

## **Are there such Things as International Property Rights ?**

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### **ABSTRACT**

This paper argues that the process of economic globalisation is to remain partial because of its continued reliance upon the national institutions in charge of the definition and enforcement of private property rights. Emerging economies often face critical enforcement problems, as highlighted i.a. by the poor functioning of bankruptcy laws during the 1997-1998 Asian and Russian crisis. But the experience the European Single Market also suggests that, in this respect, institutional convergence remains extremely slow. Bankruptcy law is again a good example, together with the definition of a European company status or intellectual property rights. While the EU has progressed rapidly as regard market and monetary integration, these decisive property institutions are still strongly attached to the legal and judicial structure of each country: existing rules only aim at easing their co-ordination, not at forcing their convergence.

It is then argued that the globalisation process since 1990 has introduced a qualitative change: while trade in tangible goods and sovereign credits were the hallmark of previous phases of international liberalisation, the “frontier” of globalisation now extends to private inter-temporal contracts, exemplified by financial transactions between private agents (at both ends of the contract) and contracting on intellectual property rights. Remarkably, while the former were relatively immune to the hazards of local institutions, the latter are much vulnerable both to their failure to enforce legal rule, as to their sheer diversity between nations. Globalised markets have thus become *more* exposed to the underlying fragmentation of national property institutions than before, while the prospect for their unification or convergence seems very distant. This suggests that multilateral negotiation, as an instrument for the co-ordination of State institutions, will remain the backbone of international economic integration.