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# Law and Economics

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## V LESSON

# Regulatory Competition



# Definition of Regulatory Competition

- Legal systems vs legal systems
  - Different jurisdictions
  - Various types of actors (law-making entities, administrative authorities, courts, self-regulatory entities, and so on)
- Legal systems compete with one another to attract economic resources or professional expertise from abroad



# The Offer of Legal Rules

- Competition between two goods or two services can be also a competition between the rules governing the production, distribution, and so on, of such goods and services
- Legal comparative advantages



# The Offer of Legal Rules

- This perspective considers the role of the legal system functional to the economic system needs
  - Competitiveness may take different meanings (a legal rule may be more efficient, more complete, more flexible, more permissive, more stringent, and so on)
  - Promoting and safeguarding competition between economic agents (antitrust regulation, liberalisation policy)
  - Bettering the administration or justice system
  - Government intervention on production costs, reducing taxes or environment or worker protection burdens



# Competition in A Single Legal System and At International Level

- Competition between
  - the executive and the judiciary
  - the SRO's, the agencies, the Gvmnt
- EU, WTO



# Effects of Regulatory Competition and Alternative Choice

- In order to verify which are the effect produced
  - Descriptive analysis
  - Normative analysis
- Pressure on cooperative regulation