

Book review
Trust in Regulatory Regimes, edited by Six
and Verhoest
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Trust is an asset on one side of a coin that carries risk on the flip-side. And no-one wants to bear the risks: politicians, managers, bureaucrats and citizens strive for strategies that minimise risk – at least according to the literature that assumes a rational world. However, not everything is rational; neither in the old world nor the new. *Trust in regulatory regimes* is a multi-disciplinary attempt to bring together discussions about trust in different realms: the private and the public.

Standing between the two alternatives of cooperation and defection, trust has constituted a hard currency since the beginning of coercive regimes. A classic in relation to the formation of the nation state was *the Prince* by Machiavelli. If the power of hierarchy cannot be trusted, at least to a reasonable extent, the symbol of hierarchy will soon be removed, or as it would have been at the time, assassinated. Legal professions developed in order to judge similar cases aligned in accordance with professional judgements and not the Prince's current mood. Legal justice is an outcome of predictable processes. Studies of power have been around in the social sciences since the early 20th century, and in economic transactions, regimes' trust has also constituted a hard currency since they were invented.

Whether it is a nation or a CEO of a company or of a trans-national enterprise, the agency needs to ensure subordinates, employees, clients or citizens do comply. Shareholders do not want their resources to be wasted, but rather skilfully invested. Ultimately, a common feature is that only people can trust, even if they act on behalf of their organisations. Trust is therefore a neat currency, yet complicated to measure and understand. The research field has recently been enriched by a number of multi-disciplinary analyses, the cross-fertilisation of which will possibly produce some fruits, with this book being an example.¹ It is with this in mind that I began to read *Trust and Regulatory Regimes*.

The edited volume starts with a literature review, containing most of the standard seminal references from the fields of political science and sociology, including Braithwaite, Coleman, Giddens, Hardin, Hood, Luhmann, Rosanvalon, Shapiro and Wan de Walle. I also note that the review, which summarises the forthcoming empirical case studies, does not mention the American psychologist Tom Tyler, whose works are very important in understanding when people obey laws and when not (Tyler 2015, 2006). Perhaps his discipline pulled him out of the relevant circle.

The literary review disentangles various trust concepts such as distrust, interpersonal trust, confidence, inter-organisational collaboration (which I think is different from trust and its sub-categories), third-party trust, compliance, hierarchical and horizontal trust. However, for me, the latter two forms are highly

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fundamental for the other forms, which cannot be inferred from the discussion. The literature study is centred on regulation, but also highlights a key quotation: “*When you trust, you cannot control and when you control, you do not trust, as control is done from distrust.*” (p. 8). This statement could have generated hypotheses or inspired a more profound theoretical elaboration between hierarchical and horizontal [trust] respectively, and [regulation]. Instead, the authors survey 33 studies of trust “scattered across many academic fields” and find 9(!) types of trust relationship, which whilst possible seems to be a bit theoretically superficial.

Wouldn't it have been more beneficial to classify the forms of trust in established categories such as private/public, actor/structure or multi-level governance? The terminology employed is citizens – regulators (private-public-other) – regulatees (public-private-third sector), which produces major complexities and which does not easily lend itself to cross comparisons. Chapter four elaborates on micro-meso and macro-levels, as representatives were interviewed, and hence, translates trust into their roles within their organisation. To be sure, they are all fruits; but apples, pears and lemons are compared here with pineapples. De Vaus would have argued that a general concept is used at a too general level, without sufficiently elaborating the sub-dimensions (de Vaus 2001, p. 26).

One striking feature is that discussions concerning hierarchical relationships, such as actors and institutions, are for the most part absent throughout the chapters (an exception is chapter six). In my personal view, this is the heart and soul of all social and economic sciences, but it is mostly absent throughout. Instead, a Responsive Regulation Theory is proposed (RTT), building on Ayres and Braithwaite (1992). The RTT theory emerges in a debate between increased government regulation on the one side, and laissez-faire and ‘the invisible hand’ on the other. RTT suggests that a third party must come in, along with more deliberative lines, possibly even inspired by Habermas and the Frankfurt school.

The book has an important point: that public regulators (inspectors) may sometimes have too close a relationship with those they inspect (airline employees), possibly due to similar educational backgrounds. A third party ought to get involved, for example, customer representatives, NGOs or suchlike. A third party, or an opening for clients' voices between regulation and control, is a feasible way to balance power – or to transform the regulatees into regulators too. But is not this kind of bargaining between the centre of power and the regulatory targets a common feature of politics and policymaking? It is not clear how this relationship ought to be further formalised. Another drawback in relation to this point is the cost of control (even though Oomsels and Bouckaert do touch upon cost-benefit discussions, p. 98, 106). Is third-party regulation really possible, and at what extra cost? Nowhere is there a discussion of the cost of control, and to what extent control sweeps away trust.

Tom Tyler, who I initially missed, is suddenly mentioned in the final pages, and dismissed as “*Several regulatory studies showed the importance of procedural justice... But most of these are with individuals as regulatees...*” (p. 235). However, just two pages before, the authors write that they had underplayed the importance of processes of trust building and repair (p. 233). To my mind, this is

what happens when disciplines do not recognize one another – instead the wheel is reinvented over and over again. In addition, it would have been nice if the chapters had more dialogue with each another. As it stands now, the chapters are more or less in discussion with themselves.

Even though the authors are from a mix of public administration, policy management, governance, business law and regulation backgrounds, it is clear that regulation is at the centre of the volume. We know that a substantial number of initiatives were introduced in the UK during the Blair era, including processes of regulation, performance measurement and strengthened auditing (Travers 2012). However, no critical stance on these developments is to be found in the book. Why regulation is so important is expounded to a lesser extent, as well as whether there are any limits to regulation. And how is RTT thought to take shape in practice? The topic is not new, nor is the data or the analyses. At best, the book displays the wide disarray between disciplinary lenses in relation to the theme, but it ultimately brings up many more questions than it contributes to. As it stands, it hardly contributes to the existing body of research into trust, and it is not a book for policy recommendations or advice. Instead it ends with a list of “more research that is needed”. Why? Does writing about trust sell more in the *age of distrust*? It seems to be the last theoretical straw when all the rest are *blowing in the wind*. As trustworthy academics we ought to speak more clearly about what we already know.

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Notes

¹ Two other examples are Shockely et al 2016 and Llewellyn et al 2013.