


Belarus State Economic University

Educational institution

APPROVED

The Rector of Belarus State Economic
University, educational institution

 V.N. Shimov

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Registration No UD 3245-17 syllabus.

**FOREIGN DIRECT INVESTMENTS AND INTERNATIONAL
INVESTMENT AGREEMENTS**

Syllabus for Master's program

Specialization 1-25 81 01 «International Economics and Trade Policy»

2017

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Recommended for approval:

by the Department of World Economy, Belarus State Economic University

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by the Scientific and Methodological Council, Belarus State Economic University

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Explanatory note

The course of Foreign Direct Investment and International Investment Agreements is a compulsory course in education of masters in international economy, as it reflects the most important features in foreign direct investment in an open economy on the contemporary stage of the world economy development and regulation instruments, which are connected with the peculiarities of internationalization and globalization.

The object of the course of Foreign Direct Investment and International Investment Agreements is study of dynamics, determination and impact of transnational investment in the open economy, using various approaches and schools.

The objective of the course is developing of masters' systemic knowledge and skills in the sphere of analysis and governance of Foreign Direct Investment in economy at the macrolevel taking into consideration features of interactions between IIAs and other areas of small open economy development.

Targets of the course (implementation of requirements to qualification):

- comprehension of theoretical propositions in dynamics of foreign direct investment in the open economy, using various approaches and schools;
- learning of the structure and content in approaches to government of the foreign direct investment in the open economy;
- learning of the international practice in the governing of the foreign direct investment parameters in the open economy;
- obtaining skills in identifying of the peculiarities in dynamics and changes of the foreign direct investment in the open economy and examination of their macroeconomic government, international investment agreements including.

After learning of the course master must:

have known:

- main issues in the foreign direct investment area;
- the terms of dynamics, determination and impact of foreign direct investment in the open economy;
- interactions between IIAs and other areas of small open economy development;
- peculiarities of different international investment agreements;

be good in:

- identifying the notion of FDI, its determinants and impacts on the open economy;
- application of key issues and features in International Investment Agreements;

have skills in:

- application of various concepts and definitions in determination of foreign direct investments;
 - using of the determinants of foreign direct investment in economic tendencies' analysis;
 - identifying of the content of foreign direct investment policies in home and host countries;
 - application of the main principles in International rules on FDI in economic tendencies' analysis;
 - using of the main issues and features of foreign direct investment in International Investment Agreements;
 - identifying of the interaction between IIAs and other areas.

Total academic hours for the course – 108, including total academic hours in auditorium – 36, including 30 h – lectures, 6 h – seminars. Form of control – an exam.

The course of Foreign Direct Investment and International Investment Agreements is based on the knowledge abstained during studies of International Economic Relations on the first level of education.

CONTENT OF TEACHING MATERIALS

Theme 1. Foreign direct investment: theoretical framework.

International investment: direct and portfolio forms.

Features and peculiarities of foreign direct investment (FDI) and overseas direct investment (ODI). Subjects and objects of FDI relationships, FDI components and classification of FDI. Types of FDI direct investment enterprises (DIE). Reverse, round-tripping, transit FDI and indirect DIE. Special purpose entities.

Features of portfolio investment. Debt and equity forms. Short-term and long-term of portfolio investment.

Contemporary theories of foreign direct investment. Theories of determination of overseas direct investment. Theories of FDI determination. Theories of foreign direct investment impacts on countries economic development.

Theme 2. Multinational enterprises and international production: long-term trends and contemporary models.

Transnationalization: definitions and modes. Internalization and externalization. Types of multinational enterprises.

Leading multinational enterprises: role, structure, their activities assessment and trends in development. Transnationality index. Geographical spread index.

Modes and foreign direct investment strategies of enterprises.

Greenfield investment. Purchases of enterprises overseas. Strategic alliances as modes of international production. Joint ventures and other types of international investment strategies. Cross-border mergers and acquisitions as a type of foreign direct investment strategy. Types, factors, scales of cross-border mergers and acquisitions in contemporary world economy.

Theme 3. Measurement of foreign direct investment and international production.

The role of foreign direct investment in the world economy and international production. Indexes of quantity and quality of transnational investment.

Dynamics of foreign direct and overseas direct investment by forms, components, geographical and industrial structure. Tendencies and peculiarities across the home countries and the host countries.

FDI income and ODI income: dynamics and structure.

Theme 4. Determinants of foreign direct investment.

FDI determinants and ODI determinants. Dependency of the determinants on the industry, strategies of investment, economic development of home and host countries.

Investment climate: composition and methods of evaluation. Transnational investment risks. Ratings of investment climate assessment.

Theme 5. Foreign direct investment impacts on economic development

Foreign direct investment impacts on economic development of home countries. Levels and channels of impacts. Direct and indirect ODI-effects.

Foreign direct investment impacts on economic development of host countries. Levels and channels of impacts. Direct and indirect FDI-effects.

Peculiarities of ODI- and FDI-effects across the countries and industries. Interdependency of transnational investment determinants and impacts.

Theme 6. Foreign direct investment policy.

FDI-policy. Investment regimes: definitions, absolute and relative types of the regime. Structure of FDI national regulations measures. Structure of FDI promotion measures.

Theme 7. Sub-national regulation of transnational investment.

Regulations of foreign direct investment by regional and international agreements. International investment provisions in economic integration agreements.

Interregional investment agreements. OECD regulatory framework. IMF and World Bank regulation of foreign direct investment. International investment agreements within WTO.

Theme 8. Main issues and peculiarities of international investment agreements.

Bilateral investment treaties: structure, content, advantages of bilateral regulation. Peculiarities in IIA provisions in international practice of different groups of countries.

Trends in reforms of international system of transnational investment regulation. New types of bilateral investment agreements (India, Brazil, China).

New approaches in foreign direct investment regulations in bilateral treaties with investment provisions.

TEACHING AND METHODOLOGICAL CARD OF THE COURSE

« Foreign Direct Investment and International Investment Agreements »

Specialization 1-25 81 01 «International Economics and Trade Policy»

(Full-time master programme)

Theme number	Theme	Quantity of Academic Hours in auditorium						Testing
		Lectures	Practical classes	Seminars	Laboratory work	Self-studies	Other	
1	2	3	4	5	6	7	8	9
1	Foreign direct investment: theoretical framework.	4	-	2	-	-	Power Point Presentation, handouts, reading [1, 2, 3, 5, 7, 9]	Oral test
2	Multinational enterprises and international production: long-term trends and contemporary models	4	-	1	-	-	Power Point Presentation, handouts, reading [1, 5, 14]	Oral test

3	Measurement of foreign direct investment and international production	3	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 3, 5, 6, 13, 14]	Oral test
4	Determinants of foreign direct investment	4	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 5, 6, 7, 10, 12]	Oral test
5	Foreign direct investment impacts on economic development	4	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 5, 6, 7, 9, 12]	Oral test
6	Foreign direct investment policy	3	-	0,5	-	-	Power Point Presentation, handouts, reading [1, 5, 7, 10, 11, 17]	Oral test
7	Sub-national regulation of foreign direct investment	4	-	1	-	-	Power Point Presentation, handouts, reading [1, 4, 5, 7]	Oral test
8	Main issues and peculiarities of international investment agreements	4	-	1	-	-	Power Point Presentation, handouts, reading [4, 5, 6, 7, 12]	Oral test
	Total	30		6				Final test

Informational and methodical chapter

Methodical recommendations for self-studies of master students on the course of Foreign Direct Investment and International Investment Agreements

Self-studies of master students are very important stage in obtaining the knowledge on the course. In average 2-2.5 h is recommendable for the self-studies in proportion for each 2 h of classes.

Main components of self-studies for master students are the following:

- detailed review of the course syllabus;
- examining the reading list of the course, obtaining it in the library and in different other available sources, studies of the literature on the theme and additional literature selection;
- studies on the bases of expansion the lectures' materials at expense of the special literature and consultations;
- preparations for seminars which are based on elaborated outlines with references on obligatory and additional literature;
- current testing;
- preparations for final exam.

Reading:

Obligatory

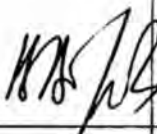
1. Международные прямые инвестиции в развитии мировой экономики XXI века/ Е.Н. Петрушкевич. - Минск: РИВШ, 2016. – 252 с.
2. Хасбулатов, Р. И. Международные финансы: учебник для магистров / Р. И. Хасбулатов. — М. : Издательство Юрайт, 2014. — 567 с. — Серия : Магистр.
3. Иностранные инвестиции / Матраева Л.В., Филатова Ю.М., Ерохин С.Г. - М.:Дашков и К, 2014. - 248 с.
4. Инвестиционное право: учебник для бакалавриата и магистратуры / Н. И. Беседкина, А. М. Косулина, А. А. Овчинников, Е. С. Якимова. — 3-е изд., перераб. и доп. — М.: Издательство Юрайт, 2017. — 273 с.
5. Economic and legal aspects of FDI. Teaching materials - New York, Geneva: United Nations, UNCTAD Virtual Institute, 2012. – 316 p.

Additional

6. Trends in FDI, home country measures and competitive neutrality/ К. Р. Sauvart [et al.]. - New York: Columbia University, 2014. - 118 p.
7. Петрушкевич, Е.Н. Прямые иностранные инвестиции в экономическом развитии стран с транзитивной экономикой – Минск: Мисанта, 2011. – 399 с.
8. Шмарловская, Г.А. Инвестиционный климат Республики Беларусь и стратегия привлечения иностранных инвестиций / Г.А. Шмарловская, Е.Н. Петрушкевич – Минск: Дикта, Мисанта, 2012. – 159 с.
9. Костюнина, Г.М., Ливенцев, Н.Н. Международное движение капитала: учебник // Г.М. Костюнина, Н.Н. Ливенцев. - М.: Экономистъ, 2004. – 363 с.
10. World Investment Report 2012: Towards a New Generation of Investment Policies. - New York, Geneva: United Nations, UNCTAD, 2012. - 204 p.
11. World Investment Report 2013: Global Value Chains: Investment and Trade for Development. - New York, Geneva: United Nations, UNCTAD, 2013. - 236 p.
12. World Investment Report 2014: Investing in SDGs: an Action Plan. - New York, Geneva: United Nations, UNCTAD, 2014. - 229 p.
13. World Investment Report 2015: Reforming International Investment Governance. - New York, Geneva: United Nations, UNCTAD, 2015. - 218 p.
14. World Investment Report 2016: Investor Nationality: Policy Challenges. -- New York, Geneva: United Nations, UNCTAD, 2016. - 193 p.

15. UNCTAD Training Manual on Statistics for FDI and Operations of TNCs. Vol. 1: FDI Flows and Stock Data - New York, Geneva: United Nations, UNCTAD, 2009. - 150 p.
16. Patterns of Internationalization for Developing Country Enterprises (Alliances and Joint Ventures) - Vienna: United Nations, UNIDO, 2008. - 225 p.
17. OECD Code of Liberalisation of Capital Movements. - Paris: OECD, 2016. - 179 p.

PROTOCOL OF COORDINATION OF THE TRAINING PROGRAM

Name of the discipline with which to negotiate	Name of the department	Proposals for changes in the content of the curriculum studied academic discipline	Action taken by the Department that developed the curriculum (with date and non-Protocol)
1	2	3	4
Macroeconomic (advanced level)	Department of economic theories	<i>No</i> Vorob, ev V.A. 	No changes are required. Protocol № 10 09.03.2017