

Sixth Annual Colloquium of the  
European Academy of Business in Society (EABIS)  
20 - 21 September, 2007 – Barcelona, Spain

**“The Emerging Global Governance Paradigm:  
The Role of Business and Its Implications for  
Companies, Stakeholders and Society”**

**CALL FOR CONTRIBUTIONS**

From Academics & Reflective Practitioners

Hosted by ESADE Business School  
(with a PhD Day 22 September at IESE Business School)  
in Barcelona

The EABIS Colloquium is part of the EU Platform for Excellence in CSR Research  
("CSR Platform") Project, supported by the European Union's 6<sup>th</sup> Research  
Framework Programme (FP6)



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## **Acknowledgements**

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Elena Bonfiglioli, Microsoft Corporation EMEA  
Colin Crouch, Warwick Business School  
Josep M. Lozano, ESADE Business School  
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## 1. Introduction

We are pleased to introduce you to the 6<sup>th</sup> Annual Colloquium of the European Academy of Business in Society (EABIS), Europe's leading reference point for corporate responsibility issues in research and education. This prestigious conference – the world's largest collaborative business-academic conference in 2007 – is being hosted for the first time by ESADE Business School on September 20 and 21, 2007, with a PhD Day at IESE Business School on September 22 in Barcelona.

The September event will examine the contributions, commitments and impacts that business can make through governance to address the key issues and challenges of globalisation and sustainable development.

An anticipated audience of 350 senior executives, academic thought leaders and visionary civil society representatives will therefore gather at ESADE to shape the future agenda for business practice, research and education in these vital areas

### **A Broad Approach to Global Governance and the Role of Business**

The event aims to build a broad picture of the issues relating to the emerging global governance paradigm and the role of business in society. Therefore, we will again aim to attract:

- Participants from different sectors: a comprehensive, high-level representation from business, academia, policy-making and civil society stakeholders.
- Participants from different disciplines and areas of work: we encourage engagement and contributions from scholars in strategic management, corporate governance, international business, leadership, stakeholder theory, business history and corporate social responsibility, as well as international relations studies, political science, public policy and administration, sociology, globalization studies, and economics.
- Interdisciplinary contributions: from individuals or groups of scholars working across different disciplines or areas
- Multi-stakeholder collaboration: from individuals or groups of scholars and practitioners working together on research and knowledge development.

### **Key Questions on Global Governance and the Role of Business**

We will approach the issue of the role of business in global governance within a conceptual framework that incorporates three levels. A first level examines the role of business and global governance in the global economy and in relation to global

international organisms; it also integrates initiatives across global industry sectors and supranational regions such as the EU or the Mercosur. A second level asks about business and governance issues at the national, sub-national, regional and local levels, where there are initiatives that include clusters, cross-sector alliances and multi-stakeholders arrangements. The third and final level addresses the impact of global governance issues for the individual firm and by extension its individual managers and executives.

Linking together these three levels of analysis and reflection, the EABIS Colloquium will raise key questions around:

- What is the role of business in global governance?
- How can and should business contribute individually and collectively through global governance to addressing problems such as Climate Change, Poverty Alleviation and respect for Human Rights as well as contributing to the achievement of the Millennium Development Goals?
- What is the role of regulation, self-regulation and volunteerism?
- What is the impact of changes in global governance for companies?
- What is the impact of these changes in global governance for stakeholders and society?
- What is the impact of changes in global governance on the leadership qualities and management competencies of future business leaders and what does this imply for management development and education in companies, business schools and universities?

### **Partnerships**

In response to many of the challenges of global governance raised above, we have seen increasing attention paid to new and innovative relationships and partnerships between business, governments, civil society and international institutions in recent years. These have included public-private partnerships, multistakeholder initiatives, as well as industry and cross-industry level business collaboration. Such partnerships have arisen as different actors have come to the conclusion that many global issues cannot be tackled by individual action or by a single sector. Some have called the system resulting from these arrangements a 'new governance' (Moon) or a 'collaborative governance' (Zadek).

However, this gives rise to further questions:

- What makes global governance partnerships involving business successful?
- What are the risks and opportunities for companies, stakeholders and society?

- When does individual or collective action make more sense?
- What is the relationship between partnership and regulation?
- What are the knowledge, skills and attitudes required by leaders and managers from companies and other stakeholders to make partnerships work?

Seen in this light, partnerships will be one area of particular focus in exploring the emerging global governance paradigm and the role of business.

### **Shaping Leaders and Managers for the 21<sup>st</sup> Century**

The 2007 EABIS Colloquium will delve deeper into the impact, nature, risks and opportunities that changes in Global Governance create for business and distinct stakeholder groups, including national governments, policy-makers, NGOs, financial markets, investors, workers and communities. For companies specifically, a number of questions emerge in this context relating to their governance, composition of boards of directors, accountability, transparency, and the type of top executives needed. This has significant implications for the way in which leaders and managers are developed within companies in the future – a vital subject that the Colloquium will also address.

In sum, rather than viewing governance strictly from the domain of the corporation, the Colloquium will break new ground in exploring whether global governance is an appropriate approach for business and all of its key stakeholders to tackle the broad, increasingly critical and complex issues facing global society and the planet at the start of the 21st century.

## **2. Historical Context**

### **The Emergence of 'Global Governance'**

During the 1990s many world political analysts began to use the concept of 'global governance' at a time when questions about global transformations, their causes and implications were pre-eminent in many areas of the social sciences as well as in management literature. Among other issues, international relations scholars and political scientists focused on how the internationalization of economic activity affected domestic politics and how old divides between domestic and foreign were put into doubt (Keohane and Milner, 1996). There were questions also about the social destabilization provoked by economic globalization and the capacity of national governments to bring about a new type of stabilization. However, at first scholars used the concept of "global governance" mainly linked to the new relationships among Nation-States, as they repositioned themselves in the post-Cold War era and in the new era of economic globalization. A new international system emerged that some called 'governance without government' (Rosenau & Czempiel 1992). Later, other non-governmental actors began to be taken into consideration as part of this international system, including international organisms such as the UN, IMF, World Bank and WTO, and trans-national civil society organizations such as Oxfam, WWF, MSF, etc. (Kaldor 2000; Kean 2004). Thus, one could talk about a decentralized socio-political system with plural actors.

### **Business and Global Governance**

Given the growing power and prominence of corporations as economic and social actors (Chandler and Mazlich 2005; Litvin 2004), questions emerged about how they managed their political interactions and about their public role in the new global domain (Haufler, 2001). Some scholars announced that large corporations were in fact institutions with 'private authority', which through their networks formed systems of 'private governance' (Culer, Porter and Haufler 1999; Hall and Bierstecker 2002).

The question about the role of business in global governance was in fact a translation to the international scene of something that was also happening in national arenas, where one saw the creation of public-private partnerships to deal with new social challenges. In this context, authors and researchers began writing about a new role for the state beyond the (neo) liberal and the welfare state models (Giddens 1998), discussing the emergence of a 'relational state' model in which different actors exercise co-responsibility for public affairs (Mendoza 1996), a model of realignment of business, government and civil society to form a 'relational governance' (Midttun 2005), or a model of 'collaborative governance' (Zadek 2005).

But the new social challenges were increasingly global. A widespread social awareness largely driven by civil society advocacy groups drove global issues such as environmental degradation and climate change, the persistence of poverty in some regions of the globe, the increase of inequality in many countries and severe human rights crises, onto the front pages of numerous newspapers, television screens and websites. This increase in public awareness was one of the factors that triggered the movement of Corporate Social Responsibility, and it was quickly understood that it also had governance implications (Moon 2002). One aspect of these implications started when business practitioners and key stakeholders wondered what the position of governments should be regarding CSR. In relation to this, one saw the emergence of tools such as 'soft law' 'self regulation' or 'co-regulation'. In turn, these imply a new type of governance, one which prefers a non-statutory approach to deliver public goods (Zadek 2005) to the traditional command and control mechanisms.

It is in line with this view, but transporting it to the global arena, that former UN Secretary General Kofi Annan made a call to companies to participate in the Global Compact in 2000.

### **Proactive role of business**

Leaders and companies responded to this new scenario, not only by participating in the Global Compact but also by forming various platforms like the WEF, WBCSD, Conference Board, CSR Europe, etc. to promote a sustainable globalisation. It was rapidly seen that the new global issues and their governance implications had an impact for strategic management at the level of companies (as was discussed at the EABIS Colloquium in Milan 2006). New business models were put forward, such as the BOP protocol for emerging markets and renewable energy initiatives for climate change. In addition, many companies contributed actively to international and multi-sector relief efforts, such as the Tsunami. This has led to the question of the legitimacy of direct corporate humanitarian investment (Dunfee and Hess 2000) and how it can be coordinated with the actions of governments and NGOs.

There have been also various alliances between business and different stakeholders to promote principles and criteria for responsible business conduct and sustainable development at the sector or industry level. Among those, one could cite the Extractive Industries Transparency Initiative, the Forest Stewardship Council, the Marine Stewardship Council and the Equator Principles for the financial services industry. Other initiatives have emerged that are cross-sector but also multi-stakeholder, such as the Ethical Trading

Initiative and the Fair Labor Association. These experiences can be said to create 'governance micro-climates' (Zadek 2005). Their authority does not come from the state, but from dialogue and consensus among different actors. Often they use a 'learning approach' to induce corporate change (Ruggie 2002).

### **The European Union Context**

The European Commission has played an important role in the promotion of CSR through a range of policies and initiatives such as the European Multi-stakeholder Forum on CSR (reconvened in December 2006). It has identified CSR as a key component of transforming the existing European economy to a more knowledge-based and dynamic economy – one that is capable of creating jobs and growth to be competitive at the global level while preserving social cohesion and being sustainable environmentally. In this sense the European Commission has used various regulatory instruments – including recommendations and voluntary agreements – fundamentally inspired by the concern to enhance the effectiveness, legitimacy and transparency of EU action. The diversification of regulatory instruments has been emulated at the national level, albeit with important differences among different European countries (Albareda *et al.* 2004). Often it amounts to a type of governance by persuasion, by diffusion and standardisation of knowledge through language use and meaning making. To achieve this, governments use multi-stakeholder initiatives of joint policy-making at the sector and regional levels, which ultimately is different from (and sometimes complementary to) the traditional command-and-control legislation.

### **Knowledge Gaps**

By and large, the question about the role of business in global governance at different levels continues to be at its preliminary stages: "no shared paradigmatic understanding at all exists of the place of the massive global corporate sector occupies on the world political landscape" (Ruggie, 2004). There are many open question marks, both at the theoretical and the practical level, about the implications of global governance for business, whether assuming such a role opens the doors for unreasonable societal demands or whether it legitimates the attempts by business to influence the political and regulatory agenda. More interdisciplinary work is clearly needed among international relations scholars, management thinkers, political theorists, as well as practitioners.

A final key question is about the consequences of the global governance challenge for corporate governance and for senior managers. To start with, stakeholder engagement theory is a central feature of global governance, soft law and the relational state, but it is still up for debate to what extent it is also part of corporate governance.

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### 3. Conceptual Framework

The concept of 'governance' is a broad and ambiguous one, but ultimately essential if we want to think more deeply about the position of business in society and the relationship between business and other social actors. The relevance of the concept of governance to business cuts across different levels:

#### **Global, Supranational, International & Industry Sector:**

- Global challenges such as climate change, water management and scarcity, poverty and human rights abuses require a collaborative approach among different actors: governments, companies from different sectors, civil society, and international organisms. The discipline of international relations has slowly started to consider other trans-national actors beyond Nation-States. And this plural view is certainly part of the UN Global Compact and other initiatives. Yet, this approach poses questions regarding global governance and the legitimacy and necessity of business to assume a role in it.
- Supranational regions such as the European Union have played a part in the promotion of CSR and sustainable development. This promotion often takes the form of multi-stakeholder policy initiatives which differ from a traditional command-and-control system. Yet, it is an open question whether they should be seen as complementary to traditional regulation, as a preliminary stage for it or as an attempt to prevent it.
- At the same time several industrial sectors have been involved in multi-stakeholder initiatives to reach a consensus on some type of 'soft' self-regulation to give answers to societal needs and expectations. Examples of those are the Equator Principles in the financial industry or the Forest Stewardship Council. Such initiatives are a type of industry-specific governance.

#### **National, Sub-national, Regional & City:**

- At the national, sub-national, local region and city levels, there are several initiatives of soft regulation led by different governmental authorities and administrations to enable and facilitate CSR within companies based in a particular territory. There are also innovative business alliances and partnerships among government, businesses and civil society to promote industrial clusters that incorporate social and environmental considerations. In these initiatives both business and governments are assuming different roles from those announced in the liberal view and the classical welfare state view.

### **Companies & Individual Managers:**

- At the company level, there are questions about how this role in global governance and "collaborative governance" is managed. Moreover, the concept of governance at the company level has given rise to the well-established field of corporate governance, with a clearly prevailing theoretical model such as agency theory. But there are questions about the impact that the global public role of the firm has on its corporate governance and about the attempt to include the stakeholder perspective at this level so that companies are better equipped to understand the complexities and issues of the modern business environment.
- Finally, the multiple aspects of governance mentioned above pose challenges in regards to management development: What type of background, competencies and leadership abilities are needed from top senior managers in a company embedded in these networks of governance?

These different levels have been studied by different disciplines with various degrees of depth and applicability. Thus, while the level of corporate governance is now undisputed as a relevant object of study, the level of global governance has been studied mainly in international relations departments, and one needs to see more developments to relate it to management study. The other areas of analysis have received less scholarly attention but there seem to be a number of interesting initiatives in practice, which in turn could prove instrumental to a better understanding of the transformations of today's world and today's companies. These could also afford some insight into the interconnections between different levels of governance.

Some of the key issues that cut across these different levels are those of 'soft' law, self-regulation or co-regulation, and the view of the firm as a socio-political institution embedded in networks of relationships with other actors and other firms.

The conceptual framework for this Call for Contributions and for the 6<sup>th</sup> EABIS Colloquium takes all these aspects and their relationship to governance as they apply to the firm.

## 4. Thematic Framework

We are calling for papers and research presentations from across a range of academic disciplines, as well as contributions by reflective practitioners from business, government and civil society, for discussion and for subsequent selected publication.

We are using the conceptual framework presented as a starting point for the thematic framework of the Colloquium. We want to devote special attention also to themes concerning *small and medium sized* enterprises (SMEs) and their relationship to the conceptual framework, for SMEs are being recognized as increasingly important actors in this landscape in Europe and around the world.

EABIS' mission is to create knowledge development and learning partnerships between business, academia and other stakeholders. Therefore, as in all previous years, we particularly value international comparative research and collaborative work between researchers and practitioners. Please consider potential inputs on the role of business across the following conceptual levels:

### I. Global, Supranational, International & Industry Sector

We welcome contributions on:

1. Theoretical contributions about the legitimacy and/or necessity of the public role of business in global governance as well as empirical demonstrations of what role firms are actually assuming at the moment.
2. The success, dilemmas and implications of the collaborative participation of firms in development projects with international organisms, especially in their participation for the achievement of the Millennium Development Goals.
3. The contribution of firms to the alleviation of natural disasters and humanitarian crises, and lessons learned in experiences from the recent past (e.g. Tsunami), since such environmental/humanitarian catastrophes might not be uncommon in the near future.
4. The impact, accountability, challenges, successes and opportunities of international initiatives such as the UN Global Compact.
5. The relevance and impact of governance to business in addressing global issues and challenges such as climate change, and by extension the responsibility of business to do so.
6. Managing collaborations between trans-national firms and trans-national civil society organizations.

7. How international law relates to corporate social responsibility, and the limits of what it can and cannot do.
8. Studies of the process of self-regulatory initiatives at the industry or cluster level in consultation with different stakeholders (these should state the type of accountability of such self-regulatory initiatives).

## II. National, Sub-national, Local Regions & City

We welcome contributions on:

1. Studies about the 'soft law' as an instrument, including its rhetorical aspects, used by governmental agencies (national governments, regional administrations) in relation to the business and society field.
2. Comparisons of different national approaches to the role of government in the promotion of CSR and in its relationship to other actors, plus the emergence of mixed intermediary organisations.
3. Small and medium-sized enterprise (SME) initiatives at the sector level to form clusters with networks and partnerships in relation to CSR.
4. The role of governance in the management and provision of public services and utilities, such as water treatment and energy, where there are multi-stakeholder initiatives and a partnership perspective.
5. The impact, difficulties and opportunities of multi-stakeholder dialogues to promote CSR in a particular country or region, or partnerships between business and governments for the development of public policies and collaborative initiatives.
6. The role of business and governance in "weak" states and conflict zones.

## III. Companies and Individual Managers

We welcome contributions on:

1. The impact of global governance issues and the collective governance arrangements for business strategy and operations management. This can include the extent to which companies are integrating such considerations strategically, particularly in terms of the health of their business environment and competitive context.
2. New theoretical developments about how corporate governance frameworks are changing to take into account the social and environmental demands and expectations of stakeholders (investors, employees, unions, communities, consumers).

3. The importance of corporate governance for development and sustained productivity. In relation to this, comparison of different corporate governance systems and how they are influenced by political systems and backgrounds.
4. The role of ICT as a tool for companies to address or performance around Global Governance issues and challenges.
5. Research on backgrounds, attitudes, skills and knowledge required of senior managers and executives with a broad view of governance and the role of business in it.
6. Global Governance in the Curriculum: what are the issues influencing Business School and University curricula with a view to training future managers to better understand the challenges and systems of global governance?

## **5. Evaluation Criteria - Academic Rigour and Practical Relevance**

### Academic Papers and Research Presentations

Academic rigour as well as relevance to business, civil society and policy makers (as stakeholders in knowledge creation) is important criteria for selection. Action research papers, grounded theory contributions and research case studies are also welcome and are selected on the basis of similar criteria. Given the multi-stakeholder audience of our audience and readership, we prefer contributions in a language accessible to all.

### Reflective Practitioner Contributions and Inputs

Contributions from business representatives, policy-makers or civil society actors should be genuinely reflective and not simply a public relations exercise. Practitioner contributions are particularly sought after if they contain *analytical frameworks, theoretical reflections and self-critical learning perspectives*.

## 6. Submission Details

### Schedule:

- Submission of contributions: **Monday, 21 May, 2007**
- Review feedback and decision: **Friday, 22 June 2007**
- Confirmation of participation: **Monday, 9 July 2007**

After the Colloquium, the best contributions will be selected and the authors will be asked to produce a full paper for publication (prior to review) in special journal issues in 2008. The authors may also be invited to contribute to a book for publication in 2008.

- Submission of full papers: **Friday, 2 November 2007**

### Procedures and Formats:

Please send the following 3 documents to Christina Komrowski to the following email address: [christina.komrowski@esade.edu](mailto:christina.komrowski@esade.edu)

- **Summaries or full papers**
- **Submission Form** (see attached document)
- **Short bio** in a separate document

Summaries should be between 1500 and 2000 words, describing the key idea or research question, hypotheses, methodology, data findings, theoretical frameworks and conclusions. Full papers (if this option is chosen) should be 5000 words maximum.

The following rules are valid for both summaries and full papers:

1. Electronic submission only. Please send your summary/paper in Microsoft Word or RTF Format
2. Summaries/papers must have all these elements in this order:
  - title
  - authors with institutional affiliations
  - abstract
  - keyword list
  - body
  - references
  - endnotes (if any)
3. All tables and figures must be on separate pages at the end, numbered and with captions. In the text, all tables and figures must be referred to and all must have call-outs ("[Figure 1 about here]").
4. All figures must also be supplied in original file format (ex., .jpg, .eps, .tif, etc.).

5. If the lead author is Katherine Smith, the main manuscript filename should be katherine.smith.doc. Figure filenames should be katherine.smith\_fig1.tif, katherine.smith\_fig2.jpg, etc.
6. Everything must be double-spaced, even references, except tables are not double-spaced.
7. A separate guide for practitioners will be available. Practitioners may also want to contact Prof. Gilbert Lenssen for guidance on writing submissions and papers: [gillbert.lenssen@eabis.org](mailto:gillbert.lenssen@eabis.org)

We look forward very much to receiving your contributions and to meeting you during the Colloquium in Barcelona on 20 and 21 September.

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**Prof. dr. Gilbert Lenssen, PhD**

President

EABIS

**Peter Lacy**

Executive Director

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## **7. About the European Academy of Business in Society**

Established in 2002 by leading companies and business schools in partnership with the European Commission, EABIS aims to integrate Business in Society issues into mainstream business theory and practice in Europe. EABIS funds collaborative research, education and training projects and hosts numerous events and workshops across Europe to develop more and better knowledge on Corporate Responsibility. It also leads the EU Commission funded 'European Platform for Excellence on CSR Research' project as the designated centre for excellence on CSR Research under FP6. With a European focus, but a global outlook, EABIS' network currently includes over 75 members, spanning four continents and 19 countries. It counts as key partners some of the world's largest global corporations including Shell, Unilever, IBM, Johnson & Johnson and Microsoft, and includes many of Europe's top business schools. [www.eabis.org](http://www.eabis.org)

