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The Globalization of the Legal Profession

WILLIAM D. HENDERSON* 

On April 6, 2006, the Indiana University School of Law—Bloomington served as host to a long overdue conversation on how economic globalization is reshaping the legal profession. Participants included academics from law and business, managing partners, practicing lawyers, in-house counsel, and law firm consultants. At least for the day, all of us had the opportunity to reflect upon—rather than merely react to—the new rules of international competition and convergence. Further, the unique mixture of perspectives and human capital resulted in a thoroughly engaging dialogue among both participants and audience members.

As a law professor at a U.S. law school, I confess that my perspective toward globalization is that of an American lawyer. Over the last several years, I have gathered extensive data on large corporate law firms. My primary focus has been the Am Law 200, which is comprised of the 200 largest U.S. law firms based on annual revenues. Although accounts in the legal press increasingly discuss expans-
sion of law firms abroad, a careful analysis of the Am Law data by geography reveals the magnitude of changes that are currently afoot.

Between 1993 and 2003, the number of attorneys working for Am Law 200 Law Firms increased from 54,520 to 100,365 (an 84.1 percent increase). Of this increase, 16.7 percent occurred in foreign branch offices. Remarkably, during this ten-year period, London ranked number three in the increase of Am Law 200 lawyers (+2,848), trailing only New York City (+9,920) and Washington, D.C. (+4,916). Similarly, U.S. law firms have been opening a large number of foreign offices. Between 1993 and 2004, Am Law 200 law firms opened twenty-nine offices in London, fifteen offices in Shanghai, fourteen offices in Beijing, eleven offices in Frankfurt, ten offices in Hong Kong, nine offices each in Paris and Singapore, eight offices in Brussels, and four offices in Tokyo.

In the years to come, it is likely that a mere beachhead presence in foreign countries will expand into major hubs for international lawyers. From our present vantage point, the practice of law implicitly suggests a relationship to a specific state or country. Yet, the pace of global commerce now requires lawyers to facilitate transactions and resolve disputes in an environment that spans a wide array of legal systems with vastly different traditions. Obviously, these changes stretch the professional identity of lawyers and pose difficult questions regarding the profession’s ability to regulate itself on a global or international scale.

Fortunately, the following articles from the Globalization of the Legal Profession Symposium further develop many of the themes discussed at the conference. Danny Sokol’s article contextualizes the rapid international growth of U.S.-based law firms and provides us with a useful taxonomy of firms vying for international business.7 The contribution by Leonard Bierman and Michael Hitt chronicles how radical changes in telecommunications have wired the globe for 24/7 commerce, thus “flattening” cultural barriers and increasing competition for lawyers.8 John Flood’s entertaining essay provides us with a coherent theory for why lawyers from the two major common law systems, that of the United States and United Kingdom, have a special facility for creating structures for new and novel international enterprises.9 Similarly, Carole Silver provides us with a valuable empirical study of how foreign lawyers with an LL.M. degree from an American

law school have become an important source of competition (rather than human capital) for U.S. law firms.\(^\text{10}\) Regarding the challenges posed by globalization to legal ethics and self-regulation of the profession, Laurence Etherington & Robert Lee make a compelling case that the maintenance of legal ethics will likely devolve to the international law firm; yet, by their own admission, the long term stability of such a regime remains an open question.\(^\text{11}\) Finally, Pierrick Le Goff outlines a novel framework for defining "global law" and how international institutions and law practitioners are shaping its contents.\(^\text{12}\)


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