



Analysing trust dynamics, cooperation
and their effects within regulatory
regimes

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TiGRE studies trust and distrust in regulatory regimes: causes, dynamics and effects

- From citizens in the regulatory regime
- But also between actors and government levels within the regulatory regime

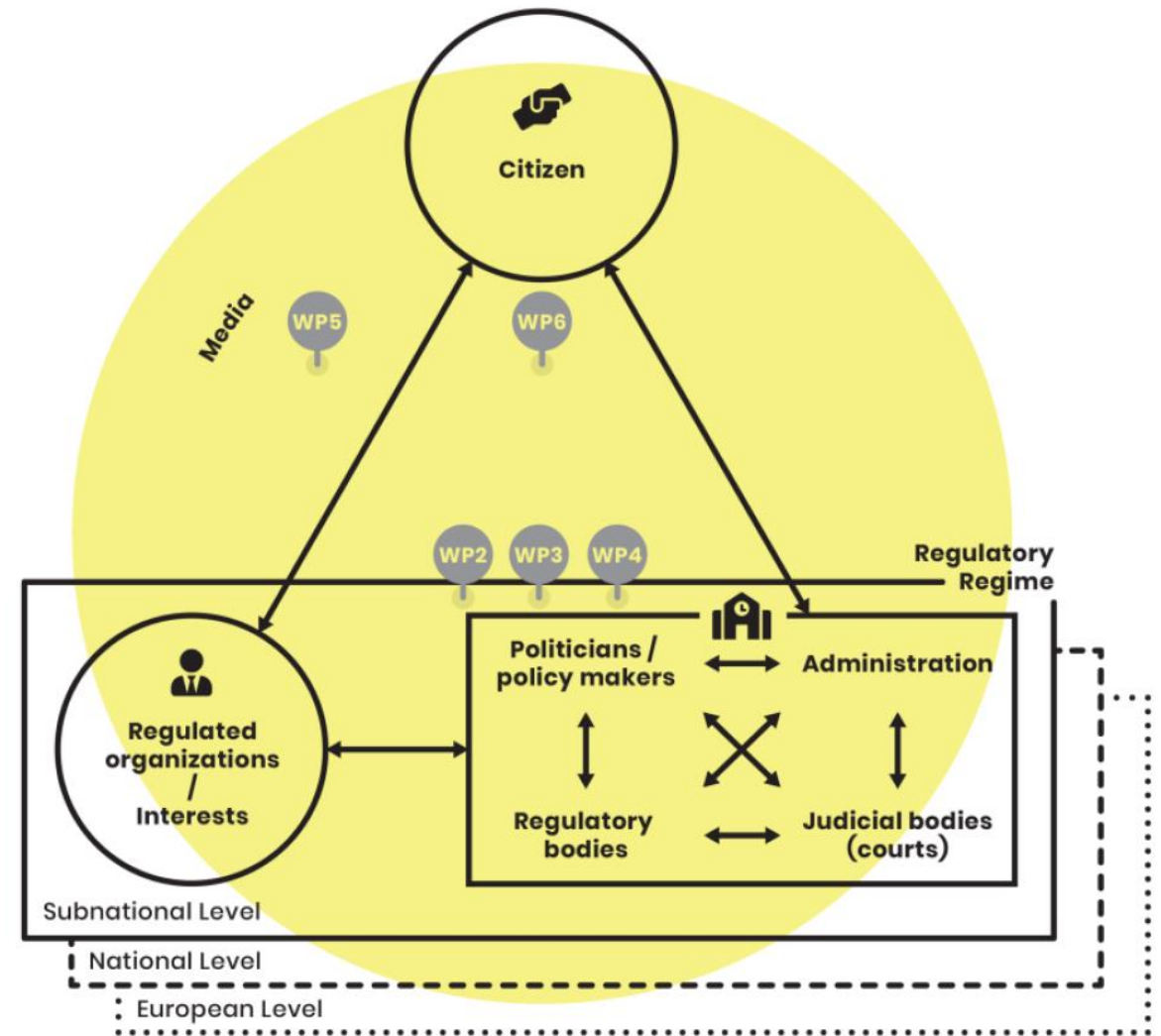
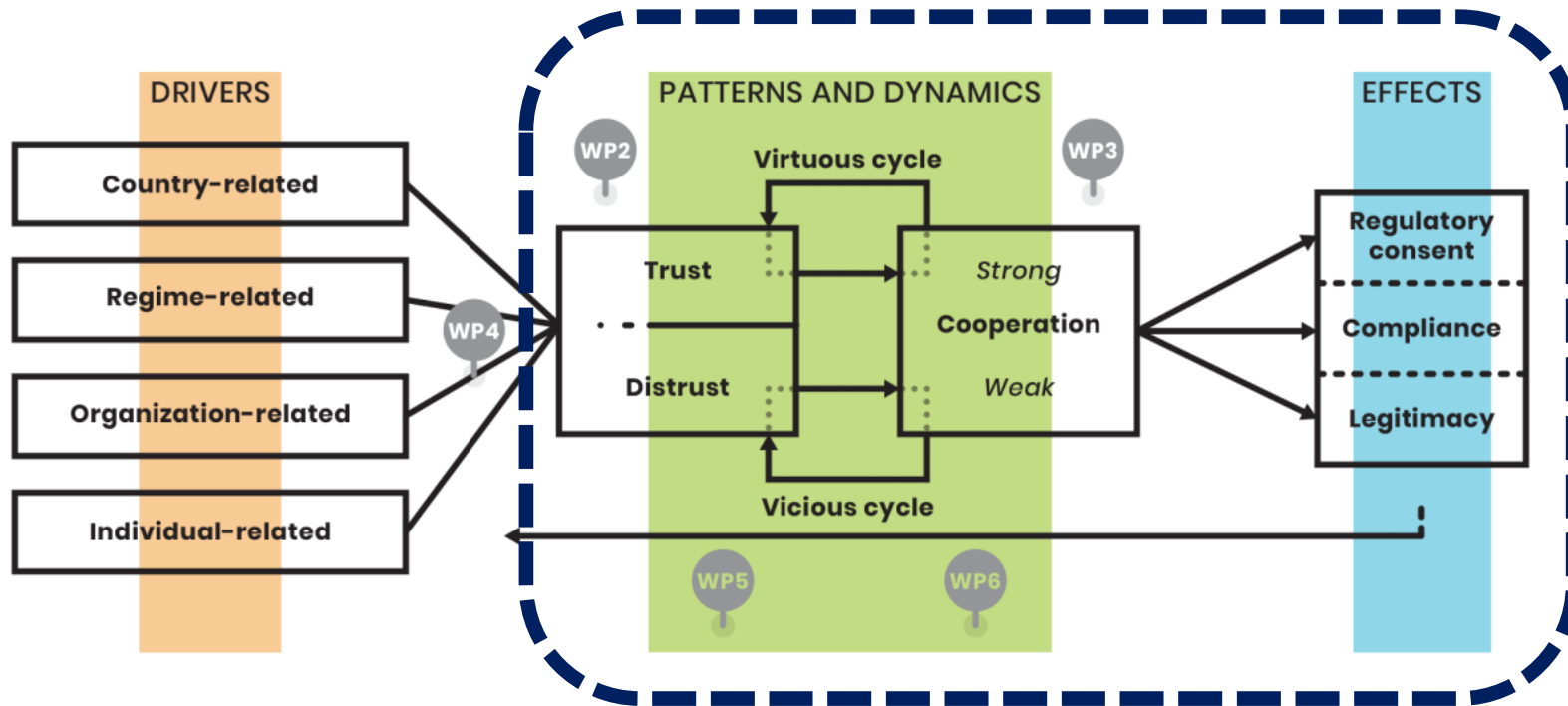


Figure 1: The trust triangle studied in the TiGRE project.

Focus of this presentation



Team for this work:

UAntwerpen,
UNIL,
IBEI,
UniSpeyer,
UiO,
Kozminski

- to what extent **dynamics of trust and distrust between stakeholders** in regulatory regimes are related to **cooperation among these stakeholders**,
- and how this influences perceptions of **regulatory consent, compliance and legitimacy** among the stakeholders of regulatory regimes.

Concepts

- Trust
- Trustworthiness
 - Ability
 - Benevolence
 - Integrity
- Distrust: negative expectations of the intentions and behavior of the other actor
 - Measured by degree of being watchful for the other actor's decisions and actions causing harm (based in suspicion and negative expectations)
 - As in a regulatory regime, actors cannot opt out of the relations with each other



WP2 survey

data collection

WP3 sector studies

- **Survey**
- Regime actors
 - Legislative politicians
 - Ministries and executive bodies
 - Regulatory agencies
 - Regulatory intermediaries
 - **EU-Level bodies**
 - **Courts**
 - Regulatees
 - Business interest groups
 - Consumer associations
- 3 sectors, 8 countries en EU-level
- End of 2020 - early 2021
- 1440 responses

- **Interviews and social network analysis**
- Regime actors
 - Legislative politicians
 - Ministries and executive bodies
 - Regulatory agencies
 - Regulatory intermediaries
 - Regulatees
 - Business interest groups
 - Consumer associations
- 3 sectors in 6 countries
- 2021-early 2022
- 161-181 responses



Structure of this presentation

Finding I: Trust and distrust/watchfulness among actors in regulatory regimes

Finding II: How trust and interactions relate in regulatory regimes

Finding III: The role of trust and interactions for a well-performing and legitimate regulatory regime

Finding VI: Sectoral and country differences

Discussion



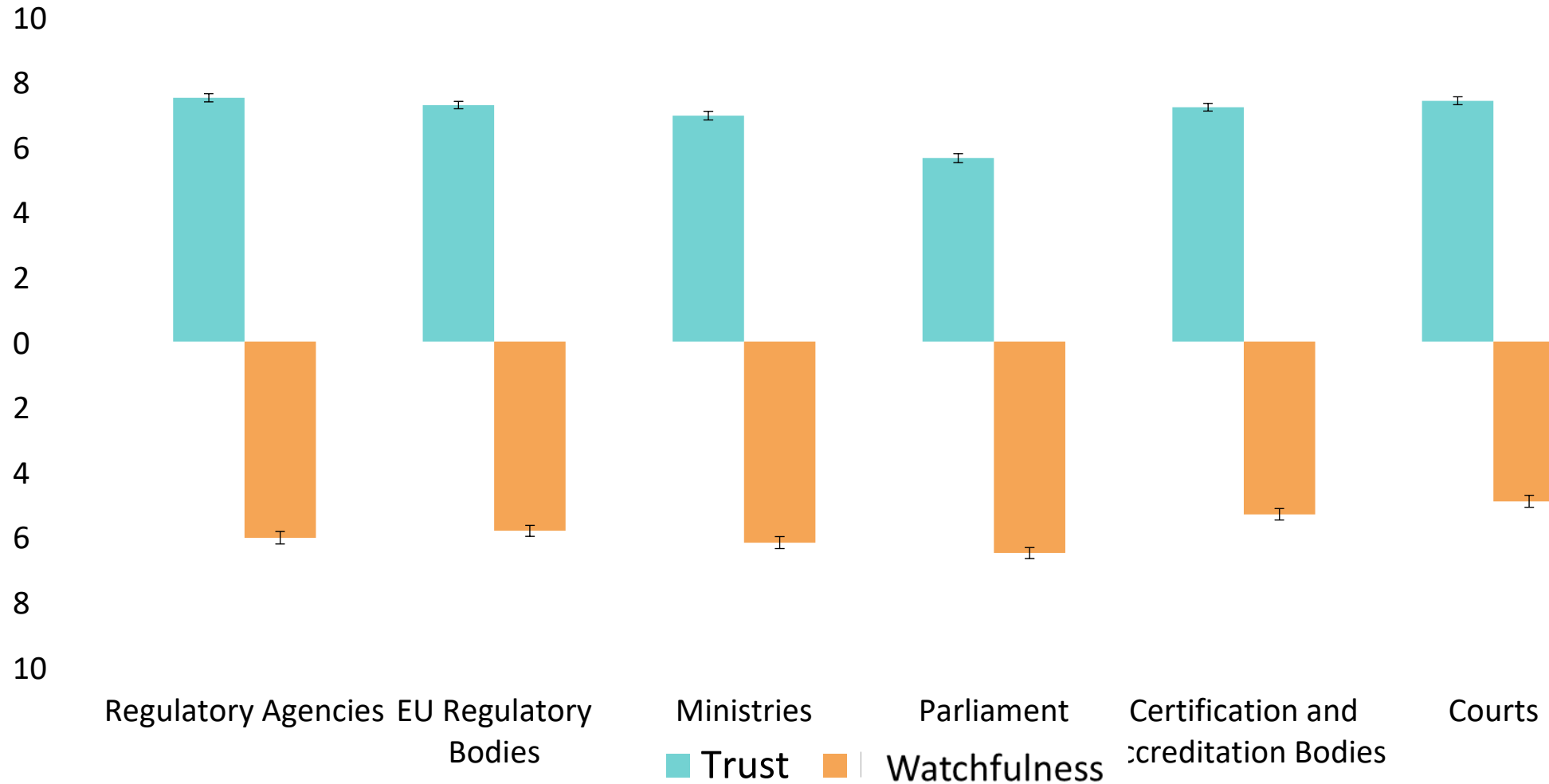


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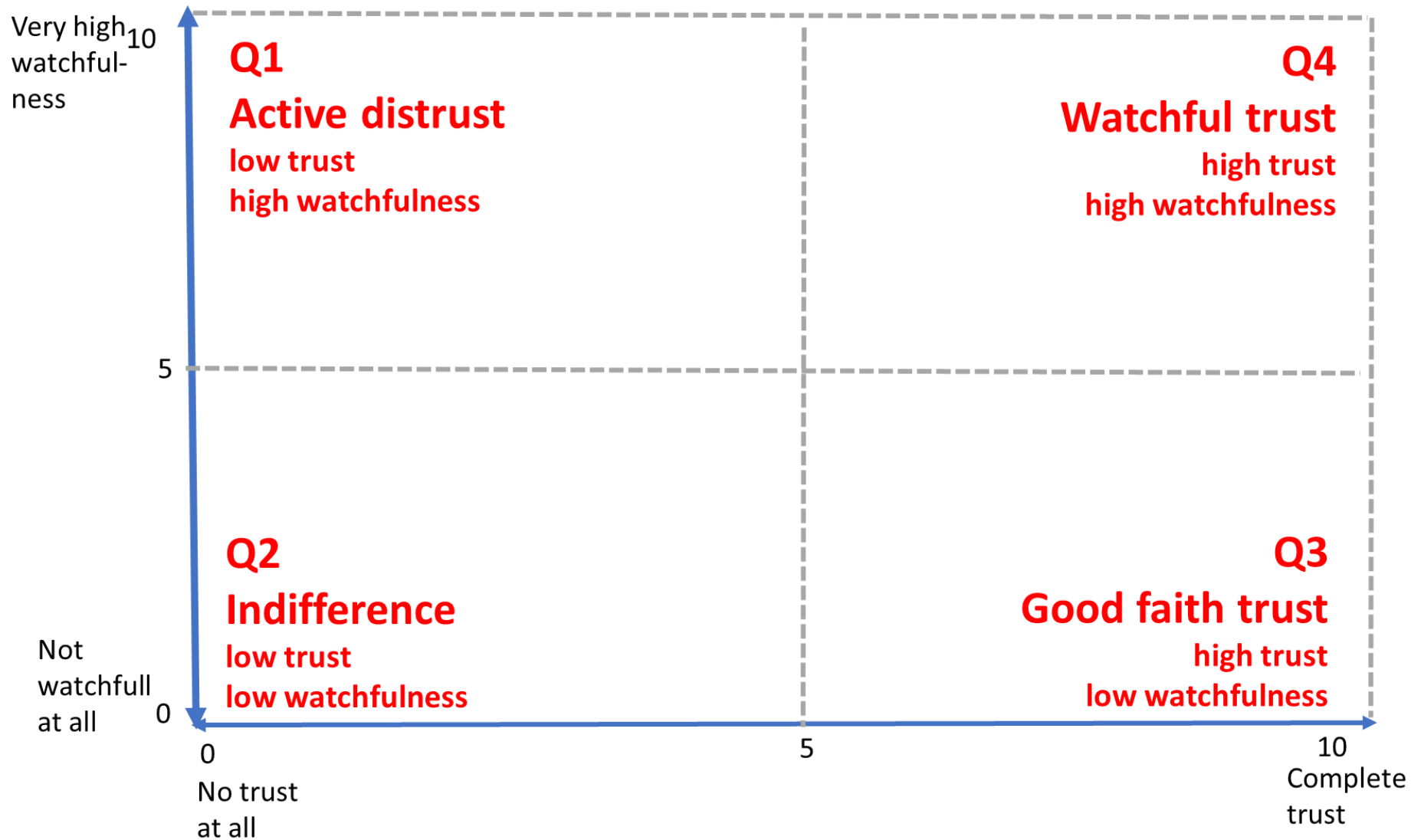
Finding I:
Trust and watchfulness
among actors in regulatory regimes

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Trust and watchfulness in regime actors - All countries & sectors



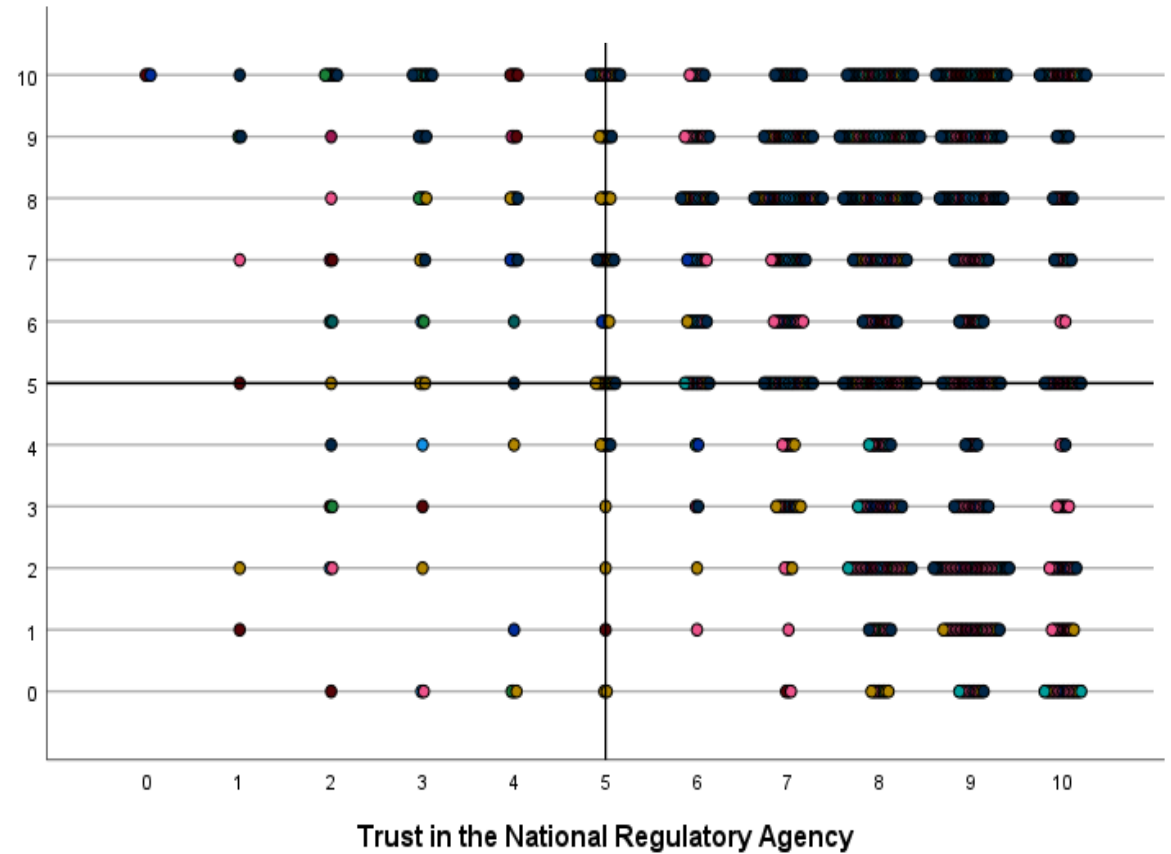
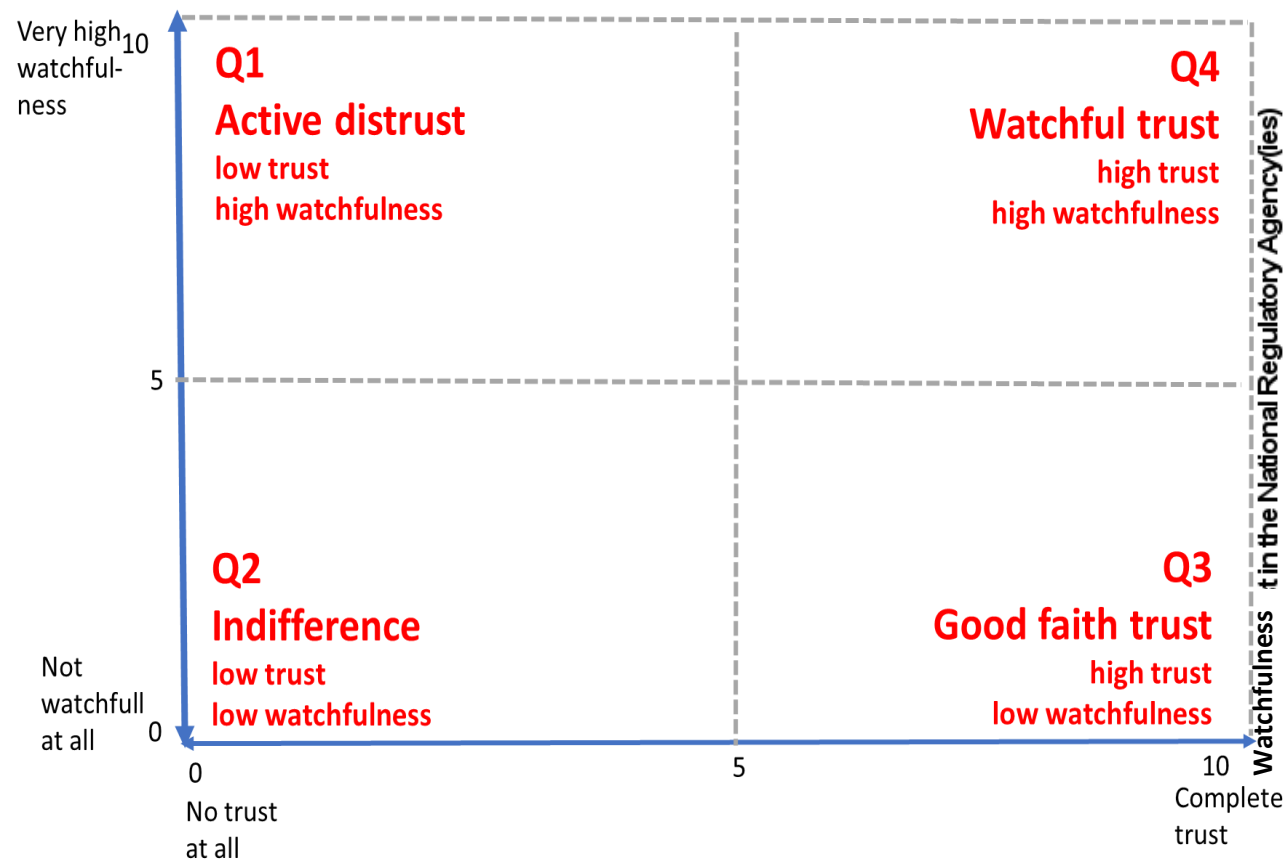
How trust and watchfulness relate in regulatory regimes



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How trust and watchfulness relate in regulatory regimes



Finding I: Trust and watchfulness among actors in regulatory regimes

1. Trust in regime actors is on average quite high, with some exceptions
2. But watchfulness is on average also quite considerable (again with some exceptions)
3. Relations of indifference and active distrust: rather rare
4. Relations of good faith trust: quite numerous
5. Relations of watchful trust: most common
6. This holds for
 - both trust in the regulatory agency, but also for trust in other actors
 - trust by private actors but also by public actors
 - all three sectors
 - in all countries





Findings II: How interactions and trust relate in regulatory regimes

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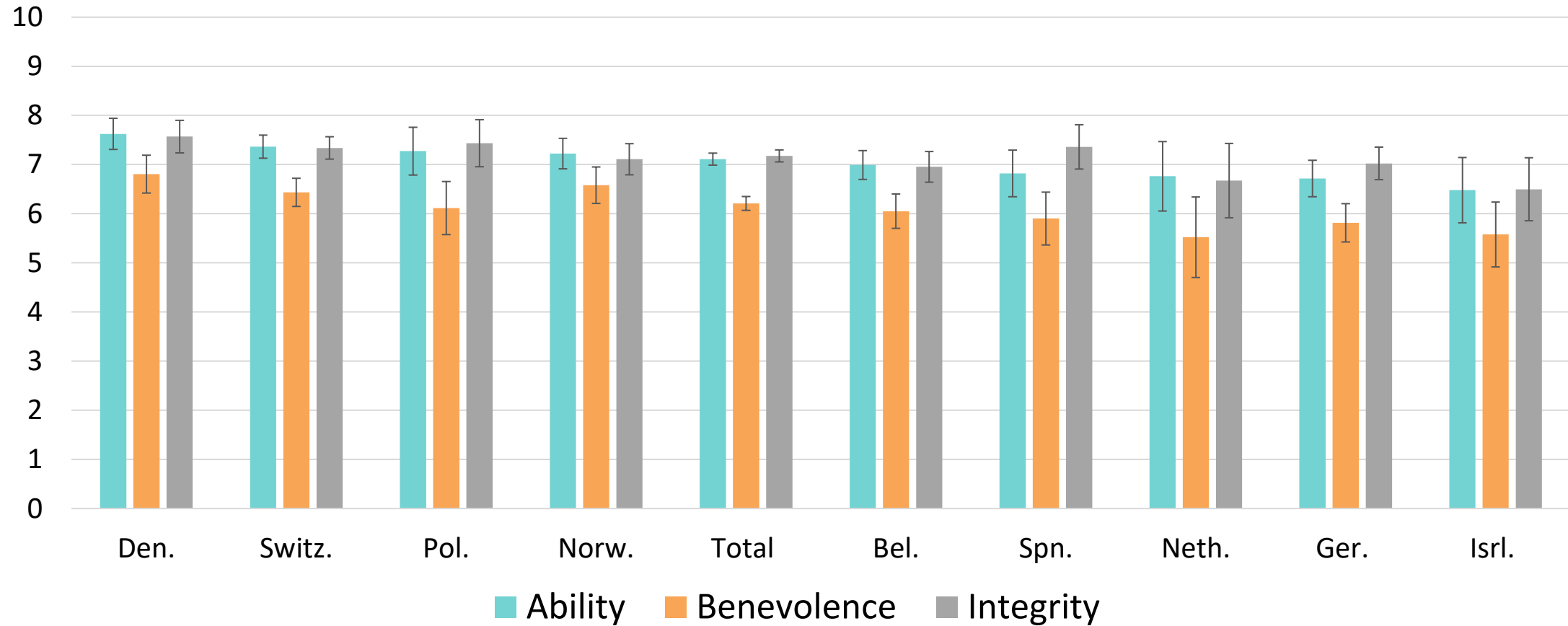
Bases for trust in regime actors

What can determine trust in an actor, like a regulatory agency?

- **Personal predispositions and attitudes, actor role, sector and country features** (WP2)
- **Behaviour and intentions**
 - Ability, benevolence and integrity as bases for trustworthiness
 - Enforcement style of the regulatory agency (WP5)?
 - Communication style (WP6)?
- **Interactional basis:** contacts and information sharing as basis for trust
- **Identification as a basis:** having similar views on regulatory issues as basis for trust
- **Institutional basis:** de jure and de facto design in terms of accountability, transparency, participation and inclusiveness (WP4)



Regime actors' perception on trustworthiness of Regulatory Agencies (Means)



Findings II: how trust and interactions relate?

Trust is linked :

- To personal predispositions and attitudes, actor role, sector and country features of the trustor
- To the ability, integrity, and **to a lesser extent, benevolence**, shown by the trustee
- To interactions between actors
 - Frequent contacts
 - Sending information (*mandatory*) & Receiving information
 - but for trust in regulatory agencies: contacts and **receiving less information**
- To having both mostly similar views and **mostly different views**

What determines watchfulness is less clear



Findings III:
The role of trust and interactions for a
well-performing and legitimate
regulatory regime

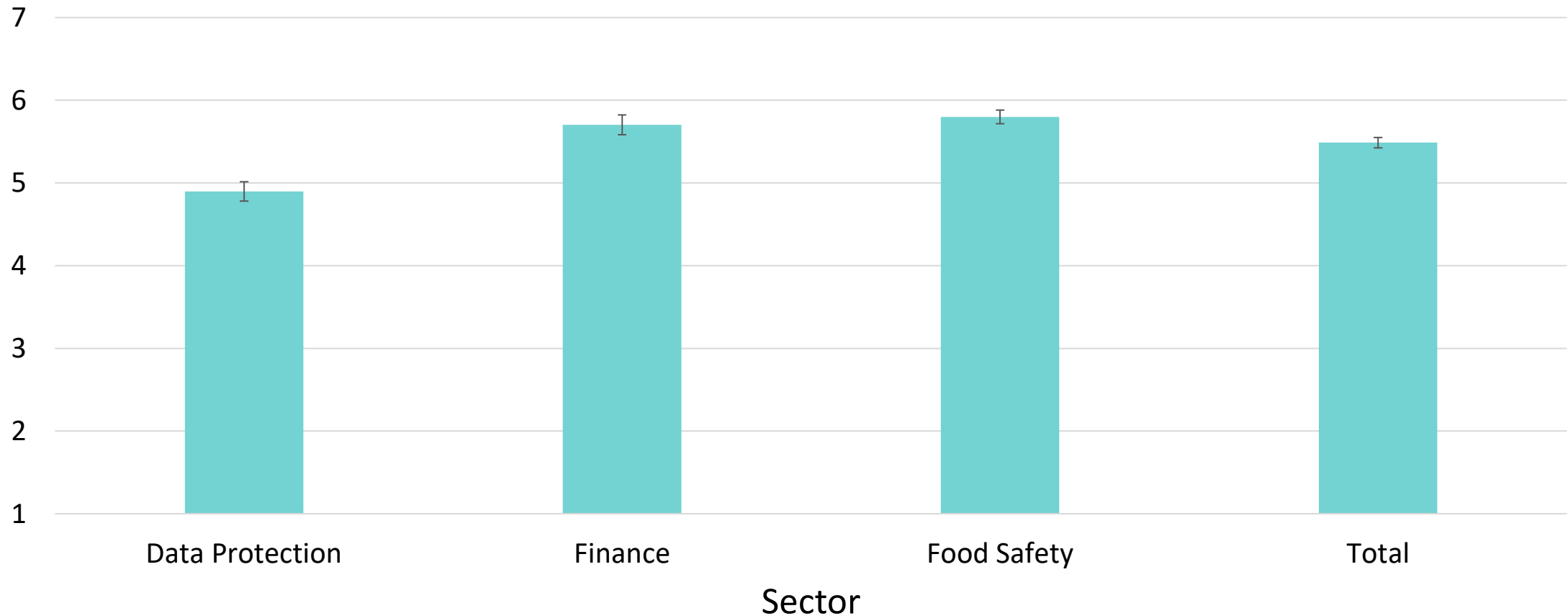
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Concepts

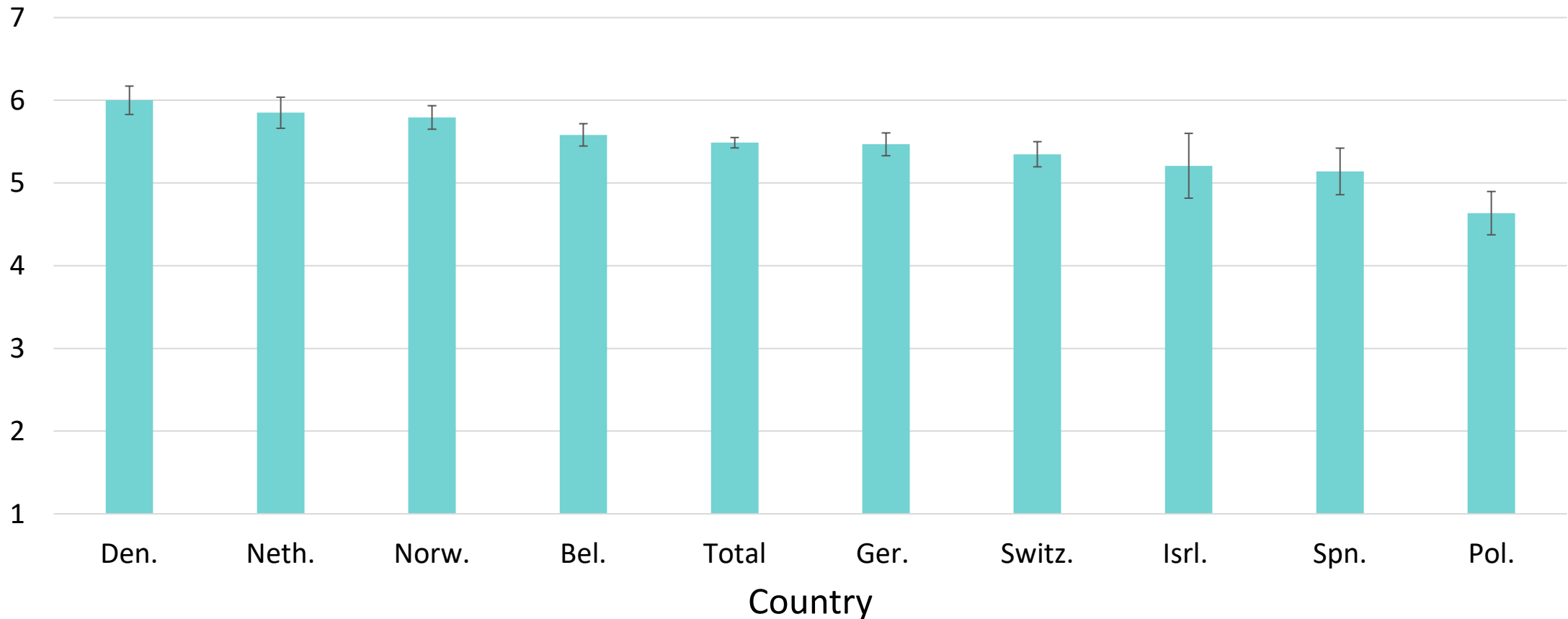
- **The performance of the regulatory regime:**
 - to **make regulatees comply with the regulations (rule compliance)** and
 - to **safeguard keeping beneficiaries safe from harm**
- **The legitimacy of the regulatory regime:** Acceptance of and consent with
 - **the procedures of the regime** and
 - **the way regulatory decisions are made**



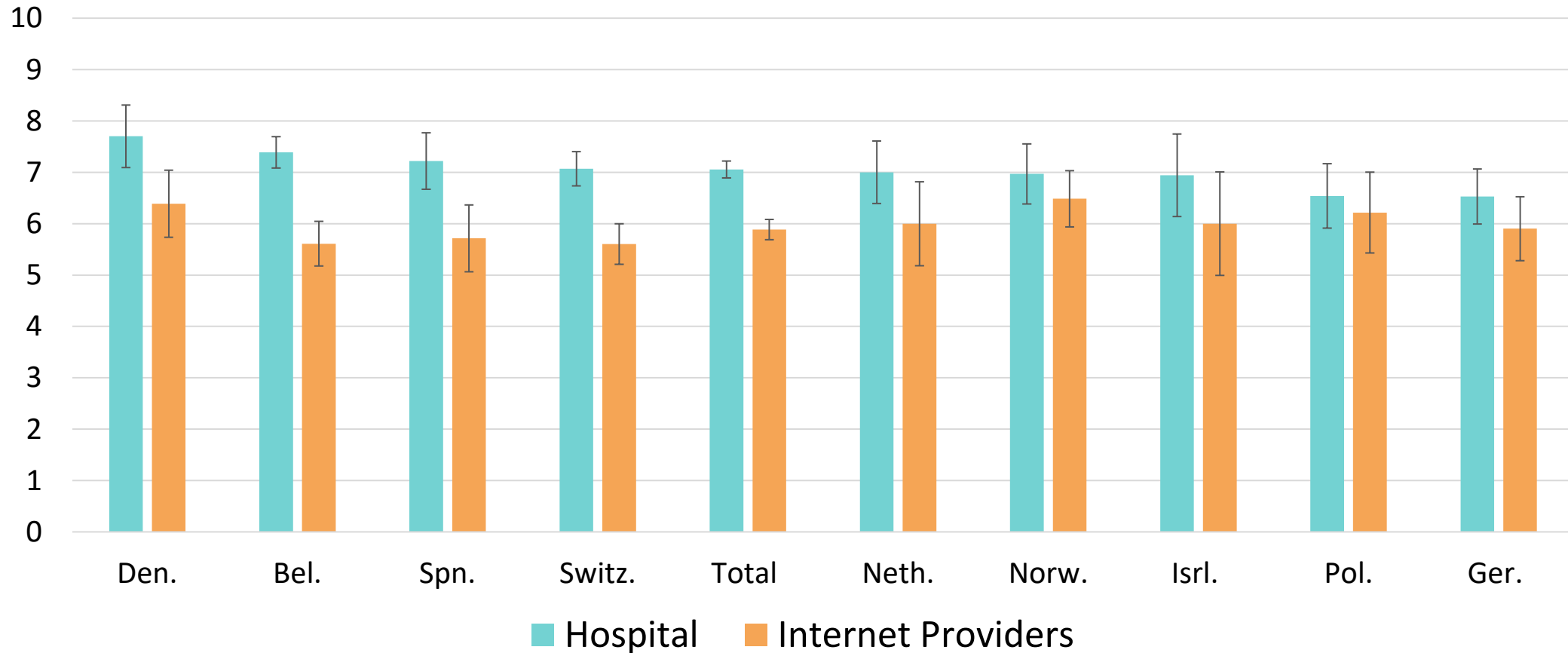
Regime performance: Confidence in the Regulatory Regime (that citizens are safeguarded from harm) by Sector



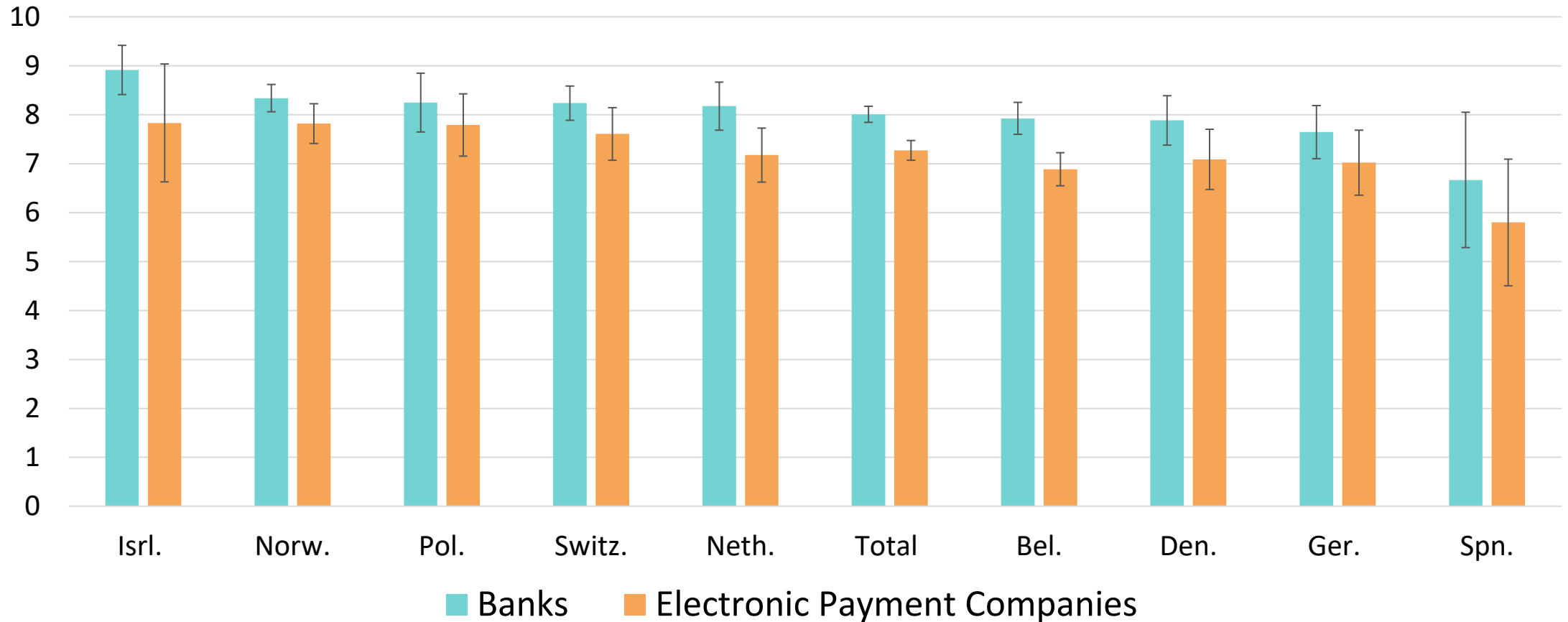
Regime performance: Confidence in the Regulatory Regime (that citizens are safeguarded from harm) by Country



Regime performance - Perceptions of Hospitals' and Internet Providers' Level of Compliance with Data Protection Regulation



Regime Performance - Perception of Banks' and Electronic Payment Companies' Level of Compliance with Financial Regulation



Finding IIIa: the role of trust in the regulatory agency for regime performance

- Trustworthiness of regulatory agency matters clearly for perceived regime performance and is crucial...
- ...But we should also not overestimate this.
- Also trust between the other actors shows to be very important
- This is of course the case when there are multiple regulatory agencies in one sector,
- But it matters also between all other actors



Finding IIIb: the role of trust between actors for regime performance and legitimacy

High trust towards and among regime actors is important for both

- the performance of the regulatory regime

and

- the legitimacy of the regime

- However, **watchful trust** better for regime performance than **good faith trust**

- In contrast, for regime legitimacy, high watchfulness is **not** a good thing



Findings IIIc: the role of interactions and views for regime performance and legitimacy

1. More **intensive contacts and information sharing** among all actors relates to a better performing regulatory regime
2. But contacts and information sharing matter only to a limited extent for a legitimate regime
3. It does **not matter** for a well-performing or legitimate regime **whether many actors have similar or different views**





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Finding VI: Sectoral and country differences

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Finding IVa: sectoral differences

Data protection:

- Somewhat more modest levels of regime performance, but also less dense trust relations relations, and less dense contacts and information sharing
 - Transversal sector
 - Less mature and institutionalized, with actors still looking for their role
 - Agencies have been focused on getting their organization, expertise and procedures right
 - Interest groups and consumer associations still developing their own capacities, role and position
 - Huge differences in capacities of regulatees, fear for impactful fines
 - Actors do not know each other, interact less and judge based on cues
 - Issues around
 - the practical implementation and shared interpretation of the principle-based GDPR
 - the difficulty of applying GDPR versus the fear for impactful fines and sanctions
 - Limited structured and regular interaction between actors and with interest groups



Finding IVa: sectoral differences

Finance and food safety:

- Higher levels of performance, more dense trust AND more dense watchfulness relations, dense contacts and information sharing, more coalitions of similar or different views
 - Mature sectors, actors know each other and each play their role, with much information about each other, so assessments are more nuanced and better informed
 - Different views do not decrease trust, as long there is respect for each others roles and capacities
- Food safety somewhat more consensual. Finance more complex and multiple regulatory agencies in several countries



Finding IVa: sectoral and country differences

- Finance: issues around
 - new players and innovation (fintech),
 - amount and complexity of regulations,
 - communication and guidance by regulatory agency, and
 - Involvement of stakeholders, need for empowerment of consumer associations
- Food safety: issues around
 - homogeneity of controls and interpretation even in unitary countries,
 - difference in capacity of regulatees,
 - important role of intermediaries,
 - seems to be sector with most strong involvement of stakeholders
- Country differences
 - General level of societal trust and trust in government
 - Federal versus unitary state structure
 - Small versus big states
 - EEA and non-EEA countries



Some first recommendations: building and strengthening the regulatory community

1. Importance in regulatory agencies **and** of trust among regime actors for a well-performing and legitimate regime
2. Hence contacts and information sharing between actors are important, and differences of views does not hamper trust
3. Trust should not be unconditional, a degree of watchfulness combined with trust is a good thing
4. Regulatory regimes deal with regulation from various levels of government, detailed and specific legal frameworks, multiple and sometimes contradicting interpretation of regulation and rapid technological developments → need for regulatory guidance
5. Call for differentiation within regulatory control
6. Improving the communication of the regulatory agency towards (specific) stakeholders and to the wider audience
7. Importance of participatory instruments which allows agencies to involve a wide diversity of stakeholders in their decision-making processes.





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Discussion

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Potential questions

- Which findings resonate and which do not resonate?
- Which findings do you think are particularly remarkable or useful?
- Which findings would you like to see more stressed and translated in recommendations?
- How can governments build and strengthen a regulatory community for a well-performing and legitimate regime?



Thank you!



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