

## Detailed Table of Contents

<i>List of Figures</i>	xxi
<i>List of Tables</i>	xxiii
<i>List of Boxes</i>	xxv
<i>Table of Cases</i>	xxvii
<i>Table of Legislation</i>	xxxii
<i>Table of Treaties</i>	xxxiii
<i>List of Abbreviations</i>	xxxv
<i>List of Contributors</i>	xli
<b>Introduction</b>	<b>1</b>
<i>Thilo Rensmann</i>	
A. The Internationalization of SMEs as a Challenge to International Economic Law	1
B. Sustainable Development and the Internationalization of SMEs	2
C. Recalibrating International Economic Law in Response to the Internationalization of SMEs	3
I. Regulatory developments at the multilateral and regional levels	3
II. SMEs as a new cross-cutting issue on the research agenda of international economic law	6
1. Identification and definition of SMEs	6
2. International economic law as cause and remedy for the underrepresentation of SMEs in international trade and investment	7
3. The difficulty of SMEs being on both sides of the liberalization equation	8
D. Conclusion	9
References	10
PART I INTERNATIONAL TRADE LAW	
<b>1. Trade Policy for SMEs from a GATS Perspective</b>	<b>13</b>
<i>Rudolf Adlung and Marta Soprana</i>	
A. Introduction	13
B. SME Involvement in International Trade	15
C. Policies Affecting SMEs—Their Status under the GATS	18
I. General framework	18
II. SME-related policies as reflected in schedules of commitments	20
1. Sector column	20
2. Market access	20
3. National treatment	21
III. Scheduling patterns across countries and sectors	22

IV. Policy discretion in liberalized sectors and modes	23
1. Market regulation and control	23
2. Investment- and production-related support schemes	24
3. Export assistance	25
4. Recognition measures under Article VII GATS	25
5. Preferences in government procurement	26
V. Policy discretion under ill-specified commitments?	27
VI. Transparency disciplines	28
D. Overview of Size-Related Commitments—GATS and RTAs	29
I. GATS commitments	29
1. Horizontal limitations	29
2. Sector patterns	31
3. Prospects for change	31
II. Regional Trade Agreements	32
III. Size-related effects of scheduling patterns—GATS vs RTAs	33
E. Summary	34
References	35
<b>2. Leveraging Trade Facilitation Reforms for Increased SME Competitiveness</b>	<b>38</b>
<i>Arancha González</i>	
A. Introduction	38
B. New Opportunities for SMEs to Go Global	40
I. SME characteristics	40
II. The globalization of SMEs hinges on trade in intermediate goods	42
C. Trade in Intermediate Goods Expands as Transaction Costs Shrink	44
D. Binding TFA Commitments Will Jumpstart a Virtuous Cycle for Long-Term SME Growth	45
I. Reducing information asymmetries allows SMEs to export with confidence	48
II. Simplifying regulatory requirements preserves the value added by the SME	50
III. Diversifying market participation through exports	51
IV. Limiting export cost uncertainty allows smaller shipments to be more competitive	52
E. Good Domestic Policy Will Enhance TFA Benefits	53
I. Competitive trade logistic services further enhance export competitiveness	54
II. Public-private partnerships engender innovative and efficient solutions	54
III. Targeted fiscal policies provide renewed FDI to fuel SME growth	55
F. Conclusion	56
References	57
<b>3. Rediscovering the Forgotten Article of the WTO Anti-Dumping Agreement: How Article 6.13 Protects SMEs</b>	<b>61</b>
<i>Karsten Pötschke</i>	
A. Introduction	61
B. An Overview of the WTO Anti-Dumping Agreement	66

C. Discovering the Meaning of Article 6.13 ADA	67
I. The dual obligation	67
II. The genesis of Article 6.13 ADA	69
III. The limits of Article 6.13 ADA	71
1. The term ‘interested parties’	71
2. The term ‘in supplying information requested’	72
3. The positioning of paragraph 13 at the end of Article 6	73
IV. The effect of Article 6.13 ADA	74
D. The Specific Interpretative Effects of Article 6.13 ADA	77
I. Relaxing submission requirements	77
1. Quality and quantity of information	77
2. Time criterion	82
3. Form criterion	84
II. Calling for proactive support	85
III. Prohibiting negative discrimination	87
E. Conclusion	88
References	90
<b>4. The South African Walmart/Massmart Case: SME-Friendly Domestic Competition Laws in the Light of International Economic Law</b>	<b>93</b>
<i>Tilman Michael Dralle</i>	
A. Introduction	93
B. The Walmart/Massmart Case—Background	94
C. World Trade Law	97
I. Application of WTO law to domestic competition laws and decisions	98
II. Market access rights for Walmart	99
III. Imposition of performance requirements	101
1. Introductory remarks	101
2. Local procurement condition	103
3. Establishment of an SME fund	108
D. International Investment Law	113
E. The Indian and Malaysian Cases	114
F. Conclusions	116
References	118
<b>5. SME Participation in Government Procurement Markets: Legal and Policy Considerations under the WTO Agreement on Government Procurement and the UNCITRAL Model Law on Public Procurement</b>	<b>123</b>
<i>Caroline Nicholas and Anna Caroline Müller</i>	
A. Introduction	123
B. The GPA and the UNCITRAL Model Law as International Instruments Shaping Procurement Policies and Legislation Worldwide	129
I. The GPA	129
II. The UNCITRAL Model Law	133
III. Harnessing the potential for international trade in the public procurement market	135

C.	Encouraging SME Participation under the GPA and the UNCITRAL Model Law	136
I.	Improving procurement legislation and systems: Lack of transparency, integrity, and inclusiveness as potential barriers to SME participation	137
1.	The GPA	139
2.	The UNCITRAL Model Law	141
II.	Reforming procurement practices and systems to enhance SME participation	142
1.	The GPA	143
2.	The UNCITRAL Model Law	144
III.	Preferential programmes	148
1.	Preferential programmes under the GPA	150
2.	Preferential programmes under the UNCITRAL Model Law	152
D.	Conclusions	154
	References	157
PART II REGIONAL AND TRANSREGIONAL TRADE LAW		
6.	<b>SME Provisions in Trade Agreements and the Case of TTIP</b>	165
	<i>Martina Lodrant and Lucian Cernat</i>	
A.	Introduction	165
B.	SMEs and Trade Agreements: A General Framework	166
I.	Barriers to trade for SMEs	166
II.	Policy responses: Cross-cutting linkages	168
III.	SME-specific provisions in trade agreements: Economic needs and legal challenges	169
C.	SME-Specific Provisions in EU and US Free Trade Agreements: Practice to Date	170
D.	SMEs and TTIP	174
I.	Potential and barriers for SMEs in transatlantic trade	174
II.	The role of TTIP negotiations	177
1.	Tariffs, rules of origin, and customs procedures	179
2.	Services	180
3.	Standards and regulatory issues	181
4.	Public procurement	182
5.	IPR provisions	183
6.	Transparency	183
7.	Support schemes	184
8.	Investment protection	184
E.	Conclusion	185
	References	187
7.	<b>An Asian Perspective on SMEs in International Economic Law: Opportunities and Challenges Arising from the TPP</b>	189
	<i>Heng Wang</i>	
A.	Introduction	189

B.	Opportunities	192
I.	Cooperation to support SMEs	192
II.	Tariff elimination or reduction	193
III.	Reduction of non-tariff barriers	194
1.	Transparency	195
(a)	General transparency rules	195
(b)	Specific transparency rules	197
2.	Procedural fairness	198
3.	Regulatory coherence	199
4.	Other requirements	200
(a)	Standards harmonization and equivalence of foreign regulations	200
(b)	Trade facilitation	201
(c)	Rules of origin	201
IV.	Conclusion	202
C.	Challenges	203
I.	Insufficient opportunities for SMEs	203
II.	Complexity of rules	206
III.	Difficulties in interpretation and implementation	207
IV.	Other challenges	208
1.	Remaining regulatory differences	209
2.	Disadvantaged positions of SMEs from developing TPP members	209
V.	Conclusion	210
D.	Conclusion	212
	References	213
8.	<b>Support of Small and Medium-Sized Enterprises under European State Aid Law</b>	216
	<i>Ilan Sherr, Katrien Miclote, and Rebecca Fawcett-Feuillette</i>	
A.	Introduction	216
I.	Relevant State aid rules	216
II.	Notification of State aid	217
III.	The role of SMEs	217
IV.	The new GBER	218
V.	'Think Small First'	218
B.	State Aid and SMEs	219
I.	General framework	219
II.	Article 107 TFEU	219
III.	Exceptions	220
IV.	Definition of State aid	220
V.	Assessing aid to SMEs	220
1.	Does the aid constitute State aid?	220
(a)	Interpreting Article 107(1) TFEU	220
(b)	When is aid to an SME unlikely to be State aid?	222
(c)	De minimis and State guarantees	222
2.	Does the State aid fall under an exemption?	222
(a)	GBER	222
(b)	Article 107(2) exemptions	222

(c) Services of general economic interest	223
3. Can approval be obtained?	223
(a) Article 107(3) TFEU	223
(b) General	223
C. De Minimis Regulation	224
I. De minimis and SMEs	224
II. De minimis thresholds	224
D. State Guarantees	225
E. General Block Exemption Regulation	225
I. General structure of the GBER	225
II. SMEs overview	225
III. Sectoral exemptions	226
IV. Definition of SME	226
V. Block exempted State aid	226
VI. Favourable aid intensity for SMEs	228
F. Research, Development, and Innovation (R&D&I) Aid	230
I. When could State aid apply?	230
II. 2014 Framework	230
III. Qualifying State aid	231
IV. Application in practice	231
V. Aid intensities and SMEs	232
VI. Information and SMEs	232
VII. Innovation aid	232
G. Restructuring Aid, Rescue, and Temporary Restructuring Support	232
I. Rescue and restructuring aid	232
II. 2014 Guidelines and SMEs	233
III. Temporary restructuring support	233
IV. Simplified compatibility criteria	233
V. Limits	234
H. Other Guidelines	234
I. Risk capital aid	234
1. 2014 Guidelines	234
2. Scope	234
3. Application	235
4. Private participation ratio	235
II. Environmental aid	235
1. Environmental Guidelines	235
2. Regulation or State aid?	236
3. Application of the Environmental Guidelines	236
4. Environmental Guidelines and SMEs	236
III. Projects of common European interest	236
I. Regional Aid	237
I. Compatibility with Article 107 TFEU	237
II. 2014 Regional Aid Guidelines	237
III. Limitations	237
IV. SMEs and RAG	238
References	238

## PART III INTERNATIONAL INVESTMENT LAW

<b>9. The Treatment of Small and Medium-Sized Enterprises in International Investment Law</b>	<b>241</b>
<i>Joachim Karl</i>	
A. The Economic Importance of SMEs and Its Reflection in Domestic Investment Policies	241
B. SMEs in International Investment Law	245
I. The specific situation of SMEs as international investors	245
II. Regional promotion of internationalization strategies of SMEs	246
III. The treatment of SMEs in international investment agreements	249
1. The importance of IIAs from an SME perspective	249
2. The general treatment of SMEs in IIAs	250
(a) Acknowledging the special situation of SMEs in the preamble	251
(b) Definition of ‘investment’	251
(c) Investment promotion and facilitation	253
3. SME-specific IIA provisions	255
4. IIA provisions with potential negative side effects on SMEs	255
(a) Establishment rights for foreign investors	255
(b) Access to land	257
(c) State support for SMEs and the issue of non-discrimination	257
(d) Prohibition of performance requirements	259
IV. Corporate social responsibility and SMEs	259
V. International investment disputes	261
C. Conclusions	263
References	264
<b>10. Microinvestment Disputes</b>	<b>267</b>
<i>Perry S Bechky</i>	
A. ICSID, Development, and <i>Salini’s</i> Development Prong	270
I. Development as ICSID’s object and purpose	273
II. <i>Salini’s</i> development prong	274
B. Application of <i>Salini’s</i> Development Prong to Microinvestment Disputes	277
I. <i>Mitchell v Democratic Republic of Congo</i>	277
II. <i>Malaysian Historical Salvors v Malaysia</i>	281
C. A Microinvestment Critique	283
D. Conclusion	288
References	288
<b>11. Legal Protection for Small and Medium-Sized Enterprises through Investor-State Dispute Settlement: Status Quo, Impediments, and Potential Solutions</b>	<b>291</b>
<i>Alexander Gebert</i>	
A. The Current Role of SMEs in ISDS	292
B. Impediments for SMEs to Engage in ISDS	294
I. Costs and duration of ISDS proceedings	294
II. Asymmetry of financial resources	295

C.	Possibilities of Cost Reduction	295
I.	Concepts for cost allocation	296
1.	‘Pay your own way’	296
2.	‘Costs follow the event’/‘The loser pays’	296
II.	Guidelines on cost allocation in arbitration rules	297
III.	Benefits of each approach dependent on the strength of the case	298
IV.	Cost- and time-efficient proceedings	298
1.	Early case assessment—Cost-benefit analysis	298
2.	Choice of arbitrators and representatives	299
3.	Effective case management: Developing a strategy for the specific case and setting up a tight but realistic schedule for the proceedings	299
4.	Consideration of amicable settlement at any time during the proceedings	301
D.	Finance Options	301
I.	Multi-party arbitration	301
II.	Third-party funding	303
1.	The concept behind third-party funding	303
2.	Recent developments: Cost security by third-party-funded claimants	304
E.	Supplement to ISDS: Investment Guarantees	305
F.	Conclusion	306
	References	306

#### PART IV HUMAN RIGHTS, DEVELOPMENT, AND ENTREPRENEURSHIP

<b>12.</b>	<b>Business and Human Rights and the Challenges for Small and Medium-Sized Enterprises</b>	<b>311</b>
	<i>Michael K Addo</i>	
A.	Introduction	311
B.	The (In)visibility of SMEs in Business and Human Rights	313
C.	Small and Medium-Sized Enterprises and the Challenges of Identity	316
D.	Organization, Size, and the Double-Edged Effect	319
E.	Resource Poverty	323
F.	Flexibility	326
G.	Position in Supply Chains	327
H.	Looking Forward	330
I.	Conclusions	332
	References	334
<b>13.</b>	<b>Promoting Entrepreneurship for Development</b>	<b>339</b>
	<i>Fiorina Mugione and Fulvia Farinelli</i>	
A.	Introduction	339
B.	Entrepreneurship and the Sustainable Development Goals	340



*Detailed Table of Contents*

xix

C. UNCTAD's Entrepreneurship Policy Framework and Implementation Guidance	341
D. Good Practices and Lessons Learned from EPF Implementation	342
I. Creating a lead entity to guide the development of the national entrepreneurship policy	343
II. Establishing a structured policy development process	343
III. Engaging in a participatory approach	344
IV. Building on and strengthening existing frameworks and initiatives	344
V. Building concrete Actions Plans	344
E. Reforming the Regulatory Environment	345
I. Examining regulatory requirements for start-ups	346
II. Minimizing regulatory hurdles for business start-ups	346
III. Building entrepreneurs' confidence in the regulatory environment	347
IV. Guiding entrepreneurs through the start-up administrative process	348
F. Reforming the Regulatory Environment to Address the Needs of Specific Target Groups	350
I. Youth entrepreneurship	350
II. Women entrepreneurship	351
III. Social entrepreneurship	353
G. Conclusions	354
References	354
<b>Annex: How Small Are Small and Medium-Sized Enterprises?</b>	357
<i>Rudolf Adlung and Marta Soprana</i>	
References	360
<i>Index</i>	361