IB/IL 327 THE LEGAL AND REGULATORY ENVIRONMENT OF BUSINESS: A COMPARATIVE LOOK AT THE EU AND THE US

IES Abroad Vienna

DESCRIPTION: The course provides a survey and examination of laws affecting business operations and the market for goods, services, and securities in the European Union and the United States. These laws will be compared and contrasted with regard to policy and procedure in parallel areas. Students will be asked to critically assess the relative effectiveness, reasonableness, and fairness of the contrasting approaches where appropriate. Through such thinking, the student should develop an appreciation for the political and cultural content of "public policy" as it is expressed in law. To the degree possible, problems specific to the local, Austrian, market will be incorporated in order to give more specific content to the discussions. This would include topics such as United Nations Agencies, OPEC, and special markets including the Performing Arts and the Wine Industry.

The course is also much more than a course in law. It is multi-disciplinary in approach and attempts to build on a foundation of the liberal arts and business disciplines allied to law. Law functions as one of the focal points where effective decision-making draws from multiple arenas and perspectives. Law also promotes and requires that analysis include points of view that conflict with the interests of the decision maker. The course materials also emphasize that merely following the law is not enough. Responsibility requires an awareness of the ethical component that is a part of every conflict over resources.

CREDITS: 3 credits

CONTACT HOURS: 45 hours

LANGUAGE OF INSTRUCTION: English

PREREQUISITES: None

METHOD OF PRESENTATION: To the greatest degree possible classroom time will be interactive, with modified-Socratic dialog. Lecture will sometimes be necessary for purposes of explanation or clarification. However, each student is expected to carefully study assigned material before coming to class and to participate in the group effort at understanding. The purpose of in-class interaction is to foster a sense of discovery in which students become increasingly aware of the complexity of public policy decision-making and problem solving. One cannot very well find answers if sufficient time has not been devoted to discerning relevant questions.

REQUIRED WORK AND FORM OF ASSESSMENT:
- Course participation – 10%
- Business periodical reports – 10%
- Midterm Exam – 40%
- Final Exam – 40%

Course participation and discussions:
Class attendance is expected, as is participation in the exploration of the subject matter. This, of course, assumes a thorough study of materials and completion of all assignments. Class discussions will take place in an informal setting with emphasis on a free exchange of ideas and the flexibility to explore matters of mutual interest as they arise. Students will work in two-person teams for some purposes. Specifically, the teams will be responsible each week for bringing to class, and presenting, an interesting article from the previous week's Wall Street Journal/international edition (or a comparable periodical--a schedule will be established during the first week of classes). A goal of the course is to foster marketplace literacy through regular and thorough reading of the Journal.

Exams:
There will be two major tests: A mid-term and a final exam. Each exercise will consist of a series of essay/problem solving scenarios that will require analysis, synthesis, analogy, and conclusions that are supported by rational argument and objective support.

Other:
In addition, each class participant will be evaluated on the quality of his/her participation in the work of the classroom. This does not assume that everyone will be equally vocal but carries an expectation of a high level of preparation and interest as demonstrated by regular offerings and responses to the instructor and other members of the class. In other words, each student is at least as responsible for the success of the semester as the instructor.

LEARNING OUTCOMES:
By the end of the course students will know, have practice and be able to integrate the concepts as follows:

This course is a study grounded in law, but which takes its themes from the world of business. So, its objectives are bounded around the junction of the two. Therefore, before the semester is over, I would expect that we will have made substantive strides in the following ways:

KNOWLEDGE (The "what" of the course —our need to know)
1. Develop an understanding of the US and EU legal systems (the nature and development of law, the court systems, judicial procedures, and administrative law) and legal environment for business.
2. Come to a new and deeper understanding of the U.S. Constitution, its origins, purposes and several major sections pertinent to business.
3. Understand the meaning of "common law" and its contributions to the formation of major bodies of law including Tort, Contracts, Property and Principal and Agent.
4. Assess and critique the relationship between market forces and regulation of the market in several areas including Securities, Antitrust, Employment and Environmental.
5. Come to know the true nature of "corporateness" and the special challenges and problems associated therewith.

PRACTICE ("Why" are these things important and "how" they can be used)
1. Enhance analytical abilities through case study and problem solving. In addition to discerning answers, I want us to routinely ask why things are the way they are and how they might be different.
2. Learn the meaning of "Public Policy" as defined by the acts of courts, legislatures and agencies (in other words, why do we have "rules" and where do they come from?)
3. Improve communication abilities through writing and talking about legal rules and their application to factual situations.

IDENTITY (Who we are and how we integrate that into our professional lives and finally, why it matters.)
1. Examine the relationship between law and ethical behaviour.
2. Identify those personal "values" that you will utilize in choosing courses of action.
3. Engage in conversation about what true "citizenship" means.
4. Ponder the meaning of phrases such as "good faith", "due care", and "fiduciary responsibility."
5. Ask what it means to be "responsible."
6. Learn to recognize "conflicts of interest."

ATTENDANCE POLICY:
IES Vienna requires attendance at all class sessions, including field study excursions, internship meetings, scheduled rehearsals, and all tests and exams. Attendance will be taken for every class. If a student misses more than the equivalent of a week of classes without an excuse, the final grade will be reduced by one-third of a letter grade (for example, A- to B+) for every additional unexcused absence.

Missing Mandatory Fieldtrip Outside of Regular Class Hours
Some classes include mandatory trips outside of regular class hours, i.e. on weekends. Students will be made aware of the specific dates of such trips at the latest during the first week of class. Missing a mandatory field trip for reasons other than a health or medical emergency will automatically result in a reduction of the final grade by a third of a letter grade.

Excused absences are permitted only when:

1) a student is ill (health issues),
2) when class is held on a recognized religious holiday traditionally observed by the particular student, or

3) in the case of a grave incident affecting family members;
4) exceptions may be made for conflicting academic commitments, but only in writing and only well in advance of missed class time.

Any other absences are unexcused.

CONTENT:

Week	Content	Assignments
Week 1	**Capitalism and the Role of Government**	McAdams • pp.1-27 Capitalism versus Collectivism--compare and contrast EU versus US tradition • pp.28-41 Mixed economies and the challenges to capitalism)
Week 2	**Business ethics**	McAdams • pp. 57-72 Introduction to Ethics and Ethical Analysis • pp. 80-88 Managerial Misconduct and Business Ethics in Practice including Whistleblowing
Week 3	**The Corporation and Public Policy**	McAdams • pp. 97-115 Corporate Power and Critics • pp. 116-132 Corporate Social responsibility and management • Wall Street (or other) Journal reports
Week 4	**The American Legal System with notes on the EU** Compare/contrast “federalism” and state sovereignty issues	McAdams • pp. 146-177 Legal foundations and the Judicial Process • pp. 178-188 Criticisms and Alternatives • Wall Street (or other) Journal reports
Week 5	**Midterm Test** **Constitutional Law and the Bill of Rights** Special topic: Intellectual property and its protection, EU versus US (rights of artists/creators)	McAdams • pp. 195-212 Essential Concepts and First Amendment • pp. 213-230 Amendments Crucial to Business with emphasis on the Fifth Amendment and property • Wall Street (or other) Journal reports
Week 6	**Contract Law (Uniform Commercial Code compared to CISG in EU)**	McAdams • pp. 237-258 Creating Binding Agreements • pp. 259-278 Interpreting and Enforcing Contracts • Wall Street (or other) Journal reports

Week 7	**Business Torts and Product Liability** Special contrasts to include juries, common law versus Code, punitive damages, lawyer contingency fees.	McAdams • pp. 282-294 Introduction and Intentional Torts • pp. 294-325 Negligence and Strict Product Liability • Wall Street (or other) Journal reports
Week 8	**Government Regulation of Business** Special coverage EU versus US: subpoenas, inspections, sanctions, etc.	McAdams • pp. 332-353 Introduction and Justifications • pp. 354—376 Administrative Agencies and the Regulatory Process • Wall Street (or other) Journal reports
Week 9	**Business Organizations and Securities Regulation**	McAdams • pp. 386-411 Business Entities and Corporate Governance • pp. 411-432 Regulation of the Securities Markets • Wall Street (or other) Journal reports
Week 10	**Antitrust Law, Monopolies and Mergers**	McAdams • pp. 470-493 Introduction and Analysis • pp. 494-499 American Antitrust Laws and the International Markets • Wall Street (or other) Journal reports
Week 11		
Week 12	**Final Exam**	

All assignments are from the McAdams text (below) unless otherwise specified.

The Wall Street Journal (International Edition) and/or other periodicals such as The Economist will be used to augment and enrich the content of the course. Student teams select, discuss, and prepare oral and written reports on substantive/relevant articles. The instructor selects and specifically assigns additional articles (from the Journal and comparable publications) to integrate with the text.

Where appropriate, critical parallels and contrasts between EU and US theory and practice are noted and explored (antitrust policy with respect market concentration and different definitions of and approaches to "privacy" issues, for instance).

Other topics include the study and analysis of subjects in the regulatory arena including international treaties and efforts to improve the environment.

REQUIRED READINGS:

- McAdams, Tony et al. Law, Business and Society. McGraw-Hill Irwin, 13th ed., 2022.

(Note: This text was chosen specifically because of its "richness". It is multicultural, comparative, and deep detail as well as supplemental reading and sources. It asks hard questions and compels critical inquiry.)

Wall Street Journal (International Edition), other periodicals