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SUSTAINABLE SPACE INFRASTRUCTURE: INDUSTRIAL POLICY AND FOREIGN DIRECT
INVESTMENT

Abstract

The usage of foreign direct investment (FDI) is a crucial element in the economic growth literature focusing on sustainable development. In the case of the space sector security considerations restrict FDI flows and the market-based creation of multi-national enterprises (MNEs), perhaps even more than they restrict trade. The analysis in this paper applies a sectoral analysis of economic development to the case of the space industry emphasizing the development mechanisms for space infrastructure. The key role of FDI and MNEs is adapted to show that in a government-controlled industry the space companies can still act as a development channel via FDI in a sustainable manner via multi-public-private partnerships. The policy implications also point to the threats of such mechanisms for efficiency and abuse of 'security' considerations for market monopolization.