
Preliminary Paper on Trust Within EU Multi-level Regulatory Regimes

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An Informal Introduction

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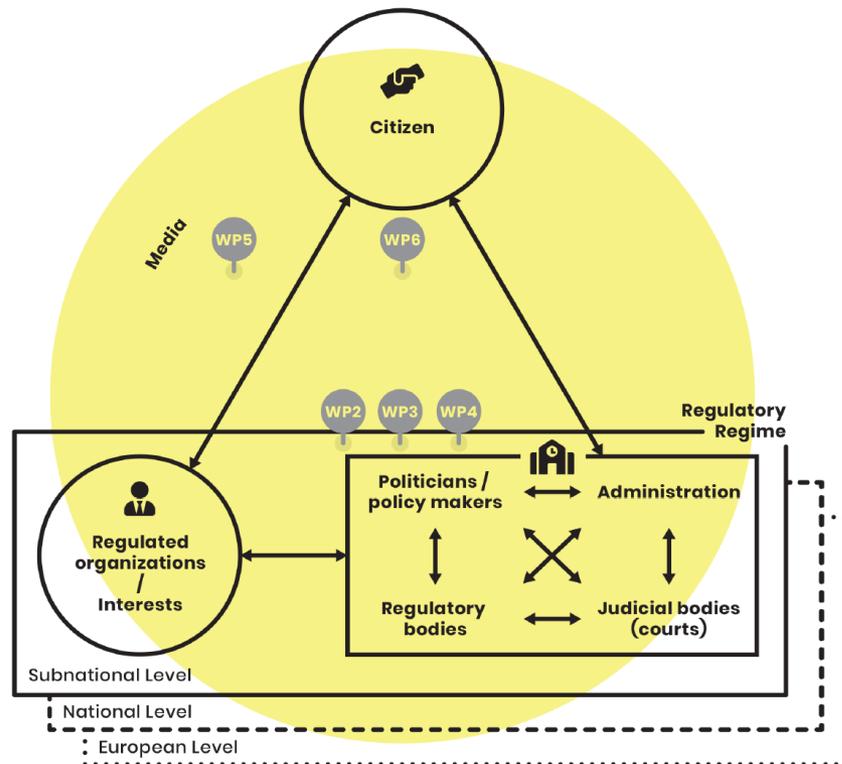
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Objective

What is the **objective** of this paper?

To better understand what drives trust into the regulatory agency of **actors within** the EU's multi-level regulatory regime.



Motivation

Why is it important to do so?



+ trust within regulatory regimes hardly targeted (research gap). Citizen perspective is predominant.

Motivation

Basic trust relationship:



- Trust dynamics change when action constellation changes.
- Large-scale studies on ministries, courts, committees as X are out of scope.
- Citizen perspective (citizen as X) as fuzzy proxy, conclusions limited, not satisfactory.
- Getting inside of regulatory regimes.

Drivers of Trust

Level of regulation (national versus EU)

Citizen perspective:

Strong effect.

Congruence theory

Compensation theory

Trust development?

→ Extrapolation

No citizen - EU agency interaction.

opaque national border



<https://fineartamerica.com/featured/greener-pastures-sign-allan-swart.html?product=art-print>

Drivers of Trust

Level of regulation (national versus EU)

Elite perspective:

Community / network /
Organizational field

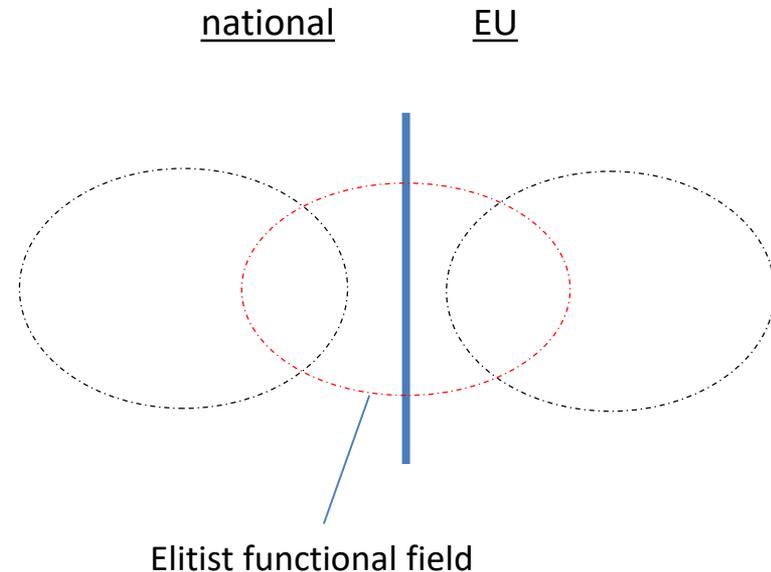
Shifts in proximity

Functional field

Trust development?

→ Interaction / experience

Expectation: within the regime, level of regulation is not decisive



Drivers of Trust

Regulatory Performance

Citizen

Final consumer

Outcome-oriented

Macro-economic (GDP)

Regulatory actors

Constitutive actor

Outcome?

Input

Process

Output

Summarizing

Expectations

Regulatory levels have lower impact on regulatory actors.

Specific regulatory performance is decisive for trust levels into the regulatory agency.

Our approach

Inside the regulatory regime

Large-scale vignette experimental study on the drivers of trust amongst the elite.

Survey-based.

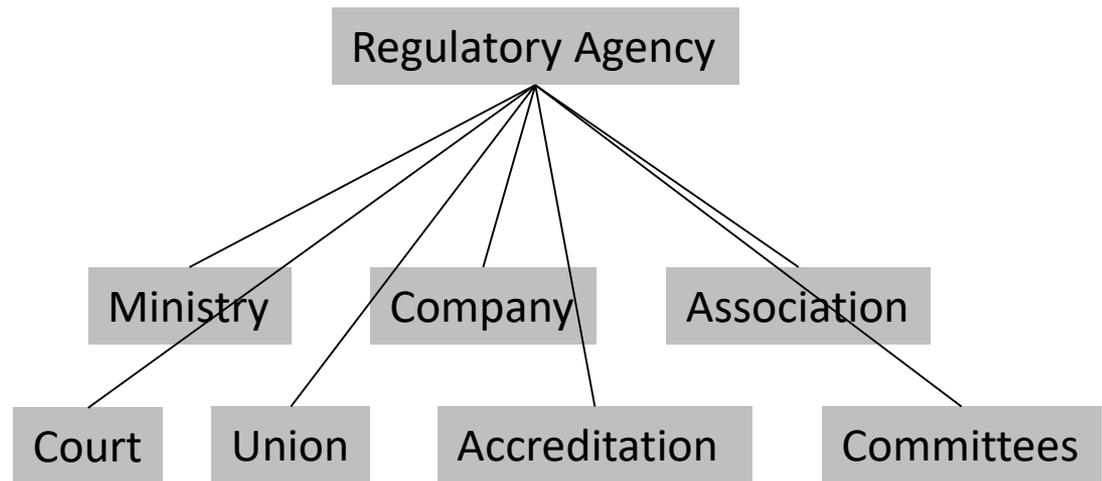
Around 1.200 decision-makers from within the TiGRE-relevant regulatory regimes.

Fictional 'unrelated' electricity sector.

Targets decision-makers.

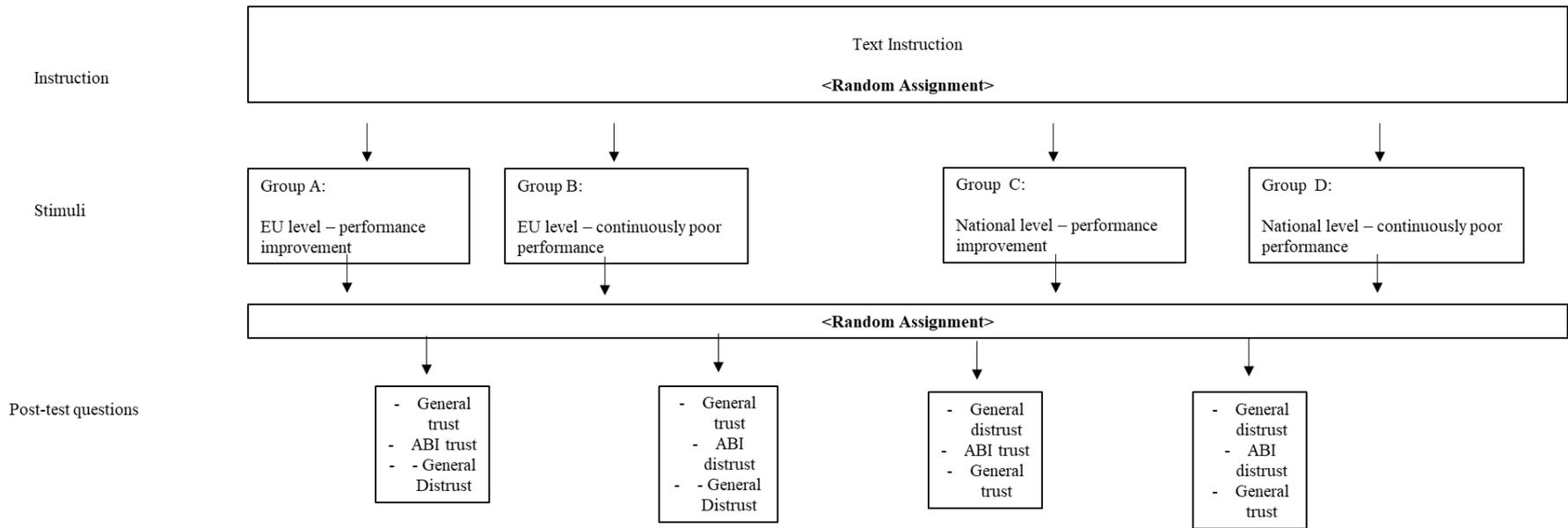
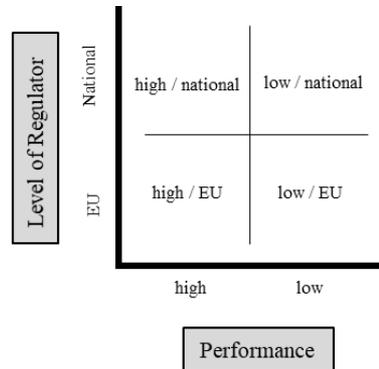
'Getting the job done'.

Overcome issue of reverse causality.



Our approach

Inside the regulatory regime



Our Approach

The national agency for energy regulation has the important function of ensuring sufficient energy supply and fair prices for citizens. Its main task is to foster a well-functioning national energy market in which multiple companies compete for customers. This includes the supervision of energy companies and solving conflicts concerning the extension of energy grids.

Following a number of complaints by companies in the energy sector, the agency was evaluated by an independent expert committee two years ago. The evaluation exposed problems with recruiting highly qualified staff, irregularities in procurement procedures, and an overly strict application of rules that didn't take into account different companies' characteristics. At the time, the agency leadership acknowledged these problems and promised to tackle them within two years.

Recently, a follow-up evaluation showed that the problems inside the agency had been successfully addressed. This was also confirmed in a survey conducted among key stakeholders of the agency. The evaluation showed that the agency had successfully implemented a major reform.

Our Approach

Treatment variables:

Reg_Level (0 national, 1 EU)

Performance (0 high, 1 low)

Post-test variables:

Trust (Do you trust? Likert) general trust, meaning the general will to co-operate with people even if one does not know them personally (Kääriäinen and Sirén 2012: 281; Luo 2005).

Ability (Likert)

Benevolence (Likert)

Integrity (Likert)

ABI (arithmetic mean of ability, benevolence and integrity)

Trustor variables (particular socio-demographic variables):

Group_belonging (0 regulator, 1 regulatee)

Gen_Prop_Trust (general propensity to trust) (main predictor across majority of studies of public officials' trust in citizens: Vigoda-Gadot et al., 2012; Lee & Yu, 2013; Yang, 2005)

Age (Kumlin and Rothstein 2005; Luo 2005)

Gender (Luo 2005; Yang 2005)

Other variables:

Home_Trust: dichotomous control variable indicating trust patterns in the home country (0 extremely low, 1 extremely high). It allows to see if congruence and compensation theories may have something to say here as well. In this case 0 are Israel, Poland, and Spain; 1 are Denmark, Norway, Switzerland, and Netherlands. Middle-trust countries Germany and Belgium are left out here. Data retrieved from the latest ESS.

Electricity_Imp_Exp: dichotomous control variable on the electricity sector to capture general experience with local electricity sector. We consider 2016-18 on average and distinguish between 'good' if on average net exporter (1) and 'bad' if on average importer (0). Data retrieved from International Energy Agency (IEA) Statistics.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
	<u>Exp(B)</u>							
Reg_Level (reference EU)	1.189 *		1.135	1.136		1.158	1.106	1.129
Performance (reference low)		3.179 ***	3.163 ***	3.172 ***		3.236***	3.593***	3.777***
Age				1.015		0.995		1.008
Gender				1.044		0.999		0.979
Group belonging (reference regulatee)					1.407 ***	1.448***		1.499***
Home_Trust (reference low)							1.569*	
Gen_Prop_Trus t								1.210***
Electricity_Imp_ Exp:							1.797***	
N=1.180								
Dependent Variable: Post-test trust levels (1-10)								
Significance level: *** 1%, ** 5%, * 10%								

Disaggregating elite perspective

Moderator analysis on group belonging

	(Regulator side only) *	(Regulatee side only) **
	<u>Exp(B)</u>	<u>Exp(B)</u>
Reg_level (reference EU)	1.131	1.207
Performance (reference low)	3.782***	2.534***

*N= 702; **N=469
Dependent Variable: Post-test trust levels (1-10)
Significance level: *** 1%, ** 5%, * 10%

Raison d'être

versus

Only one aspect of corporate life.

Regulatee potentially more interested in outcome performance.

Open for input

Wrap-up

Get into the core of regulation.

→ Experimental study with 1.200 decision-makers from within the regulatory regime.

Regulatory level does not drive (elite) trust.

→ Regulatory (organizational) field transcends national borders. Shifting proximities? Joint value / belief system? Joint institutions? More research.

Regulatory performance decisive for trust development. Causality established from performance to trust.

Internal heterogeneity between actors at the regulator side and actors at the regulatee side of regulation. Why is that? Interests, different perceptions of what a regulatory regime should ,deliver‘? More research.

Thank you!



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