# Law and Economy of International Organisations

## Prof. Emiliano Santoro; Prof. Deborah Russetti

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to provide an overall framework of the current structure of global economic governance over two modules. The first module, focusing on law, will place a particular emphasis on analysing the WTO multi-lateral trade agreements, the WTO mechanism for resolving disputes, and the international system for protecting foreign investments. The *second module*, dedicated to the economy, will start by exploring in depth the crises in the Balance of Payments and the role of the European Investment Bank, followed by a study of Foreign Direct Investments. A large portion of the module will be dedicated to the operations of the International Monetary Fund (IMF) and the World Bank (WB) in relation to the issues linked to economic globalisation. We will also cover theory and policy analyses prompted by the crisis of IMF intervention.

At the end of the course, students will be able to:

1. Understand how economic and commercial relations between Sovereign States are established and legally regulated, directly and through the action of the main International Organisations, whose principal institutional structures and functional mechanisms will also be known. Know the most important international economic disputes of the last 50 years through the study of different case studies, know the main dynamics of the international economy using analytical tools (such as the balance of payments) to understand the specific situations of various economies, and know the dynamics of the main financial crises of the last decades;
2. Apply their acquired knowledge to identifying any protective supranational legal protections for foreign investments, as well as anticipate and evaluate the concrete effects, at international trade level, of a unilateral raising of customs tariffs due to commercial retaliatory measures. Use their acquired knowledge to understand what happens daily in the international economic arena with reference to foreign direct investments, sovereign debt, and interventions by international financial organisations;
3. Autonomously understand and evaluate the current legal framework that regulates the liberalisation of goods and capital. Interpret the complex situations of the real international economic landscape and provide hypotheses on possible solutions to be undertaken;
4. Use suitable legal and economic terminology, both Italian and English, which is technically appropriate and clear when communicating with specialists and non-specialists;
5. Frame the unilateral State forces in the current global context and assess the real supranational legal protection offered to foreign investment decisions. Proceed in the study and economic analysis of complex macroeconomic situations.

***COURSE CONTENT***

Law module: *Prof. Deborah Russetti*

1. The international community: key figures and sources of international law.

2. Formation and membership of international organisations.

3. Structure and essential elements of international organisations.

4. The 1947 GATT normative system at WTO.

5. The WTO role and the current crisis of the multilateral system.

6. Agreements on the liberalisation of goods, and tariff and non-tariff barriers to trade. Exemption and safeguard clauses.

7. The GATS agreement and the TRIPS agreement.

8. The WTO dispute resolution system and critical study of specific cases.

9. The international system for the protection of foreign investments: from customary international law to the protection offered by BITs.

Economics module: *Prof. Emiliano Santoro*

1. The Balance of Payments as an instrument of the economic situation and economic analysis.
2. Foreign direct investment. Definition, dynamics and role in the global economy.
3. International Monetary Fund. Objectives, Organisation and History. Analysis of economic history from the post-war period to the present through the lens of IMF interventions, the history of economic crises and their resolution.
4. Focus on Europe and the debt crisis.
5. World Bank. Structure and activities.
6. World Trade Organisation and other global economic governance institutions.

***READING LIST***

For the Law module, the textbook and compulsory supplemental readings for the exam will be posted on the lecturer’s webpage.

For the Economics module, the compulsory materials are:

G. Schlitzer, *Il Fondo Monetario Internazionale,* Il Mulino.

A. Magnoli Bocchi-M. Piazza*,* *La Banca Mondiale*, Il Mulino.

Information will be provided in class on specific handouts to be accessed on Blackboard.

***TEACHING METHOD***

Frontal lectures, supported by slides, case discussions and the viewing of historical audio-video documentation.

***ASSESSMENT METHOD AND CRITERIA***

Students will be assessed through a written test consisting of open questions, and split into two parts (one for each module). The final mark will be the average of the marks obtained in the two parts, provided that the student passes both.

***NOTES AND PREREQUISITES***

There are no prerequisites for attending the course. However, a background in international economics is strongly recommended.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.