

Trust in regulatory regimes

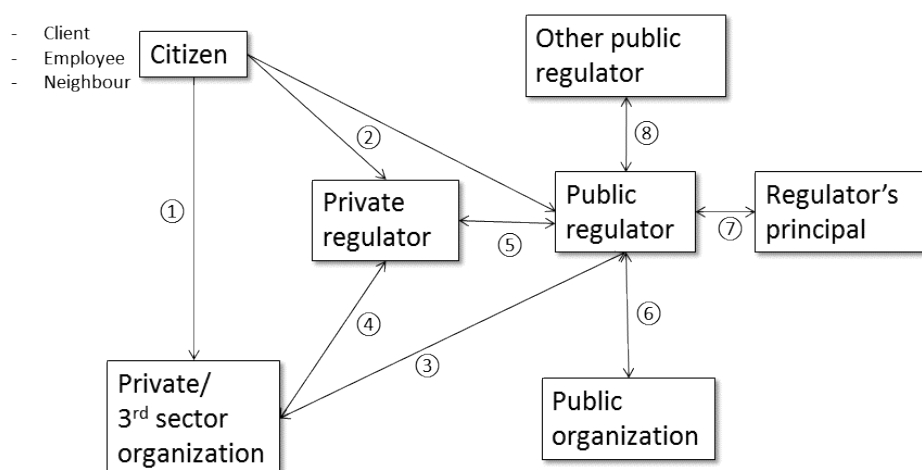
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The aim of this article is to systematically investigate the role of trust in different relationships within regulatory regimes, by scoping the field and setting the agenda for further research. Eight trust relations within regulatory regimes (see figure) are identified and for each relation literature is reviewed. This scoping of the field yields four gaps in the research to date: (1) not all trust relationships within regulatory regimes are studied; 2) the dynamics of processes of trust building and repair are understudied; 3) the interactions between the different trust relationships within regulatory regimes are ignored; and 4) conceptualization and operationalization of trust and regulation need further development and more rigorous theory building and testing needs to take place, using more varied research methods.



The basic trust triangle for regulation consists of relations between citizen, regulated organization and regulator (relations ①-④, ⑥). Regulation exists because organizations may create social, economic or health risks for citizens or risks to the environment (Sparrow

2000). This makes citizens vulnerable to the actions of those organizations. Trust helps to overcome situations of vulnerability as trust is based on positive expectations (Mayer et al, 1995). To what degree may citizens trust organizations? Because individual citizens do not have the competences or access to the information needed to make good judgements about the trustworthiness of these organizations to manage these risks appropriately, regulatory regimes are put in place to provide assurance. Thus, regulators act as third-party providers of trust (cf Nooteboom, 1999) in the relationship between citizens and organizations. This works as long as citizens trust regulators. Most research to date into the regulatee-regulator relations refers to public regulators, but given the increasing role of private firms performing regulatory roles, more and more research is emerging into private regulation. Relations ⑤, ⑦-⑧ are about inter-organizational collaboration.

References

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