

**UNIVERSITY OF PENNSYLVANIA
WHARTON SCHOOL
DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS
FALL TERM 2009
LGST 299 SYLLABUS
LAW AND POLICY IN INTERNATIONAL BUSINESS**

Monday-Wednesday

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Subject:

As international finance and trade have exploded in size and impact, a complex legal regime has tried to control it. This class will consider the particulars of how that control operates, and how it responds to the economic crises, political disputes, and prosperity campaigns that have come with globalization. The class will pay particular attention to the World Trade Organization and the various international institutions designed to regulate global banking and securities law, and will delve in particular into the legal and governmental responses surrounding the latest financial crisis.

Required Books:

We'll read Jackson, Davies, Sykes, *International Economic Relations*, 5th edition (2008), along with its document supplement, and Hal Scott, *International Finance*, 15th edition (2008). From time to time, I may also assign handouts, but you should not expect too many of them. JDS/HS n-n below refers to the page numbers of the appropriate casebook. I've also pointed you to particular provisions in the document supplement for a number of the classes (that is DS). Questions in the casebook can assist you in focusing on issues; answers do not need to be formally prepared unless a question has been specifically assigned for class discussion.

Course Format:

The course combines lecture, Socratic dialogue, and group discussion. Active class participation is expected. Excellent class participation, as determined by the professor, may result in up to five additional points added to your final score. (Consequently, your final grade may improve by as much as a full letter grade.)

Grading:

- Midterm exam – 40%
- Final exam – 60%

Schedule:

We have 24 topics to cover, and I intend to cover one topic per class, which will give us some time for review and digressions. You should accordingly read the next assignment for the next class, even if we haven't exhausted all discussion of the current one.

1. Introduction: the 2008-09 Financial Crisis as a Crisis of Regulation

TRADE THEORY AND INSTITUTIONS

2. Basic Trade Theory and Basic International Law
JDS 15-19, 29-55, 171-202
3. GATT & WTO Dispute Resolution
JDS 255-85
DS: GATT Art. XXII-XXIII (p. 47-48), skim the Dispute Settlement Understanding (p. 371-395)
4. More Dispute Resolution
JDS 285-306, 367-72

TRADE BARRIERS

5. Tariffs
JDS 373-83, 390-97
DS: GATT Art. II, III:8(b); (p. 18-20, 21)
6. Non-Tariff Barriers
JDS 423-31, 433-35, 443-44
DS: GATT XI (p. 28-29)

NON-DISCRIMINATION IN TRADE

7. Most Favored Nation
JDS 467-71, 475-89
DS: GATT Art. I (p. 17-18)
8. Regionalism
JDS 497-516
DS: GATT Art. XXIV (p. 48-50)
9. National Treatment
JDS 537-565
DS: GATT Art. III (p. 20-21)

10. More National Treatment
JDS 565-585

MIDTERM EXAM

TRADE EXCEPTIONS

11. Health and Security Exceptions
JDS 591-614, 1079-85
DS: GATT Art. XX & XXI (p. 45-46)
12. Trade and Environment Exceptions
JDS 614-36
13. SPS Agreement
JDS 653-669
DS: skim the SPS Agreement (p. 121-133)

TRADE DUMPING AND SUBSIDIES

14. Dumping & Subsidies
JDS 752-63, 848-906
DS: GATT Art. VI (p. 23-25), Antidumping Agreement: 2.1, 2.2 (skip 2.2.1, 2.2.2), 3.1, 9.2, 9.3 (first sentence only), 17.6

INTERNATIONAL NETWORKS

15. Coordinating Financial Regulation
Handout on IOSCO, The Financial Stability Forum, the G20, and Basel Committee on Banking Supervision
16. Other International Economic Governance
Course pack tab 1 (ANNE-MARIE SLAUGHTER, A NEW WORLD ORDER 1-20 (2004); Anne-Marie Slaughter & David Zaring, *Networking Goes International: An Update*, 2 ANN. REV. L & SOC. SCI. 211-12, 215-18 (2006); Kal Raustiala, *The Architecture of International Cooperation* 2-8; Eric A. Posner, *International Law And The Disaggregated State*, 32 FLA. ST. U. L. REV. 797, 797-801 (2005)).

INTERNATIONAL FINANCE

17. International Aspects of US Capital Markets
HS 23-32
18. International Aspects of US Banking Markets
HS 149-193

19. Extraterritoriality
Handout (FGS 1290-1307, 1314-1321, Recent Trends in SEC Regulation of Foreign Issuers: How the U.S. Regulatory Regime is Affecting the United States' Historic Position as the World's Principal Capital Market; International Law and Ramifications of the Sarbanes-Oxley Act of 2002)
20. Capital Adequacy
HS 331-383
21. Stock Market Competition
HS 617-655
22. Controlling Terrorism Financing
1004-1061
23. Financial Rescues
Readings tk
24. Financial Rescues II
Readings tk

FINAL EXAM