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Deutsches Institut für
Entwicklungspolitik

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Years | 1964–2014

German Development
Institute



Conference

The Political Economy of International Investment Agreements

Hosted by the German Development Institute / Deutsches Institut
für Entwicklungspolitik (DIE),
in co-operation with the 13. International Investment Initiative of
the World Trade Institute (WTI)

Bonn, 8-9 December 2014

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It is a commonplace by now to say that the international investment regime – consisting of more than 3000 international investment agreements – is in a deep legitimacy crisis. As a result of the sharp increase of investor-state dispute settlement cases in recent years, a growing number of governments and civil society groups in both industrialised and developing economies are questioning the process and substance of IIAs. In addition, the central premise of the international investment regime is being questioned, namely that IIAs lead to more foreign direct investment inflows promoting economic development in the process.

As a consequence, a number of developing country governments are shifting their relationship with the IIA regime by terminating their IIAs or by withdrawing from the International Centre for Settlement of Investment Disputes. Others, including industrialised country governments, have started to re-think their IIA approaches. The days of the simple, 'one size fits all' IIA seem to be numbered. As the number of newly negotiated IIAs has declined in recent years, more complex investment rules are increasingly integrated in preferential trade and investment agreements among larger groups of countries. These treaties typically combine more balanced rules in the post-establishment phase – that aim at recalibrating the rights and obligations of both investors and host states – with market access rules for investment.

In contrast to the voluminous legal literature on IIAs, comprising thousands of articles and books, economists and political scientists have only fairly recently started to investigate the political economy and the effects of IIAs. In light of the recent changes in the international investment regime, the main aim of this conference is bringing together economists and political scientists in particular, as well as legal scholars, who apply empirical methods in political economy – quantitative as well as qualitative – to study the effects of IIAs and the shifts in governments' stance towards them.

The conference will be concluded by a roundtable discussion on "Research needs for policy" in which participants from various international organisations will reflect about future research needs to inform the growing international debate on international investment agreements and the international investment regime.

Programme

8 December 2014

09:00am **Registration and coffee**

09:30am **Welcome note**

Dirk Messner, Director German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

Stephen Gelb, World Trade Institute (WTI)

Introduction to the programme

Axel Berger, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

10:00am **Panel I: The political economy of IIA policy-making: Emerging Markets**

CHI Manjiao, Xiamen University & Centre for Global Cooperation Research

A More Balanced IIA Strategy for China: Current Situation and Future Challenges

Axel Berger & Max Büge, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE), Gesellschaft für internationale Zusammenarbeit (GIZ)

The determinants of Chinese international investment agreements

Stephen Gelb, World Trade Institute (WTI)

The political economy of South Africa's new approach to foreign investment policy

Jan Knörich & Axel Berger, King's College London, German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE)

Friends or foes? Interactions between Indonesia's international investment agreements and national investment law

12:00am **Lunch**

01:30pm **Panel II: The political economy of IIA policy-making: Industrialised Countries**

Chair: Juliane von Reppert-Bismarck, MLEX Market Insight

Nicolette Butler & Gabriel Siles-Brügge, University of Manchester

No 2 ISDS? The EU's New Competence for Investment Protection and the Transatlantic Trade and Investment Partnership (TTIP)

Robert Basedow, London School of Economics

Business lobbying and international investment agreements. The bureaucratic politics behind the international investment regime

Jonathan Bonnitcha, Lauge Poulsen & Jason Yackee, Australian National University, University College London, University of Wisconsin

The impact of IIAs on the UK

Bart-Jaap Verbeek, Radboud University Nijmegen

The EU Investment Policy in Times of Crisis: Towards a Regulatory Paradigm Shift?

03:30pm **Coffee break**

- 04:00pm** **Panel III: Shaping the IIA regime**
Chair: David Gaukrodger, Organisation for Economic Co-operation and Development (OECD)
Dominique Bruhn, Deutsches Institut für Entwicklungspolitik / German Development Institute (DIE)
 Defying gravity? An assessment of the determinants of investment coverage in PTAs
WANG Peng & GUO Jianping, Xi'an Jiaotong University
 Shift of Power and Transformation of IIAs: A Power Structure Analysis of International Investment Agreements Regime
Shahryar Minhas, Duke University
 The Proliferation & Decline of BITs: A Longitudinal Network Perspective
Taylor St John, Oxford University
 The Origins of Advance Consent
- 06:00pm** **End of the first day**

9 December 2014

- 09:00am** **Panel IV: Do IIAs attract foreign investment flows and if so, how?**
Chair: Lauge Poulsen, University College London
Emma Aisbett, Matthias Busse & Peter Nunnenkamp, University Hamburg, University Bochum, Kiel Institute for the World Economy
 Do investment agreements signal a good investment climate or provide protection from a bad one? Evidence from the investment response to disputes
Andrew Myburgh, World Bank
 The economic impact of the New York Convention on FDI
Noel P. Johnston & Jennifer L. Tobin, University of Oxford, Georgetown University
 How BITs Affect International Property Rights
Peter Egger & Filip Tarlea, ETH Zürich
 Revisiting the Causal Impact of Bilateral Investment Treaties on FDI
- 10:45am** **Coffee break**
- 11:15am** **Panel V: Do IIAs limit host country policy space?**
Chair: Leonor von Limburg, Deutsche Gesellschaft für international Zusammenarbeit (GIZ)
Zoe Williams, Berlin Graduate School for Transnational Studies
 Investor-State Disputes in Developed and Developing Countries: Lessons from Canada and El Salvador
Christine Coté, London School of Economics and Political Science
 The chilling effect of globalization: a look at the impact of international investment agreements on national regulatory autonomy in the areas of health, safety and the environment
Tomer Brode, Yoram Haftel & Alexander Thompson, Hebrew University of Jerusalem, Ohio State University
 The Renegotiation of Investment Treaties and Domestic Regulatory Space: an Empirical Analysis

12:30am Lunch

02:00pm **Panel VI: Determinants and effects of ISDS**

Chair: Anne van Aaken, University of St. Gallen

Katharina Luz, Graduate Institute Geneva

Investor-State Arbitration from the Perspective of the Investors

Geoffrey Gertz, Srividya Jandhyala & **Lauge Poulsen**, University of Oxford and Brookings Institution, ESSEC Business School, University College London

Has Investor-State Arbitration Depoliticized Investment Disputes?

Stephan Wittig & Jan Peter Sasse, University of Hamburg, German Federal Network Agency

The Impact of Investment Arbitration: An Event Study Approach

03:30pm Coffee break

04:00pm **Roundtable: Research needs for policy**

Chair: Axel Berger & Stephen Gelb

David Gaukrodger, Organisation for Economic Co-operation and Development (OECD)

Ivan Nimac, World Bank

Leopoldo Rubinacci, European Commission (tbc)

Kimmo Sinivuori, Ministry for Foreign Affairs of Finland (tbc)

05:30pm End of conference

The names of the presenters are highlighted in **bold** characters.

Your directions to the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) Tulpenfeld 6 D - 53113 Bonn

Google map: <http://g.co/aps/5ehk3>

From Bonn Central Station (Hauptbahnhof):

Take the U-Bahn (Subway) U 16 / U 63 or U 66 towards "Bad Honnef / Bad Godesberg" and get off at the station "Heussallee / Museumsmeile". You may buy your ticket at vending machines either at the Station or on board (choose ticket type 1b; 2.50 Euro, coins only). At Heussallee Station, follow the signs towards the Heussallee exit. After coming up the escalator, walk straight ahead for about 50 m and turn right onto the footpath towards the "Tulpenfeld" office complex. Follow the signs across Tulpenfeld to the building of DIE at Tulpenfeld 6.



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