

“Legalish” Global Financial Regulation

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David Zaring, [**The Globalized Governance of Finance**](#) (2019).

In *The Globalized Governance of Finance*, [David Zaring](#) portrays an “emerging architecture” of financial regulation that lacks many of the traditional aspects of international law. There are no sovereigns or treaties or international courts. No heads of state or foreign ministers participate. Zaring’s key argument is that global financial regulation is nonetheless “a principled legal order founded on instruments of soft cooperation.” (P. 34.) Though full of institutions “ever-willing to claim that they are not lawmakers,” financial regulation is “hierarchical, procedurally regular, and politically supervised.” (Pp. 28, 100.) The regime is not precisely soft or hard law—it is “legalish.”

The book identifies “legalish” principles embedded in global financial regulation using specific examples of cooperation among global banking, securities, and insurance regulators. Key among these principles are reliance on regulatory networks and the use of techniques typical of administrative law. In Zaring’s account, global financial regulation works like both a network and “an administrative agency stretched across a global multilateral context.” (Pp. 6, 100.)

Both of these topics—administrative actors and legal networks—resist coherent description in a similar way. The institutions are many and heterogeneous, each with its own specific origin story and mechanics. The book meets this challenge by identifying ways in which the network is not entirely decentralized and horizontal, but rather is subject to some political coordination. The book also gracefully moves between the levels of specificity required to analyze such a system. It provides organizing principles, but it also digs into the details about major regulatory institutions in banking, insurance, and securities regulation, as well as identifying smaller financial networks that are often overlooked.

Zaring’s description of the [Financial Stability Board](#) (FSB) gives a sense of one of the book’s charms. The institution—a “vigorous regulatory middle manager”—must rely on “cajoling and peer review.” (Pp. 18-19.) To have a seat at the table at FSB plenary sessions, members must show up with a “gaudy cast of regulatory characters.” (P. 19.)

In a similar vein, Zaring captures something essential about the nature of “best practices” and whitepapers when he describes these as “offering regulators an attractive combination of casualness and detail.” (P. 27.) As these passages suggest, the descriptions throughout the book do not just point to the formal structures as evidence for the book’s basic thesis, but also convey a sense of the institutions’ flavor.

Regulators are the main players in Zaring’s account. The lawyers for the financial institutions occasionally make an appearance, but the big banks, insurance companies, and other private actors that are the subject of regulation and enforcement are not in the foreground. Perhaps a full administrative account of global financial regulation must ultimately contend with these players as well, but this may be a topic for other work.

The Globalized Governance of Finance is an expansive and, at times, colorful portrayal of the “legalish”

realm of global financial regulation. It provides a coherent and modern account of the world that lawyers and institutions experience. It is well worth a read.

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