# Article information:

Regulation of Foreign Investment in Historical Perspective | The European Journal of Development Research
<https://link-springer-com.ezproxy1.lib.gla.ac.uk/article/10.1080/0957881042000266660>

# Article summary:

1. Developed countries historically discriminated against foreign investors during their early stages of development, using various instruments to build up national industry.

2. The benefits of non-discrimination and liberalization of foreign investment only outweigh the costs when domestic industry has reached a certain level of sophistication, complexity, and competitiveness.

3. The proposed multilateral investment agreement at the World Trade Organization is likely to harm the prospects for development in developing countries.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article "Regulation of Foreign Investment in Historical Perspective" provides an interesting historical perspective on the regulation of foreign investment in developed countries. The author argues that during the early stages of development, these countries systematically discriminated against foreign investors in order to build up their national industries. They implemented various measures such as limits on ownership, performance requirements, joint ventures with local firms, and barriers to mergers and acquisitions.

One potential bias in the article is the focus solely on the actions of developed countries without considering the reasons behind their discriminatory policies. It fails to acknowledge that these measures were often taken to protect domestic industries from unfair competition and ensure economic growth and stability. By only presenting one side of the story, the article may overlook important nuances and complexities in the regulation of foreign investment.

Furthermore, the article makes unsupported claims about the benefits of non-discrimination and liberalization of foreign investment only becoming apparent once domestic industry reaches a certain level of sophistication. While this may be true in some cases, it is not necessarily a universal truth. The author does not provide sufficient evidence or examples to support this assertion, leaving room for doubt about its validity.

Additionally, the article lacks exploration of counterarguments or alternative perspectives on the regulation of foreign investment. By failing to consider opposing viewpoints or potential drawbacks of discriminatory policies, it presents a one-sided view that may not fully capture the complexity of this issue.

Moreover, there is a lack of discussion about possible risks associated with liberalizing foreign investment too quickly or extensively. The article focuses primarily on the negative consequences of multilateral investment agreements for developing countries without acknowledging any potential benefits or opportunities they may bring.

Overall, while the historical perspective provided in the article is valuable, it would benefit from a more balanced and nuanced analysis that considers different viewpoints, provides evidence for its claims, explores counterarguments, and acknowledges potential risks and benefits associated with regulating foreign investment.

# Topics for further research:

* Benefits of foreign direct investment for developing countries
* Risks of liberalizing foreign investment too quickly
* Impact of multilateral investment agreements on economic development
* Role of foreign investment in promoting technology transfer
* Effects of discriminatory policies on foreign direct investment flows
* Comparative analysis of different approaches to regulating foreign investment

# Report location:

<https://www.fullpicture.app/item/8f2ffc431e05ad4d3537ed6c11cf5d6f>