed a report stating that the BRI 'runs counter to the EU agenda for liberalizing trade and pushes the balance of power in favour of subsidized Chinese companies' (Prasad, 2018). Lithuania, Estonia and Latvia have all left the 16/7 + 1 group, and the Czech Republic is an 'inactive member' (Lau, 2023).

Concurrently, the creation of investment screening at the EU level and in many member states that did not previously have ISMs stemmed directly from fears raised by Chinese FDI in strategic sectors and in non-strategic sectors with a technological edge (Bauerle Danzman and Meunier, 2023; Chan and Meunier, 2022). As the Commission stated in its first ISM report, 'the past years have seen a clear change in investor profiles and investment patterns, i.e. increasingly non-OECD investors, occasionally with government backing or direction, whose motivation for a particular investment might not always be exclusively commercial' (European Commission, 2021c).

Similarly, the FSR was designed primarily with China in mind. The rise of Chinese companies as foreign investors and competitors in procurement markets gave the long-standing topic of distortive foreign subsidies a sense of urgency. The issue was first raised in 2019 when the EU released its strategy on China, identifying it as an 'economic competitor' and 'systemic rival'. Whilst previously foreign subsidies had been seen as an economic issue, officials are now worried that Chinese participation in EU infrastructure, aided by government subsidies that allowed Chinese firms to outbid their European counterparts, could generate public order and security risks.

The IPI was also designed to deal with China. Whilst the Commission proposed the IPI a decade prior, it was stuck in the EU decision-making process until 2019. Talks were revived only after the Commission stressed the challenge posed by China, which does not allow member states and the European Parliament reciprocal access to its own public tenders.

The ACI was not designed specifically with China in mind (see below), but the dispute between China and Lithuania, which exploded a few weeks before the EU unveiled its proposed regulation, provided a textbook illustration of why it was needed (Freudlsperger and Meunier, 2024). After Lithuania exited the 17 + 1 forum and allowed Taiwan to open an office in Vilnius in 2021, China retaliated with a variety of coercive economic measures, including blocking all trade with Lithuania and all trade in products containing components made in Lithuania. The EU launched a case against China at the World Trade Organization (WTO) but simultaneously sped up negotiations on the ACI.

US Concerns

The shift in EU economic policy was also prompted by the unilateral, protectionist turn in US trade policy under the Trump administration, which levied tariffs and weakened rules-based multilateralism as part of its 'America first' vision. Strains in the transatlantic relationship predated Trump. Under Obama, the United States became increasingly dissatisfied with the WTO system, especially the ability of China to flout trade rules whilst awaiting dispute settlement judgements, and continued negotiating trade and investment agreements outside the multilateral system, including with the EU through the (later abandoned) Transatlantic Trade and Investment Partnership (TTIP).

The Trump administration's unilateralism greatly magnified challenges to the liberal international economic order. Trump's mercantilist rhetoric manifested in withdrawing the United States from the Trans-Pacific Partnership, starting trade wars with China and the EU and directly attacking the WTO system, notably by incapacitating the Appellate Body. The administration's decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) despite evidence that Iran was complying with the terms of the agreement and reimposing secondary sanctions on EU firms engaged in business with Iran furthered fears that the United States, emboldened to use dollar centrality for geoeconomic leverage, was an unreliable economic partner. After the United States used national security rationale to justify the imposition of tariffs on EU steel and aluminium, the

Commission and the member states realized the EU needed to 'Trump-proof' its economic relations (Interview 3, 2022; Interview 4, 2023). The pandemic accelerated the EU's drive to create assertive trade and investment instruments in a world where US support and co-operation were no longer guaranteed. Even though the EU's foreign subsidies proposal was already developing, it was the rumoured acquisition of a German vaccine company with funds from the US government that put the issue in the news in 2020 (Reuters, 2020).

Commission development of, and member state support for, other geoeconomic tools was also a reaction to EU concerns over US behaviour (Interview 3, 2022; Interview 4, 2023). The ACI was created in direct response to concerns about Trump. Section 232 tariffs and the United States's increased application of extraterritorial export controls convinced the Commission and the member states that they needed mechanisms to check the United States's ability to leverage its market and technological power for expanding concepts of national security (Christou and Damro, 2024). Whilst the transatlantic relationship improved with the 2020 election, the concern did not disappear. The Biden administration also showed a willingness to enact economic security policies that could have substantial negative effects on the EU, such as unilateral export controls on the Chinese high-end semiconductor industry imposed in October 2022 with little warning. These controls affected European semiconductor firms, and the United States subsequently pressured the Dutch to erect similar controls to prevent its company ASML from selling high-end semiconductor equipment to China. The IRA, which applied a strict local content requirement to subsidies for electric vehicles, created an uproar in Europe and East Asia.

In the realm of investment screening, however, even though the United States has been the top origin of investor transactions reviewed by the new EU ISM, the EU regulation was developed out of shared concern with the United States about the potential negative consequences of investment from third countries like China and Russia. American officials worked closely with EU member states to develop their ISMs, shared best practices and encouraged the EU and its members to strengthen review authorities (Interview 5, 2022). The US–EU Trade and Technology Council (TTC) exemplifies transatlantic geoeconomic diplomacy, as does US outreach to allies and partners to develop new and strengthen existing national security review bodies.

Internal Politics

The above external factors, coupled with technological change that has rendered many goods and services potential security threats, triggered European policy-makers' *doctrinal* change. A series of internal factors made the *policy* change possible.[4]

First, several of its new instruments could not have existed in previous decades simply because the EU was not in charge of FDI. This changed with the 2009 Lisbon Treaty, which transferred competence to the EU level by including FDI in Article 207 on common commercial policy. However, as the competence transfer had not been debated beforehand and the legal wording was vague, an inter-institutional fight over the exact nature of the competence transfer erupted in the years following the implementation of the

[4]For more on the internal factors at play, see Juncos and Vanhoonacker (2024).

Treaty (Basedow, 2017; Meunier, 2017). The issue was settled in 2019 after a series of European Court of Justice cases. This competence transfer explains the timing of the new European investment screening mechanism.

Second, Brexit played a role in the EU trade policy paradigm shift. The 2016 Brexit vote, which put economic nationalism at the centre of the debate, led the EU to refocus its commercial policy on more purely economic objectives – viz., jobs and growth – instead of normative power and multilateralism (Young, 2019). To achieve these redistributive objectives, the Commission became more assertive in trying to establish a level playing field on the global stage.

Brexit also transformed the ideological balance of power amongst the member states. They had long been split into two factions: liberal free traders (anchored by the UK, Denmark, Sweden and the Netherlands) and the more Colbertist countries more comfortable with dirigisme (anchored by France and some southern states). The UK's departure from the EU gave greater voice to the critics of market fundamentalism. This ideological rebalancing between member states also coincided with an ideological shift in German industry, which was traditionally opposed to defensive and aggressive measures, as a result of the perception of unfair competition and pressure from Chinese manufacturers (BDI, 2019a, 2019b).

Third, subsequent national elections in many member states brought to power more populist and interventionist governments, softening the ideological free trade orthodoxy and further reinforcing the Colbertist faction – especially when populist parties acceded to governing coalitions in the traditionally economically liberal countries.

Crisis Dynamics

Russia's aggression in Ukraine and the Covid-19 pandemic contributed to increased concerns within the EU about economic vulnerabilities and opportunities to quickly push through institutional changes. Crises can speed up policy processes by reducing the capacity or willingness of interest groups to lobby against policies seen as necessary to address emergencies. They also generate uncertainties over the distributive effects of potential policy responses that cannot be resolved a priori because time pressures generate political demands for rapid action (Lipscy, 2020).

Whilst Covid did not initiate the EU's interest in geoeconomic tools, it did accelerate it. Before, EU members such as Ireland seemed disinterested in implementing ISMs, and some considered the EU FDI regulation toothless (Jacobs, 2019). But in March 2020, the European Commission (2020) warned member states without ISMs 'to set up a full-fledged screening mechanism and in the meantime to use all other available options to address cases where the acquisition or control of a particular business, infrastructure or technology would create a risk to security or public order in the EU, including a risk to critical health infrastructures and supply of critical inputs'. Ireland began the process of developing its own ISM. Other member states explicitly mentioned the pandemic in investment screening legislation and regulation. France and Germany expanded investment screening to biotechnology in early 2020 and lowered review thresholds. Italy and Spain began screening intra-EU investments. Poland and Slovenia introduced new investment screening mechanisms on a 'temporary basis' as an extraordinary economic measure in the face of Covid-19.

More broadly, Covid changed the tone of the economic policy discussion and opened possibilities for previously unthinkable measures. Lockdowns and supply chain disruptions left the EU and member states vulnerable to the complex trade dependencies that the crisis revealed. It became fashionable to talk about the 'weaponization' of interdependence whilst the economic and security benefits of interdependence were largely discounted (Farrell and Newman, 2019). Member states reasoned that unchecked economic integration had made supply chains too fragmented and vulnerable. In France, for example, shortages of Chinese-made masks and pharmaceutical testing reagents catalysed a renewed emphasis on 'economic patriotism' (Belouezzane and Zappi, 2021). Intra-EU state aid rules were relaxed to help governments address economic fallout. Subsequent proposals to rebuild and strengthen European supply chains through industrial policy at home and protect the single market from being overrun with unfairly subsidized foreign items became easier to justify.

Similarly, Russia's illegal annexation of Crimea and invasion of the Donbas in 2014 and its full-fledged invasion of Ukraine in 2022 facilitated greater willingness to strengthen geoeconomic tools. Polish Members of the European Parliament pushed the issue of investment screening in the wake of the invasion of Crimea because of their concerns about Russian aggression. Their advocacy helped place the investment screening regulation onto the agenda and aided in fast-tracking approval (Interview 1, 2022). The 2014 invasion contributed to mounting concerns over Russian energy dependence, given its willingness to use that leverage for policy concessions. Denmark, the Baltic States and Poland all came out strongly against the Nord Stream 2 project on national security grounds. The 2022 invasion caused Germany to fully reverse course on its reliance on Russian gas (Manuscript 7, this issue). The EU's investment screening regulation includes critical infrastructure as important sectors to protect, and all member states with ISMs review energy infrastructure. The EU also rapidly developed emergency programmes to hasten the transition to renewable energy, using a security framework to justify action (e.g., European Commission, 2022a, 2022b). The unprecedented imposition and co-ordination of economic sanctions and export controls in response to Russia's invasion has helped strengthen co-ordination channels within the Union and has also generated calls within the bloc to develop more institutionalized pathways for the EU to centralize enforcement of export controls (Brzozowski, 2023). This proposal is especially telling because the EU has typically had limited competence over export controls as they are typically implemented for national security purposes.

Conclusion: Towards What Global Order?

This article has analysed how the EU's long-standing commitment to an open liberal international order has been challenged by the growing use of geoeconomic tools by its major partners. Once the EU assessed that this commitment had become too costly, both economically and geopolitically, it rapidly unleashed a panoply of unilateral geoeconomic instruments, which we explained through the confluence of external and internal factors, including the growing geopoliticization of Chinese economic relations and the United States's embrace of economic statecraft.

As one of the world's three largest economic powers and a champion of multilateralism (in rhetoric, if not always in action), the EU's geoeconomic turn will have major implications for the global order, creating both opportunities for deeper co-operation amongst allies and risks for further fragmentation of economic networks into regional blocs. Previously, order was achieved through multilateral rules enforced through shared norms and binding commitments. The guiding principle of this equilibrium was most-favoured nation status, not tit-for-tat reciprocity. Now, the global order seems to be shifting to a system where the main actors view economic integration more suspiciously and are more inclined to employ increasingly assertive policy tools to retaliate against the unilateral actions of others.

Geoeconomic tools are inherently discriminatory and challenge the previously dominant liberal order, even if not developed with coercive intent. The demand for geoeconomics is self-reinforcing, both domestically and internationally. For example, industrial policy justified on national security grounds naturally leads to increased interest in investment screening: once a government invests taxpayer money in a project, it must protect its national investment from going abroad. Additionally, aggressive use of extraterritorial measures for offensive purposes, such as the United States's reliance on the foreign direct product rule to enforce export controls, can induce other countries to develop geoeconomic tools to protect themselves against coercion. These dynamics lead to a proliferation of tools that create regime complexity, increase trade and investment frictions and undermine diplomatic, trade and security relationships.

Whether these new geoeconomic instruments are coherent with an open economy is questionable. Is it even possible for the EU to maintain its previous open economic stance whilst its partners and competitors move to manage and protect their own economies and encourage the EU to do the same? We suggest a research agenda for scholars of the single market and global governance, focusing on three emerging areas.

First, to what extent and in what ways can actors develop shared definitions of national security and public order or a mechanism through which to enforce this standard? Can existing multilateral institutions, such as the WTO or the Wassenaar Arrangement, through which most dual-use items are multilaterally controlled, be modified to handle the securitization of trade, technology and investment, or will effective governance devolve to like-minded clubs (Pinchis-Paulsen, 2022)? What will be the development and security implications of these shifts in managing international relations?

Second, how will governments ensure that greater state control over internal markets is used only for security purposes and not in ways that encourage corruption and democratic backsliding? This is a particularly important question as governments shift from defensive sanctions to offensive inducements – the power to pick market winners can be weaponized internally to retain political power, which will have important implications for business power in the geoeconomic order (Herranz-Surrallés et al., 2024).

Third, how can governments build and retain trust in each other as economic exchange and technological development are increasingly seen through zero-sum frames? What will a more robust export control environment and inward-facing industrial policies mean for the pace of innovation around key issues for humanity, such as climate change adaptation? And how will these higher fences affect patterns of inequality within and across countries, alliances and globally? These are all pressing questions that scholars will have to make sense of in the years to come.

Correspondence:
Sophie Meunier, Princeton University, Princeton, NJ, USA.
email: smeunier@princeton.edu

References

Basedow, J.R. (2017) *The EU in the Global Investment Regime: Commission Entrepreneurship, Incremental Institutional Change and Business Lethargy* (Routledge) 2018.

Basedow, J.R., Meunier, S. and Roederer-Rynning, C. (2023) 'Fair Play? The Politics of Evaluating Foreign Subsidies in the European Union'. In Hillebrand Pohl, J., Papadopoulos, J.W.T. and Wiesenthal, J. (eds) *The Investment Weapon: Collected Papers on the Law and Geoeconomics of Foreign Capital* (Vol. I) (Springer Studies in Law & Geoeconomics. Springer).

BDI. (2019a) Partner and Systemic Competitor – How Do We Deal With China's State-Controlled Economy?

BDI. (2019b) German Industrial Policy.

Belouezzane, S. and Zappi, S. (2021) La Protection Du Tissu Economique, Un Theme Pour 2022. *Le Monde*, 27th February.

Borrell, J. (2020) Why European Strategic Autonomy Matters. *European Union External Action Blog*. Available from: https://www.eeas.europa.eu/eeas/why-european-strategic-autonomy-matters_en [Accessed 12th March].

Brzozowski, A. (2023) Netherlands Calls for EU Sanctions Enforcement Headquarters. *Euractiv*. Available from: https://www.euractiv.com/section/global-europe/news/netherlands-calls-for-eu-sanctions-enforcement-headquarters/ [Accessed 20th February].

Canada. Ministry of Natural Resources. (2022) The Canadian Critical Minerals Strategy.

Canada–US Supply Chain Working Group. (2021) Supply Chains Progress Report.

Chan, Z. and Meunier, S. (2022) 'Behind the Screen: Explaining Variation in Member State Support for an Investment Screening Mechanism in the European Union'. *The Review of International Organizations*, Vol. 17, pp. 513–541.

Christou, A. and Damro, C. (2024) 'Frames and Issue Linkage: EU Trade Policy in the Geoeconomic Turn'. *Journal of Common Market Studies*, Vol. 62, No. 1.

Bauerle Danzman, S. and Meunier, S. (2023) 'Mapping the Characteristics of Foreign Investment Screening Mechanisms: The New PRISM Dataset'. *International Studies Quarterly*, Vol. 67, No. 2.

European Commission. (2015) Commission Decision of 23.9.2015 on the Signature on Behalf of the European Commission of a Memorandum of Understanding on the EU-China Connectivity Platform. C(2015) 6512 Final.

European Commission. (2019) EU-China – A Strategic Outlook. Available from: https://commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf [Accessed 12th March].

European Commission. (2020) Guidance to the Member States Concerning Foreign Direct Investment and Free Movement of Capital From Third Countries, and the Protection of Europe's Strategic Assets, Ahead of the Application of Regulation (EU) 2019/452 (FDI Screening Regulation). Available from: https://trade.ec.europa.eu/doclib/docs/2020/march/tradoc_158676.pdf [Accessed 25th March].

European Commission. (2021) Trade Policy Review – An Open, Sustainable and Assertive Trade Policy. 18th February.

European Commission. (2021b) Proposal for a Regulation of the European Parliament and the Council on Foreign Subsidies Distorting the Internal Market. COM(2021) 223 Final. Available from: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021PC0223&from=EN [Accessed 5th May].

European Commission. (2021c) First Annual Report on the Screening of Foreign Direct Investments Into the Union. COM(2021) 714 Final. Available from: https://trade.ec.europa.eu/doclib/docs/2021/november/tradoc_159935.pdf [Accessed 23rd November].

European Commission. (2022a) Second Annual Report on the Screening of Foreign Direct Investments Into the Union. SWD(2022) 219 Final. Available from: https://trade.ec.europa.eu/doclib/docs/2021/november/tradoc_159935.pdf [Accessed 1st September].

European Commission. (2022b) RepowerEU: Commision Steps Up Green Transition Away From Russian Gas by Accelerating Renewables Permitting. 9th November.

European Commission. (2023) Joint Communication to the European Parliament, the European Council, and the Council on 'European Economic Security Strategy'. 20th June.

European Parliament. (2022) International Public Procurement Instrument: New Tool to Support EU Firms. 14th March.

Farrell, H. and Newman, A. (2019) 'Weaponized Interdependence: How Global Economic Networks Shape State Coercion'. *International Security*, Vol. 44, No. 1, pp. 42–79.

Freudlsperger, C. and Meunier, S. (2024) 'When Foreign Policy Becomes Trade Policy: The EU's Anti-Coercion Instrument'. *Journal of Common Market Studies*, Vol. 62, No. 1.

Ghiretti, F. (2023) From Opportunity to Risk: The Changing Economic Security Policies vis-à-vis China. Occasional Report. MERICS. February.

GreenbergTraurig. (2022) Japan Enacts Economic National Security Act. *GT Alert*. Available from: https://www.gtlaw.com/en/insights/2022/7/japan-enacts-economic-national-security-act [Accessed 13th July].

Haroche, P. (2024) 'Geoeconomic Power Europe: When Global Power Competition Drives EU Integration'. *JCMS: Journal of Common Market Studies*. Available from: https://doi.org/10.1111/jcms.13596

Herranz-Surrallés, A., Damro, C. and Eckert, S. (2024) 'The Geoeconomic Turn of the Single European Market? Conceptual Challenges and Empirical Trends'. *JCMS: Journal of Common Market Studies*. Available from: https://doi.org/10.1111/jcms.13591

Interview 1. (2022) In-Person Interview, European Parliament Official, Uppsala, Sweden. 2nd June.

Interview 2. (2022) In-Person Interview, European Commission Official, Brussels, Belgium. 18th October.

Interview 3. (2022) Virtual Interview, European Commission Official, Brussels, Belgium. 22nd December.

Interview 4. (2023) Virtual Interview, European Commission Official, Brussels, Belgium. 28th February.

Interview 5. (2022) In-Person Interview, Former State Department Official, Princeton, USA. 7th October.

Jacobs, J. (2019) 'Tiptoeing the Line Between National Security and Protectionism: A Comparative Approach to Foreign Direct Investment Screening in the United States and European Union'. *International Journal of Legal Information*, Vol. 47, No. 2, pp. 105–117.

Juncker, J. (2017) State of the Union 2017. European Commission, 13th September.

Juncos, A. and Vanhoonacker, S. (2024) 'The Ideational Power of Strategic Autonomy in EU Security and External Economic Policies'. *Journal of Common Market Studies*, Vol. 62, No. 1.

Lau, S. (2023) China's Club for Talking to Central Europe Is Dead, Czechs Say. *Politico*, 4th May.

Lipscy, P.Y. (2020) 'Covid-19 and the Politics of Crisis'. *International Organization*, Vol. 74, No. S1, pp. 1–30.

Meunier, S. (2014) 'Divide and Conquer? China and the Cacophony of Foreign Investment Rules in the EU'. *Journal of European Public Policy*, Vol. 21, No. 7, pp. 996–1016. Available from: https://doi.org/10.1080/13501763.2014.912145

Meunier, S. (2017) 'Integration by Stealth: How the European Union Gained Competence Over Foreign Direct Investment'. *Journal of Common Market Studies*, Vol. 55, No. 3, pp. 593–610.
Meunier, S. and Nicolaïdis, K. (2006) 'The European Union as a Conflicted Trade Power'. *Journal of European Public Policy*, Vol. 13, No. 6, pp. 906–925.
Meunier, S. and Nicolaïdis, K. (2019) 'The Geopoliticization of European Trade and Investment Policy'. *JCMS: Journal of Common Market Studies*, Vol. 57, No. S1, pp. 103–113.
Pinchis-Paulsen, M. (2022) 'Let's Agree to Disagree: A Strategy for Trade-Security'. *Journal of International Economic Law*, Vol. 25, No. 4.
Prasad, R. (2018) EU Ambassadors Condemn China's Belt and Road Initiative. *The Diplomat*, 21st April.
Quaglia, L. and Verdun, A. (2024) 'The Geoeconomics of the Single Market for Financial Services'. *Journal of Common Market Studies*, Vol. 62, No. 1.
Regulation (EU) 2019/452 Establishing a Framework for the Screening of Foreign Direct Investments Into the European Union. (2019) *Official Journal* L079I, 1.
Regulation (EU) 2021/821 of the European Parliament and of the Council of 20 May 2021 Setting Up a Union Regime for the Control of Exports, Brokering, Technical Assistance, Transit and Transfer of Dual-Use Items. (2021) *Official Journal* L206, 1.
Reuters. (2020) Germany Tries to Stop US From Luring Away Firms Seeking Coronavirus Vaccine. *Reuters*, 15th March.
Satter, R. (2020) Suspected Chinese Hackers Stole Camera Footage From African Union. *Reuters*. Available from: https://www.reuters.com/article/us-ethiopia-african-union-cyber-exclusiv-idINKBN28Q1DB [Accessed 16th December].
Shigeta, S. (2019) Japan to Add Economic Team to National Security Council. *Nikkei Asia*. Available from: https://asia.nikkei.com/Politics/Japan-to-add-economic-team-to-National-Security-Council [Accessed 29th October].
Siles-Brügge, G. (2014) *Constructing European Union Trade Policy* (London: Palgrave Macmillan UK).
United States–Australia–Japan. (2022) Joint Statement on Cooperation on Telecommunications Financing.
Vlasiuk Nibe, A., Meunier, S. and Roederer-Rynning, C. (2023) 'Pre-emptive Depoliticization: The European Commission and the EU Foreign Investment Screening Regulation'. *Journal of European Public Policy.*
von der Leyen, U. (2019) Speech by President-Elect von der Leyen in the European Parliament Plenary on the Occasion of the Presentation of Her College of Commissioners and Their Programme. 27th November, Strasbourg.
Young, A.R. (2019) 'Two Wrongs Make a Right? The Politicization of Trade Policy and European Trade Strategy'. *Journal of European Public Policy*, Vol. 26, No. 12, pp. 1883–1899.