

THE EDUCATION UNIVERSITY OF HONG KONG

Course Outline

Part I

Programme Title	: Master of Public Policy and Management
Programme QF Level	: 6
Course Title	: Regulation and Regulatory Governance
Course Code	: PPG6014
Department/Unit	: Department of Social Sciences and Policy Studies
Credit Points	: 3
Contact Hours	: 39
Pre-requisite(s)	: Nil
Medium of Instruction	: EMI
Course Level	: 6

Part II

The University's Graduate Attributes and seven Generic Intended Learning Outcomes (GILOs) represent the attributes of ideal EdUHK graduates and their expected qualities respectively. Learning outcomes work coherently at the University (GILOs), programme (Programme Intended Learning Outcomes) and course (Course Intended Learning Outcomes) levels to achieve the goal of nurturing students with important graduate attributes.

In gist, the Graduate Attributes for Sub-degree, Undergraduate, Taught Postgraduate, Professional Doctorate and Research Postgraduate students consist of the following three domains (i.e. in short "PEER & I"):

- Professional Excellence;
- Ethical Responsibility; &
- Innovation.

The descriptors under these three domains are different for the three groups of students in order to reflect the respective level of Graduate Attributes.

The seven GILOs are:

1. Problem Solving Skills
2. Critical Thinking Skills
3. Creative Thinking Skills
- 4a. Oral Communication Skills
- 4b. Written Communication Skills
5. Social Interaction Skills
6. Ethical Decision Making
7. Global Perspectives

1. Course Synopsis

This course aims to enable students to understand regulation and regulatory governance used in various parts of the world, with an emphasis on real-world examples from Asia and China.

Part A of the course introduces students to the fundamental and practical aspects of regulation: development, enforcement, monitoring, and revision. It uses real-world examples to illustrate the following multi-step approach:

- Identify the need for regulation (e.g., the electricity sector as a natural monopoly).
- Set the public policy goals (e.g., safe, reliable, clean and affordable service).
- Design regulation to achieve those goals, given the behaviour of the directly regulated entity and other stakeholders (e.g., electricity consumers and producers, manufacturers of energy-efficient appliances, and real estate developers of green buildings).
- Monitor regulatory performance (e.g., has the regulation resulted in safe, reliable service at an affordable cost? and has it reduced electricity generation's emissions?).
- Revise the regulation to improve its performance (e.g., should there be tighter emissions control on electricity production?).

To ensure students' firm understanding, Part A requires students to form teams, each performing a case study of a sector/industry in Asia that impacts one's daily life (e.g., airline, auto manufacturing, banking, construction, drug manufacturing, education, energy, finance, food supply, health care, gaming/gambling, internet commerce, news media, non-government organizations, public housing, shipping, taxi, telecommunication, television broadcasting, and trucking). Each team may have up to three members, although a student may choose to work as a one-person team.

Part B focuses on regulatory governance. Regulation can fail sans good regulatory governance that encompasses the systems, processes, and tools designed and implemented to ensure regulatory quality. To see this point, consider the case of food safety (e.g., baby milk formula). A safe and reliable supply of baby milk formula cannot occur without addressing such issues in regulatory governance as:

- Clarity of the regulatory mandate (e.g., safe and adequate supply);
- Key driver for a regulator agency's establishment (e.g., public interest vs. industry profit);
- Choice of a regulatory agency's leader (e.g., an independent health expert vs. a researcher from the industry);
- Accountability and transparency (e.g., limited vs. strong oversight by an independent third party);
- Incentive for compliance (e.g., bad publicity, loss of business licences, fine, and imprisonment);
- Independence and competence (e.g., biased and inapt vs. fair and competent);
- Scope and responsibility (e.g., narrow vs. broad); and
- Funding and authority (e.g., poorly funded and weak vs. adequately funded and strong).

To ensure students' firm understanding, Part B requires each team to perform a follow-up study of regulatory governance for the case chosen in Part A. This study should focus on the systems, processes, and tools for effecting regulatory quality, rather than Part A's study on the development, design and revision of a particular regulation.

2. Course Intended Learning Outcomes (CILOs)

Upon completion of this course, students will be able to:

CILO₁ : Articulate the critical issues in regulation and regulatory governance.

CILO₂ : Understand the basic tools and techniques for regulation and regulatory governance.

CILO₃ : Know and appreciate the impacts of regulation and regulatory governance on consumers, firms, environment, government administration, public health and safety, and social welfare.

3. Content, CILOs and Teaching & Learning Activities

Course Content	CILOs	Suggested Teaching & Learning Activities
An overview on regulation and regulatory governance.	<i>CILO₁₋₃</i>	➤ Lectures comprising presentation and discussion of the key concepts and practices.
The integrated approach to regulation and regulatory governance.	<i>CILO₁₋₃</i>	➤ Case studies by students on regulation and regulatory governance in Asia and China.
Real-world examples to demonstrate the theory and practice of regulation and regulatory governance.	<i>CILO₁₋₃</i>	➤ Presentations by students on the practice and success/failure of regulation and regulatory governance.
Discussion of case studies prepared by students in the Asian and Chinese context.	<i>CILO₁₋₃</i>	➤ Reports prepared by students to document the case studies. ➤ Web and library search. ➤ Reading lecture notes and key references.

4. Assessment

Assessment Tasks	Weighting (%)	CILO
(a) Case Study Presentations and Discussion Students are required to work as a team to: (a) make two presentations: one on regulation and one on regulatory governance; (b) prepare questions and ideas for discussion; and (c) encourage active participation among other members of the class. Half of each team member's grade reflects the team's overall performance, while the remainder is based on the	40%	<i>CILO₁₋₃</i>

member's own performance.		
(b) Class Discussion and Participation Students are expected to study relevant readings before s/he attends the classes and must participate actively in the discussion.	10%	<i>CILO₁₋₃</i>
(c) Individual Report Each student is required to write a report of about 1,500-2,000 words to concisely describe the team's two case studies. With clear lines of reasoning supported by documented evidence, the report should include: (a) an executive summary of the cases; (b) team formation and responsibility assignments; and (c) his/her involvement in: (1) problem identification; (2) alternative regulatory proposals; (3) key findings; and (4) policy recommendations based on (3). It should have an epilogue that summarizes the student's learning experience from the two case studies; and where applicable, interactions with other team members.	50%	<i>CILO₁₋₃</i>

5. Use of Generative AI in Course Assessments

Please select one option only that applies to this course:

☐ **Not Permitted:** In this course, the use of generative AI tools is not allowed for any assessment tasks.

☒ **Permitted:** In this course, generative AI tools may be used in some or all assessment tasks. Instructors will provide specific instructions, including any restrictions or additional requirements (e.g., proper acknowledgment, reflective reports), during the first lesson and in relevant assessment briefs.

6. Required Text(s)

Nil

7. Recommended Readings

Baldwin, R., Cave, M., & Lodge, M. (2012). *Understanding regulation: Theory, strategy and practice*. New York: Oxford University Press.

Baldwin R., Cave, M., & Lodge, M. (2012). *Oxford handbook of regulation*. New York: Oxford University Press.

Bianculli, A. C., Fernanadez-i-Marin, X., & Jordana, J. (2015). *Accountability and regulatory governance*. New York: Palgrave and MacMillan.

Lodge, M., & Wegrich, K. (2012). *Managing regulation: Regulatory analysis, politics and policy*. New York: Palgrave and MacMillan.

OECD. (2009). *Multi-level Regulatory Governance*. Retrieved from <http://dx.doi.org/10.1787/224074617147>.

OECD. (2014). *Best Practice Principles for Regulatory Policy: The Governance of Regulators*. Paris.

OECD. (2014). *Best Practice Principles for Regulatory Policy: Regulatory Enforcement and Inspections*. Paris.

Viscusi, W. K., Vernon, J. M., & Harrington, J. E. (2005). *Economics of regulation and antitrust*. Cambridge: MIT Press.

World Bank. (2014). *Corporate Governance of State-Owned Enterprises: A Toolkit*. Washington DC.

8. Related Web Resources

- Academic publications (<http://scholar.google.com.hk/>)
- Asian Development Bank (<http://www.adb.org/publications>)
- Bernie Madoff: Scamming of America – The \$50 Billion Ponzi Scheme (<https://www.youtube.com/watch?v=S2nX3FdRyR0>) that went on for decades but did not rouse investor suspicions.
- China: Administration, Regulation and Governance, Wiley (<http://as.wiley.com/WileyCDA/Section/id-819511.html>)
- Enron - The Smartest Guys In The Room (https://www.youtube.com/watch?v=gxzLX_C9Z74), which documents the failure of the largest energy trading company in the U.S.
- Global Financial Meltdown (<https://www.youtube.com/watch?v=VQzEWeGJLP0>) caused by the U.S. subprime mortgage market implosion and real estate bubble.
- OECD publications (<http://www.oecd.org/about/publishing/>)
- Under the Dome (<https://www.youtube.com/watch?v=T6X2uwlQGQM>) that describes China's pollution problem.
- World Bank publications (<http://www.worldbank.org/reference/>)
- Worldcom (<https://www.youtube.com/watch?v=hXSWAK0K5L4>) that describes the accounting fraud by a large telecommunication company in the U.S.

9. Related Journals

- *Journal of Governance and Regulation* (<http://www.virtusinterpress.org/-Journal-of-Governance-and-.html>)
- *Journal of Public Administration Research and Theory* (<http://jpart.oxfordjournals.org/>)
- *Journal of Public Policy* (<http://journals.cambridge.org/action/displayJournal?jid=PUP>)
- *Journal of Regulatory Economics* (<http://link.springer.com/journal/11149>)
- *Public Administration* ([http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1467-9299](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1467-9299))
- *Public Policy and Administration* (<http://ppa.sagepub.com/>)
- *Regulation & Governance* ([http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1748-5991](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1748-5991))

- *The American Review of Public Administration* (<http://arp.sagepub.com/>)
- *Yale Journal on Regulation* (<http://www.yalejreg.com/>)

10. Academic Honesty

The University upholds the principles of honesty in all areas of academic work. We expect our students to carry out all academic activities honestly and in good faith. Please refer to the *Policy on Academic Honesty, Responsibility and Integrity* (<https://www.eduhk.hk/re/uploads/docs/000000000016336798924548BbN5>). Students should familiarize themselves with the Policy.

11. Others

Nil

Updated as of 16 July 2025