

## BUSINESS AND MANAGEMENT PROGRAMME GOVERNANCE AND REGULATION IN THE AGE OF SUSTAINABILITY

**Course contact hours:** 45

**Recommended credits:** 6 ECTS – 3 US

**Language:** English

### Prerequisites

The course is accessible to all students with previous basic qualitative knowledge of social sciences (economics, political science, and public administration) as well as business strategy and administration.

### Objectives and Contextualization

Interdisciplinarity has become the hallmark of modern education, including in Business Schools. This course explores a specific set of societal, economic and ecosystem relations: governance structures to steer society towards sustainability.

Governance is the framework where formal and informal exchanges between public and private actors in modern societies take place. Sustainability, along its three goals of liveability, fairness, and viability, is the notoriously problematic object of modern governance. Regulatory activity is the most common governance for sustainability instruments when softer instruments fail to deliver.

While other courses in this program cover the quest for sustainability pursued inside business organizations, this course zooms out on the aggregation of societal preferences over collective sustainability challenges and their conversion into legitimate and authoritative goals. By adopting a governance perspective, it is possible to explore structures and processes that reconcile public and private interests amid the converging or conflicting preferences of government, civil society, and business.

Different governance modes will be covered, from the least constraining, when business proactively pursues the public interest with minimal external intervention (private governance), to less flexible regulatory processes where government adopts and enforces mandatory standards. Examples will include three dimensions of sustainability, all in the context of the quick and unprecedented geopolitical shifts occurring lately: the environmental, with a particular focus on climate and energy transition; the social, with the radical transformation of work in the age of automation and digitalization and the need to reduce inequality within the context of the rise of financial capitalism; and the challenge of taming path-breaking technological progress, with its potential of disrupting traditional patterns of societal relations and production dynamics.

Finally, the scale of analysis will span the nested governance and regulatory regimes where business is located, from the national, the regional (in particular, the dense European Union regulatory environment) to the international.

## Competences

- Ability to identify the most salient sources of information and the crucial messages contained in the often-long documents that governments, think-tanks and NGOs produce regarding governance and sustainability to keep an updated picture of a fast-moving environment.
- Develop systemic thinking, problem-solving skills, and ethical leadership, integrating the different aspects of sustainability into different governance contexts under which a company is simultaneously operating and being able to point out trade-offs and leverage points to improve a company or a business unit performance.
- Carry out integrated and interdisciplinary sustainability approaches for private companies which embed internal strategies and goals with the prevailing or evolving governance structures and anticipated evolution of regulatory frameworks.
- Ability to make recommendations during strategic decision-making processes within a company highlighting the alignment of companies' goals with short and long-term statutory sustainability regulatory outcomes.
- Develop leadership and communication skills to act as a 'global citizen' and discuss ethical considerations and trade-offs in regulatory decision-making for sustainability within a company or engage with a variety of external stakeholders (government, civil society, local communities, suppliers, clients, etc).
- Include resilience and adaptability to the skillset of a modern decision-maker in an any organization, anticipating changes in the external governance environment, learning from setbacks and failures while keeping a firm and undeflectable focus on long-term sustainability goals.

## Learning Outcomes

1. Understand the articulated concept of governance in modern society and generate a conceptual map of actors and channels for establishing relationships.
2. Understand the fundamental concept of sustainability and the trade-offs that exists among its dimensions. Become familiar with the concepts of 'weak' and 'strong' sustainability and with emerging new paradigms as 'degrowth'.
3. Classify societal and business challenges under different headings of sustainability.
4. Develop a sense of awareness about personal relations with such challenges and distinguish among potentially conflicting identities as a citizen, a voter, and a member of a business organization.
5. Learn to distinguish and use evaluation criteria generally attributed to different actors and differentiate between arguments based of effectiveness and efficiency from those based on ethical judgment.
6. Cultivate empathy for the consequences of governance on the social and environmental impacts on marginalized communities.
7. Classify different governance modes and regulatory techniques, ranging from self-regulation and private governance to soft governance in the shadow of government hierarchy and command-and-control regulation.
8. Understand the stages of the regulatory process and the roles of actors involved.

9. Articulate all the former knowledge across different scales of jurisdiction (local, national, regional, international)
10. Understanding the challenges emerging from regulatory competition among geopolitical blocs, its negative implications for global governance of sustainability and the emerging responses of the European Union to this new global order.
11. Identify the challenges thrown up by fast technological development, its practical and ethical implications and navigate wisely between the opposite extreme attitudes of 'technological fix' optimism and the doomed predictions of 'new Luddites'.

## Content

### Module 1. Exploring governance:

- New Institutionalism and the 'good institution': Rational, Historical and Sociological Approaches.
- From Government to Governance: evolution of state-society relations.
- Government, markets and networks.
- Declining Governance: organizational, corporate, public, global and 'good' governance.
- Governing the Commons: From tragedy to polycentric governance.
- Multilevel governance in the European Union.

### Module 2. Exploring regulation:

- The regulatory state: why regulating and what is good regulation?
- Regulatory strategies.
- Market and regulatory failures.
- Regulating risk in the risk society.
- De-regulation and Re-regulation in the European Union.
- New forms of regulation: Self-regulation and regulatory networks.
- Independent regulatory agencies.
- Enforcing regulation.
- Towards global regulation or competing regulatory regimes?

### Module 3. Framing sustainability:

- Seven ages of globalization: geography, technology and institutions.
- Planetary boundaries.
- Economic development, poverty and Inequality.
- The contested concept of sustainable development: analytical and operational aspects.
- Strong and weak sustainability.
- Prosperity and degrowth: oxymoron or way forward?
- Fragmented governance for sustainability: the prominence of global economic policy, the consolidation of global environmental politics, the emergence of global technology politics and the absence of global social policy.

Module 4. Governance in the age of sustainability: domains of application (sample of topics covered):

- Governance and regulation for the environmental sustainability.
  - o Building a new industry: renewable clean policy in the EU and the challenge of de-risking dependence from foreign suppliers.
  - o Killing a pillar of the EU economy or ensuring its future viability? Phasing-out the internal combustion engine in the EU: decarbonisation, industrial competitiveness and societal acceptance.
  
- Governance and regulation for the social sustainability.
  - o Regulating the gig economy: the case of the Spanish labour market reform before and after the age of austerity.
  - o Are environmental and social protection at odds? The case of green taxation in France.
  
- Governance and regulation for 'digital sustainability'.
  - o Regulating 'Big Tech': comparative regulatory approaches in the US and the EU.
  - o Too early or too late to regulate? Political, economic and regulatory dilemmas in the wake of the emergence of AI.

## Methodology

To maximize its interdisciplinary added value and the goal of developing skills for dealing with real-world experiences, the course will use an integrative and applied learning methodology. Integrative learning allows students to gradually build up the capacity to assemble conceptual, theoretical, and practical knowledge across social sciences and business.

During the first part of the course, students will attend lectures in which reflections (debates and discussions) on assigned readings and critical thinking about the different perspectives encountered will be the most important activities.

Once this preliminary toolkit of knowledge will have been secured and internalized, the course will switch to applied learning where students will develop problem-solving skills through collective and individual hands-on engagement with examples of governance and regulatory issues.

Students will be assessed through participation in debates and discussions, quizzes, collaborative projects, individual case studies and dialogue with guest speakers. The group must also regularly report on progress and actively work during the dedicated hours of in-class supervised work.

## Activities

	Directed Hours	Independent Study Hours
Class sessions (theory)	x 17	
Class sessions (practice)	x 15	x 10
Final assessment	x 5	x 15
Supervised: Project	x 8	x 20

## Assessment

Criteria used for assessment intend to ensure that evaluation is fair and not arbitrary, consistent with the course goals and content and transparent with constant feedback throughout the semester. A specific rubric will be provided for each assignment at the beginning of the course.

All criteria will in any case require the student to be accurate, show capacity of depth of analysis, use sources of information that are relevant, organize its work efficiently, be clear in its written and oral expression, and adhere as much as possible to the provided guidelines.

Class attendance is considered a fundamental asset for this course and. Full participation grade is conditional on having no more than four absences. Beyond four absences, the participation grade will be cut by half. Students will have to demonstrate individual and collective working skills. The former will be assessed through a final examination at the end of the theoretical section and completion of two relevant case studies. The latter will require students to show capacity to engage in team-working and the whole group is expected to produce an outcome rich in information, synthesis and creativity.

## Assessment Activities

Title	weighting	hours	learning outcomes
Project	30%	20	7-8; 10-11
Case Study Analysis	20%	10	6-9
Class Participation	20%	(course hours)	1-11
Final Exam	30%	15	1-5

## Bibliography

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Bell, S. and Hindmoor, A. (2009). *Rethinking Governance. The Centrality of the State in Modern Society*. Oxford University Press.

Bevir, M. (2014). *Governance, a Very Short Introduction*. Oxford University Press

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Cowhey, P.F. and Aronson, J.D. (2017). *Digital DNA. Disruption and the Challenges for Global Governance*. Oxford University Press.

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Crouch, C. (2019). *Will the Gig Economy Prevail?* Polity Press.

Hassel, A., Palier, B. (2020). *Growth in Advanced Capitalist Economies*. Oxford University Press.

Hood, C, Rothstein, H., Baldwin, R. (2001). *The Government of Risk. Understanding Risk Regulation Regimes*. Oxford University Press.

Jackson, T. (2021). *Post Growth. Life After Capitalism*. Polity Press.

Levi-Faur, D. (ed.) (2011). *Handbook on the Politics of Regulation*. Edward Elgar.

Majone, G. (1996). *Regulating Europe*. Routledge.

Ostrom, E. (1990). *Governing the Commons. The Evolution of Institutions for Collective Action*. Cambridge University Press.

Sachs, J. D. (2015). *The Age of Sustainable Development*. Columbia University Press

Scott, V.; Brown, M. and Sovacool, B. (2019) *Empowering the Great Energy Transition*. Cambridge University Press.

Sjåfjell, B., Liao, C. and Argyrou, A. (2022). *Innovating Business for Sustainability Regulatory Approaches in the Anthropocene*. Edward Elgar.

Swinfen Green, J. and Daniels, S. (2020). *Digital Governance. Leading and Thriving in a World of Fast-Changing Technologies*. Routledge.

## Software

The course will not involve the use of any dedicated software, expect Microsoft Office application. Web editing capacities would be a welcome but not necessary plus. The self-conscious use of AI application is also accepted and subject to the specific disclosure policy set by the instructor.