



TRANSKRIPT

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Cornelia Woll | Economic Statecraft and Negotiated Justice in Global Markets

Thank you very much for the kind introduction, Palma and Dustin. Thank you also to the two of you for inviting me. Let me also just say I'm very happy that you've invited me, because for me, it's a real pleasure to be back here. I was telling Renate Mayntz and Fritz Scharpf when I entered the building, my blood pressure drops and the cortisol level drops, and I just come to a state of mind that is very conducive for thinking and producing something. So if you have a call that's opening, I do encourage you to apply. It's a real privilege to be working in the institute here, and I'm very happy to see all of you here. I would like to talk about the last book that I just mentioned, the Corporate Crime and Punishment book. And it's a bit of a bird's eye view, and it's a story that I encourage everybody who's at the early stage of their career not to follow. I'm doing what everybody is always telling you not to do. You know, you have this if you have one point to make, write an article. And I had a story that had so many different points that I just got frustrated and said, okay, I'll put it in a book. And I still have too many different points that don't really add up. But it's a nice story and I think you'll enjoy the story. So let me take you into the details of this. And I'm a bit humbled because I saw Carola. You had the Geoeconomics workshop in the beginning of the day, and I'm kind of building on this, so I'll just assume that everybody's an expert now. Um, and start off with a very basic assumptions of geoeconomics this idea that the interconnected global markets create a particular setting for political tensions, geopolitical tensions, and that is that markets really act as a transmission belt for power politics in the world. Infrastructures here, I'm bowing to you. Economic infrastructures facilitate the reach across borders and can be weaponized in certain ways and will create dynamics that are important for us to understand. But what that actually means is if the economy becomes a battlefield, what you have to do as a state on this battlefield is you have to get to the companies. You have to make sure companies actually behave in ways that you want them to behave. I'll go through many examples of this, but what does it mean to sanction Russia. To get the companies out of the Russian market? So the main question in this geoeconomic world in which states are trying to do things is how can they enroll companies for their actions and their national interests? And that is, I believe, an understudied question. And the book I wrote points to one tool in the bag of the politicians thinking hard about this, and that is corporate criminal law. Corporate criminal law is a tool for the defense of national interests, because it is a way for governments to get at companies and to make them behave in a certain way in these global markets. And that creates a lot of the geoeconomic dynamics that we may be interested in. That's the the long story I'd like to get to in the book that was just mentioned, which is a book that has too many points but makes the main point that markets are hugely important the way markets connect. But what we see simultaneously is not just these market interactions. We also see that law follows the markets and can be used beyond the territory it was originally designed for. So we see what the legal scholars call extraterritorial use of law. In my case, domestic law,

because corporate criminal law is very much domestic law. And the combination of these global markets and the extraterritorial use of law creates dynamics, which are very interesting because law will be used strategically. Law is a power tool to defend national interests and to impose national norms. So law travels across borders and that triggers something, and it triggers something that a lot of other people have studied as well. It triggers something that in my interview sometimes say, oh, the Americanization of which sounds like there's some sort of convergence. I would like to make the argument it doesn't trigger some convergence or harmonization, but it triggers irritation because you come across borders with some legal norm that doesn't work the other way, and that irritation creates institutional change. So the long story I have is a story that starts with power politics in global markets and ends up with institutional change across countries. This is the comparative aspect where legal institutions are changing because of the dynamics I describe, and they change in a way that I call the rise of negotiated justice. In my case, the rise of negotiated corporate justice, because what we see is a competitive environment. We're really adapting your legal institutions makes a difference. Interactive part. Who in the room other than Fritjof has a legal background? Anybody trained in law? Okay, good. I'm just asking. I still have to watch over me. But I say things that most legal scholars find outrageously simplified, and they are also very upset when I speak about some concepts that they work about a lot. I had to learn this the hard way with some of the reviewers of my book, but do ask me questions about things that you may feel are a bit quick. So, so far for the introduction, I basically have an empirical story that comes from geoeconomics to the rise of corporate negotiated corporate justice within countries. And I'll tell you how exactly that works. And outline four parts. I first want to tell you a rather long story of how corporations are more and more held accountable for activities, even when they are in markets that are far beyond the boundaries of the jurisdictions that they might be concerned with. That goes through this mechanism, extraterritoriality that I'll tell you about. Then interesting things happen between states. I'll call them economic lawfare to be a bit exciting, but sometimes it's more boring and at the end it creates institutional change across countries. So the part that you may know and that you may not even feel surprising. That struck me first when I got started on this research, are all these newspaper headlines of all these corporate criminal cases, scandals that all of a sudden saw these huge amounts of either settlements or convictions. So, of course, Germans know the emission scandal of Volkswagen. There's a very famous case of a French bank, BNP Paribas, which started doing business in Switzerland with Iran and was sanctioned in the US for these activities to a whopping nine billion US dollars. There's all sorts of cases. If you watch Deepwater Horizon film, you know all about oil spills. All of these cases that previously may have escaped legal reach now lead to these billion dollar settlements. And that was surprising to me because I was trained in the nineteen nineties and in the nineteen nineties, the idea was that companies escape the reach of legal accountability because their mobile criminal law is national, so they can always shift away from whatever is most threatening. They engage in regulatory arbitrage. They have structural powers. So even if you could get to a company, they can say, all hell will break loose, you'll lose jobs, you'll lose money. So traditionally, we assume corporate criminal law is not very effective in really holding firms accountable. So to a certain degree it's puzzling or it was puzzling to me. Why do these big companies no longer seem to escape these sanctions, these very hefty sanctions? I felt that nine billion is a lot. A question we can debate. But what happened that they can no longer escape these legal consequences, even though they're in global markets, and we would expect them to shift. And in order to answer that question, we have to go and look into US developments and domestic criminal law in the US in particular. And let me start with my favorite corporate scandal ever. Does anybody know what this could be? Readable. Enron. Thank you. So Enron case, read up about it. It's there must be a Netflix series about it. A huge cooking of the books. Basically millions invented and lost. And at the end you had a corporate criminal case which led to the conviction of these two men, Ken Lay and Jeff Skilling. One of them died just after the pronouncement of the sentence. The other actually spent twenty seven years in prison. So very hefty legal consequences for corporate crime, which is quite an interesting contrast with this page in twenty eighteen, which The New York Times published, and that lists all the CEO of Wall Street sent to jail after the global financial crisis. So you can see, of course, this was even the New York Times trying to make a point. But the point is actually very relevant. One something happened

between the early two thousand in the US and the late twenty twenties Entities. That leads to the fact that we no longer see CEOs going to jail for something as big as Lehman Brothers, bringing the entire economy down. And what exactly happened? What happened was a shift in the way in which companies are prosecuted or prosecuted or attempted to be prosecuted. And that shift is an increased use of financial penalties, a shift towards negotiated agreements, settlements of some form. I'll tell you what they're actually called negotiated agreements that are called deferred prosecution or nonprosecution agreements. Decrease in the prosecution of individuals and a drop in prison sentences. And that development is something that's important to understand has to do with the fact. But to ask me questions that it's actually very hard to bring a case against the CEO of a company and win it. And so rather than trying to put a CEO to trial, it became more effective in actually closing, resolving a case to go in and ask the company to cooperate with you to provide some of the information and to settle the case. So this was a very conscious strategy on the Department of Justice part to get to actually more information about what's going on within these complex organizations, often multinational companies. And so what you see since two thousand, um, uh, when I started my research, it was this almost, uh, steep curve that seemed to go ever up into the sky. But you do see an increased use of fines, even though the number of cases that are being brought is dropping and just, um, just because we're here. And I'll do a digression if you're interested. What this is this little drop here that is Donald Trump. So the first Trump term was the term where these very sharp tools used to bring, uh, corporate criminals to account. We're just not used. And I was a little bit puzzled by it because I was thinking, oh, here the government has something to actually resolve all these cases. But it matters if you have a president who doesn't like cases brought against companies or doesn't like the legal system altogether. So there's a backlog of cases that the Democrats have brought. And prior to Donald Trump, this was actually nonpartisan issue. This was both the Republicans and the Democrats were interested in bringing more and more cases against companies. Donald Trump doesn't like this. And Donald Trump also, the whole story, I tell you is a bit of a nostalgic story because he comes back to border conflicts, tariffs, which were precisely what this was a workaround for. So you this is what you do in order to impose power politics in a world that doesn't have borders anymore. Now we have borders again. So maybe the story is getting old, but I'll tell you a story of economics that goes around borders in interesting ways. Anyway, so that's Trump. The interesting part about these federal corporate prosecutions that are in the data set I've been using is that they take into account all sorts of corporate criminality. So some of it is anti-trust, competition law, tax fraud, bank secrecy could be sanctions violations. Sanctions violations are called import and export violations. That's typically doing business in Russia etc., but also corruption, pharmaceutical mislabeling etc. environmental damage. All of it is in there. And for all of these different cases, you see this increased use of fine and less and less of a use of actual trials against companies. Okay, now the interesting part is that this universe of cases that are handled by the Department of Justice, I'm looking only at the federal level here, which is rather limited, but the universe of cases, as one would expect. Look at the bar on the bottom concerns US companies. So US justice system looking into corporate criminal activities of US companies. So far so good. But if you look at the top bar, that's where the fines are coming from. You see that the fines are really from a whole wealth of countries companies in other countries. So of course it's not Germany paying the fine, it is Volkswagen paying the fine. It is BNP Paribas paying the fine. Okay, just look at the blue thing on the top bar. That's Switzerland. Anybody from Switzerland in here? So this little four point five billion is the end of banking secrecy in Switzerland. This is how all Swiss banks were brought into line so that they would no longer do all this fraud, money laundering, banking secrecy that helped every US taxpayer to escape normal obligations. So sometimes you see entire battles between countries just in one graph, and that's what this represents. But all of these very important cases that led to these long fines are only a small subsample, but they're fined a lot. And my question is, okay, what is behind this, of course, could just be that the foreign companies are the large companies like Volkswagen. So obviously they pay bigger fines or that's the hypothesis of all of the reviewers of my books. Maybe the criminals are just abroad. Maybe it's just the foreign companies who do all the criminal activities, and the US companies have just been much better. And that's why there are so many cases where they don't pay fines. You will find it ridiculous how much time I've tried to spend to try to prove

that the foreigners are not more criminal than the Americans, but you know, that's what reviewing is like. Okay, so that was my puzzle. What explains this home bias, I call it. So less fines for the own companies and I don't have a good answer. I just would like to tell you I got a little bit closer to it with the data set that can't tell me what the actual criminal activity is, so that's too bad. I don't know if there are more criminals to it, and it doesn't tell me also what the actual damage of the crime is. Usually fines are supposed to be a reflection of damage, but it does tell me whether the company is a publicly listed company on a stock exchange or a small family held company. For example. It tells me what type of deposition was used. Was this a trial, a conviction, settlement, etc. and it tells me in what area the crime happened. Was this maritime pollution, was it fraud, was it money laundering, etc.? And when you hold these type of things, so the type of crime, the type of deposition and the type of the company size constant, you will find that the likelihood of being fined increases by almost fifteen percent. If you're a foreign company, and the fines you'll pay increase by six point six times larger. So that's six hundred and sixty percent of the fine I would actually suggest. Don't ever quote the numbers. I'm not very certain of them, but I can tell you every time I talk to leadership of companies in Europe, they say I knew it. So they all feel that there's bias going on against them. They all feel that something is happening where they're just being particularly targeted, whereas you would be lighter on your own companies, which, by the way, theoretically makes a lot of sense because a The prosecutor is trying to bring justice and is trying to win battles against evil government and bad companies. But if the company and remember, prosecutors are elected and can run for elections, if the company then leads to a big economic fallout where jobs are lost or economic activities lost, there may be consequences to it. But you don't have if it's a foreign company, so it's much easier to be tougher on a foreign company than it is on your own. Now, let me move to why that's already interesting. How unjust, but why it is really relevant for geopolitics. And that is because this is just activities. All of these things are just laws being broken in the US. So of course, if you're a company, whether you're German or Swiss or whatever, if you're doing business in the US, it's normal that you should abide by the legal system of the US. But what I want to tell you is these are not laws that are necessarily broken in the US, or concerning activities with US nationals, or concerning activities that are relevant for the US market. By all means, they can be anything in the global economy, and that is because there is a rather long reach of American law through something that is called effective jurisdiction. And that means when you have the right to have a jurisdiction, it's called prescriptive jurisdiction. But basically what effective jurisdiction means the US, the Department of Justice, uses their domestic criminal law against companies, no matter where they are in the world, and no matter what the activities are that they're doing in the world, because they can it's effective. It works. Why does why is that the case? Because there's market infrastructures that that are hugely relevant to economic interests of the US or anybody else. And these are the things talk about them a lot. Henry Farrell and Abe Newman's underground empire. So securities regulation, settlement systems data, all of these things circulate and at some point have a nexus in the US, and that nexus can be used against you. Have you settled your transactions in US dollars? There's a lot of companies and a lot of activities that will respond yes to it. Are you listed on the US Stock Exchange? That's the end of it. If you're listed on the US Stock Exchange, you might just as well be a US company. Do you have a Gmail account? Mail and wire fraud. So there's a lot of nexuses that can help you establish that. There is an actual good reason why the US should have jurisdiction over you, and the US has done in a lot of different cases, exactly that. They've brought and broadened the reach of their domestic law because they can actually enforce it. They can enforce it, not because Volkswagen just wants to go see a judge in Washington, but because the prosecutor can say, if you are not complying, you'll lose your license. You won't have access to the stock exchange anymore. You won't have access to the customers. So they have enforcement tools and they can negotiate in ways that previously they couldn't and that other countries can't. If you're Luxembourg and you say, are you really willing to play with us or you lose access to the market in Luxembourg in some in some lines of business, that's not a big loss. So you just go away. In the US, it's always a big loss. If you have prescriptive jurisdiction and market power, you can establish effective jurisdiction. And so here's a joke. Credit Suisse said we've saved what mattered most after the back. Then negotiations with the US Department of Justice. And it was they had to pay a fine, but they maintained their banking license and they were

quite happy about that. Okay, now this is interesting to me, and this was irritating to all legal scholars because it happens no matter what the actual domain is you're looking at. You can look at competition law or antitrust law. The nexus will be. Is there an impact on the US market by the activities? That's something Europe is pretty good at too. That's why they can get at Google at the European Union level. But the US can do it too in securities trading. Are you listed on the Stock exchange for bribery? It's the same. Do you settle in dollars? Is there a citizenship involved in any one way? Is the data held by a US firm? All these different things help you to establish a nexus, and that means that corporate criminal law in a lot of different areas, all of a sudden becomes a tool where you can go after the company of another country in a third countries, activities, doing business with possibly some totally different client because you can establish the nexus. And if you in my little database here, if you look at where the areas are, where you see the payments by foreign companies, you see that a lot of it is in antitrust, but also tax fraud and corruption and others. Corruption is an interesting case because people always tell me, but you make it sound like all these companies are so innocent and are just being bullied. And I'm saying I'm not saying they're innocent, I'm just saying once they're guilty, they pay a lot more. If they're a foreign company. Still, they're doing lots of evil things. But the interesting thing is, some things are not that hard to get a hold of or politically of no interest. So, for example, pollution from ships happens all the time. It's not very costly. You don't pay a lot. Environmental degradation. If somebody was really strategic about strategic litigation across borders, there is a universe of options in environmental degradation that nobody has an interest in using. Where they use it most is right now in getting economic access, building markets, getting access to infrastructure. Okay. Let me tell you what then happens, because those tools are available, you have legal tools and you can apply them across boundaries. So I hope you recognize the beautiful port of Sassnitz in the German island of Rügen, which, as most of you know, was one of the areas where the Nord Stream two pipeline was supposed to end, giving us Russian gas and putting this up now because now everybody agrees this was a really, really bad idea. But at the time, there was still a considerable portion of Germany thinking, well, let's just build the thing. It'll be good. And at the time, what was interesting was that the sanctions against Russia was really US politics. And the Europeans wanted to have a different foreign policy where they said, let's try to see if we can bind Russia into economic cooperation and do things differently. Same with respect to Iran, same with respect to some other countries. So basically the Europeans had a different foreign policy, foreign economic policy than the US, and the US didn't like it. So of course there's all sorts of diplomatic negotiations still building the pipeline. Stop building the pipeline. I'll spare you this, but what you may not know is there's also all these threats that were issued to the companies contributing to building the pipeline. So what you see here is a letter from the US Senate. Ted Cruz wrote the scientist saying this to the All Seas Maritime Company based in Switzerland, saying, we understand that Russia is paying all seas a very substantial amount of money to complete Nord Stream two. However, the consequences of your company continuing the work for even a single day after the president signs their own sanctions, legislation would expose your company to crushing and potentially fatal legal and economic sanctions. Every company working on Nord Stream two got that letter. So for many companies, the question was, is it for me an economically viable decision to continue working on the pipeline? And most of them said it's not. And at the end it was just the Russian naval companies building the pipeline. Other companies had already, um, left that option. But for example, even the harbour authority of Sassnitz Public company was getting a letter will sue you out of business if you if you even consider working on this. So because you need private actors to be enrolled, and because these private actors may be abroad, you can really bully them around into something that is against the foreign policy of that region and can be perfectly legal. Swiss banking secrecy was perfectly legal in Switzerland. It was even a national pride. And you had a collapse between the norms of the US that wanted to impose something else, and the legal setting in the country that was trying to resist. And through these strategies, Switzerland, Europeans, all sorts of countries had to bow. So why is this important? Because there's different ways theoretical digression to establish the authorities in global markets. And I think it's fine, of course, to agree that money laundering is a bad thing. OECD does the work, for example. So there's no problem in saying we have shared rules. We don't like corruption. Another work, the OECD and the UN is do we don't like sanctions against Russia, etc. if

you have an objective that is multilaterally recognized and enforced, then for me it's unproblematic. That happens in a lot of areas, but there has to be a multilateral or bilateral scope. And even if you use extraterritorial means, if it's bilateral and reciprocal, then I can live with it. I'm fine with having antitrust regulation from the US imposed on Europe as long as Europe can use their antitrust regulation and also impose their norms on the US. And it's not an issue, but what you see in certain areas. And that's when I talk about law firm lawfare, is that it's unilaterally imposed and against the companies in that market, basically just to get an advantage to their own companies for whatever reasons there may be. So what I do in the book, if you're interested in different cases, is I discuss struggles between countries that illustrate certain types of conflict, and in particular, they illustrate what, for Ferrell and Newman are the main things you do in your underground empire. In order to impose yourself in global markets, you either try to create a choke point where you exclude other actors from access to your market. So these choke point effects is typically what sanctions are about. Or you try to increase visibility, you try to get all the data. So you always know where everybody is. So you can go after the terrorists, or you can go after whoever you want to go after that. visibility goes through data access and is something that's supposed to China and the US for a very long time. You can also just try to build a market reach that is bigger and bigger, and that's typically what antitrust regulation is about. And here for me, the most interesting case is the case you probably don't know about is a spat between the United States and Japan about basically automobile conglomerates circumventing antitrust law. So basically, it's a whole price fixing conglomerate of Japanese car makers who paid also billions, but in a way that was completely accepted by the Japanese authorities because they had integrated the norms of competition law into Japanese institutions as well. And they felt that this was the rightful application of the legal norms they had already agreed to. And today, Switzerland, through whatever happened in frictions when the US started their battle against banking secrecy, also has integrated some of the norms and feels that it's not okay to hide money in a Swiss bank account or a toothpaste. This is a case of diamonds being smuggled across the Swiss border in toothpaste and all these things which now some of the Swiss look at and think maybe that wasn't a good business model in the first place. But that legal change, that normative change, came out of a particular struggle. I'll spare you the details of the empirical cases, but I'm getting closer to why I say then it triggers institutional change across the world. Because so far I've told you the story of the US being a bully and extending their domestic law across borders. But then something interesting happened, and that is that that created competitive dynamics across countries where a lot of different countries started changing their legal institutions and went towards the same tools and started adopting them. And these are the I call them the negotiation tools. So what is negotiation or negotiated justice? It's a form of abbreviated trials where you try to cut short the entire process of pleading in front of a court. And at the end, having the judge pronounce a verdict. That's how I naively always thought about the justice system. The justice system establishes whether something is right or wrong. Very binary. In reality, the the justice system is overloaded, has too many cases, wants to get rid of most of them, and likes abbreviated trial solutions where they can not go all the way to criminal trials. The most boring one is penal orders, which is a non-trial settlement where you just issue an order, but there is no negotiations, basically just an order that's being settled. Forget about that immediately. But it exists. It's a hierarchical. Most people know about plea bargains. Plea bargains are abbreviated to trial settlements where somebody says, I'm guilty, I'll accept to recognize that I'm guilty. If I get a bit of a lower sentence. And that comes out of the US, the common law systems, it's quite common to negotiate by saying, I'll plead guilty in exchange for a lesser sanction, which, if you are in the very hierarchical mean, if it's either right or wrong, seems odd. If you've really killed somebody, why should you get a lesser sentence? Should everybody get the same sentence for killing somebody? But with this plea logic comes the idea. You're facilitating the closure of a case and you're getting some credit for it. Here the judge is important because it's still a verdict pronounced by a judge. Once you come to deferred prosecution agreements, what actually happens is you do not get to the prosecution stage and you do not get to the trial. The parties agree that they will defer prosecution and settle on something where the guilty party doesn't admit that they've done something. So there is no guilt. And because there's no guilt, it is really advantageous because, for example, if you're a company that's not guilty of having done emissions

trading and all diesel engines that they've ever produced, it's just a theoretical example because there actually was the deferred prosecution agreement in the Dieselgate case. But if you just admit that you'd like to resolve it, you're not convicted. And that means you can't be barred, for example, from public tenders. So the admission of guilt is hugely important and you evade that. You just say we did something that may have been problematic. We'll do something nice in exchange. And if we do it again, then you can bring us to court. These negotiation instruments are non-trial settlements that I'm interested in. Some of them are plea bargains because they allow transactional justice. The prosecutor has a role in bringing justice and closing a case that is not just right or wrong, but it is case closed or not closed. Some right may be done, others may have been foregone. But basically you can close a case. And if you remember my puzzling moment in the beginning, I was very surprised that corporate criminality could actually be sanctioned, that companies can be held to account in global markets. That is, on the normative side, the plus you can close cases that previously you wouldn't have closed, but you don't get one party to say I'm guilty. You just get them to say, I won't do it again and I'll pay you a hefty sum. So it's a different logic, and this logic is when it comes across borders, a huge challenge for the governments that don't have it because you are sitting in Germany. Let's stay with Volkswagen. It's so nice and handy. You're sitting in Germany. Everybody says this has been so massive. Where have the German prosecutors been? Where's the German environmental authority? Did you not see this? Why? Is it the Environmental Protection Agency of the US that has to tell you that all us German carmakers are probably up for something that's not good. You're just in bed with your carmakers. You're just not doing your task. So all of a sudden, the authorities in the country that the company is from look like fools and get none of the return that is being settled. So there are nine billion going from France to the US department and France sees none of it. And you have at the time, under Obama, one minister said, I would like to make this an income stream for the government. I actually think there's lots of money in holding companies to account. So if it's an income stream for the government, why is it an income stream for the US government? There are prosecutors in all of these countries that also want to hold their companies accountable. Accountable. So how do you exactly do that and not just have the US be the racketeer? Once this company closes the borders? And that is why you see a diffusion of these legal instruments that really went across the world as they were used in quite some breathtaking speed. I've stopped counting, so I don't know where exactly we're standing now, but the United Kingdom introduced deferred prosecution agreements in their bribery legislation. Brazil played with leniency agreements. Spain adopted some similar tools. France created a whole new justice system for bringing corporations to trial, and created a thing called judicial agreement in the public interest and all these other countries listed here also started having collaborative agreements where a company says, I want to work with you in exchange for you not bringing me to court. Now, I think that's really interesting because all of a sudden you have what I sometimes call the moral economy. What companies do is no longer right or wrong, but settled or not settled at high or low levels. And what is the right amount? In very different ways. Maybe that's a better world, because previously we didn't know what to do with them anyway. But maybe it's a world that also has risks. What I find interesting is it has nothing to do with the legal families of the countries that adopted these negotiated justice instruments. So if you compare common law countries like the United Kingdom and Canada to the US, you see that some of them have adopted these tools quite easily. And they should, because, for example, the United Kingdom had plea bargaining since the nineteen seventies, introduced deferred prosecution into their bribery legislation, used them in nine cases, quite successfully so, and was also quite happy to use it because then all of a sudden they could deal with cases that the US would have dealt with by themselves. So the United Kingdom adopted it with some measure quite strong. Canada. Canada is a complicated just say for my purpose. It's enough of a common law country to be comparable. Introduced plea bargaining much later has a notion of corporate criminal liability, but introduced this remediation agreement deferred prosecution agreement, only in twenty eighteen, in a context of a huge corporate scandal that almost brought the back then Trudeau government down and never used it. They felt that this was compromised. All the principles the justice system stood for, and they just didn't want to touch it. They felt it was giving the companies too easy of a way out. So here you have variation within common law countries. And to the same degree you see civil law countries struggling

with this as well. France. Civil law tradition was very early on eager to adopt some of these things. They had penal orders. They. They had plea deals since two thousand and four. They introduced corporate criminal liability. And once they had the reform that I just mentioned, they've already concluded. I think it's more now eleven judicial agreements with the financial prosecutor and is using this quite successfully. So feeling that they've gotten a much better deal out of the corporate accountability than previously to the same, even though a little bit lesser same case in Brazil. Brazil had the very important Lava Jato corruption case that they also wanted to prosecute and prosecuted with very US tools, to a point that actually led to what was then called prosecutorial activism, where the prosecutor went probably ahead too far. This was linked to the conviction also of Lula, and then they rolled back on it. But basically they went very far out, adopted it and then didn't. And then there's Germany. Germany is always different, but in this case it's really different. Germany just says, we want none of that. Um, that is completely contrary to how we think about the justice system, it is something that a lot of political movements actually call for because they say, at least we could get to companies. But Germany says no. If there is corporate criminal activities in Germany, we have assets. And you go with administrative law after the companies. You don't have corporate criminal law to the same degree. And they're also very resistant to starting to negotiate with companies. So Germany just is pushing this away for reasons we can discuss. So short story of a complicated graph here. The legal system you come from doesn't matter with how you adopt it. It's more of a strategy for some governments to respond to the challenge the US poses them, often linked to how many companies were actually concerned for how much money. But you do get very significant institutional change in the countries that actually go down the road. And overall, the picture is still a picture that I think can be more accurately described or it or can be accurately described as the rise of negotiated corporate justice, where you do get corporate accountability in the world, but at the price of negotiation, not with an effective global criminal system. And that, and that's my conclusion, is noteworthy because it means that globalization is a force of competitive transformation, of how justice is done with respect to companies. And that has risks, has very important risks, in particular, when judges are sidelined in some of the adoption, judges play a key role. That's good. If I have a policy recommendation, if the judge has a role there, then I'm fine. But in some it's completely out of court and anything can happen. My favorite case of anything can happen is at the level of the state of New York, a settlement where they decided that the company that was convicted would pay the money that was earned out of slot machines in order to increase schooling in the inner city, or another case where a university that's always a good thing. Got an endowed professorship at the alma mater of the prosecutor that was negotiating it. So basically, you have random things where money can pour from one place to the other and has no, no system to it. So I find that rather problematic. The other risk is we know whenever things are negotiated, salaries between male and female job applicants, sanctions between a big platform company and an unimportant family owned company. Not everybody is equal. So if negotiation is important, power is important, and those who are more powerful will get a better deal. And I think it's also problematic because it's something relatively worrisome that you could get out of the press as a message for really the sense of the social contract and justice in democratic systems. If a company can negotiate their way out of a deal, out of some some real criminal activity, sometimes with people being hurt, killed and more and an individual can't, then that proves again and again that money makes a difference even in how the justice system will handle you, and also that the justice system fails to really deal with corporate liability in an adequate way. Here my favorite case is pharmaceutical crisis, the opioid crisis and how it came out of drug mislabeling. And I would say this is now a matter of bankruptcy law. It's a matter of all sorts of things. But it hasn't been really brought to justice for cases that companies called Purdue Pharma really should have been. And so that creates a bad image for the general public, which feels that there is one system for the haves and another for the have-nots. And I do find that that is problematic also politically. So I'll stop on a gloomy note, but I'll say thank you, and I'm very happy to discuss all the rest with you.