

Sociology 376: Law, Markets and Globalization; Spring 2010

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This seminar examines law in the context of recent trends which have increasingly integrated the world's social and economic systems (Aglobalization@). Globalization means greater interdependence and less national autonomy. It occurs as international flows of capital, goods, services, and people increase. But transactions and relationships involving capital, goods, services and people do not stand on their own. Rather, they are sustained and regulated by an institutional foundation that typically centers on the legal system. As part of globalization, particular legal and institutional forms are also spreading throughout the world. Transactions, interactions and relationships that formerly occurred within national boundaries now occur across them. Because the legal and institutional frameworks that support these transactions exist primarily at the level of the nation-state, a governance mismatch has emerged. Globalization means that more is going on between national jurisdictions than within them, and tensions arise between competing institutional models. Thus, globalization motivates both an extension of legal systems (into the international interstices), and a confrontation between different legal systems that can be resolved conflictually (one model replaces the other) or non-conflictually (e.g., legal harmonization). Either outcome leads to institutional convergence. We consider a number of different kinds of law but focus especially on commercial law, quasi-legal trade agreements (e.g., WTO), and commercially-relevant quasi-legal institutions (ADR). We pay attention to legal developments in developing and transitional economies, and also consider how the international community deals with a significant common problem like global climate change.

Seminar Preparation

All participants are expected to have done all the required readings for every class, and be prepared to discuss them. It is a small class, so we can talk.

Seminar Requirements

Students will be required to: 1. participate in class discussion; 2. lead discussion in one class session (as part of a team); 3. write a 2 page (maximum) paper proposal due no later than May 4 (no exceptions); 4. write a final paper on a topic of their own choosing (subject to my approval). The final paper is due Monday June 7 (maximum length [not including references]: 15 pages or 4000 words), and you will receive further instructions later in the quarter.

Leading Seminar Discussion

Two students will be responsible for leading class discussion. You will have to summarize the readings and then pose a set of key questions for discussion. These questions will have to be emailed to the rest of the class (including me) the day before

class, so we all have a chance to ruminate on them. After the class is underway, we'll figure out who is responsible for what, and when.

Books (available at Norris)

John Braithwaite and Peter Drahos. Global Business Regulation. Cambridge: Cambridge University Press. 2000.

Robert Gilpin, The Challenge of Global Capitalism: The World Economy in the 21st Century. Princeton: Princeton University Press. 2000.

Kate O'Neill. The Environment and International Relations. Cambridge: Cambridge University Press. 2009.

Week 1 Introduction to Globalization: what is it? How long has it been going on?

Robert Gilpin, The Challenge of Global Capitalism: The World Economy in the 21st Century. Introduction, Chapters 1, 5, 9, 10, 11

Robert C. Feenstra, AIntegration of Trade and Disintegration of Production in the Global Economy,@ Journal of Economic Perspectives, Vol. 12, No. 4. (Autumn, 1998), pp. 31-50. Available on JSTOR (via NU library electronic resources).

Maurice Obstfeld. AThe Global Capital Market: Benefactor or Menace?@ Journal of Economic Perspectives 12 (4): 9-30. 1998. JSTOR.

Week 3 Globalization of Law

Katharina Pistor. 2002. @The Standardization of Law and its Effect on Developing Economies.@ American Journal of Comparative Law 50: 97-130. JSTOR.

Jeswald W Salacuse. 2000. AFrom Developing Countries to Emerging Markets: The Legal Challenges of Economic Change,@ International and Comparative Corporate Law Journal 2(3): 277-295. HANDOUT

Braithwaite and Drahos, Global Business Regulation, Ch 7 (Property and Contract), Ch 8 (Financial Regulation), Ch 9 (Corporations and Securities)

Week 4 Socio-Legal Theories of Globalization

Braithwaite and Drahos. Global Business Regulation. Chapters 1-6, 23-26

David Nelken, ATowards a Sociology of Legal Adaption,@ in Adapting Legal Cultures.

David Nelken and Johannes Feest eds. Oxford: Hart Publishing, 2001. HANDOUT

Randall Collins. 1980. AWeber's Last Theory of Capitalism: A Systematization, @ American Sociological Review, 45(6): 925-942. JSTOR.

Stewart Macaulay. 1963. ANon-Contractual Relations in Business: A Preliminary Study, @ American Sociological Review 28: 55-67. JSTOR.

Week 5 Institutions, Legal Institutions and Globalization

John W. Meyer, Brian Rowan. 1977. AInstitutionalized Organizations: Formal Structure as Myth and Ceremony, @ American Journal of Sociology, 83(2): 340-363. JSTOR.

Paul J. DiMaggio, Walter W. Powell. 1983. AThe Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields, @ American Sociological Review, 48(2): 147-160. JSTOR.

Elizabeth Heger Boyle and John Meyer. AModern Law as a Secularized and Global Model: Implications for the Sociology of Law @. 49. *Soziale Welt*, 1998. 275-294. HANDOUT

Douglass C. North. 1991. AInstitutions, @ Journal of Economic Perspectives, 5(1): 97-112. JSTOR.

Recommended

David John Frank. 1997. AScience, Nature, and the Globalization of the Environment, 1870-1990. @ Social Forces, 76(2): 409-435. On JSTOR.

Andrei Shleifer, Robert W. Vishny. 1997. AA Survey of Corporate Governance, @ Journal of Finance, 52(2): 737-783. On JSTOR.

Week 6 Agents of Globalization

John Braithwaite and Peter Drahos. Global Business Regulation. Chapters Ch 20, 21, 22.

Sarah Babb and Bruce Carruthers. 2008. "Conditionality: Forms, Function, and History," Annual Review of Law and Social Science 4: 13-29. on class blackboard.

Carothers, Thomas, APromoting the Rule of Law Abroad: The Problem of Knowledge, @ Carnegie Endowment for International Peace Working Paper #34, 2003. on class blackboard.

David Vogel. 2008. "Private Global Business Regulation," Annual Review of Political Science 11: 261-82. on class blackboard.

Week 7 Law, Economic Development, and Legal Transplants

Brian Z. Tamanaha. 1995. The Lessons of Law-and-Development Studies. @ The American Journal of International Law 89: 470-86. JSTOR.

Daniel Berkowitz, Katharina Pistor, and Jean-Francois Richard. 2003. Économic Development, Legality, and the Transplant Effect. @ European Economic Review 47: 165-195. on class blackboard

Katharina Pistor, Yoram Keinan, Jan Kleinhesiterkamp, and Mark West. 2002. The Evolution of Corporate Law: A Cross-Country Comparison, @ University of Pennsylvania Journal of International Economic Law 23(4), on class blackboard.

John Hewko. Foreign Direct Investment: Does the Rule of Law Matter? @ Carnegie Endowment for International Peace Working Paper #26, 2002. on class blackboard.

Week 8 Law and globalization in East Asia and the Transition Economies

Tom Ginsburg. 2000. Does Law Matter for Economic Development? Evidence from East Asia. @ Law and Society Review, 34(3): 829-856. on class blackboard

Minxin Pei. 2001. Does Legal Reform Protect Economic Transactions? Commercial Disputes in China. @ In Peter Murrell ed. Assessing the Value of Law in Transition Economies. Ann Arbor: University of Michigan Press. 2001. HANDOUT

Catherine Walsh. The >law= in Law and Development, @ Law in Transition Autumn 2000, pp.7-13. on class blackboard.

Alena Ledeneva. 2008. “Blat and Guanxi: Informal Practices in Russia and China,” Comparative Studies in Society and History 50(1): 118-144. on class blackboard.

Recommended

Evans, P. 1998. Transferrable Lessons? Re-Examining the Institutional Prerequisites of East Asian Developmental Policies. @ Journal of Development Studies 34/6: 66-85.

Yves Dezalay and Bryant Garth. The Internationalization of Palace Wars: Lawyers, Economists, and the Contest to Transform Latin American States. Chicago: University of Chicago Press. 2002. Chapters 12, 13.

Erik Berglof and Patrick Bolton. The Great Divide and Beyond: Financial Architecture in Transition, @ Journal of Economic Perspectives 16(1): 77-100. 2002. On JSTOR.

Katharina Pistor, Martin Raiser, and Stanislaw Gelfer. 2000. Law and Finance in Transition Economies. @ Economics of Transition 8: 325-368.

Week 9 Globalization and the Environment

Kate O'Neill, The Environment and International Relations.

Jenkins, David. 2003. "Atlantic Salmon, Endangered Species, and the Failure of Environmental Policies," Comparative Studies in Society and History 45(4): 843-872. on class blackboard.

Ostrom, Elinor. 2000. "Collective Action and the Evolution of Social Norms," Journal of Economic Perspectives 14(3): 137-158. on class blackboard.

Recommended

Schneiberg, Marc and Tim Bartley. 2008. "Organizations, Regulation, and Economic Behavior: Regulatory Dynamics and Forms from the Nineteenth to the Twenty-First Century," Annual Review of Law and Social Science 4: 31-61.

McEvoy, Arthur F. 1983. "Law, Public Policy, and Industrialization in the California Fisheries, 1900-1925," Business History Review 57(4): 494-521.