

<b>Course:</b> Sustainable Business Law (Advanced Corporate Practice)	
<b>Type of course:</b> Elective	<b>Language:</b> English
<b>Professor:</b> Lela Mélon ( <a href="https://www.linkedin.com/in/dr-lela-m%C3%A9lon-ll-m-550b5b30/">https://www.linkedin.com/in/dr-lela-m%C3%A9lon-ll-m-550b5b30/</a> )	
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### Course description

**Knowledge:**

The course is devoted to delivering the knowledge on the pertinent issues of sustainable development through the prism of private business and the challenges the current business form under the pertinent social norms poses for such development. Starting with the international framework for sustainable development, we explore the diverse channels and their necessary transformation in the order of relevance as to the impact they have for sustainable development. After dividing the action into three large subcategories of sustainable public purchases, sustainable corporate conduct under renewed corporate law rules and last but not least, sustainable consumption and supporting environmental legislation at the international level, we focus on the newest developments in the EU law for each of the subgroups defined. In order to offer to the students also some hands-on experience on corporate practice under such new legal framework, we apply the legal knowledge obtained to practical market functioning of the enterprises also through the Law and Economics approach. Subject to the group size, a Problem Based Learning approach will be employed, enabling students to internalise the notions presented throughout this course.

**Capacities and skills:**

Identification and analysis of pertinent rules on Sustainable Business. Correct understanding of corporate obligations as to their social and legal nature. The multifaceted and interdisciplinary approach to sustainable development. Law and Economics approach to sustainable business. Case resolution. Writing specialized documents. Development of capacities related to the use of arguments through oral presentations and written assignments.

### Previous requirements

There are no pre-requisites to take the course, although background on Corporate Law, Corporate Governance and on the classification of legal systems would be of advantage.

### Teaching methods

The course will develop along one week in an intensive form, in five three-hour sessions (additional meetings can be arranged in common agreement with the students, if needed). Each of the sessions will consist of a lecture by the professor, a discussion about the required readings, and in some cases additional activities addressed to specific issues of the course. Depending of the nature of such activities, active participation of students will be required. Readings for each session are compulsory as a basis for discussion, without exception.

Syllabus	
<b>Session 1</b>	<p><b>Introduction Session: International Framework for Sustainable Development and Shareholder Primacy Paradigm: The Demise</b></p> <p>We will be exploring the depth and the meaning of the term ‘sustainability’, its origins and its adaptations through time. International legal documents on sustainability. International obligations of individual nation states and the EU under these documents. The three channels to reach these set goals.</p> <p><b>Readings:</b></p> <ol style="list-style-type: none"> <li>1. Steffen et. al. (2015), ‘Planetary boundaries: Guiding human development on a changing planet’</li> <li>2. Mélon, L. (2019), Ch.3 ‘Future Developments: How Can Corporate Law Contribute to Sustainable Development? The Notion of the “Sustainable Company” in Shareholder Primacy and Global Business (Routledge 2019).</li> <li>3. Pavoni, R. and Pisell, D. (2016) ‘The Sustainable Development Goals and International Environmental Law: Normative Value and Challenges for Implementation.’ <i>Veredas do Direito</i> 13:26.</li> <li>4. The Principles of International Law Related to Sustainable Development (the text will be provided to the students)</li> <li>5. Diverse materials on Shareholder Primacy provided in class</li> </ol>
<b>Session 2</b>	<p><b>Recap of Corporate Governance and Corporate Law Framework</b></p> <p>Recalling the institutes of limited liability and separate legal personality, we explore the origins of these concepts and critically appraise them in the light of current corporate legal and moral obligations.</p> <p><b>Readings:</b></p> <ol style="list-style-type: none"> <li>1. Millon, D. (1990) ‘Theories of the Corporation’ Washington &amp; Lee University School of Law Scholarly Commons.</li> <li>2. Hansmann, H. and Kraakman, R. (2004) ‘What is Corporate Law?’ Yale Law and Economics Research Paper No.300.</li> <li>3. Armour et. al (2017) ‘Foundations of Corporate Law’ available at <a href="http://www.law.harvard.edu/programs/olin_center/papers/pdf/Kraakman_902.pdf">http://www.law.harvard.edu/programs/olin_center/papers/pdf/Kraakman_902.pdf</a>.</li> <li>4. Woodward, S.E. (1985) ‘Limited liability in the theory of the firm’ in <i>Journal of Institutional and Theoretical Economics</i> 141 (4), pp.152–161.</li> <li>5. Ireland, P. (2010) ‘Limited liability, shareholder rights and the problem of corporate irresponsibility’ 34:5 <i>Cambridge Journal of Economics</i>.</li> </ol>
<b>Session 3</b>	<p><b>The issue of ‘Radical Shareholder Primacy’</b></p> <p>Employing comparative law approach, we tend to the issue of shareholder vs. stakeholder oriented corporate laws of civil and common law jurisdictions. The origins of shareholder primacy. The consequences of shareholder primacy. The current radical form of shareholder primacy.</p> <p><b>Readings:</b></p> <ol style="list-style-type: none"> <li>1. Friedman, M. (1970) ‘The Social Responsibility of Business is to Increase its Profits’ <i>New York Times Magazine</i></li> <li>2. Millon, D. (2013) ‘Radical Shareholder Primacy’ 10:4 <i>University of St. Thomas Law Journal</i>.</li> <li>3. Sjäfjell, B. (2015) ‘Shareholder Primacy: The Main Barrier to Sustainable Companies’ in <i>Company Law and Sustainability: Legal Barriers and Opportunities</i> Sjäfjell B. and Richardson B. (eds), Cambridge University Press, 2015.</li> <li>4. Ajibo, Collins C. (2014) “A critique of enlightened shareholder value: Revisiting the shareholder primacy theory”. In <i>Birkbeck Law Review</i> 2:1, pp.37–58.</li> <li>5. Mélon, L. (2019) Ch.2 ‘The Incompleteness of Modern Corporate Laws’ in Mélon, L. <i>Shareholder Primacy and Global Business</i> (Routledge 2019)</li> </ol>

<p><b>Session 4</b></p>	<p><b>Corporate Social Responsibility vs. Sustainable Corporate Governance</b></p> <p>As an addition to shareholder primacy, the CSR tried to counterbalance the negative effects of this paradigm and ensure a partial integration of negative externalities in the corporate sphere. A critical appraisal of its success will be undertaken and the meaning of CSR as opposed to sustainability will be looked at.</p> <p>The current developments in the field of Sustainable Corporate Governance, Due Diligence and Corporate Sustainability Reporting will be taken a look at (materials will be provided directly by the professor for this part). The analysis of EU Green Deal and FitFor55.</p> <p><b>Readings:</b></p> <ol style="list-style-type: none"> <li>1. Friedman (1970)</li> <li>2. Aggarwal, Priyanka and Kadyan, Aarti (2011) ‘Greenwashing. The darker side of CSR’ in Indian Journal of Applied Research 4 (3), pp.61–66.</li> <li>3. Alves, Igor. M. (2009) ‘Green spin everywhere: How greenwashing reveals the limits of the CSR paradigm’ in Journal of Global Change and Governance 2:1, pp.1–26.</li> <li>4. Mélon, L. (2019) Ch. 3.4.1 in Mélon, L. <i>Shareholder primacy and Global Business</i> (Routledge 2019).</li> <li>5. van Marrewijk, M. (2003) ‘Concepts and definitions of CSR and corporate sustainability: Between agency and communion’ 44:2–3 Journal of Business Ethics, pp.102–105.</li> </ol>
<p><b>Session 5</b></p>	<p><b>The Public Channel: Green Public Procurement, Sustainable Public Procurement and the Circular Economy</b></p> <p>The indispensable development of sustainable public procurement and the circular economy for the achievement of sustainable development goals. Definitions of the three notions. International and EU legal framework on the matter. The issues with its implementation and practical intake. Public-private partnerships on the matter. The interrelated issue of sustainable supply chain management and the monitoring problem in the public and the private sector.</p>
	<p><b>Readings:</b></p> <ol style="list-style-type: none"> <li>1. Sjøfjell, B. and Wiesbrock, A. (2016) ‘Why Should Public Procurement Be About Sustainability?’ in <i>Sustainable Public Procurement Under EU Law: New Perspectives on the State as Stakeholder</i>, Sjøfjell B. and Wiesbrock, A. (eds), Cambridge University Press 2016; University of Oslo Faculty of Law Research Paper No. 2017-17. Available at SSRN: <a href="https://ssrn.com/abstract=2954499">https://ssrn.com/abstract=2954499</a></li> <li>2. Mélon, L. (2019) ‘More than a nudge? Arguments and tools for mandating green public procurement in the EU’ Sustainability 2019</li> <li>3. Geissdoerfer, M. (2017) ‘The Circular Economy – a new sustainability paradigm?’ 143 Journal of Cleaner Production, pp.757–768.</li> <li>4. Barcelona City Council, 2018 Sustainable Public Procurement Plan</li> </ol>

<b>Suggestions for further readings</b>	<p><b>The EU legal framework for sustainable business – possibilities and pitfalls</b> Recapping the legislation presented in previous sessions and critically appraising its effectiveness in practice. Discussing about the possibilities for further action and observing the developments at the EU level (the propositions, Green Papers, White Papers and Action Plans)</p> <p><b>Readings:</b></p> <ol style="list-style-type: none"> <li>1. Barnard, C. and Deakin, S. (2002) ‘Reinventing the European corporation? Corporate governance, social policy and the single market ‘ in <i>Industrial Relations Journal</i> 33 (5), pp.484–499.</li> <li>2. Vitols, S. <i>The Sustainable Company: A New Approach to Corporate Governance</i> (European Trade Union Institute 2011) <ol style="list-style-type: none"> <li>a. Vitols, S. ‘What is the Sustainable Company?’</li> <li>b. Watt, A. ‘Signal Change: Environmentally Sustainable Corporate Behaviour Requires a Change in Incentives’</li> </ol> </li> <li>3. Sjäfjell, B. (2009) ‘Internalizing externalities in E.U. law: Why neither corporate governance nor corporate social responsibility provides the answers’ in <i>The George Washington International Law Review</i> 40 (4), pp.977–1024.</li> <li>4. Mélon, L. (2019) Ch.3 ‘Future Developments: How Can Corporate Law Contribute to Sustainable Development? The Notion of the “Sustainable Company” in Mélon, L. <i>Shareholder Primacy and Global Business</i> (Routledge 2019).</li> </ol>
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Activities and assessment		
<p>Apart from lectures, course activities will imply course and reading assignments, as well as active participation by students. The evaluation of the course will combine continuous assessment and a final examination, according to the following criteria:</p>		
Activities	%	Assessment guidelines
Course assignments	50%	Precision and pertinence of content will be highly valued in each of the assignments.
Class participation	10%	Pertinence and originality of active participation will be
		highly valued
Final examination	40%	Quality of arguments and pertinence of answers will be highly valued
<p><b>Retaking conditions:</b></p> <p>For students failing the course after the final examination, it will be possible to retake the exam while grades for course assignments and class participation are maintained.</p>		

Materials and references
<p><b>Bibliography:</b>  Mélon, L. <i>Shareholder Primacy and Global Business</i> (Routledge 2019)  Sjäfjell, B. <i>Company Law and Sustainability: Legal Barriers and Opportunities</i> (Cambridge University Press 2015)</p> <p><b>Required readings and additional materials:</b>  Required readings will be available for students at the beginning of the course. Additional materials may be required to prepare course activities. The professor will give indications about such activities and the required materials.</p>