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Division on Investment
and Enterprise

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THE GLOBAL ACADEMIC POLICY RESEARCH NETWORK ON INVESTMENT FOR DEVELOPMENT



VERSION

12/17/2014

I. Shaping a multidisciplinary policy research agenda on investment for development

Over the last few decades the international operations of multinational enterprises (MNEs) have evolved immeasurably in scale and form. Among others, the *integrated international production system* of MNEs of the past has given way to an international investment-trade nexus in the context of their *global value chains* (GVCs) in the present. Related to this, MNEs are much more involved in *non-equity modes* (NEMs) of operation; and, with their exponential expansion worldwide, *new players and investors*, including developing country MNEs, State-owned MNEs, sovereign wealth funds (SWFs) and private equity funds have emerged. Partly driven by national and international policy developments, MNEs' strategies and structure have shaped and are today shaping existing and emerging markets and industries, not least in sectors such as infrastructure and agriculture previously 'off-limits' to the private sector or international investors.

At the same time, the international community is confronted simultaneously with a set of challenges, the scale and complexity of which is virtually unprecedented. These include, climate change and large-scale environmental issues; unsustainable economic and social development, which requires immediate attention to poverty alleviation and inequality, food and energy security, and much more; and the instability of the global economic system, reflecting its inherent volatility. To meet these challenges policy makers, business, civil society and international institutions are engaged in putting in place the sustainable development goals (SDGs) with targets stretching to 2030 and beyond. As discussed in the World Investment Report 2014, meeting the SDGs will be formidable, requiring leadership at all levels; the mobilization of vast funds especially from the private sector (including MNEs); the channelling of the funds as investment in relevant areas; and, above all, ensuring that such investment truly leads to sustainable development.

We are witnessing a step-change in the world economy. Building the future has already begun. Meeting the challenge of investment *for* development, in particular achieving the SDGs, requires among others that investment is reconfigured to better harness the contribution of MNEs for development, especially in light of the contemporary MNE universe and the new balance between the public and private sectors. The issues we face are formidable. Global warming, the loss of biodiversity, poverty, and the intolerable and undignified waste of human potential represent a threat to our very existence. Finding solutions requires the engagement of all investment stakeholders, especially cutting-edge academic research that can shine the light for sustainable alternatives going forward.

Research leaders, such as UNCTAD and academic colleagues have a major role to play in understanding and acting upon key pathways to make investment work for sustainable development, be this through policy making, MNE strategy or investor-community engagement for responsible and effective investment. The areas in which research work is required are immense, so it is necessary to establish an overall framework and within this agree priorities, i.e. a research agenda (see below). The research agenda needs to be:

- *Future-oriented*. It is necessary be more proactive and forward-looking to ensure that investment contributes to a sustainable world for future generations. For example, policy makers and negotiators should have a thorough understanding of the sustainable development implications of their legal commitments in the realm of investment treaties before they negotiate and sign on to these.
- *Policy-oriented*, because at this time of change a stronger relationship is needed between the work of academics, researchers and policy makers.
- *Multidisciplinary* because the issues are highly complex. Working in silos has not served us well. The search for solutions needs to be multi-faceted to reflect the complexities we face.

The multidisciplinary academic conference on 15th October 2014, held during the World Investment Forum (WIF) in partnership with the Geneva Graduate Institute, the Academy of International

Business (AIB), the Society of International Economy and Law (SIEL), and the European International Business Academy (EIBA) was a channel for bringing together academics and researchers to start mapping out the research agenda and establishing a network for joint research. The conference brought together nearly 200 academics from across the world, and a range of disciplines, to consider a common approach to the multifaceted, complex and urgent problématique of investment *for* development (<http://unctad-worldinvestmentforum.org/multidisciplinary-academic-conference/>, annexe 1).

In going forward, the intention is to build on this momentum in terms of the research agenda and academic network (section III), including by expanding the network beyond international business, development economics and law to encompass other fields of relevance to *investment for development*. The network will seek the support of other associations, as well as the active participation of colleagues in areas potentially as diverse as organisational theory, political economy and economic geography.

II. The research framework and agenda

The potential research areas, themes and research questions are vast. Bearing this in mind, UNCTAD devised a research framework – covering key areas in investment *for* development, and drawing on a large set of sources in the literature, including its own work – to harness the energies of scholars in a fruitful way towards agreeing a research agenda. The research framework (the version described here includes inputs from peers and scholars, including from the multidisciplinary academic conference) comprises 6 areas (depicted in the figure on the front page), which are subject to ongoing development as a ‘living document’:

Research Area 1: Opportunities and challenges

The dynamism of the world economy constantly throws up opportunities and challenges for investors and governments alike. Major issues include the rise of GVCs leading to a complex interconnectivity between firms, economies and regions; the internationalisation of new or non-traditional sources of investment (e.g. state-owned multinational enterprises, emerging country investors and private-equity funds); and a need to question conventional wisdom and reconsider a number of “classic” issues, such as market structure, entry strategies, profit repatriation and transfer pricing in the light of new structures and realities. Breaking free of disciplinary silos and conducting multidisciplinary research focusing on these and other issues in order to take advantage of opportunities and meet challenges is essential.

The relevant areas are vast (Table 1), but at the 2014 Multidisciplinary Academic Conference, scholars proposed a number of aspects which might constitute appropriate points of departure. These included, the role of the government; global value chains (GVCs); capacity building, knowledge transfer and innovation; the evolution of institutions (in particular in relation to property rights legislation); a focus on TNC operations beyond the country-level to, for instance, sub-national constituencies including at the city-level; the dynamics of sovereign wealth funds and their impact on FDI flows, state capitalism and related anti-competitive issues; and Social issues related to international investments.

Research Area 2: Systemic Issues and Institutions

Institutional structures exist at different levels of governance (e.g. nationally, bilaterally, regionally, and multilaterally) and include those related to investment dispute settlement. They raise systemic challenges (Table 2). Again, the terrain of research is wide-ranging, and it makes sense to focus initially on certain aspects. As an initial assessment, these might include: the relationship among mixed methods of change adopted by states; the need for data to understand the nature of current regimes (in particular, with respect to data on arbitral claims that have been settled and on the effects of adherence to new treaties on rule of law in states); investor-state disputes (in particular, in relation to the drivers of the stability of the current investor-state system and to whether there should be a dedicated International Court of Arbitration); and the relationship between GVCs and investor-state treaties (in particular, with respect to the improvement of the drafting language of treaties and to the effectiveness of current free trade agreements (FTAs) in addressing the concerns of involved parties).

Research Area 3: Development and Investment Strategies

Mobilizing investment and ensuring that it contributes to sustainable development objectives is a priority for all economies and for developing countries in particular. Investment has to be promoted not only for economic growth as such, but for growth that benefits all, including the poorest. Each country has to identify the (sustainable) development objectives it wishes to pursue and the role which investment is to play in them, especially bearing in mind the rise of the investment-trade nexus, non-traditional sources of investment and other changes in the world economy (Table 3). As with other research areas, some issues stand out as of particular importance for early research focus. For instance, global value chains and the stance of states vis-à-vis: how countries can develop adequate “national development agendas” (national value chains) and in particular, how countries can enter GVCs with maximal gains and minimal costs; linkages between SMEs and MNCs, i.e. how better to develop knowledge linkages from developed to developing countries; rethinking the role of the state to ensure

that FDI effectively fosters both economic and social development as well as social cohesion; and ensuring that countries better take into account the role of new players in the world economy, including diaspora.

Research Area 4: Responsibility and Sustainability

The role of investment in sustainable development, the definition of responsible investment, the conditions, role and parameters of corporate social behaviour have become paramount. Changing patterns of responsibility and sustainability pertain to climate change and large-scale environmental issues, sustainable economic and social development, as well as a number of other issues, including food security, water security, energy security, etc. (Table 4). In this respect a number of issues stand out for initial consideration. For instance, how to change in attitudes, in particular for “soft laws” to have meaning in the context of investment? Is the increased coupling of philanthropy with for-profit activities of multinational firms’ desirable, especially in certain sectors (for example, in infrastructural investments)? Key issues on sustainability include: are levels of investment high enough; how can risk-averse behaviour of firms be overcome; and what balance of rewards and penalties on firms is appropriate for specific developing countries (and overall)?

Research Area 5: Investment Impact

The role of foreign investment in development from all sources, private and public (including ‘not-for-profits’), remains controversial. Open questions linger concerning both the impact of inward FDI on host country development, and the impact of outward FDI on home country development. Research methodologies to undertake impact assessment are contested, need to be refined, and the required data are not readily available. Questions remain regarding both “traditional” areas of impact (employment generation, technology transfer and dissemination, competitive and demonstration effects, etc.) and “novel” ones (e.g. gender differentiated impact issues). Key questions and uncertainties remain regarding the patterns, pathways, and scale of investors’ impacts on development, as well as their likely significance and priorities to policy makers (Table 5). The following research areas, within the scope of the agenda set out in table 5, warrant consideration for initial focus: what makes investments “sticky” and long-lasting? Which institutional frameworks could lead to investments which are more “sticky”? How would one measure them? Sticky investments can have real medium and long-run effects on development through the creation of employment as well as of capabilities for knowledge transfers.

As with all research areas, it is important that methodological considerations should be accorded due weight. For instance, the standard business framework needs to incorporate elements beyond firms and global value chains, and the links between economic and social aspects and economic geography have to be examined. Similarly, policy vs. polity has to be considered, including modelling private sector-state interaction.

Research Area 6: Coherence and Synergies

Increasing dichotomy in policy direction and *interaction* between national and international investment policies, or between investment and other (e.g. trade, taxation, environment, human rights, social or other) policies raises challenges. It is necessary to identify how to make existing and potential future national and international investment policies work better for sustainable development, including by managing their interaction so as to foster coherence and synergies (Table 6).

Areas for early research focus could include: the concept of coherence with regard to differences and diversity in development strategies of countries, e.g. with respect to policies and standards; the content of future international investment agreements (IIAs), e.g. while the old paradigm focused on how to improve treaty negotiations, the new one could consider how to remedy issues in investment treaties; how different approaches to sustainable development have been used in recent treaty chapters; and are regional treaties more effective in achieving the goals pursued than international ones?

TABLE 1 Opportunities and Challenges

Themes	Research Questions
The investment-trade nexus	<ul style="list-style-type: none"> • What are the conceptual implications of the rise of GVCs and the investment-trade nexus in a multidisciplinary context? (E.g. for structural forms and coordinating mechanisms) • What are the investment-development consequences of specific non-equity modes (NEMs) individually (e.g. international outsourcing, contract management etc.) and in combination with FDI and trade? How does e-commerce fit into the analysis? • How are the dynamics of the division of labour to be understood in an era of GVCs? • How important are regional value chains in the new division of labour? In this context, does inter-regional connectivity make sense? • How does MNE activity play out at the subnational level, including at the city level (e.g. because of agglomeration economies, existing or fostered)? • Sectoral issues: e.g. what are optimal entry modalities by sector (e.g. outgrowers in agriculture, management contracts in infrastructure etc.) for companies and countries?
New sources of international investment	<ul style="list-style-type: none"> • How do the characteristics, motives and dynamics of new or "non-traditional" MNEs/investors impact on investment flows and development (e.g. emerging country investors, SO-MNEs, SME-MNEs, diaspora, institutional investors, SWFs, private equity funds etc.)? What are the implications for <i>different</i> types of developing countries? • What are the implication in specific areas, e.g. security considerations (SO-MNEs, SWFs), types of investment (FDI, NEM preferences, time-horizons) and technology transfer? • How will they evolve and what does this mean? E.g. divergence between emerging country MNEs (moving up the value chain through M&As) and their home economies?
International capital flows	<ul style="list-style-type: none"> • How can capital flows and trade surpluses be more effectively harnessed for sustainable development? Who are the key players and what parameters determine their effectiveness in this regard? • How do governments anticipate and deal with unintended consequences of their actions in an interconnected world? Should they? E.g. quantitative easing (QE) in home countries leading to investment in developing countries (for instance, Japanese MNEs in Indonesia) • How do the actions of international financial institutions affect the flow of funds to sustainable development sectors? What can be done? • How can countries use specific rights, facilities etc. (e.g. IMF debt limits policy) towards sustainable development, or leveraging investment in relevant sectors? • Is the current global system of governance effective in managing trade, finance and investment,

	especially from a development perspective?
Mobilizing finance and investment for development	<ul style="list-style-type: none"> • What are the relative propensities of existing and new or "non-traditional" MNEs/investors in financing or investing in developing and emerging economies, including in sustainable development goals? • What factors explain these propensities, which are the most important, and to what extent can they be changed? In particular, which policies and investor mind-sets encourage or inhibit investment in developing countries or specific sustainable development projects? • How can the flow of funds be enhanced, especially from the private sector including through: <ul style="list-style-type: none"> ○ E.g. a supportive international financial system (what are the parameters), new financial instruments? ○ E.g. new approaches (e.g. home-host country IPA partnerships)? ○ E.g. leveraging public sector/ODA to encourage additional investment (how)? • How do “global philanthropic partnerships” affect financing and investment in developing countries, especially poorer ones? E.g. Are they complementary to other flows, or are they substitutes (with no net gain). Either way, is the composition of flows affected?
Classic issues revisited, extended	<ul style="list-style-type: none"> • How are institutions evolving in relation to changes in the world economy, including vis-s-vis property rights? • Internationalisation dynamics, entry strategies, M&As v. greenfield, wholly-owned v. joint ventures v. NEMs, and organizational forms. • Market structure, performance, profitability, tax/profit repatriation, monopoly and transfer pricing. • The internationalization of functions (human resources, finance, marketing etc.), including through NEMs, and implications for development. • Support to engender internationalisation of SMEs. • Power relations between governments, MNEs and other actors (in general and in key investment-related areas). • Concerns about economic, political and cultural dominance. • MNEs and industrialisation strategies, sectoral differences (natural resources, services, infrastructure) and regionalization integration. • Innovative activities, ownerships and structures.
Methodology and statistics	<ul style="list-style-type: none"> • Which new/adapted methodologies are needed, including multi-disciplinary components, to conduct policy-orientated research on highly complex phenomena (e.g. the investment trade nexus, and all its elements and ramifications, new types of investors, etc.)? • Which key statistics are needed to support research in light of the contemporary world economy?

- What ways or means (a global task-force(s)?) can be devised to ensure that methodologies are disseminated; statistics are collected and made available: etc.? What is realistic, what is not? What are the alternatives (is a satisfying solution possible, feasible)?

Source: UNCTAD

TABLE 2 Systemic Issues and Institutions

Themes	Research Questions
Systemic change of the IIA regime	<ul style="list-style-type: none"> • Does the world need a multilateral treaty on investment and/or a multilateral investment organization? • Towards a 21st century model investment agreement? • Defining better the relationship(s) between GVCs and investor-state treaties (in particular, with respect to the improvement of the drafting language of treaties and to the effectiveness of current free trade agreements (FTAs) in addressing the concerns of involved parties). • Creation of a model international investment code (best practices) that countries could subscribe to (à la UNCITRAL Model Law on International Commercial Arbitration)? • Dealing with the obsolete / existing treaty network – how to update and modernize? (Including the relationship among mixed methods of change adopted by states; and improving approaches to improve drafting of agreements by states.) • What are best possible ways to reform the IIA regime? A roadmap for reform requires understanding of the different methods – and milestones – for pursuing reform in a balanced manner. What are they?
Dispute settlement under IIAs	<ul style="list-style-type: none"> • Firm-level decision making in ISDS - what is the empirical evidence on the use of ISDS? <ul style="list-style-type: none"> ○ Including secular factors such as the reduction of arbitration costs through the use of technological advances for evidence. ○ Collection of better data to understand the nature of current regimes (e.g. on arbitral claims, adhesion to new treaties etc.) • Investment arbitration – how to simplify the process in order to make it less costly and time-consuming? • Establishing an appeals facility or an international investment court – what are possible approaches and solutions? • What is the role of Contracting States vis-à-vis investment tribunals? • Settlements in investment arbitration – how to ensure transparency of settled cases? • How to enhance enforcement of arbitral awards against sovereign States?

	<ul style="list-style-type: none"> • Is there a place for regional investment courts? A dedicated international Court of Arbitration? • Applicability and hierarchy of non-investment international treaties in ISDS?
Investment promotion institutions	<ul style="list-style-type: none"> • A new role for investment promotion agencies - how to make SDGs part of their promotion strategies? • Devising effective means for investment promotion by home States – what can be done, including in IIAs? • Preparing bankable SDG investment projects - existing challenges and how they can be addressed. • Global value chains (GVCs), investment promotion agencies (IPOs) and trade promotion agencies (TPOs) should coordinate their activities closely. How to do it?

Source: UNCTAD

TABLE 3 Development and Investment Strategies

Themes	Research Questions
Sustainable and inclusive growth as the new development paradigm	<ul style="list-style-type: none"> • What is the potential for more private investment in sustainable development? In which sectors/industries? And what policies are needed to mobilize and channel the investment? • How to manage dynamic and static (current endowments) policy parameters to do this with regard to the development paradigm (and the contemporary world economy), including: <ul style="list-style-type: none"> ○ Development vision, industrial policy, innovation (R&D) strategy, openness to investment and trade-offs; ○ "Endowments" such as economic development, investment/trade positions, geopolitical factors, bilateral/regional cooperation and treaty negotiating partners. • What are the strategic objectives of inward and outward investment in this context? • What are the main investment-related and other development concerns?
Translating development strategy into national investment policies	<ul style="list-style-type: none"> • In what ways do GVCs are other major changes in the world economy altering, hindering, and supporting national development agendas? From a country perspective, what are the essential characteristics of development-focussed value chains (i.e. orchestrating value chain development in light of both national objectives and the structure of established GVCs)? • Recognizing the diversity between types of state, how does the nature of the state affect national strategy towards investment? • Freeing private investment in SDG or sensitive sectors and the need to regulate (e.g. water

	<p>infrastructure). How to balance the two potentially conflicting objectives? E.g. what are effective regulatory mechanisms or partnering arrangements?</p> <ul style="list-style-type: none"> • How best to establish effective linkages and relationships between local enterprises (including SMEs) and MNEs? • Is it possible to establish win-win outcomes, i.e. improving the risk-return ratio for private investors AND other stakeholders? What does this entail? How is it measured? • How to maximize the impact of <i>investment-related</i> industrial and other policies? • How to monitor, classify and analyze national investment policies so as to improve an understanding of their sustainable development impact?
Translating development strategy into international investment policies	<ul style="list-style-type: none"> • Investment and development strategies: what is the role of IIAs? How can IIAs help promote the fair and sustainable use of natural resources, infrastructure development and raising funds for SDGs? • Countries' priority economic sectors – can, and should, this be reflected in IIAs? • Focus on performance requirements: how to ensure that IIAs do not preclude implementation of industrial policies? • Treaty exceptions and reservations – taxonomy of approaches to achieve different objectives, including those relating to industrial policies. • Investment contracts that go against the interests of the host state: should there be a right to force a renegotiation? • Trends in investment dispute settlement – what is the sustainable development impact (what is the empirical evidence, and sector and country specific case studies)?

Source: UNCTAD

TABLE 4 Responsibility and Sustainability

Themes	Research Questions
Responsible investment and sustainable development	<ul style="list-style-type: none"> • What is responsible investment? What are the factors influencing the relationship between investment and sustainability? • What forms must responsible investment by investors (especially MNEs) take to help address specific critical sustainable development challenges? (Including funding, structure of activities, behaviour.) <ul style="list-style-type: none"> ○ E.g. challenge of responsibility across a wide-array of issues: climate change and large-scale environmental issues; sustainable economic and social development (including poverty

	<ul style="list-style-type: none"> alleviation); stability of the global economic system; etc...; ○ E.g. operationalizing responsibility in the face of multiple, inter-related social or environmental issues, e.g. for the latter: biodiversity, water resources, carbon emissions etc.; ○ E.g. In the context of GVCs: coherence of responsible MNE practices globally (e.g. global carbon footprints). • What are the implications of hybrid activities, e.g. coupling philanthropy with for-profit activities of MNEs (say in infrastructure investments)? • How effective are penalties on firms with unsustainable strategies? What alternatives can be devised, including vis-à-vis reputational risks?
<p>Investment in SDG-related sectors (sustainable development goals)</p>	<ul style="list-style-type: none"> • How does investment impact: (1) poverty reduction; (2) income inequality; (3) human rights; (4) human development; (5) gender inequalities; (6) education gap; (7) social cohesion; (8) food security; (9) access to medicine, etc. ... (individually and together)? • How prevalent is investment in SDG sectors (e.g. infrastructure, agriculture, rural development)? How prevalent could or should it be? How can the level of investment be raised (and what forms should it take)? • How can risk taking for more responsible investment be promoted and incentivized (including addressing perceptual concerns)?
<p>Corporate self-regulation, policies and institutions</p>	<ul style="list-style-type: none"> • How wide-spread is social responsibility among firms as self-regulation in their home countries and internationally (“soft laws”)? Which factors influence the spread? <ul style="list-style-type: none"> ○ E.g. firms' self-regulation: establishment of standards and codes of conduct, industry level self-regulation, development of monitoring mechanisms...? ○ E.g. how does a responsible investor deal with multiple, overlapping or contradictory responsibilities? ○ E.g. Handling intentional versus unintentional environmental impact of investment? • What is the impact of CSR on home and host country development? (How is it measured?) • What is the moderating role of policies and institutions? (For instance, those related to intellectual property rights, impact of and on corporate governance.) <ul style="list-style-type: none"> ○ How could States encourage and/or require responsible investing? ○ How do/could IIAs encourage CSR? • Should new codes, principles and standards for responsible investment be created (or existing ones adapted)? By who? What should be covered? <ul style="list-style-type: none"> ○ E.g. assessment of standards and codes of conduct initiated by governments, the private sector and NGOs; ○ E.g. influence of rising bilateral and multi-stakeholder initiatives; ○ E.g. application in different sectors, e.g. agriculture, extractive industries.

Promoting responsible and sustainable investments in IIAs	<ul style="list-style-type: none"> • Is it feasible to limit treaty coverage to sustainable and responsible investments? If so, how can they be defined in an IIA? • What treaty mechanisms could ensure that investments are managed in a responsible and sustainable manner? • Can legally binding duties be imposed on investors in an IIA? • What is the role of CSR codes and internationally recognized principles (e.g. OECD Guidelines)? Can they be integrated in, or work alongside, IIAs?
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Source: UNCTAD

TABLE 5 Investment Impact

Themes	Research Questions
Scale, patterns and pathways of impact	<ul style="list-style-type: none"> • How do the structures of the contemporary (and evolving) world economy, new investors, and policy directions alter the scale, patterns and pathways of investment impact on development , as well as their likely significance and priorities to policy makers? • How does the impact differ depending on the types of firms and their strategic objectives? <ul style="list-style-type: none"> ○ E.g. on inclusive growth and capital exports? ○ E.g. on technology dissemination, technology gaps, jobs and skills creation, etc...? ○ E.g. on inclusive linkages and social entrepreneurship? • What is the moderating role of capacity and capacity building? <ul style="list-style-type: none"> ○ Implications of capacity and technological gaps between countries; ○ Investors roles in building capacity in host countries; ○ Key role of local institutions (formal and informal) in raising the potential for technological upgrading. • What makes investments “sticky” and long-lasting? <ul style="list-style-type: none"> ○ What are the benefits (e.g. employment, capacity-building, knowledge transfer) and dis-benefits (e.g. dominance of sectors and activities by few/foreign firms at least in the medium run)? ○ How can they be measured and monitored?
Spillovers and linkages	<ul style="list-style-type: none"> • What are inclusive spillovers and linkages? How can they be enhanced? <ul style="list-style-type: none"> ○ E.g. what is the employment impact in terms of gender? ○ E.g. what do/should inclusive business linkages look like, including with non-firm actors?

	<ul style="list-style-type: none"> ○ E.g. what is the impact of cluster linkages at the base of the pyramid? How to target such investment better? • What are the "novel" impacts that need further investigation? E.g. gender differentiated or inter-generational issues.
Methodological and data challenges	<ul style="list-style-type: none"> • How to address the current limitations in terms of lack of data? What are the methodological limitations to assessing FDI impact? <ul style="list-style-type: none"> ○ Quantifying the widening MNE-host country interface (especially because of the evolving use of NEMs) requires the expansion of data collection and processes. ○ The means through which the economic impact of investment occurs is (relatively) well known, but methodological challenges and contextual variations remain - and there are non-economic impacts (social, cultural, political). ○ Specific methodological/statistical challenges related to sustainable development. • How to incorporate other approaches, such as economic geography, to better delineate and understand the links between, economic, social, environmental and other aspects? (For example, understanding the impact of an investment in given space(s), as well as the interaction with local/national/international state interventions.) • Policy vs. polity: <ul style="list-style-type: none"> ○ How does the private sector influence governments and states? ○ How to refine industrial policies? Through public-private cooperation, more systemic and strategic outcomes could be achieved. • Can a multidisciplinary approach help improve our knowledge of "traditional" areas of impact (employment generation, technology generation, dissemination and technology transfer, competitive and demonstration effects, etc...)?

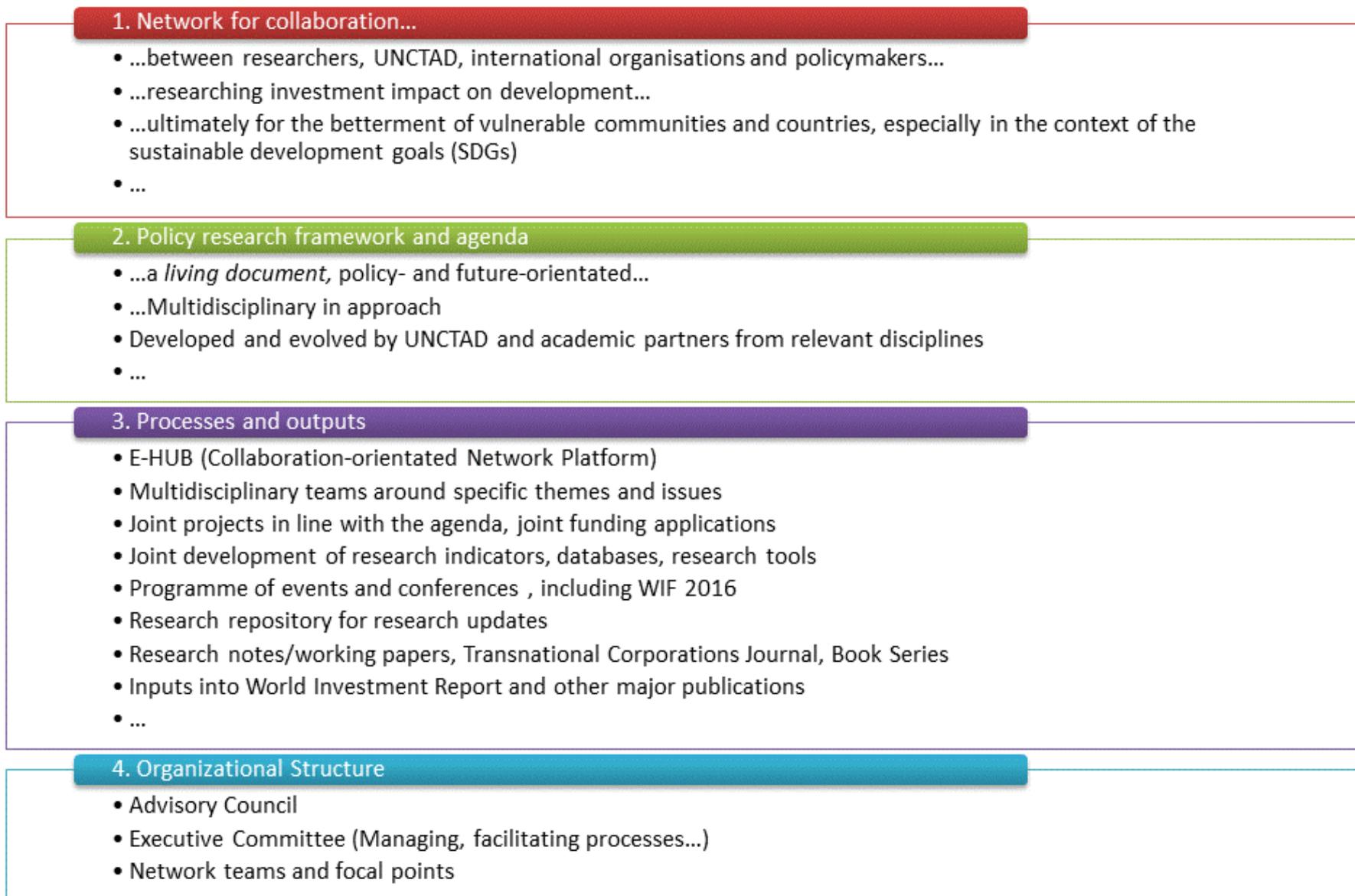
Source: UNCTAD

TABLE 6 Coherence and Synergies

Themes	Research Questions
Overall policy coherence	<ul style="list-style-type: none"> • How to manage the interaction between national and international investment policies, or between investment and other policies (e.g. trade, taxation, environment, human rights, social or other), with a view to fostering coherence, synergies, and sustainable development impacts? • How to manage the complexities and inconsistencies that arise from increasing dichotomy in policy direction? • Devising rules that would provide a high level of investment protection but leave sufficient flexibility for legitimate policies: a taxonomy of tools. • What is the best possible treaty coverage (e.g. how to define "sustainable" or "good" investments)? • Applicability and hierarchy of non-investment international treaties in investment arbitration? • Fostering GVC-related trade and investment for sustainable development? What is the role of IIAs?
Content of IIAs	<ul style="list-style-type: none"> • IIA reform requires drafting options that maximize the sustainable development benefits that can arise from IIAs (including regarding substantive clauses, treaty interaction and dispute settlement). What are key issues? What are priorities? What are workable solutions? • Investment treaty making – what lessons can be learned from other fields of international law and policy? • Judicial dialogue in international trade and investment dispute settlement. • How to incorporate special and differential treatment in IIAs? • How to devise rules on compensation that would be acceptable to investors and do not “break the back” of states? Should “full compensation” always be the rule? • Treaty shopping by corporate structuring – how to adjust IIAs?
New global trends and challenges, and their impact on IIAs	<ul style="list-style-type: none"> • Regionalism: the regional policy dimension creates opportunities and challenges, particularly with respect to treaty interaction. How to address this? • Terrorism and investment protection – what is the extent of host state responsibility to foreign investors? • Corruption and IIAs: Punishing states’ populations for the conduct of their corrupt officials? How to shift responsibility to the true culprit?

Source: UNCTAD

Figure 1: Key elements of the research network



III. Next Steps

The current paradigm shift in policy from liberalization to regulation, as well as towards an emphasis on sustainable development goals, creates a great demand for research, policy analysis and consensus building among member states. The time is thus opportune for UNCTAD and academia to join forces in establishing a common multidisciplinary research agenda, to be fostered and implemented through a research network.

This joining of forces was discussed, and the idea embraced, during the multidisciplinary academic conference and a number of inter-related elements were agreed and since have been further refined (figure 1).

First, a network for collaboration between researchers at UNCTAD, the academic community, policymakers and others (“the network”) will be established and built upon. The network is focused on researching for impact, ultimately for the betterment of vulnerable countries and communities, especially in the context of sustainable development.

Secondly, the network agrees and will continue to refine a multidisciplinary research agenda on investment for development (MRAID), bearing in mind:

- It is a detailed, systematic *living document* which is policy and future-orientated.
- Multidisciplinary in approach
- Developed by UNCTAD, academic partners from all disciplines, and other stakeholders

Thirdly, a number of processes and outputs will be established or further developed to achieve the aims and objectives of the network, including:

- An E-HUB (Collaboration-orientated Networking Platform)
- Multidisciplinary teams around specific themes and issues
- Joint projects in line with the agenda, joint funding applications
- Joint development of research indicators, databases, research tools
- Programme of events and conferences, including WIF 2016
- Research repository for research updates
- Research notes/working papers, Transnational Corporations Journal, Book Series
- Inputs into World Investment Report and other major publications

Finally, the above elements will be developed further in the next few weeks, including establishing an advisory council, executive committee and network teams/focal points, working closely with network partners.



Multidisciplinary Academic Conference

ANNEX 1

Speakers, Chairs and UNCTAD Staff

Plenary Session

James Zhan, Director, Division on Investment and Enterprise (DIAE)

Peter Buckley
Professor of International Business
Director of the Centre for International Business (CIBUL)
University of Leeds

Gabrielle Marceau
President, Society of International Economic Law (SIEL)
Senior Counsel, Legal Affairs Division, World Trade Organization (WTO)
Associate Professor, Faculty of Law
University of Geneva

Robert Grosse
President, Academy of International Business (AIB)
Dean School of Business Administration, American University of Sharjah

Jean-Louis Arcand
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