

The logic of financial nationalism: the challenges of cooperation and the role of international law; Global finance in the 21st century: stability and sustainability in a fragmenting world.

MAK, C.H.W.

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The Logic of Financial Nationalism: The Challenges of Cooperation and the Role of International Law

by Federico LUPO-PASINI

Cambridge: Cambridge University Press, Hardcover 2017, Softcover 2018. 308 pp. Hardcover: AUD\$154.95; Softcover: AUD\$49.95; eBook: USD\$29.00.

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Global Finance in the 21st Century: Stability and Sustainability in a Fragmenting World

by Steve KOURABAS

Routledge Research in Finance and Banking Law Series.

Abingdon, Oxfordshire: Routledge a member of the Taylor and Francis Group, 2021. 244 pp. Hardcover: AUS\$252.00; VitalSource eBook: AUS\$70.99.

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In the post-crisis world, legal institutions began to play an essential role in the growth of the international financial system and the burgeoning digital financial ecosystem. Nevertheless, the global financial system is plagued by an inherent asymmetry. Policies are still primarily national despite international markets. *The Logic of Financial Nationalism: The Challenges of Cooperation and the Role of International Law*, written by Federico Lupo-Pasini, is an essential new contribution to the scholarly of international law. It features outstanding research and is an important step forward in the field.

The main goal of Lupo-Pasini's book is to 'analyze the rationale underlying financial nationalism by looking at the economic and legal incentives that national regulators have to protect their own interests, even when this is inefficient from a global perspective' (p. 3). Accordingly, this book is split into three parts, the first part of which, sets the stage for the following theoretical analysis. In the first chapter, the author focuses on the aspect of law in national financial systems and looks at how externalities make logical sense and that support the framework for regulating systemic risk, he then discusses how international policies affect the global financial system in the second chapter. This chapter also examines the role of law in the integrated financial system. The second part of the book contains four case studies on financial nationalism and examines the logic of financial nationalism in the context of home-host supervisory relations in the third chapter, with a special emphasis on the issue of home-country control. The author discusses the complicated regulatory framework for cross-border bank resolution and the problems of international policy coordination in the fourth chapter. In the fifth chapter, the author shifts his focus to sovereign debt, examining the issue of sovereign defaults and coordination issues within sovereign debt restructurings. In the sixth chapter, he then examines regulatory convergence issues in the context of derivatives regulation. The last part discusses the strategies currently adopted and could be adopted to address the problems of financial nationalism. The ninth chapter, for instance, gives a comprehensive analysis to address the question of compliance in international finance. In addition, it proposes a novel theory that explains how it operates in several finance sectors.

The author indicated that the work had limitations that '[f]inancial nationalism is, thankfully, not the only approach to international financial policy. The field of international monetary law, which is closely intertwined with international finance, is actually based on a well-functioning hard law framework with the International Monetary Fund at its center' (pp. 5-6). That said, this book will be of great use to readers who wish to understand more about why financial nationalism is so alluring and the threats it presents to the global financial system and is a valuable contribution to the existing literature.

Another exciting read on law and global finance is Steve Kourabas' *Global Finance in the 21st Century: Stability and Sustainability in a Fragmenting World*. As its title suggests, this book is about global governance in a socially significant domain that impacts us all, including the conduct and regulation of financial activities. The author specifies in the Introduction that instead of 'a technical "finance" book', this book 'grapples with a number of important themes that are present in finance and that are important to us all' (p. 9).

The book claims that fragmentation and the rising tendency to foster informality and voluntarism have fostered a return to nationalism as the main form of global governance, which is opposed to post-crisis reforms that strive to promote financial stability and sustainability. Subsequently, the book is divided into two parts. The first part provides background by introducing the problem that the book seeks to answer, the history, and the theory of finance and its related regulations. The book's second part discusses the global governance framework designed to cope with the increasingly global ramifications of finance. The fourth chapter discusses the essential developments in global governance, including ideas about the relative authority of state actors, non-state actors, and domestic and international actors and how these actors interact. The fifth chapter addresses the purported benefits of global governance for prudential regulation and the rationale for post-global financial crisis reforms that emphasise uniformity and compliance. This book's last section addresses the alternative governance framework based on treaty-based international organisations by describing the advantages of these regimes, such as their possible balanced approach to adaptability and compliance.

In essence, this book is a very great complement to the body of legal scholarship concerning global governance and offers a bridge between (some essential themes related to) finance and global governance. I highly recommend this book to all legal academics, policymakers, and political scientists interested in this subject matter.
Competing interests: the author declares none.

reviewed by Charles Ho Wang MAK
University of Glasgow, Glasgow, Scotland