Explaining citizen trust in regulatory agencies and sectors

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Outline

1. Enforcement style and trust dynamics

2. What is enforcement style, what is public trust?

3. Effects on trust: quantitative results from six countries

4. Explaining dynamics: qualitative results

5. Conclusion and invitation to reflect

1. Enforcement style and trust dynamics

1. Enforcement style and trust dynamics

- Reputation, image and media have become increasingly relevant
- Citizens perceive regulatory agencies through media
- Do citizens prefer strict and punitive agencies? Raise trust?

Food safety

NOS Nieuws • Donderdag 16 februari, 14:18

Toezichthouder pakt tomatentelers aan die bewust virus verspreiden

De Nederlandse Voedsel- en Warenautoriteit (NVWA) gaat optreden tegen tomatentelers die expres hun eigen planten besmetten met een virus, een methode die cross-protectie wordt genoemd.

Het gaat om het zogenoemde *brown rugose fruit virus* (ToBRFV). Telers gebruiken een illegaal middel dat een variant van dat virus bevat om planten beter te beschermen tegen agressievere virusvarianten. Het gebruik van het middel is niet alleen verboden, het brengt ook risico's met zich mee voor de gebruiker en omliggende bedrijven, zegt de NVWA.

Data protection

NOS Nieuws • Woensdag 22 februari, 14:02

Beveiligingscamera's Tesla filmen niet langer automatisch

Autofabrikant Tesla heeft de ingebouwde beveiligingscamera's privacyvriendelijker gemaakt na kritische vragen van de Autoriteit Persoonsgegevens (AP). Met de nieuwe instellingen staan de beveiligingscamera's die de omgeving van de auto filmen niet automatisch aan en de beelden worden minder lang bewaard.

De AP deed onderzoek naar de zogeheten 'Sentry Mode' van Tesla. Tesla's met deze functie hebben vier camera's aan de buitenkant die omgevingsbeelden kunnen maken. In de oude software van deze functie filmden de camera's continu alles rondom de geparkeerde Tesla en de beelden werden een uur bewaard. De AP zag dit als een ernstige schending van de privacy.

2. What is enforcement style?

- *"The general approach assumed by an enforcement officer in the course of performing regulatory duties"*

    - Lo et al. (2009)

- Formalism: strict or flexible rule interpretation

- Coerciveness: degree of punitiveness in response to violations

- Accommodation: taking into account the perspective of regulatees
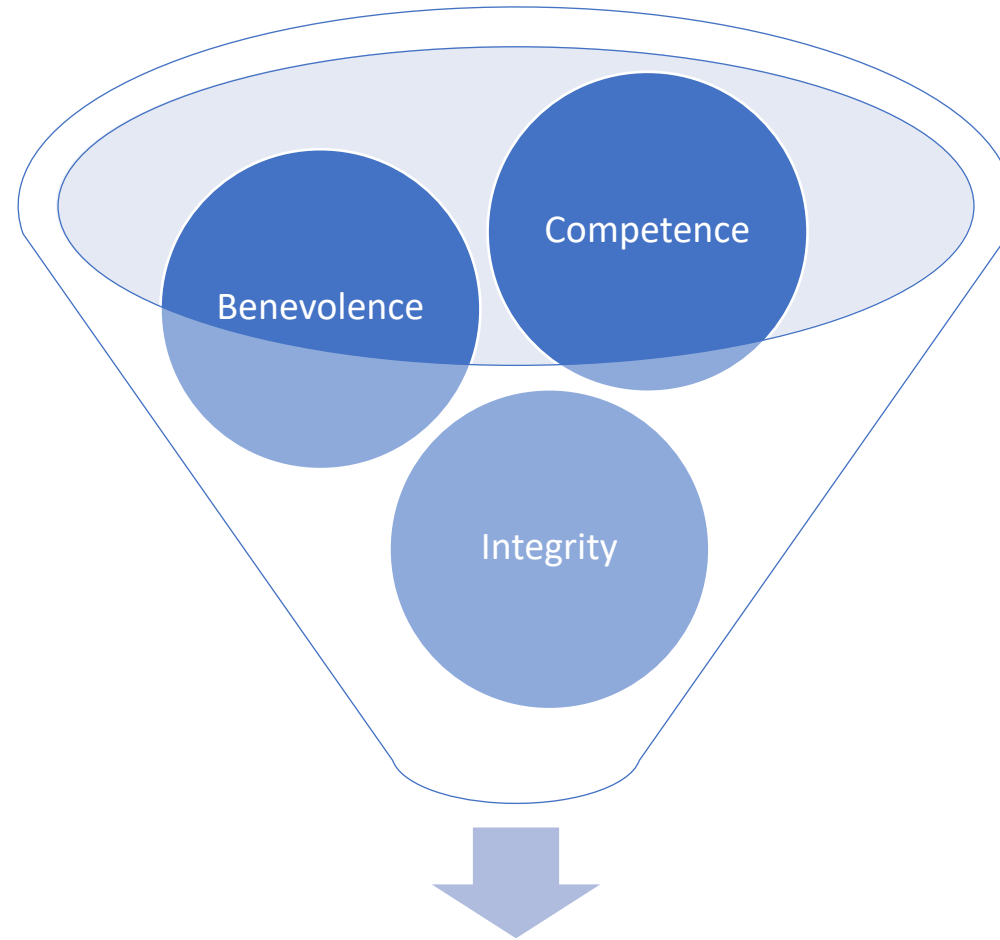
2. What is public trust?

- *"Trust is a psychological state comprising the intention to accept vulnerability based upon the positive expectations of the intentions or behaviour of another"*

  - Rousseau, Sitkin, Burt, and Camerer, 1998, p. 395

- Vulnerability → you take a risk when you trust somebody
- Positive expectations of another→ expectations of trustworthiness

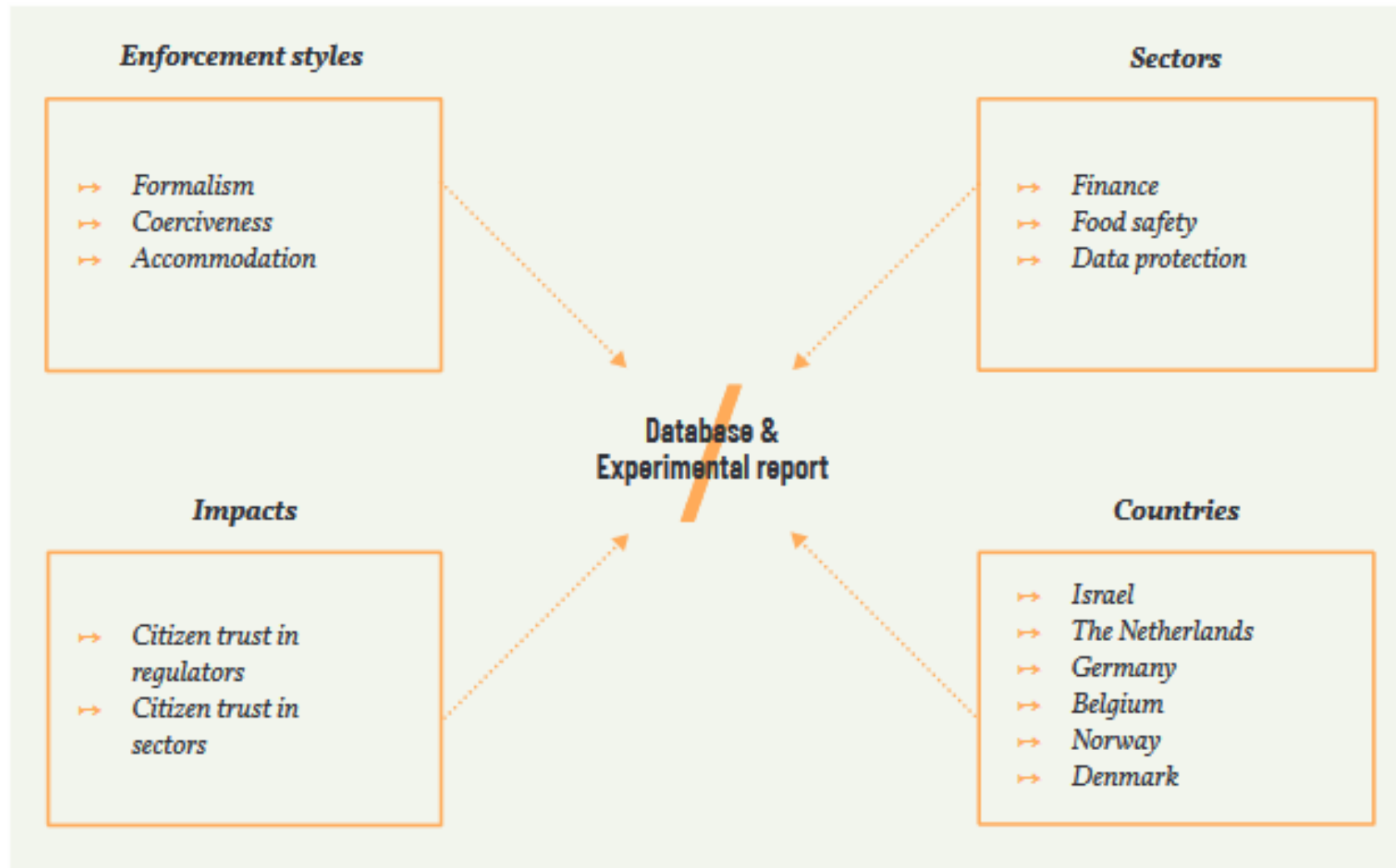# 2. What is public trust

Trustworthiness

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2. What is enforcement style, what is public trust?

3. <u>Effects on trust: quantitative results from six countries</u>

4. Explaining dynamics: qualitative results

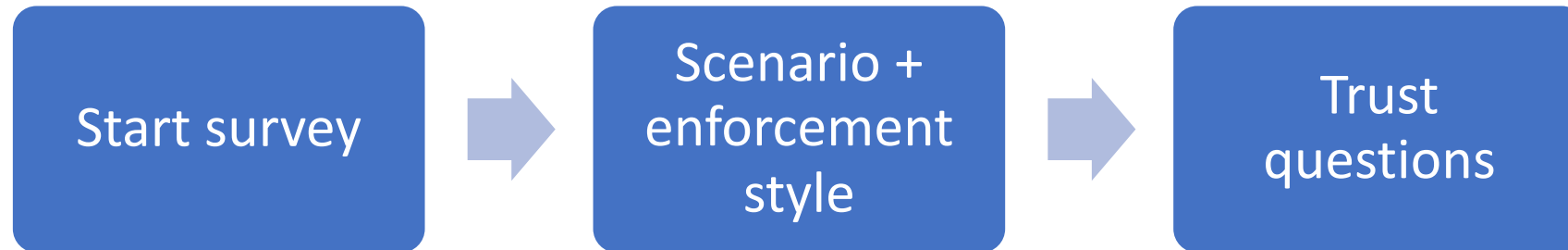5. Conclusion and invitation to reflect

3. An experiment in six countries

Enforcement styles
- Formalism
- Coerciveness
- Accommodation

Sectors
- Finance
- Food safety
- Data protection

Database & Experimental report

Impacts
- Citizen trust in regulators
- Citizen trust in sectors

Countries
- Israel
- The Netherlands
- Germany
- Belgium
- Norway
- Denmark

3. Survey experiment

Start survey → Scenario + enforcement style → Trust questions

- Representative sample in six countries

	Belgium	Germany	Denmark	Israel	Norway	Netherlands	Total
N	939	947	967	978	978	956	5765

	Food safety	Finance	Data protection
Vignette	*A large **vegetable grower** in the country treated its vegetables with too much organic phosphorus over the past four months, because employees were not trained to work with this type of pesticide.*		
	The products were marketed to consumers, even though organic phosphorus in vast measures is toxic to the human body.		

Food safety	Finance	Data protection
Vignette	*A large **bank** failed to appropriately monitor money laundering schemes on their accounts.* *The bank used an inaccurate IT system to flag suspect transactions. Consequently, profits made from criminal activities were laundered.*	

Food safety	Finance	Data protection
Vignette		*After a hacker attack, hundreds of citizens' sensitive personal health data was stolen from a large hospital.* *The hackers were able to access the sensitive data as the **hospital** stored it on a non-secure web server.*

3. Experimental treatments of enforcement style

- Accomodation:
  - The [regulatory agency] inspectors investigated the issue and reached their decision. They **gave [did not give]** the [regulatee] an opportunity to react and explain what happened before concluding their assessment.

- Formalism:
  - The [regulatory agency] adopts a **flexible [strict]** interpretation of the rules for this kind of violation.

- Coerciveness:
  - The [regulatory agency] decided to issue a **formal warning [high fine]** to the [regulatee]. If the issue is not fixed soon, the [regulatory agency] can give a fine.
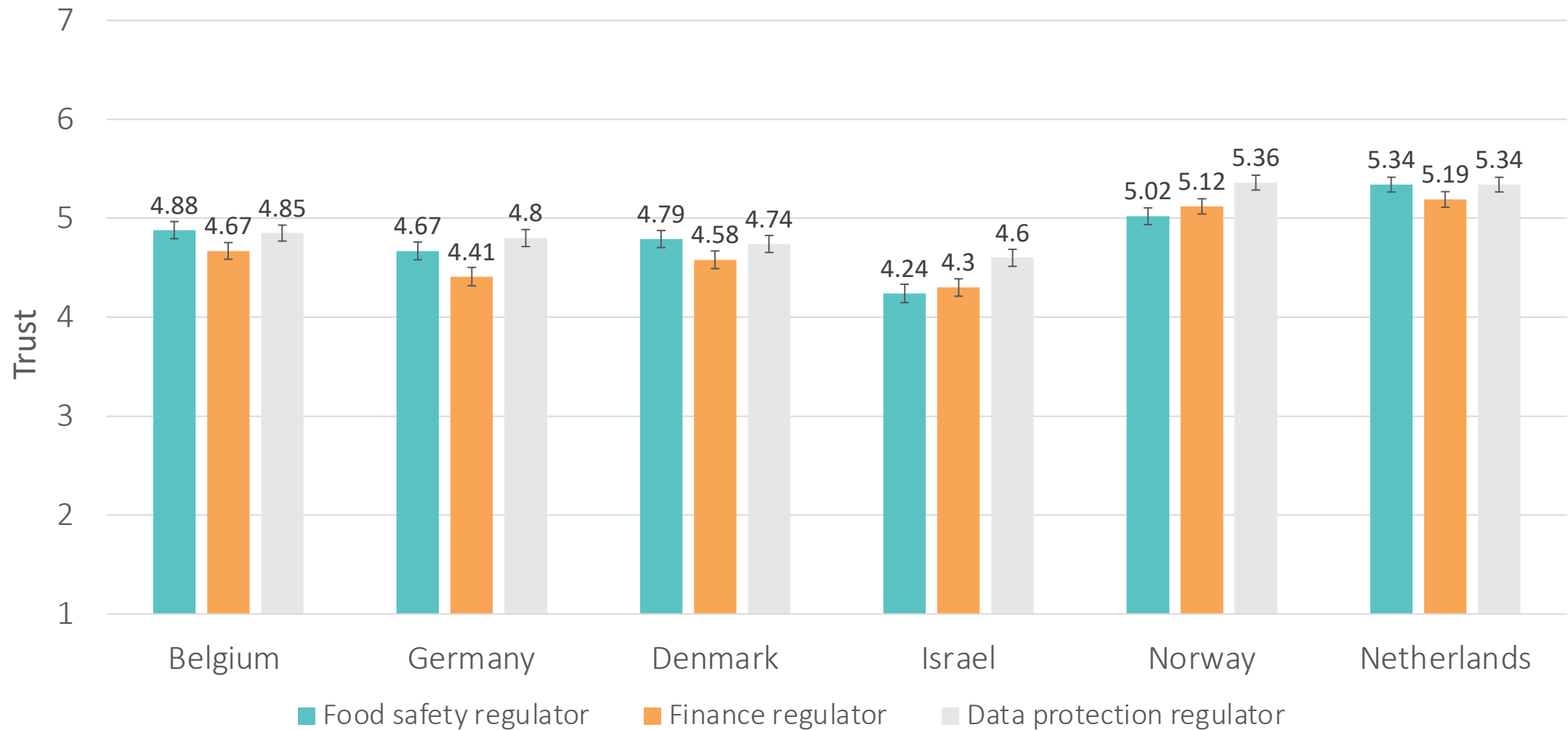
3. Vignette example

After a hacker attack, hundreds of citizens' sensitive personal health data was stolen from a large hospital. The hackers were able to access the sensitive data as the hospital stored it on a non-secure web server.

- The [regulatory agency] inspectors investigated the issue and reached their decision. They **gave** the [regulatee] an opportunity to react and explain what happened before concluding their assessment.
- The [regulatory agency] adopts a **strict** interpretation of the rules for this kind of violation.
- The [regulatory agency] decided to issue a **formal warning** to the [regulatee]. If the issue is not fixed soon, the [regulatory agency] can give a fine.
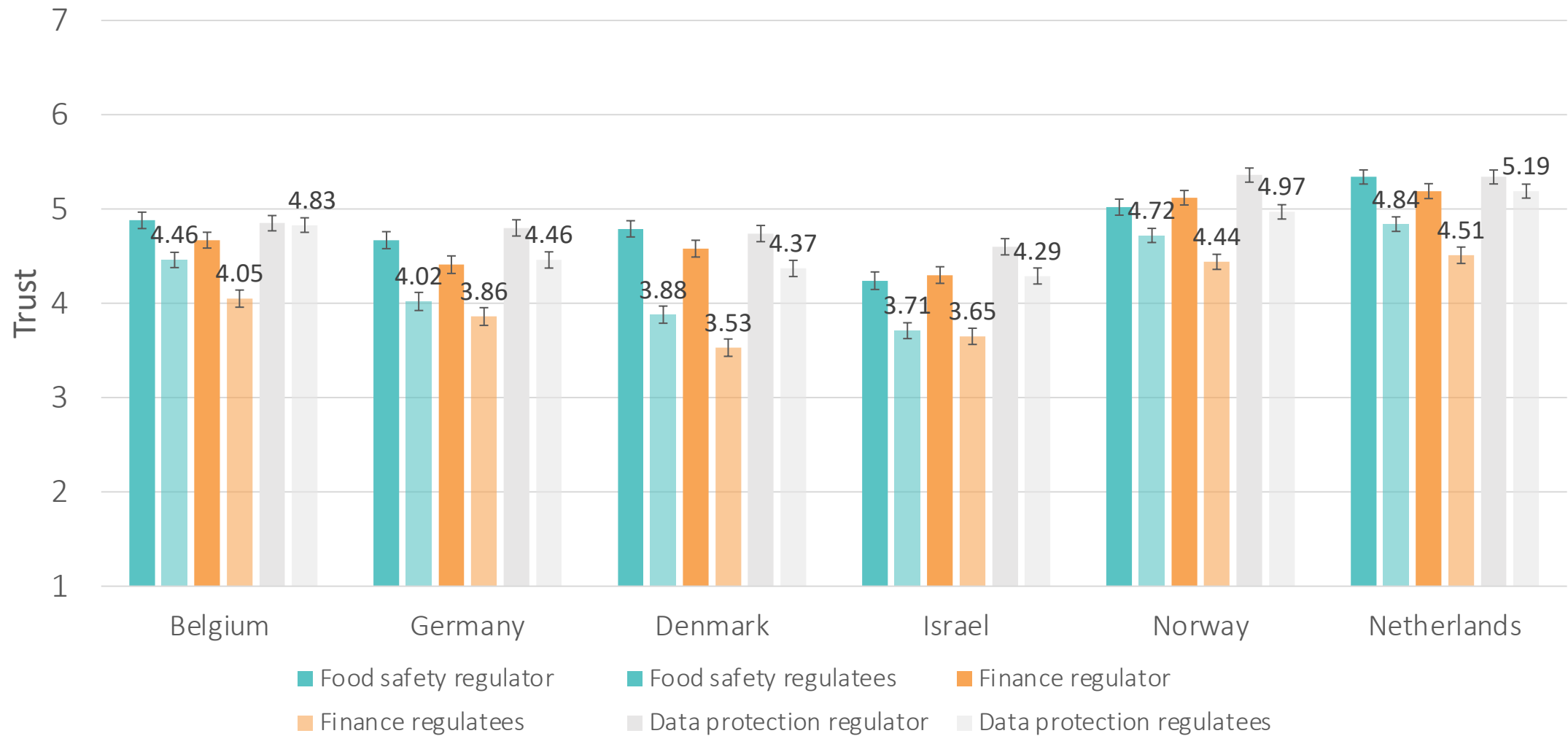
3. Average citizen trust in regulators

Bar chart showing average citizen trust (y-axis: Trust, scale 1–7) across six countries for three regulator types: Food safety regulator (teal), Finance regulator (orange), Data protection regulator (grey).

Country	Food safety regulator	Finance regulator	Data protection regulator
Belgium	4.88	4.67	4.85
Germany	4.67	4.41	4.8
Denmark	4.79	4.58	4.74
Israel	4.24	4.3	4.6
Norway	5.02	5.12	5.36
Netherlands	5.34	5.19	5.34

3. Average citizen trust in regulators and regulatees

Belgium: Food safety regulator 4.87, Food safety regulatees 4.46, Finance regulator 4.65, Finance regulatees 4.05, Data protection regulator 4.83, Data protection regulatees 4.83

Germany: 4.65, 4.02, 4.40, 3.86, 4.79, 4.46

Denmark: 4.77, 3.88, 4.57, 3.53, 4.72, 4.37

Israel: 4.23, 3.71, 4.30, 3.65, 4.60, 4.29

Norway: 5.00, 4.72, 5.11, 4.44, 5.35, 4.97

Netherlands: 5.35, 4.84, 5.18, 4.51, 5.35, 5.19

Legend:
- Food safety regulator
- Food safety regulatees
- Finance regulator
- Finance regulatees
- Data protection regulator
- Data protection regulatees

	Effect on trust in regulator
Expectation	Enforcement (in general) has a positive effect on trust in the regulatory agency.
Result	• Food safety: no support • Finance: partial support (Germany), mostly rejected (all others) • Data protection: partial support (Israel), mostly rejected (all others), opposite effect (Norway)

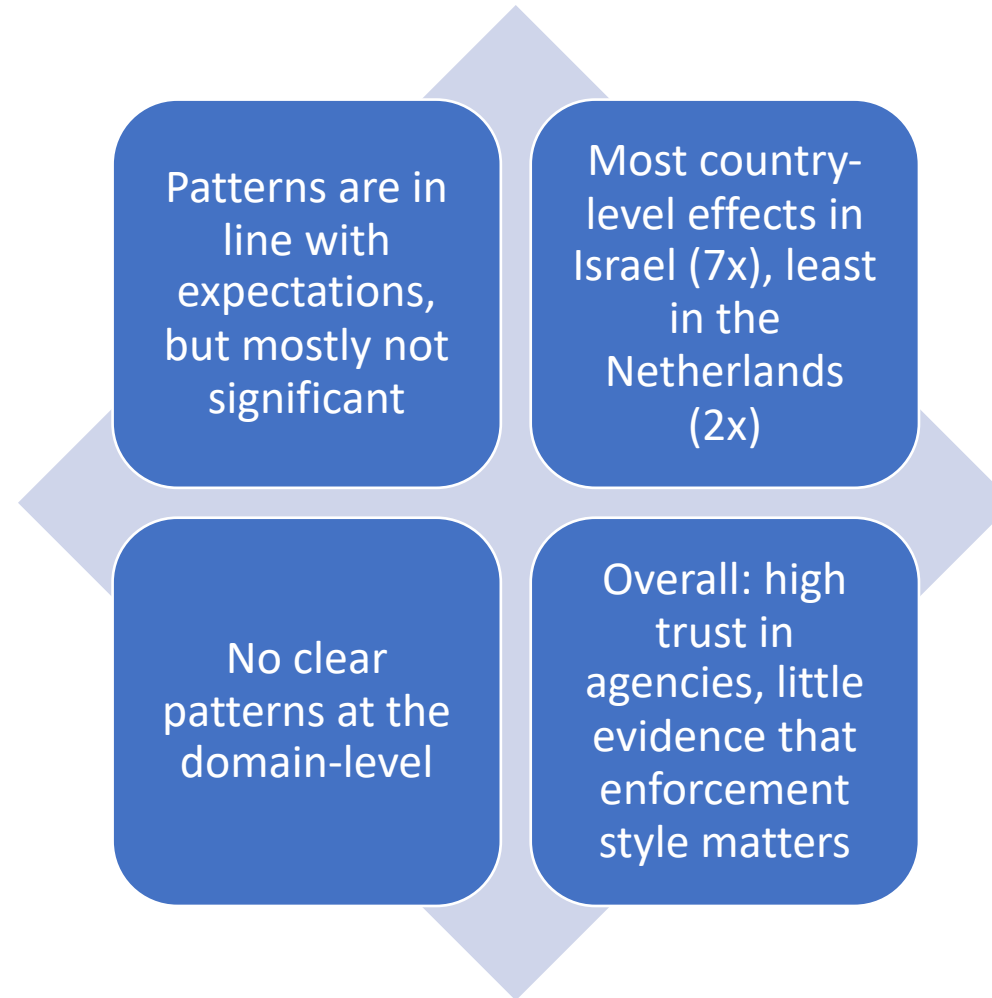|	Effect on trust in regulator
Expectation	High formalism (strictness) has a positive effect on trust in the regulatory agency, compared to low formalism.
Result	• Food safety: partial support (Denmark, Israel), mostly rejected (all others) • Finance: rejected (all) • Data protection: partial support (Israel, Netherlands), mostly rejected (all others)

	Effect on trust in regulator
Expectation	High coerciveness (punitiveness) has a positive effect on trust in the regulatory agency, compared to low coerciveness.
Result	• Food safety: partial support (Germany, Israel) • Finance: partial support (Denmark, Norway, Netherlands), partial reject (others) • Data protection: partial support (Norway), mostly rejected (all others)

	Effect on trust in regulator
Expectation	High accommodation has a negative effect on trust in the regulatory agency, compared to low accommodation.
Result	• Food safety: partial support (Denmark), mostly rejected (all others) • Finance: rejected with opposite effect (Norway), rejected (all others) • Data protection: partial support (Israel), opposite effect (Germany) , rejected (all others)

3. Effects of enforcement style: results

Patterns are in line with expectations, but mostly not significant

Most country-level effects in Israel (7x), least in the Netherlands (2x)

No clear patterns at the domain-level

Overall: high trust in agencies, little evidence that enforcement style matters

3. Midway conclusion and questions

Enforcement style might matter less than anticipated

- How come?
  - Ceiling effect
  - Salience effect
  - Other variables are more important

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4. Focus groups

- Two focus groups (3-9 persons each) per country
  - One young highly educated, unexperienced group (students)
  - One mixed age, mixed background, experienced group (university employees)
- Focus on one agency: food safety regulator
- Program:
  1. Write down 3-5 characteristics of a trustworthy regulator → discussion
  2. Discuss experimental vignette → how should this be approached?
  3. Add information
  4. Show experimental results

A large **vegetable grower** in the country treated its vegetables with too much organic phosphorus over the past four months, because employees were not trained to work with this type of pesticide.

The products were marketed to consumers, even though organic phosphorus in vast measures is toxic to the human body.

"The vegetable grower has been aware for at least three months that the levels of organic phosphorus in its products are often higher than the legal limit. Despite this, the producer did not take any action to remedy the situation […]

4. Qualitative results: process of knowledge-building

Participants had limited knowledge about regulators → Not very strong opinions about their work → In discussion they slowly develop more nuanced views
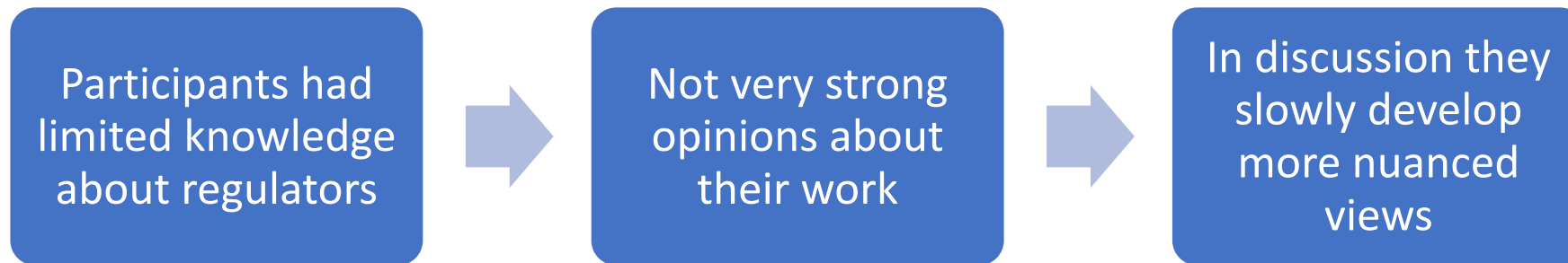
4. Qualitative results: core trustworthiness elements

Transparency	Expertise	Integrity
• Towards citizen • Towards regulatees	• Science and legal knowlegde • Domain expertise and industry knowledge	• Independence from politics • Free from business influence

4. Qualitative results: What should regulators do?

Stronger preference for formalistic, punitive approach

Stronger preference for accommodative, contextual approach

5. Conclusion and invitation to reflect

1. Regulatory agencies generally enjoy high levels of citizen trust in them

2. Citizens do not necessarily have more trust in punitive agencies and appreciate a tailor-made (soft) approach

3. Country-level differences in trust and responses to enforcement

5. Conclusion and invitation to reflect

1. Do you recognize, in your country, the relatively high level of citizen trust?

2. High trust as a resource that gives "room to manoever" apart from formal autonomy?

3. Communicating about enforcement to create trust and understanding, also with "soft" aproaches?

Thank you!

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Measurement of trust

Dimension of trust	Question	
	Regulator	Regulatee
	Do you think that the [regulatory agency] generally...	Do you think that regulatees, such as [regulatee in scenario], generally...
Competence	...performs its tasks in a very competent way.	...perform their tasks in a very competent way.
Benevolence	...takes the public interest into account.	...take the public interest into account.
Integrity	...is acting honestly.	...are acting honestly.

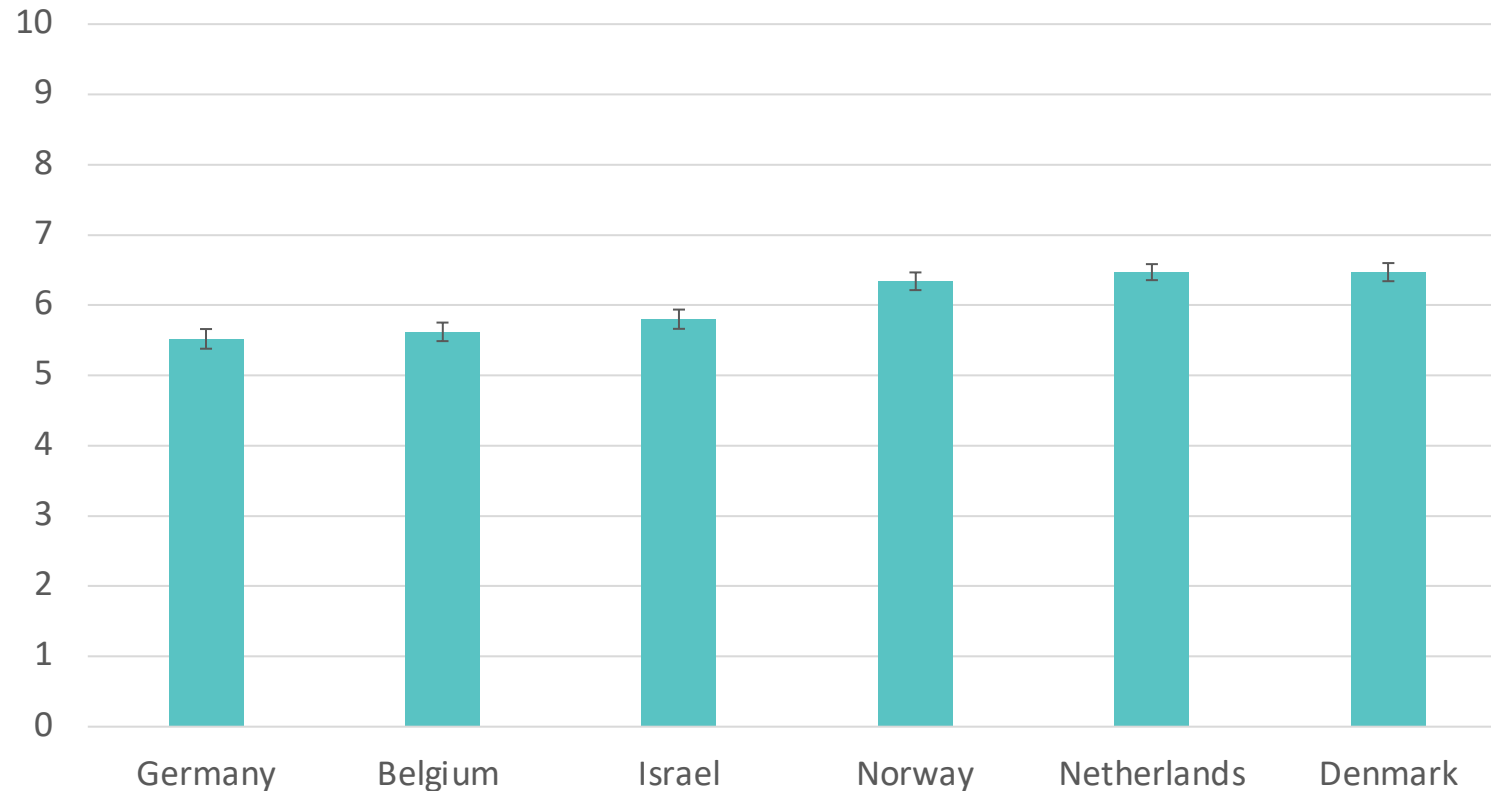| Covariate	Question
Generalized trust	In general, how much do you trust most people? Please answer on a scale from '0' to '10', where '0' is do not trust at all and '10' is trust completely.
Role of government in the economy	Think about the economy in general. How strictly should government regulate business to protect the people? Please answer on a scale from '0' to '10', where '0' is "not strictly at all" and '10' is "very strictly".
Knowledge of the work of the regulator	How knowledgeable would you say you are about the activities of the following agencies? Please answer on a scale from '0' to '100', where '0' is "not knowledgeable at all" and '100' is "complete knowledge". (food safety regulator / finance regulator / data protection regulator)

Selected results: limited effects
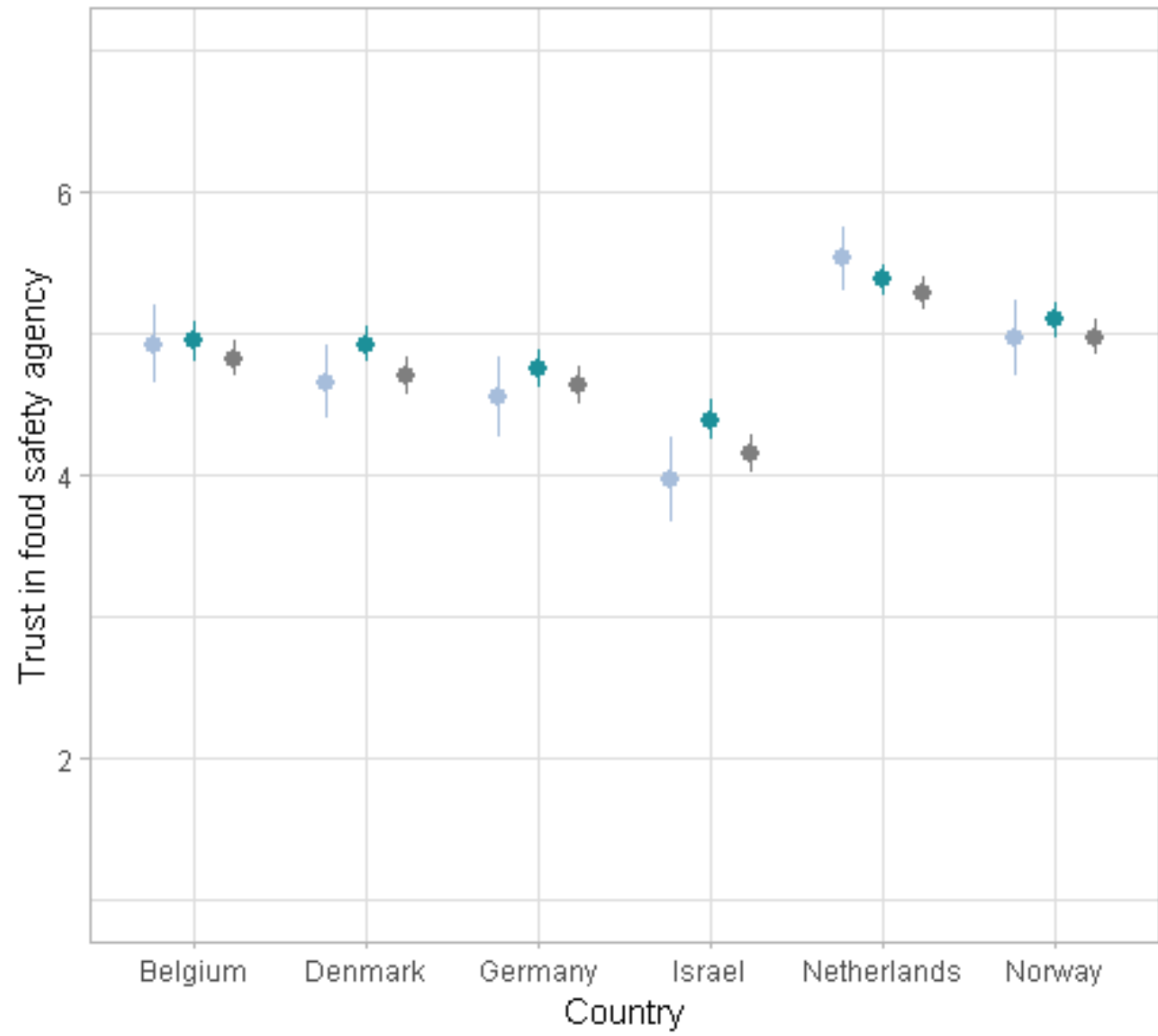
Covariate analysis – Generalized trust

Consistently positively related to trust in regulators and regulatees in all three sectors.

"In general, how much do you trust most people? Please answer on a scale from '0' to '10', where '0' is do not trust at all and '10' is trust completely."

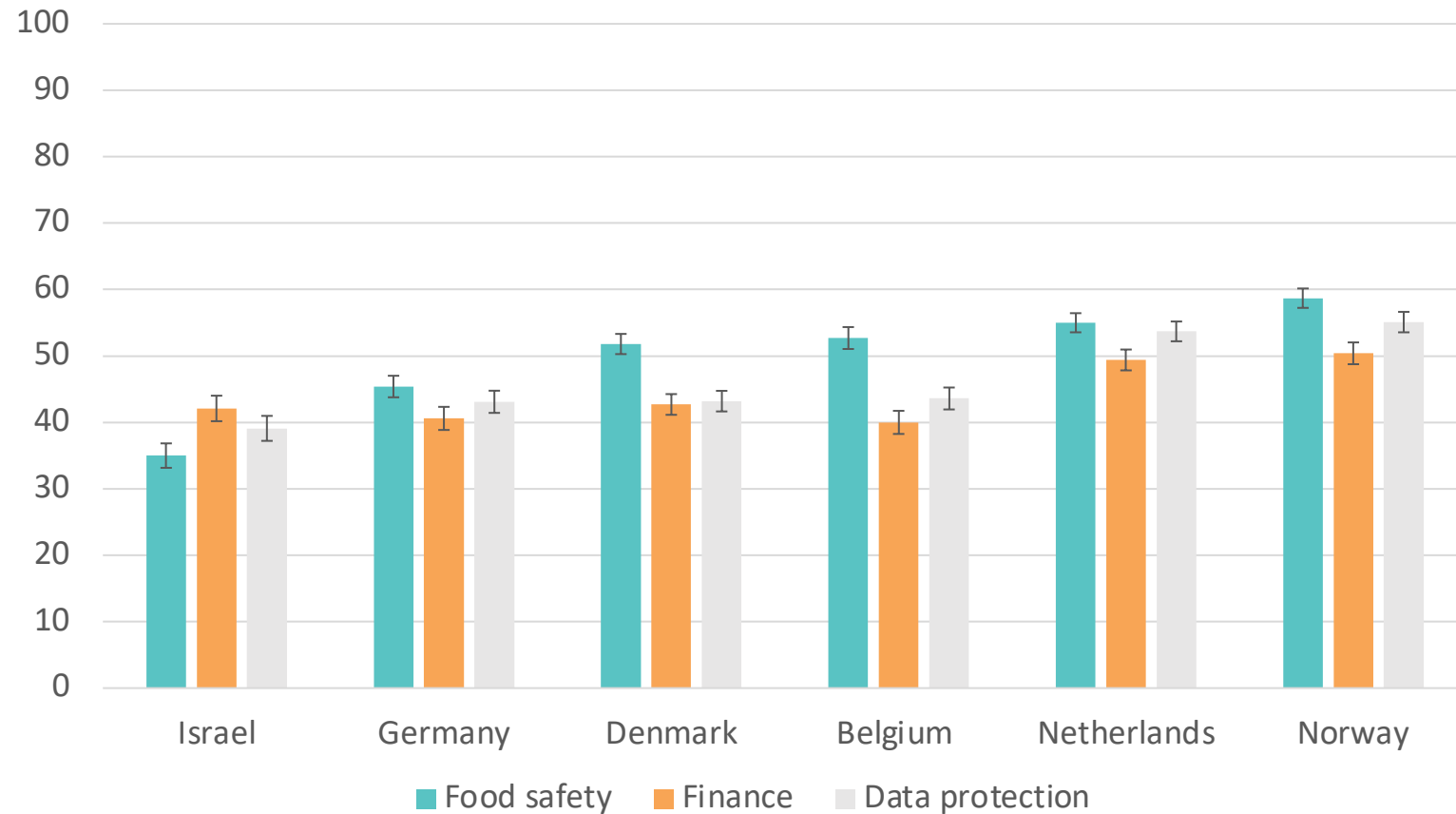# Covariate analysis – Role of government in the economy
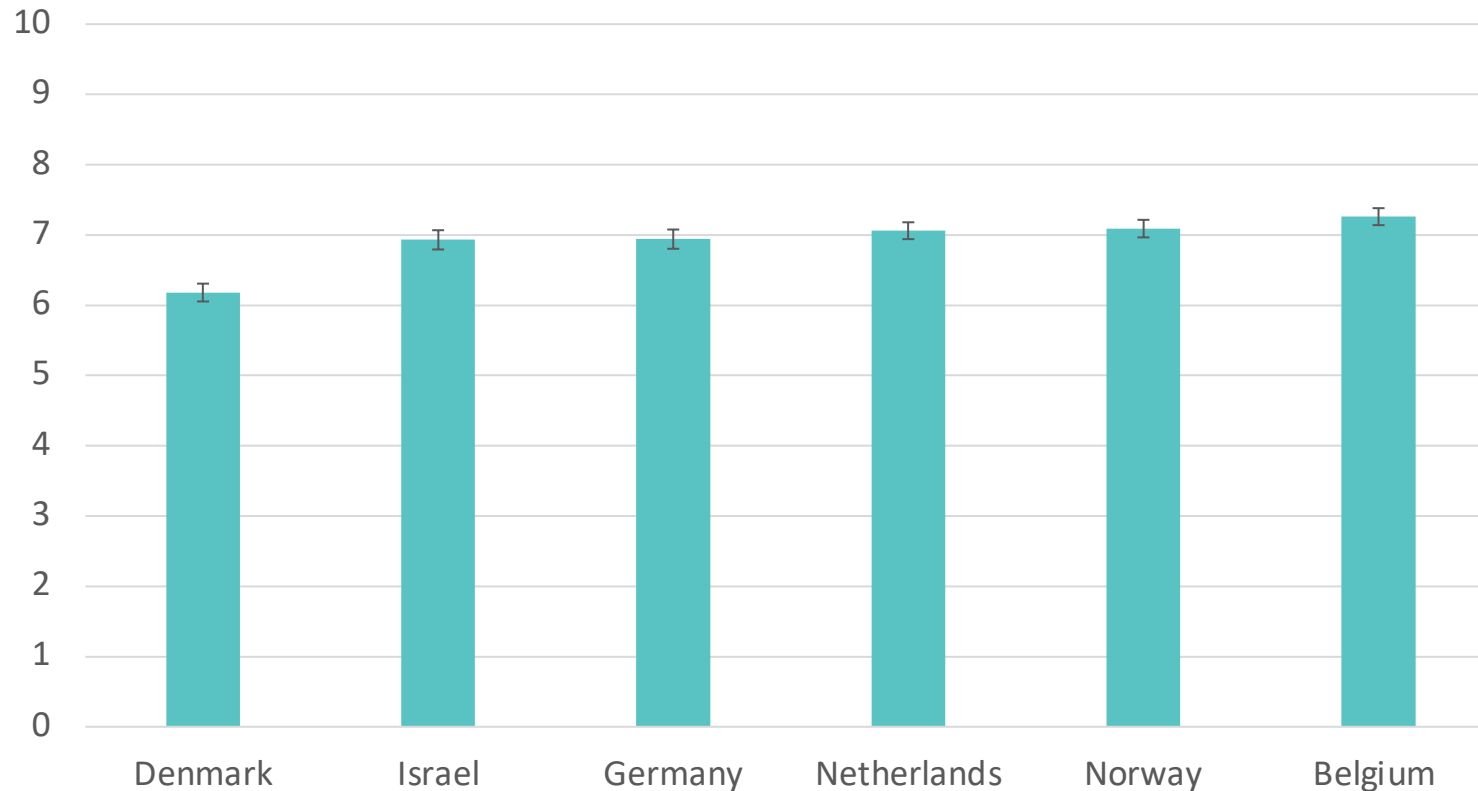
Consistently positively related to trust in regulators in all three sectors (except Israel in food safety sector)

Positively related to trust in regulatees only in Belgium, the Netherlands (all three sectors), Norway (finance and data protection), and Denmark (data protection)

"Think about the economy in general. How strictly should government regulate business to protect the people? Please answer on a scale from '0' to '10', where '0' is "not strictly at all" and '10' is "very strictly"."

Covariate analysis – Knowledge of the work of the regulator

Consistently positively related to trust in regulators in all three sectors (except Israel in food safety sector and Denmark in data protection sector).

Consistently positively related to trust in regulatees in all three sectors (except Denmark in data protection sector)

"How knowledgeable would you say you are about the activities of the following agencies? Please answer on a scale from '0' to '100', where '0' is "not knowledgeable at all" and '100' is "complete knowledge".