

FUNDAÇÃO DOM CABRAL



DEVELOPING EXECUTIVES AND COMPANIES



THE COLUMBIA PROGRAM ON
INTERNATIONAL INVESTMENT
A JOINT PROGRAM OF THE COLUMBIA LAW SCHOOL
AND THE EARTH INSTITUTE AT COLUMBIA UNIVERSITY



Special Unit for South-South Cooperation

**International Conference
on**

The Rise of Transnational Corporations from Emerging Markets: Threat or Opportunity?

**Columbia University, Lerner Hall, Room 555
New York, October 24-25, 2006**

PROGRAM

Columbia Program on International Investment Columbia Law School/Earth Institute

The Columbia Program on International Investment seeks to be a thought leader on issues relating to the role of foreign direct investment in today's world economy and, in particular, the public policy and international investment law implications to which this role gives rise. It is a joint program of the Columbia Law School and the Earth Institute. The Program is partly supported by the UN Millennium Project and Mark and Gail Appel.

Fundação Dom Cabral

Fundação Dom Cabral is a prominent center for developing executives and companies in Latin America, based on dialoguing with, and listening to, business people, and supported by applied research. It seeks to build integrated educational solutions that combine business and manager development, graduate-level education and company partnerships.

Special Unit for South-South Cooperation United Nations Development Programme

UNDP's Special Unit for South-South Cooperation provides support to global and system-wide public-private partnership platforms that enable all development partners to play a contributive role in support of South-South and triangular cooperation to achieve the MDGs and other internationally agreed development objectives.

Background

In the broader context of the integration of emerging markets into the world economy, these countries are increasingly also participating in this process through outward foreign direct investment (FDI) by their firms. This policy-oriented conference addresses a number of issues that arise in this process for firms and host and home country governments.

FDI flows have risen significantly over the past three decades, from about \$40bn in the early 1980s, to a peak of \$1.4 trillion in 2000 and are expected to be \$1.2bn in 2006. The lion's share of this investment traditionally has come from transnational corporations (TNCs) headquartered in developed countries.

However, recent years have seen the rise of TNCs from emerging markets, led by firms from China, India, Korea, Singapore, Thailand, Argentina, Brazil, Chile, Mexico, Egypt, South Africa, and Russia. Flows have reached some \$130bn (roughly three times more than world flows 30 years ago), and the stock is about \$1.4 trillion.

The rise of TNCs from emerging markets has received some public attention (e.g. take-overs (or attempts thereof) by Chinese firms in the US), and is receiving increasing attention in academia.

This development gives rise to a number of issues. They begin with the question of why firms from emerging markets invest (or have to invest) abroad and what issues they face when doing so, as well as what their transnational growth patterns are and how this growth differs from that of firms from developed countries some 30 years ago. There are also some issues that are relatively new, such as corporate governance and corporate social responsibility – issues that now receive considerable attention by the public and in policy making. Since emerging markets are typically capital importing countries, the question also arises how their (emerging) home countries benefit from outward FDI and which policies these countries should pursue in terms of liberalizing their outward FDI policies in a manner that is beneficial to them and supports the international competitiveness of their firms. At the same time, the rise of TNCs from emerging markets has been noted in a number of host countries, partly as a new source of FDI that can be tapped, but partly also as a new policy challenge that may give rise to protectionist reactions. These (and related) issues will be examined in this Conference.

The peer-reviewed papers, once revised in light of the conference, will be published.

A meeting of representatives of business schools and other organizations will take place immediately before the Conference, in order to exchange experiences on how to help firms from emerging markets become transnational and to launch the Global Players Project.

Program

Tuesday, 24 October 2006

9:15-10:00 Breakfast and registration

10:00-10:30 Welcome and opening

David M. Schizer, Dean and the Lucy G. Moses Professor of Law, Columbia Law School

Yiping Zhou, Director, Special Unit for South-South Cooperation, United Nations Development Programme

Emerson de Almeida, President, Fundação Dom Cabral (FDC)

Opening: “The growth of FDI from emerging markets: the issues”, **Karl P. Sauvant**, Executive Director, Columbia Program on International Investment; Co-Director, Millennium Cities Initiative

10:30-11:00 Keynote: Jeffrey D. Sachs, Director, Earth Institute at Columbia University; Quetelet Professor of Sustainable Development, Columbia University; Special Advisor to UN Secretary-General Kofi Annan

11:00-11:15 Coffee/tea break

11:15-13:00 Roundtable I: What’s in it for firms?

Chair: Richard N. Gardner, Professor of Law and International Organization, Columbia University

1. "Challenges faced by firms from China", **James P. Shaughnessy**, Senior Vice President and General Counsel, Lenovo
2. "Challenges faced by firms from India", **Ravi Kant**, Managing Director, Tata Motors, Ltd.
3. "Challenges faced by firms from Brazil", **Alessandro Giuseppe Carlucci**, Chief Executive Officer, Natura Cosméticos

Lead discussant:

Eddie Chen, Chief Representative for China of the Invest in Sweden Agency

13:00-15:00 Lunch – Sponsored by Natura Cosméticos
The Faculty House, President’s Room (2nd Floor), Columbia University

Luncheon address “The internationalization of supply chain management: the experience of Brazilian industrial companies”, **Paulo Tarso Vilela de Resende**, Professor of Supply Chain and Logistics, FDC, **Alvaro Bruno Cyrino**, Professor of International Business, FDC, and “The Global Players Project”, **Luiz Carlos Carvalho**, Internationalization Studies Center Director, FDC

15:00-17:30 Roundtable II: Exploring the growth and pattern of outward FDI from emerging markets

Chair: Lisa Anderson, Dean of the School of International Public Affairs and James T. Shotwell Professor of International Relations, Columbia University

4. "Do firms from emerging markets have to invest abroad? Outward FDI and the competitiveness of firms", **John Cantwell**, Professor of International Business, Rutgers University, and **Helena Barnard**, PhD candidate in International Business at Rutgers University

5. "How global are multinational enterprises from emerging markets? Theory and evidence, especially for multinationals from China", **Alan Rugman**, Director, Center for International Business Education, Indiana University; L. Leslie Waters Chair in International Business, Indiana University; Associate Fellow at Templeton College, Oxford

6. "Explaining China's outward FDI: an institutional perspective", **Peter J. Buckley**, Professor for International Business, **Jeremy Clegg**, Professor, **Adam Cross**, Senior Lecturer in International Business, **Hinrich Voss**, PhD student, and **Ping Zheng**, Research Fellow in International Business, Centre for International Business, University of Leeds, and **Mark Rhodes**, School of Management and Business, The University of Wales

7. "Old wine in new bottles: a comparison of emerging market TNCs and developed country TNCs", **John H. Dunning**, Emeritus Professor, Reading and Rutgers Universities, **Changsu Kim**, Assistant Professor of International Business, Nanyang Business School of Singapore, and **Donghyun Park**, Associate Professor of Economics, Nanyang Technological University, Singapore

Lead discussant:

Jorge H. Forteza, Professor of Strategy and Competitiveness, Universidad de San Andrés, Argentina

18:00-21:00 Dinner – The Faculty House, President's Room (2nd Floor), Columbia University

Wednesday, 25 October

10:00-13:00 Roundtable III: What's in it for host countries?

Chair: John C. Mutter, Deputy Director, Earth Institute, Columbia University; Professor, Department of Earth and Environmental Sciences and Professor, International and Public Affairs, Columbia University

8. "Who's afraid of emerging multinationals? Or, are developing countries missing something in the globalization debate?", **Andrea Goldstein**, OECD Development Centre

9. "What's different -- if anything -- about the governance of emerging market TNCs?", **Rainer Geiger**, Deputy Director, Financial and Enterprise Affairs Division, OECD; Associate Professor of International Law, Sorbonne University

10. "Are emerging market TNCs more sensitive to corporate responsibility issues?", **Carrie A. Hall**, Senior Analyst, Global Compact Office, United Nations

Lead discussant:

Todd Malan, President and CEO, Organization for International Investment

12:30-13:00 Special Presentation

"Scanning patterns and potential for South-South investment: a demonstration of the Investment Map", **Friedrich von Kirchbach**, Chief, Market Analysis Section, International Trade Centre

13:00-15:00 Lunch – The Party Space, Lerner Hall (ground floor), Columbia University

Luncheon address: "The need for an adequate international framework for FDI", **Joseph E. Stiglitz**, University Professor, Columbia University

15:00-17:00 Roundtable IV: What's in it for home countries and the international community?

Chair: José Alvarez, Hamilton Fish Professor of Law and Diplomacy, Columbia University; Director, Center on Global Legal Problems, Columbia University; and President, American Society of International Law

11. "Outward FDI and the economic performance of emerging markets", **Steven Globerman**, Kaiser Professor of International Business, Western Washington University, and **Daniel M. Shapiro**, Dennis Culver EMBA Alumni Professor in the Faculty of Business Administration, Simon Fraser University; Director of the CIBC Centre for Corporate Governance and Risk Management

12. "What policies should developing country governments adopt toward outward FDI? Lessons from the experience of developed countries", **Theodore M. Moran**, Marcus Wallenberg Professor of International Business and Finance, Georgetown University, Washington

13. "Will emerging markets change their attitude toward an international investment regime?", **Edward M. Graham**, Senior Fellow, International Institute for Economics, Washington

Lead discussants:

Manfred Schekulin, Director, Export and Investment Policy, Austrian Federal Ministry of Economics and Labour; Chairperson of the OECD Investment Committee

James Zhan, Chief, International Arrangements, Division on Investment, Technology and Enterprise Development, UNCTAD

17:15-17:30 Closing

Dalton Sardenberg, Associate Dean for Clients and Partnerships, Fundação Dom Cabral

Yiping Zhou, Director, Special Unit for South-South Cooperation, United Nations Development Programme

Karl P. Sauvart, Executive Director, Columbia Program on International Investment; Co-Director, Millennium Cities Initiative

Rapporteur: **Lorraine Eden**, Professor of Management and University Faculty Fellow, Texas A&M University

Background materials

Zenaida Hernandez, FIAS and Saira Haider, IFC, The World Bank Group, “Outward FDI from emerging markets: annotated bibliography” (Washington, DC: FIAS and IFC, 2006), mimeo.

October 26, 2006