
Editorial

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Biographical notes: Maria Fernanda Madi (Brazil) is a lawyer and economist; PhD Researcher at Erasmus University Rotterdam. Her research interests include law and economics, economic regulation, comparative law, and competition law. She is Visiting Researcher at University of Bologna (Italy) and University of Hamburg (Hamburg), Green Economics Institute Member.

Green Economics covers and widens the scope and range of economics to include such fields as: climate change and renewable energy, to economic development, corporate social responsibility and diversity, among others. All these topics have a common characteristic: they generate long-term consequences (externalities) to societies that are not easily observed and/or understood. Over the last decades, individuals and firms have tried to circumvent discussions of consequences. In this scenario, public and private regulations play a big role in order to provide the right incentives for individuals and companies to pay more attention to these externalities. This Special Issue of the *International Journal of Green Economics (IJGE)* aims at presenting a unique selection of articles which address the legal instruments related to corporate governance strategies and private responsibilities in order to assess environmental risks and energy laws in different countries.

From the economic theory standpoint, regulation is mainly motivated and explained by public interest argumentation. This means the law and the decision-making process usually operate with the objective of guaranteeing the right incentives to individuals in order to promote market efficiencies (Ogus, 2004). When thinking about Green Economics, externalities (such as pollution) and information asymmetry (such as the individuals' lack of information about health damages) are good prime examples of market failures that give grounds to regulation.

Although this collection of articles has been written by lawyers, they all touch upon the economic analysis of environmental law and sustainability. In fact, the relationship of Law and Economics is necessary in many issues, including in contemporary Green Economics' debates. Environmental Law and Economics is a growing field of Law and Economics that directly discusses how to efficiently design socio-economic policies and in a way which addresses the goals of each society. Faure discusses, for instance, that, in the absence of the law, there is almost no incentive for companies not to get involved in risky activities on behalf of environmental constraints and sustainability targets (Faure, 2005). According to Faure, if the law reaches the society, companies can be then prosecuted for breaking the rules and therefore they might start rethinking their business strategies and practices, e.g., they may start investing in lower polluting machinery.

The Erasmus Early-Career Scholars Conference, organised by Erasmus School of Law, on the topic *New business models and globalized markets: Rethinking public and private responsibilities* was the inspiration of this Special Issue, which is composed of five articles. The Erasmus Early-Career Scholars Conference was held on 11–13 April 2018, in the Netherlands. The Conference was co-hosted by the Erasmus School of Law, the Rotterdam School of Management and the Faculty of Philosophy. This conference opened the door to further discussions about the relation between the law and the environment. At the conference researchers from several universities around the world joined together to reflect on the role of innovative legal and non-legal approaches, and on the balance between public and private responsibilities in the context of digital and globalised markets.

The collection of articles is divided in two parts. Part I presents different normative analyses regarding general theories of corporate governance and corporate responsibility towards environmental risks. This Part starts with the article by Diletta Lenzi (University of Trento, Italy) about corporate governance mechanisms to manage environmental risks, which examines the role of corporate law in preventing environmental damages. The author considers the main costs and benefits obtained by managers within the legal framework of European for-profit companies. In her normative analysis, Lenzi suggests some remarkable policy implications. Lenzi's paper is followed by the contribution of Wei Yin (Durham University, UK) on Sovereign Wealth Funds (SWFs), shareholder activism and socially responsible investing. Yin's article provides an interesting narrative about SWF activism and its potential impact on corporate governance and business sustainability. SWF corporate structures are becoming increasingly significant, which makes this article particularly relevant to the audience of the IJGE. Moreover, Yin discusses the importance of soft law instruments and a better regulatory framework – in both a national and international scope – to guarantee transparency and shareholder rights among SWFs. The third and last article of Part I is authored by Mariavittoria Zaccaria (University of Ferrara, Italy; and KU Leuven, Belgium), and discusses the private responsibilities of Small and Medium Enterprises (SMEs) in the protection of the environment within the European Union (EU). Zaccaria's paper shows, in detail, that although SMEs represent 99.8% of the European industrial population, they are still underrepresented in the environmental law making process in the EU. For these reasons, the author discusses how the current regulatory instruments are not yet an effective response to the existing environmental issues and actions should be taken into consideration by the EU to establish a new private and public responsibilities' framework.

Part II of this Special Issue presents a closer look into two different topics related to energy law. It begins with the article of Irakli Samkharadze (Friedrich-Schiller University of Jena, Germany; and Tbilisi State University, Georgia) which examines the externalising effect of EU energy law in domestic economies outside the Union. The author takes the case of Georgia as an example of EU energy normative power within the eastern Europeanisation framework. Legal transplants can be an important tool for countries with less normative experience regarding energy law. There is a sparse amount of academic research regarding the application of EU energy law in non-EU countries, which makes this paper even more thought-provoking. Samkharadze's paper is followed by the last contribution of this Special Issue, the article of Margarita Nieves-Zárate (University of Groningen, Netherlands). Nieves-Zárate investigates safety regulation for offshore oil & gas exploration and production by looking deeper into the legal evolution

and the challenges to regulation of two leading countries in the field of energy law: the United Kingdom (UK) and Norway. Nieves-Zárate discusses new regulatory approaches which better divide the responsibilities among regulatory authorities, oil & gas companies and the workforce. This contribution is particularly relevant to this Special Issue, since the UK and Norway are important countries in terms of setting energy regulation and other states can greatly learn from their experiences.

After reading this collection of articles, the readers of the *IJGE* will be able to expand their reflections on the development, the status, and the new emerging trends of legal discussions in the field of Green Economics.

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References

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