
Book Review

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**China's International Investment Strategy:
Bilateral, Regional, and Global Law and Policy**
by: **Julien Chaisse**
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“When the winds of change blow, some people build walls and others build windmills.” This Chinese proverb, resonating on various geopolitical frequencies today, is certainly apt in the domain of trade and investment. The Chinese winds of change are blowing at present with a new foreign investment law – drafted, vetted, and passed in three months – ushering out a regime that had been in place for decades. While the impetus can be explained by an economic slowdown and pressure from the United States, the development is part of a much larger story with rapidly evolving dimensions.

Readers who seek a better understanding of China's policy towards international investment law, giving context to the present reform as well as an understanding of its drivers, have an expansive resource in *China's International Investment Strategy: Bilateral, Regional, and Global Law and Policy*, edited by Professor Julien Chaisse with chapters by 35 authors. The compendium casts a net at once wide and deep enough to appeal both to specialists and a general readership.

China's International Investment Strategy analyses China's developing strategy to promote inbound and outbound investment and its particular expressions in domestic laws, treaties and policy prescriptions. Two foundational chapters survey the impact of inward investment on the Chinese economy and China's current policies on outward investment. The authors reveal China to be a significant beneficiary of inbound investment, a fact sometimes undervalued by negotiators with China, as well as a successful promotor of outbound investment and net capital exporter whose actors and objects are rapidly diversifying.

Successive chapters build upon this foundation along domestic, bilateral, regional and global axes. More than half of the book is dedicated to investment protections in treaties. Contributors analyse bilateral and multilateral treaties as windows onto China's evolving priorities and investment diplomacy. As might be expected, there are chapters dedicated to the features and implications of China's negotiations with the United States and the European Union to conclude investment agreements. Commentators also evaluate the evolution of substantive provisions in China's investment treaties including a survey of sustainable development provisions in treaties that charts China's recent integration of transparency and environmental standards if not labour protections.

In addition to the international law framework, the book considers domestic laws and their impact on investment. This includes the influence of domestic tax policy on investment flows. While China has introduced tax incentives to encourage inbound investment, other domestic tax provisions may disincentivise outbound investment including taxation on worldwide income and regulations meant to discourage tax avoidance. A separate commentary considers liberalisation of market access in Chinese free trade zones. These designated geographic areas where investors receive special treatment have been important testing grounds for broader reform as the regime has shifted from a 'positive' list of qualifying investments to a 'negative list' of exclusions.

A third arch of the book considers China's evolving attitude towards investor-state dispute settlement, a topic with particular resonance as China weighs ascension to regional treaties and promotes investment in the Belt and Road Initiative. Authors analyse the Chinese experience with investment arbitration, including a detailed commentary on *Ping An v. Belgium* and another commentary on arbitrations that have tested the nature of China's political constitution in jurisdictional disputes involving Macau and Hong Kong. A separate chapter examines Taiwan's accession to investment treaties including agreements with partners that do not recognise Taiwan as a sovereign state. A question that permeates this survey is whether the current system of international investment arbitration comports with China's political structure, legal culture and strategic interests.

A fourth theme of the book concerns China's role as a global architect of international investment law policy. As president of the G20, China saw the working group whose creation it pioneered issue Principles for Global Investment Policy-making, a broad guide to investment policy published as a reference for state governments. Commentators weigh the implications of China's decisions to use the presidency to this end and to integrate investment and trade together in the initiative. This part of the book offers a counterpoint to commentary on China's varied treaty practice with a vision of China as a focused consensus-builder and shaper of investment policy on the global stage.

China's International Investment Strategy is laudable for presenting a multitude of perspectives. Authors are drawn from academics, practitioners and policy experts that come from Asia, Europe and the Americas. While several contributors appraise the Chinese viewpoint on international investment, others focus on the perspective of states that are impacted by China's investment activity as well as the international community at large. One commentator examines perceived foreign security concerns raised by state-owned enterprises as investment actors. Another scrutinises perceptions about Chinese outbound investment into Europe and the United States and the resulting political challenges. A particularly sweeping chapter considers how China's rise and emergence as an architect of global governance structures may change norms of international law.

The collection in the aggregate might have gone further in exploring harmony and tension between China's global, regional, and domestic policies to promote investment. The interrelations are present in the margins of various chapters, notably those discussing China and the G20, but they are not a focal point. An exception might be a chapter on the 'fourth generation' of Chinese investment treaties, which examines the impact of China's emergence as a global investment actor on the investment standards in its treaties and concludes that the rise of China has led to disruptions, or 'rule-shaking', if not 'rule-making'.

Stepping back from the mosaic of commentaries, the reader nevertheless observes harmonies and tensions in China's investment policy. The compilation presents China as a willing investment policy-maker on the global stage whose treaty practice shifts to accommodate political and economic realities even as it gains coherence in some areas. This duality between principle and practice is also manifest in the new foreign investment law, at once upending decades of standing investment laws but, in its broad terms, leaving space to preserve China's strategic interests. The same duality calls to mind another Chinese proverb about of the winds of change: "unless there is an opposing wind, a kite cannot rise."