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RISK®ULATION: CARR REVIEW NO 20 AUTUMN 2010

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CARR at ten

CARR Director **Bridget Hutter** discusses the mission and accomplishments of CARR over the past ten years.

This Anniversary Issue of *Risk&Regulation* celebrates the success of CARR as an ESRC Research Centre since its establishment in October 2000. Over the past ten years the core funding provided by the ESRC has enabled CARR to lead the way internationally in developing synergies between regulation and risk management studies and in creating the interdisciplinary field of risk regulation studies. Sustained core funding has been vital to establishing and developing multi-disciplinary co-operation in universities and academic spaces that are still dominated by disciplinary structures.

A key part of the CARR mission has been to build capacity in risk regulation studies. We have been active in supporting young scholars by using much of our funding to create postdoctoral and early career research positions. We have also had many graduates affiliated to us. They have participated in a dedicated CARR graduate student seminar series and have been supported by additional funding from CARR, generously provided by Deutsche Bank, for attending conferences and general research support. CARR has also hosted graduate and early career visitors and held graduate conferences and colloquiums which have attracted considerable interest from young scholars nationally and internationally. Many former CARR scholars now work in universities across the UK and abroad. Former staff and students also work in a range of regulatory and policy advisory roles in the public and private spheres.

As Katherine Taylor's articles demonstrate, CARR has significantly increased research capacity by its throughput of young scholars to UK and overseas academic institutions, and also to risk and regulation institutions. And, beyond this, it has created new careers and sensibilities in the risk and regulation area. There is clear evidence that everyone involved in CARR has been changed by the contact across disciplines which the Centre has provided.

CARR has made major investments in the dissemination of this work, including through its website and this magazine. Interest in the CARR website has increased significantly over the past decade with *Risk&Regulation* and the Discussion Paper series both attracting considerable attention. Anna Phillips' discussion of *Risk&Regulation* illustrates how successive staff editors worked to bring CARR research to more popular and widespread attention.

Dissemination and engagement with non-academic communities are also core features of CARR's activities. Our work has been practitioner-facing. Indeed our very existence is in many respects symptomatic of changes in practice whereby risk management and regulation have become increasingly aligned. CARR research has simultaneously examined and fed into policymaking, not always with messages that have been welcomed. This critical but constructive approach is a crucial aspect of independent academic work.

Over the past decade CARR has run a very active programme of events which have attracted distinguished academics and



Michael Peacock and Professor Bridget Hutter

practitioners from the UK and beyond. We have hosted many academic visitors from around the world and held close to 200 events: including conferences, workshops, lectures and seminars. The latest of these, *Working Across Boundaries*, is the subject of a report in this edition and was a fitting celebration of our donors over the past decade.

There are a number of individuals and organizations I would like to thank in my final editorial as Director of CARR. Crucial to the early development of CARR was the enthusiasm of Tony Giddens, then Director of the LSE and himself a prominent writer on social theories of risk. Likewise Michael Peacock, whose *Charitable Foundation* was a founding sponsor of CARR. His support continues and is greatly valued.

Since then Deutsche Bank, AON, BP, PwC, the British Academy, Leverhulme and STINT (The Swedish Foundation for International Cooperation in Research and Higher Education) have all been involved in sponsoring CARR research at one time or another. This funding, plus the core ESRC grant, has enabled CARR to create a major capacity in risk regulation studies.

I also thank the LSE, the Policy Advisory Committee, the CARR Management team, Christopher Hood and various administration teams for all of their hard work; and I thank the many excellent scholars who have participated in CARR thus far, some of whom have generously contributed to this issue of *Risk&Regulation*. Mike Power will now take up the position of Director for the next year, with Martin Lodge as Deputy Director. I wish them well and look forward to working with them in a different capacity!

Bridget Hutter
CARR Director

From past to present: reflecting on CARR's achievements

Alan Gillespie looks at the institutional factors that inspired the work of CARR.

The achievements of CARR over the past decade have both developed from, and had a significant impact upon, a complex and ever-changing regulatory world. When analyzing the current UK regulatory framework it is worth reflecting back to the Thatcher era of privatization, when companies such as British Telecom, British Airways, BP – as well as the UK's gas, water and electricity industries – were transferred from public to private ownership and floated on the stock market. This shift heralded a new era of private ownership. The companies that were brought into the private sector had to be regulated, and, as a consequence, new regulatory entities were established.

By the 1990s, examples of such regulation abounded: the new media and telecoms industries were regulated through Ofcom, the burgeoning financial services sector was regulated through the Financial Services Authority, and the gaming industry was regulated through the Lottery Commission. This meant that by the turn of the century, the UK had created a plethora of new regulators that were in the process of developing their independence, authority and capability to operate.

The situation was far from simple, however. These regulators had several purposes. On one hand, they were watchdogs for consumers, established by the government to maintain the 'public good', and ensure that businesses were fit for purpose and efficient service providers. On the other hand, they had to balance the seemingly irreconcilable goals of offering competitive pricing to the consumer, against the need to ensure adequate returns to equity holders. Moreover, while the regulators were being staffed by highly competent professionals – such as lawyers, civil servants and bankers – they were being managed by people with no real experience of regulation.

In the year 2000, against this background, the ESRC decided that risk and regulation had to be a thematic priority for research and study, and

proposed to fund an academic Centre to look specifically at these issues. The LSE successfully bid for the Centre grant and CARR was consequently established. Its goal was clear: to better understand the risk regulation landscape.

If risk regulation was a big issue a decade ago, recent events like the BP oil crisis and the financial crisis are certainly a timely reminder of its continuing significance. Regulators worldwide may have matured and become more effective, but the stark warning of these events has been that they can still get it wrong. Barack Obama's blistering criticism of the federal agency that regulates the US offshore oil industry was almost as ferocious as the regulator's criticism of BP. He criticised the regulator for being in the pocket of big oil, and for failing to effectively estimate the risks of the offshore drilling; and we see that failure today in the environmental consequences of the spillage in the Gulf of Mexico. Similarly, in the banking crisis of the last two years, regulators are among the list of those accountable, and have come under fierce criticism for failing to predict the dangers of the sub-prime market in the US.

Risk and regulation are, therefore, just as relevant today as they were a decade ago. Under the guidance of Bridget Hutter, Michael Power, and the rest of its management committee, CARR's contributions to the field have been manifold. CARR has brought about a new academic discipline and a distinctive field of academic research: risk regulation studies. Often, the ESRC takes well-established scholarship from academia out into wider society. CARR, however, should be recognized for doing the reverse: for taking a new phenomenon from the market place – regulation – and transforming it into a mainstream academic discipline.

CARR has always worked in an interdisciplinary manner, bringing together a variety of fields across the social sciences – such as management, economics, political science, sociology, law, and

psychology – and researching the boundaries and overlaps between risk and regulation. CARR has also had a strong comparative dimension to its work: looking at both public and private sectors, and at regimes and frameworks at different levels – from national to international, and from national to local. As well as its comparative analysis, CARR's programme of visitors, speakers and seminars, not to mention its advisory role to global companies, exemplifies the Centre's international dimension.

The findings of CARR's research have been disseminated to the academic community and the wider world through the academic channels of journals and publications; through conferences, seminars and workshops; and through CARR's in-house magazine, *Risk&Regulation*. Moreover, CARR's active engagement in capacity building around the risk and regulation industries has resulted in skilled and equipped professionals moving on from the Centre into government and into the regulatory industries themselves.

Most importantly, CARR has had a broad and critical engagement with the wider regulation community. The Centre has been practice-facing, applied, and relevant; characteristics of good social science that the ESRC admires. CARR has interacted with public organizations and engaged well with business; it has advised UK government bodies such as the Better Regulation Task Force, HM Treasury, Defra, the National Audit Office, the Lottery Commission, the Higher Education Commission – the list goes on and on. At the end of ten years, the ESRC grant may have come to an end, but the work of CARR will continue, creating new research themes to meet the challenges of the next decade.

Dr Alan Gillespie is Chair of the Economic and Social Research Council.

CARR IMPACT

Yuval Millo, Liisa Kurunmaki and **Andrea Mennicken** took part in a CARR-Score workshop entitled 'Organizing, Shaping and Creating Markets', held at the Stockholm Centre for Organizational Research on 16-17 April. The workshop focused on various processes of organizing, shaping and creating markets with particular attention given to notions of failure and success, markets' conditions and consequences, their embedded moral and economic values, and the devices through which they are performed.

Sharon Gilad presented the emerging findings of her research on financial firms' responses to the FSA's Treating Customers Fairly Initiative at the 32nd UK Insurance Economists' Conference at Nottingham Business School on 22 April.

Jeanette Hofmann became a member of the Enquete Commission of the German Parliament on Internet and Digital Society in May.

The first workshop under the Co-Reach funding for comparative research on regulatory law enforcement in China and the EU

took place at CARR on 9-10 June. This was as part of a collaborative project involving **Bridget Hutter** and colleagues from the University of Amsterdam and the Chinese Academy of Social Science.

John Downer presented a paper entitled 'What Can Go Wrong? Rethinking the Epistemology of Failure' at the University of Edinburgh on 22 June.

Mike Power gave a seminar on 'Auditability and the Audit Society Revisited' at the National Audit Office on 27 July.

ACADEMICS ABROAD

David Demortain presented a paper on 'The Genericness of Risk: Exploring the Trans-Domain Applications of Risk Assessment' at an international workshop on 'Paradigms of Risk Assessment and Uncertainty in Policy Research' in San Diego on 14-15 May.

Bridget Hutter was an official invitee of the Shanghai Forum 2010, held at Fudan University on May 29-31. She gave a presentation on 'Regulatory Governance: Prospects in a Changing World'. CARR agreed a PhD exchange between LSE CARR and Fudan University's State Innovative Institute for Public Management and Public Policy.

David Demortain gave a talk on 'Standardizing the Government of Risk: the Role of Science' at the annual conference of the Institut Francilien Recherche Innovation Société (IFRIS, Université Paris-Est) in May 2010.

Mike Power gave a public lecture entitled 'Rethinking the Moral Economy of Risk Management' at Copenhagen Business School on 4 June.

Jeanette Hofmann presented a paper entitled 'Reconsidering the Regulation of Information Goods - the Case of Google Books' at a conference on 'Transnational Copyright: Organization, Mobilization, and Law' in Italy on 12-15 June.

Sharon Gilad presented a paper entitled 'Enlisting Commitment to Corporate Self-Regulation via Reframing and Delegation' and **Julien Etienne** presented a paper entitled 'Compliance Theory: a Goal Framing Approach', both at the ECPR Regulation and Governance conference in Dublin on 17-19 June.

Martin Lodge presented a paper entitled 'Regulation and the Financial Crisis: a Transformative

Moment?' at the Korean Association for Policy Studies international conference in Seoul on 19-20 June.

Martin Lodge gave a talk with Kai Wegrich on 'Beyond Orthodoxies? The Regulatory State Post-Crisis' at the Casa Civil in Brazil on 16 July.

Chris Lawless gave a paper entitled 'The Disputed Territory of Forensics: Competing Claims to the Epistemic Identity of the Law-Science Interface' at the Annual Meeting of the Society for Social Studies of Science in Tokyo on 25-29 August.

Bridget Hutter gave a paper entitled 'Risk Regulation and Food Safety in the UK: Change and Compliance in Post Crisis Environments' at an international workshop on 'The Governance of Food Safety' at Tsinghua University, Beijing, in September 2010.

CARR VISITORS



Afshin Mehrpouya visited CARR from July to September. Afshin is a third year PhD candidate at the doctoral program of ESSEC in Paris and has worked as a senior analyst at Innovest (now MSCI), an environmental and

social rating agency. Afshin's research focus is on transnational governance, and during his stay at CARR he researched transparency and the sovereign wealth funds; the impact of conflicting national institutional logics on the soft law development process and output; and the analysis of socially responsible investments as a social movement – a study of evolution of framing and language.



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Working across boundaries

Bridget Hutter explores the significance of CARR's cross-disciplinary and comparative orientation.

“CARR work has simultaneously examined and fed back into policies designed to prevent the incidence of risk events. We have necessarily spanned academic and practitioner boundaries.”

CARR's research focuses on the governance, accountability and processing of risks, both at the level of organizations, as part of their risk management and compliance functions, and also at the level of regulatory and other agencies that constitute 'risk regulation regimes'. We called our recent end-of-award conference 'Working Across Boundaries' and this is precisely what ESRC funding has enabled. From its beginning, CARR has been both naturally cross-disciplinary and necessarily comparative in orientation. It has transcended interdisciplinarity to establish a sub-field in its own right, at various times drawing in associates from ten disciplines, including Accounting, Economics, Economic History, Geography and Environment, Government, Law, Management, Operational Research, Social Policy, Sociology and Philosophy.

We have always had a commitment to comparative research crossing a variety of different boundaries. Our research has considered public and private sector organizations; businesses and regulators, operating at the local, national and transnational levels. It has also been comparative across domains. For example, it has embraced discussion of financial services, the food chain, airlines, air force, biotechnology, pharmaceuticals, prisons, internet regulation, civil service, health care, the professions, health and safety, environment, telecommunications, education, insurance and mega events such as the Olympics. In all these sectors, and many more spanning the public and private domains, we have been concerned with regulatory designs, risk-based approaches to regulation, risk management performance and other themes; seeking to explain variety and understand institutional and contingent causes of practice.

CARR research has also crossed national boundaries. Our work has spanned different regions: Europe (France, Germany, Ireland, Netherlands, Norway, Spain, UK), Asia (China, India, Japan, Hong Kong, Singapore, South Korea), the Caribbean states (Barbados, Jamaica, Trinidad and Tobago), Australasia (Australia, New Zealand) and North America (USA, Canada). Not all of this country-specific work has been directly

comparative in nature, but it has created the basis for such work and supports the comparativist orientation of CARR.

A key message here is the vital importance of cross boundary learning and the fact that we can learn so much by comparing different areas rather than focusing solely on one area. As Nick Pidgeon's article in this edition discusses, there is so much to be learnt from different sectors, and general lessons to be learnt from risk events in areas other than one's own.

Academic Contributions

CARR developed out of a number of key monographs by LSE staff and core staff committed to a common teaching programme in the study of regulation as a dimension of government, drawing on the legal and political sciences, and sociological and management perspectives on issues in risk and risk management. Over the past decade there has been a progressive realization of risk regulation studies as a meaningful category of academic enquiry.

During its first five years of existence as an ESRC Centre, CARR organized its research programme into two streams, one focusing on organizations and risk management and the other on the regulation of government and governance. Many studies naturally crossed these boundaries, which were soon relaxed, and in the second term we emphasized three cross-cutting themes which ran through all projects to a greater or lesser extent: performance, accountability and information; knowledge, technology and expertise; and reputation, security and trust. Out of these programmes has emerged CARR's collective academic output. So far this has included over 30 books, 200 journal articles, over 100 book chapters, 500 plus conference papers and 65 Discussion Papers with more in the pipeline.

CARR's 'brown bag' lunches have offered forums for staff to try out their early ideas and our refereed Discussion Paper series has provided staff, associates and visitors alike with the opportunity of publishing their early working papers. This series has been produced in both hard and soft copy; the web version has proven very popular and more than

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60,000 readers have requested the most popular DP titles since they first appeared – something any journal would be pleased to achieve.

This output has been influenced by the multi-disciplinary, comparativist environment CARR has provided. There are many examples of indicative 'added value' publications and below I mention just a few prominent examples, most of which are collaborative CARR projects:

Julia Black (Law), Martin Lodge (Government) and Mark Thatcher (Government) (eds) (2005) *Regulatory Innovation: A Comparative Perspective*, Edward Elgar. This work was based on conversations and collaborations among CARR staff, also including Hood, Scott and Kaye, and will form a building block for the future.

Bridget Hutter (Sociology) and Michael Power (Accounting) (eds) (2005) *Organizational Encounters with Risk*, Cambridge University Press, which was based on workshop conversations with world renowned scholars spanning several disciplines with a common focus.

Henry Rothstein (CARR), Michael Huber (CARR) and George Gaskell (Social Psychology) (2006) 'A Theory of Risk Colonization: The spiralling regulatory logics of societal and institutional risk' *Economy and Society* 35 (1), which provides an important analysis of the dynamic of risk blame.

Michael Power (Accounting) (2007) *Organized Uncertainty: Designing a World of Risk Management*, Oxford. Although sole authored, this book is clearly a product of the CARR environment.

In December 2008 CARR published a Special Issue of *Risk&Regulation* on the financial crisis. This issue assembled early reflections and reactions from CARR staff and proved immensely popular. For more on past issues of *Risk&Regulation* please see pages 16-17.

A Special Issue of *Health, Risk and Society* on Risk Regulation and Health (2008, Volume 10 (1)), was edited by Bridget Hutter and included contributions by seven CARR staff: Bevan (Operational Research), Demortain (CARR), Hutter (Sociology), Kurunmäki

(Accounting), Lloyd-Bostock (CARR), Macrae (private sector), Miller (Accounting).

Bridget Hutter (ed) (2010) *Anticipating Risks and Organizing Regulation*, Cambridge University Press, with chapters by eight current or former members of staff: Hofmann (CARR), Huber (formerly CARR), Hutter (Sociology), Jennings (formerly CARR), Lezaun (formerly CARR), Lloyd-Bostock (CARR), Lodge (Government), Macrae (formerly CARR).

These and the other published studies have also made significant contributions to theory, among them new understandings of 'risk attenuation'; 'the moral economy of risk management'; cultural theory and modes of control; the nature and dynamics of 'multi-level' governance; regulatory regime formation; and the nature of risk regulation beyond the state.

Contemporary Relevance and Practice Facing

CARR research is an area of high contemporary relevance. 9/11 happened just a year into our being, and over the past decade we have experienced numerous risk events of one kind or another. We have witnessed the financial crisis, for instance, and many less dramatic events that nevertheless caused enormous pain: transport disasters, natural disasters, food and vaccination crises. CARR work has simultaneously examined and fed back into policies designed to prevent the incidence of risk events. We have necessarily spanned academic and practitioner boundaries.

CARR staff are in regular contact with a broad range of regulators, many of whom have attended our risk-based regulation roundtables; others visit CARR to discuss particular topics of relevance and to ask for advice. For example, there have been meetings with the Better Regulation Executive; the Department for Business, Innovation and Skills; the Environment Agency; the European Commission; the Food Standards Agency; the Health and Safety Executive; the Institute of Chartered Accountants; HM Treasury; the Ministry of Defence; the National Audit Office and Scottish Ministers. We have also given advice to various public bodies within the UK and abroad. These include the World Economic

Forum; the European Commission; HM Treasury; DEFRA; the National Audit Office; and National Consumer Council (now part of Consumer Focus).

CARR staff play a mixture of roles for policy groups: as members of brainstorming groups; sector specific experts; as general advisers and stress-testers of policy ideas. In these roles, we have been able to broker understandings of risk and regulation across different fields. We have also given advice to Government Committees, such as the House of Commons Standards and Privileges Committee; the Treasury Select Committee on the Banking Crisis; and the Public Administration Select Committee. Advice has also been provided to various inquiries around major risk events such as the Pitt Review on Floods; the Commission on 2020 Public Services; and the Pennington Inquiry into the 2005 E-Coli Outbreak in Wales. In addition to these public roles, CARR's work is of continuing interest to the private sector and the consulting industry.

In both academic and more impact-oriented work CARR has been keen to reach out to scholars and practitioners regionally, nationally and transnationally. We have established a growing network of academics through Research Associates and joint funding bids and, looking to the future, developing these will undoubtedly be central to strengthening the risk regulation agenda.

Bridget Hutter is Professor of Risk Regulation, LSE, and Director of CARR.

MEET THE REGULATOR

Analyzing the **changing risk and regulation landscape** in practice

We talk to **Dame Deirdre Hutton**, Chair of the UK Civil Aviation Authority.



In April this year, the CAA worked through the most high-profile practical example of regulating risk that I have experienced, when the Icelandic volcano Eyjafjallajökull erupted and there were no flights in UK airspace for six

days while a safe level of ash for aircraft operation was established.

Volcanic ash of considerable volume in the UK's atmosphere was unprecedented – the last time was over 500 years ago. Eyjafjallajökull erupted continuously, throwing up very fine ash containing glass to high levels in the atmosphere. Due to the unfriendly, unusual weather conditions the ash did not disperse and, moreover, was covering the busiest airspace in the world, where turning sharply to avoid visible ash has its own considerable risks. Aircraft have never (intentionally) flown through ash, anywhere in the world, as the longstanding international guidance is to AVOID, AVOID, AVOID: an approach developed after serious safety incidents, for example, the total engine failure of a BA aircraft that flew through ash near Indonesia.

The problem we faced was that the standard zero-tolerance response to ash did not work in congested European airspace, and while we were fairly certain there was little real evidence to support such an approach, it is not sufficient for a regulator to merely jump to another standard without evidence. So we had to very swiftly consider where precaution meets practicality and develop the evidence base to allow us to answer the question: What level of ash is it safe to fly through? This process was further complicated by the fact that industry, not the CAA, hold most of the information – so the regulator was a facilitator. It does not take much regulatory experience to see that legal issues of liability for all players in the aviation industry are critical.

The issue brought the debate about regulating risk into hundreds of thousands of people's lives. It led the news for a week, was costing the UK economy hundreds of millions of pounds, and stranding 100,000 more people every day: very few textbook models of risk regulation have previously been tested in those circumstances.

Responding to Eyjafjallajökull's eruption highlighted several areas where regulation has evolved over the last decade. In a stark form, the event encapsulated

much of the difficulty about a zero-tolerance approach because, when faced with the practicality of trying to keep aviation operational, the highly precautionary approach that had characterized international guidance does not work. There are, of course, cases where complete avoidance is both essential and well evidenced, but the challenge here was a different one: namely to move from a standard with no evidence behind it to one with enough evidence to satisfy the regulator as to safe ash tolerance levels.

That the CAA was able to take this approach is indicative of a broader trend in the handling of risk, where regulators are both much more aware of the complexities around risk and more sophisticated in calibrating their response. They are better at analyzing what constitutes good regulation, they think about the operational impact of their work and whether their regulation can be effectively enforced. They are better at communicating, ensuring that the regulatory approach addresses the real problem as perceived by the public, and



that the way regulations are operationalized works with the grain of industry. Regulators are now more transparent about what they are doing and why, again aiding understanding and better outcomes. Finally, the governance of regulators has improved, leading to a more collective approach, and there has been a steady process of updating regulators' legislative frameworks.

So, regulation has become more thoughtful, more evidence-based and more transparent. But, on the other hand, there are also areas where that progress has been stilted, and in some areas we are possibly being overly optimistic to think that there will be change. We still lack an over-arching principle as to the purpose (and also perhaps the

limits) of regulation, for instance. The Hampton principles are very useful in helping to frame good regulation, but they are essentially operational in nature, and we do not yet have a universal view as to what we believe regulation should achieve.

The industry will still respond to risk and regulation according to the way in which it perceives its interests are being threatened. That is natural for a competitive industry where companies must consider their commercial interests, but it is a challenge for regulators. The press is equally driven by commercial pressures, which does not always result in a balanced view of risk being presented to the public.

Moreover, the public are still perceived as combining an unwillingness to take risks with a belief that every problem can be solved and every risk managed out of existence. Uncertainty is inevitable, however, and rare events occur relatively frequently. The debate is further confused by those in authority who despair at the apparently idiosyncratic nature of the risk/benefit analyses that individuals will make for themselves. Over the years this has led to frequent calls for a public debate about risk in order to develop a more informed response from the population at large.

However, I do not think we are likely to make a huge sea-change in that understanding – the public are not homogenous, and their approach to risk will always be highly individual because it

is dependent on unique factors. In conclusion, therefore, the challenge remains the same: how to work with, rather than against, the complexity of public expectation, alongside the commercial imperatives of industry, in order to produce good regulatory outcomes. The past decade has shown regulators becoming more sophisticated at managing that balance, but it is important to recognize that regulators can only do their business if they are broadly in tune with the times in which they live.

Dame Deirdre Hutton is Chair of the UK Civil Aviation Authority.

New risks of regulatory capitalism

John Braithwaite discusses the effect of regulatory growth on the development of risks.

The study of both risk and regulation have proved theoretically fertile, and CARR has shown leadership on both fronts. Many risks have been reduced through thoughtful regulation – dramatically reduced in cases such as nuclear safety and the ozone hole. This article focuses, however, on ways risks have changed and grown as a result of the successes of one kind of regulatory growth; in competition enforcement. David Levi-Faur and Jacint Jordana have described a change in the nature of contemporary capitalism to a post-liberalism world of regulatory capitalism, meaning stronger markets but, at the same time, more regulation. Most of the competition authorities in the world were created after 1990; the vigour with which competition has been enforced, and monopoly attacked, has sharpened in developed economies.

Competition drives the more efficient production of 'bads' as well as 'goods'. In the era of regulatory capitalism, many of the bads that are banned have been more effectively regulated. Yet many bads remain legal and pose growing risks. Consider obesity. Competition policy has fostered fat as our fastest growing mortality risk. In food marketing we see competition among progressively more sophisticated marketing pitches that emphasize the sort of person we can be by consuming, as opposed to the quality of the product. A market in the vice of overeating and over-drinking is created by competition in such seduction.

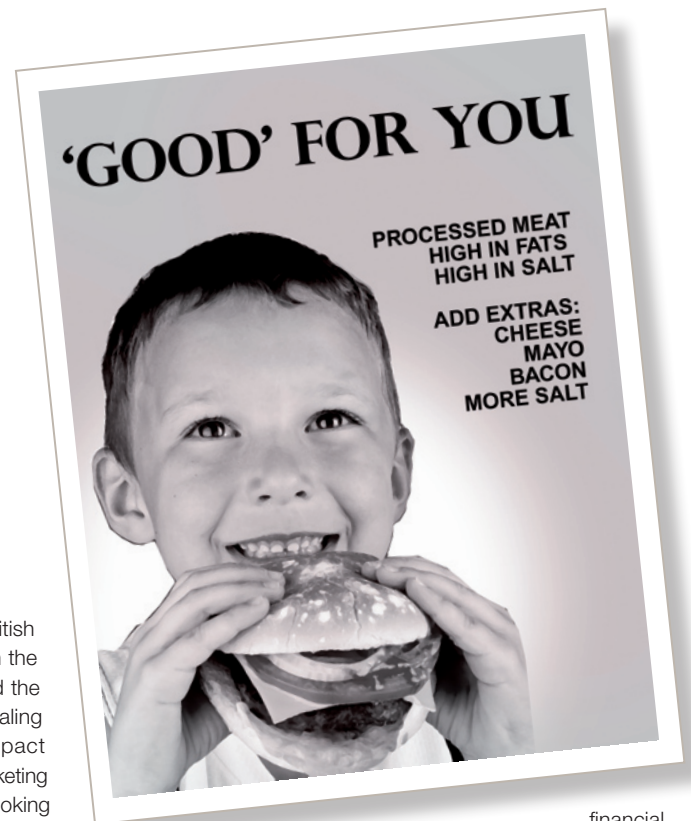
One of Robert MacCoun and Peter Reuter's conclusions from a survey of experiments in drug policy around the world was that legalization of illicit drugs is mostly associated with sharp increases in drug abuse only when it moves on to aggressive commercialization. For centuries, Indians were eating opium without it becoming a drug of mass addiction. It became a Chinese mass addiction when the British East India Company decided to market it there and invest in a more efficient and appealing system for drug delivery than opium eating – opium smoking in a pipe – as well as a network of 'opium dens' to market it. Tobacco had been used ritually by indigenous Americans for centuries, and later Europeans, without causing mass addiction.

It was competition between British and American multinationals in the late 19th century that delivered the breakthrough of a more appealing delivery system – the compact cigarette – and more astute marketing conveying the message that smoking was sophisticated and sexy.

This is the supply side of markets in vice. My research on the market for tax avoidance also reveals a demand side. Managers come under competitive pressure when their company is paying a normal amount of tax to apply 'aggressive management techniques' to that liability, and the market rewards managers who do so. Tax is a paradigm case of the new risks of regulatory capitalism. It is not tax non-compliance that allows the super-rich to pay little tax; it is engineering around tax law, which creates new financial products. This has frustrated the political projects of social democrats who believe in redistributing wealth and who also support vigorous competition combined with credible regulation.

The problem of increasingly effective competition encouraging the more efficient production of bads is a general one. For example, the pharmaceutical industry both produces goods that conquer disease and bads that deliver a culture of a little pill for every ill: an epidemic of legal abuse of psychotropic drugs. The more that competitive markets succeed in delivering the more efficient satisfaction of freely chosen preferences, the more efficiently they produce bads as well as goods – however these are defined.

Consider derivatives. Derivatives do good by allowing firms to manage volatility; but they are also used in contemporary capitalism for financial engineering around regulatory risks, allowing managers to shift, rather than manage, risks. During the 2008 financial crisis, US mortgage brokers and banks were not worried about lending to people who were bad risks because they sliced and diced the loans and sold the slices to hundreds of other banks. The new market in financial engineering made it cheaper for US banks to securitize and spread risks than to manage them. There is thus a danger in new



financial products engineering their way around old laws to be widely marketed, causing new crises. If a state regulator is smarter than the financial rocket scientists, the market for financial engineering pays her an extraordinarily high price to defect from being a regulator. This happens all the time in the market for tax shelters.

On a more optimistic note, most of Asia grew at a much faster rate during the height of the 2008-9 financial crisis than the NATO states grew before it. There were also NATO states like Canada and Poland whose banks were not afflicted with piles of securitized bits of bad US loans. Poland's banking regulators took the view that they did not understand the risks associated with the derivatives trading American banks were playing at, so they weren't going to allow their banks to play. Such regulators served their nations well. Another reason for Asia's growth is that after the crisis of 1997, its banks focused more on expanding basic strengths than on making their risk management systems as sophisticated as those in the West. When an organization has weak links – persons who pose risks – they can be dealt with by removing those persons, or by using the strengths of those who work around them to expand into the area of responsibility of the weak links. Both strategies were evidenced in Asia.

Now is an era when we need to balance some of the attention we rightly place on the mantra of 'identify risks and control them' and more on 'pick strengths and expand them'. The comparative advantage of the strengths-based approach grows with regulatory capitalism.

Professor John Braithwaite is an Australian Research Council Federation Fellow and founder of RegNet (the Regulatory Institutions Network).

GUESTRESEARCH

Corporate risk appetite and tolerability

observations from organization theory

Nick Pidgeon examines the concept of risk appetite in the context of corporate governance.

Sir David Walker's report into corporate governance in the UK financial sector was published with much fanfare in November 2009. Among its numerous recommendations are a number aimed specifically at the governance of risk in large financial institutions and companies. In particular, it recommends that FTSE-100 financial institutions set up risk committees at board level, to evaluate and advise the board and shareholders on the organization's current level of 'risk appetite and tolerability'. In addition, a risk report should be published annually alongside the company report and accounts, which describes its risk exposure, the associated company risk appetite and tolerance, and how that appetite is assessed over time. Given the ambiguity and uncertainty surrounding many of the major exposures within the financial sector over the past five years, a new spirit of transparency about risks is clearly to be welcomed.

The concept of risk appetite itself is an intuitively appealing idea, if nevertheless a somewhat circular one – if banks or insurers have failed catastrophically then, ergo, they took on too much risk. But what is risk appetite and risk tolerability in the corporate context? And what does organization and risk theory tell us about the reality of risk taking in organizations?

A first point is that the idea of an 'appetite', while understandable in the context of an individual's consumption of food, may be a less appropriate metaphor to adopt for risk-bearing companies. It individualizes what in reality is a much more complex and diffuse social phenomenon. It is understood that some individuals are less risk averse than others, and the 'hero' CEO who boldly stakes all for company profit is a recurrent narrative in the business press and corporate biographies. Yet there is no simple way in which any single actor or board is in full control of a large organization and its risks, or under such circumstances can be shown to be more or less risk averse in the classical economic sense.

Some readers will recall that an important first intellectual step in the development of risk research at the LSE was achieved in the early 1990s, when Christopher Hood arrived from Australia and led

a small group of us to organize a series of ESRC supported seminars. One of the topics which recurred at those seminars was the then novel idea of tolerability of risk, originating from work conducted by the Health and Safety Executive for the Sizewell nuclear inquiry. HSE argued that many risks in society are undesirable, but that some would nonetheless be tolerated for the benefits that they bring. The precise level of tolerable risk, however, could not be determined through analysis alone. It also depended upon the values that the risk decision maker brought to bear. The work of anthropologist Mary Douglas had clearly illustrated that values around risk differ, and thus are a legitimate point of political debate. In judging the tolerability of corporate risk, whose values and interests should ultimately count? Those 'at risk', employees, traders, shareholders, the board and CEO, the risk committee, or society at large? These fundamental questions have yet to be raised, let alone tested, in the world of financial risk regulation.

Two of the key contributors to the LSE seminar project were the engineer David Blockley, and the sociologist, the late Barry Turner. Turner had done more than anybody to establish risk as a topic within UK organization studies. His ground-breaking work, initially conceived in the 1970s in relation to the causes of industrial disasters, demonstrated how major failures of risk control were inevitably organizational in origin. Contributory factors included: organizational complexity and structural ambiguity; failures of regulation, communication and information flow both between and within companies; and the combined impact of multiple small failures, each of which on its own would be unlikely to lead to disaster. Turner's model proved remarkably robust over the years, with a number of financial failures clearly fitting his pattern. If organizations failed for organizational reasons, then it did not matter that the type of risk involved was different. Oil exploration, aviation, nuclear power or financial derivatives: all are surrounded by complex and potentially fallible corporate structures.

Imagine the sense of déjà vu Turner might have felt surveying the wreckage of the current financial crisis. More importantly, his analysis teaches us that the level of risk being run by any large corporate entity is likely to be only partially knowable at any point in time: while the events which lead up to past failures seem clear enough with hindsight, the prediction of future such events sets a much more challenging and uncertain task. Subsequent work in the field of organizational and systems safety has confirmed this diagnosis, with objective indicators of failure-proneness in risk-bearing systems (to use Blockley's terms) proving very difficult to find and interpret.

All of this holds lessons for processes of financial risk regulation, as well as new avenues for academic research. Corporate risk assessments will need to focus upon organizational processes alongside the more traditional financial indicators, and to do so in an intelligent way that stresses active sense-making. The means through which boardroom and wider values are brought to bear upon the question of corporate 'risk appetite' will also require a degree of transparency and openness not usually associated with the financial sector. Above all we need to recognize that financial risk and its regulation are as much about social and organizational issues as they are economic processes.

Nick Pidgeon is Professor of Environmental Psychology at Cardiff University. He also currently holds an ESRC Climate Change Fellowship.



Risk and regulation: one size doesn't fit all



Tony Prosser investigates the complexity of different visions of risk and regulation.



Two of the most refreshing characteristics of CARR's work over the last ten years have been its unique emphasis on the relationship between risk and regulation, and its commitment to an interdisciplinary approach. Of course, there has been a huge growth in the study of risk as an organizing concept over these ten years, and, particularly since the Hampton report in 2005, regulators commit themselves to a 'risk-based' approach as a matter of course. However, there has been less study of what this might mean in a particular regulatory context, and this can create the danger of an over-simplistic approach to the handling of risk. Both the concept of risk itself, and that of regulation, need considerable unpacking before yielding useful policy lessons, and this is just what CARR has achieved through its interdisciplinary work.

The concept of risk has a large number of different meanings. It also operates at a number of different levels, for example: risk society, risk regulation regimes, and within the work of particular regulators. In the latter, as Julia Black of CARR has pointed out, risk regulation can mean a variety of things. It can mean the well-established regulation of risks to society (familiar examples being the work of the regulators of food standards, and of health and safety). It can also mean the handling of risks to the regulator which prevent the effective achievement of its objectives. A further, related, meaning is a procedural one: risk regulation augments responsiveness in regulation through enabling more proportionate responses to regulatory problems. This has been a particular theme in the approaches of regulators after the Hampton report, and there has been a central stress on the inappropriateness of 'one size fits all' regulatory approaches. Instead, risk provides a means of

tailoring regulatory reactions to problems in a way which is responsive to the outside environment.

This role of risk in regulation is currently well-accepted and understood. Indeed, *all* regulators now seem to adopt such a risk-based approach, in fields ranging from financial services to human fertility treatment and embryo research. Yet this apparent happy unanimity carries with it dangers. Much of the work on risk in regulation has concentrated on those regulators that are concerned with the regulation of competitive markets, notably those in the financial services area. Regulation here is concerned with making markets work and correcting market failures. However, the other regulators mentioned above will have profoundly different goals. They may be concerned with protecting basic rights (for example, informed consent in the fertility and healthcare fields) or promoting other social values (for example, through promoting sustainable development in the environmental field, or protecting universal access to public services).

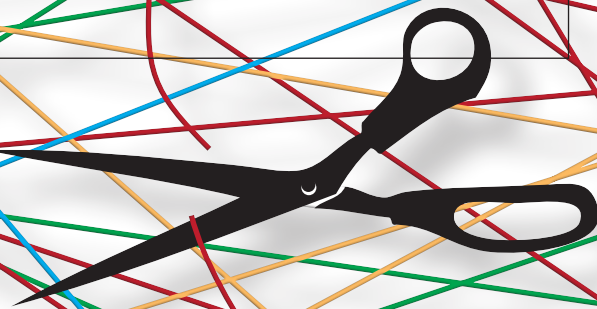
It is not obvious that risk regulation techniques applicable to the regulation of markets are applicable elsewhere without considerable modification. This is not to say, of course, that risk regulation techniques cannot be applied outside areas of economic regulation; their long history in such fields as food standards and health and safety shows that they are central to such work. However, they will be employed radically differently where values such as human rights are at stake, not least because of the difficulties of quantification involved in the application of these values.

A second point is important here; institutional forms of regulation have themselves considerably broadened during CARR's ten years. It is clear

that a simplistic opposition between 'command and control' regulation and self-regulation simply does not work. It is rare indeed for sociological reality to correspond to command and control; it shows instead a complex process of negotiation and interaction. Self-regulation is always in the context and shadow of forms of public regulation. Thus, during the last ten years we have seen a growing interest in hybrid forms of regulation, and in private regulation (for example by food retailers or ratings agencies). One of the most important characteristics of CARR's work has been its emphasis on the internalization of risk approaches and of regulatory norms by those other than official regulators.

Of course, it is now a given that regulation is facing a crisis, both because of systemic failures of the markets which regulation was assumed to prevent, and because of failures in regulation itself. In both areas a key task will be to recover lost trust; indeed, in trying to meet these challenges, trust is likely to become a central element in regulatory studies. It already has an important place in CARR's work. This makes it all the more important that the complexity of the different visions of risk and of regulation is recognized, and sensitivity employed in addressing the wide range of different regulatory tasks which can be subsumed within the general idea of risk regulation. This is precisely why sustained interdisciplinary work of the kind undertaken by CARR remains important; long may it continue to be at the centre of the risk and regulation debate.

Tony Prosser is Professor of Public Law at the University of Bristol and a CARR Research Associate. His most recent publication is *The Regulatory Enterprise* (Oxford, 2010).



Is it possible to create fewer rules?

Mike Power argues that a new approach is needed to address the cluttered regulatory landscape.

Successive governments of every persuasion periodically set themselves the task of ‘cutting red tape’, ‘rolling back regulation’ and ‘cutting clutter’. While individual regulatory initiatives may be tested for ‘proportionality’, the aggregate effects of regulation as an ongoing process are not. Accordingly, there is a political reaction from time to time, involving renewed efforts to manage and reduce the total ‘stock’ of rules. One approach is the imperative of ‘one-in, one-out’. The idea is simple: for every new ‘piece’ of legislation or regulation introduced, another must be withdrawn. Yet, as attractive as this principle might be, it suffers from severe operational problems, not least the crudity of its measure of the legislative burden on individuals and organizations. In any event, research shows that such efforts have limited success and, like carbon dioxide emissions, regulation seems to grow without constraint.

Weber reminds us that ‘rationalization’, understood as the expansion of formal processes in modern societies, has a long history and is widespread. In addition, we should not be at all surprised that the emergence of a certain kind of style of governing – the ‘regulatory state’ – accelerates this rationalization process and multiplies the sites where formal rules are produced and received. The growth of regulatory bodies under what scholars now call ‘regulatory capitalism’ represents an expansion of an organizational type whose mission is to ‘organize other organizations’. Correspondingly, there has been an explosion of careers dedicated to the production of rules. Yet, it is a mistake to imagine that the problem of ‘too many rules’ is only a *quantitative* issue of volume; how individuals experience rules is also critical.

In my own work I suggest that the expansion of rules is driven in part by the imperatives of audit and inspection processes, and by the need to check conformity to ‘auditable’ rules. This may have been an overstatement, but the diagnosis points to deeper issues of cognition. When the Berlin wall came down in 1989, it is said that the ‘wall in the mind’ as a set of behaviours and attitudes in the city remained for many years, persisting even today. The wall can be characterized as a ‘generalized other’ in the sociologist Mead’s sense. Likewise, there may be an ‘auditee mentality’ which internalizes and anticipates the possibility of audit.

This suggests that the impact of the regulatory state, or the audit society, is not simply a question of the volume of regulation or audit as we might conventionally understand it. Rather, it concerns the circuits by which rules become internalized by social actors and reinforced via repetition. From this point of view, surface compliance or non-compliance with rules is hardly the point; of greater significance are the cognitive shifts and re-framing of action brought about by experiences in the shadow of rules. This can also be described in terms of the progressive ‘legalization of organizational life’ by which law-like norms become ingrained in organizational routines. Adversarial climates of blame provide a further engine to these processes, and help to explain why organizational agents who complain about the burdens of rules also prefer to have detailed rules as a basis for defending what they do.

Over the last ten years CARR research has addressed many of these issues in detail, and we now know much more than we did. But there is a lingering pessimism, much like Weber’s own. The

processes of internalization and rationalization are easy to observe, but it is hard to see mechanisms by which they might reverse or be ameliorated.

I recommend diagnostic honesty in the first instance. Withdrawing apparently ineffective pieces of legislation might be commendable in some cases, yet it reflects an easy policy approach to a complex issue. If we could understand the fundamentals of rule-proliferating societies, there is a potential to create the institutional conditions and public narratives from which possible corrections might emerge. For example, we might be forced to recognize that the issue for many areas of practice is not the easy path of more rules, but the tougher route of better enforcement. We might also have to accept that the expansion of due process reflects individual and organizational efforts to cope with deeper sources of uncertainty. And above all, we may need to find new ways of dealing with organizational and individual mistakes other than via the threat of legal process or trial by the media. Nothing less is at stake than the recovery of the social value of professional judgement from its progressively cautious, defensive and ultimately empty trajectory.

Mike Power is Professor of Accounting, LSE, and Research Theme Director, CARR.

Working across boundaries: analyzing risk and regulation – conference report

Matthias Benzer discusses and recounts CARR's recent anniversary conference.

On 25 June, CARR hosted the conference *Working Across Boundaries: Analyzing Risk and Regulation* at One Whitehall Place in London. The meeting marked the end of the second of two consecutive Centre Grants through which the Economic and Social Research Council has been supporting the Centre's endeavours since its launch ten years ago. The conference provided its 110 participants with an opportunity to reflect on CARR's intellectual orientation, major research themes, and achievements. Delegates also debated the current state and upcoming issues of risk regulation studies, while the Centre showcased ongoing projects conducted by its staff and associates.

In her opening address, Professor Bridget Hutter, Director of CARR, accentuated the Centre's leading role in establishing the field of risk regulation studies. The title *Working Across Boundaries* was chosen to capture several major aspects of the analytical work carried out at CARR: its cross-disciplinary orientation; its comparative outlook on different regulatory areas; its engagement with developments on the national and international levels; and its endeavours to establish and maintain links between risk regulation research and regulatory

practice. These varying dimensions of CARR were reflected in the conference's diverse audience, which included researchers working in a series of disciplines, such as Sociology; Psychology; Political Science; Accounting; Management Science, and Legal Studies. Attendees hailed from many parts of the United Kingdom, from the European continent, Australia, the US and various other international destinations. Among the participants were academics and students from universities and research centres, as well as practitioners from regulatory institutions and other public, private, and voluntary organizations in health, the environmental and financial sectors, and other domains. The broad range of participants allowed the conference to offer a platform for continuing the dialogues across disciplinary and institutional borders that CARR has been cultivating over the past decade, and for establishing new ties.

ESRC Chair, Dr Alan Gillespie, gave an opening speech. He recalled the Council's motives for sponsoring CARR. These motives were based on the growing number of risk conceptions and prevalence of risk management approaches in several areas of social life and on the increasing number of institutions populating the UK's





“The broad range of participants allowed the conference to offer a platform for continuing the dialogues across disciplinary and institutional borders that CARR has been cultivating over the past decade.”

regulatory landscape towards the end of the last century. CARR’s outstanding achievement, he noted, has been its establishment of a research field by bringing real-world issues into the university for critical analysis. (For more detail, see Dr Gillespie’s article in this volume.) Professor George Gaskell, Pro-Director of the LSE, emphasized the Centre’s corresponding impact within the School, where CARR has been successful at encouraging risk-related research activities and interdepartmental collaborations in regulatory analysis. The Centre’s activities, Professor Michael Power later emphasized, were not guided by a strict preconception of risk regulation studies. Instead, the Centre’s intellectual identity has evolved with and through its work.

The conference was divided into four sessions, three chaired by CARR’s Research Theme Directors Professor Peter Miller, Professor Michael Power, and Dr Martin Lodge, and one by the Chair of the Centre’s Policy Advisory Committee, Sir Bill Callaghan. In each session, leading commentators from academia and practice revisited some of the core themes that have shaped CARR’s endeavours. The first session, chaired by Professor Miller, Deputy Director of CARR, explored questions about accountability and performance, with particular reference to public services and the increasingly blurred line between the latter and services provided by markets. Jeremy Lonsdale, Director General, Value for Money Audit at the National Audit Office (NAO), talked about the role of VFM audit, suggesting that perhaps now more than ever, the current times call for new ideas, independent analysis and scrutiny, as well as evidence based insights into what works and what are the risks of particular paths and choices. The spending cuts recently announced by the UK government, he argued, can be expected to intensify the already persistent requirement that government auditors assess and help improve public organizations’ capacity to offer value for money. Value for Money Audit involves evidence-based, analytical, resource-focused examinations of how public money is

handled, as well as assessments of associated risks. NAO reports aim to make complex processes comprehensible so as to enable officials to add value, and allow the public to understand how government is performing.

Will Hutton, Executive Vice-Chair of The Work Foundation and former Editor-in-Chief of *The Observer*, took a more critical view of the public sector. He set out by sketching a dilemma facing officials in public organizations. In the 24/7 media age, people are ever better informed and more inclined to hold officials to account. This, in turn, leads officials to become risk averse because they understand that their professional association with events attracting negative publicity could subject them personally to the undesirable mechanisms of the accountability machine. Yet enterprise, Hutton noted, entails risk taking, and risk avoidance can hamstring performance. He proposed to frame this dilemma as a cultural problem. By this view, the UK suffers from underdeveloped notions of publicness, public enterprise, and public risk; and officials are encouraged to administer rather than to act. Public value frameworks, Hutton suggested, provide one way of strengthening the public sector’s capacity to tackle performance outcomes and risk management.

The next panel, led by Professor Michael Power, discussed the concepts of risk perception, risk tolerance, and risk appetite. The presentation given by Professor Nick Pidgeon from the School of Psychology at Cardiff University interlinked historical, philosophical, anthropological, and sociological considerations in order to scrutinize the concept of risk appetite in relation to the idea of risk tolerance. (Professor Pidgeon’s contributions are summarized in his article in this volume.) Dr Hugo Bänziger, Chief Risk Officer of Deutsche Bank, commented on the roles banks and regulators play in determining banks’ risk appetite. The determination of a bank’s risk appetite, he argued, is first and foremost down to the individual institution itself. Banks must ensure they protect their P&L and safeguard shareholder value. Rules and regulations provide a safety net, in place as a fall back. Therefore, risk appetite is not a function of regulation, but of the risk a bank can tolerate to manage its operations on a sustainable basis. In this context, he raised doubts about forcing formulaic, one-size-fits-all regulation onto banks. Banks have individual risk cultures and face different risks – taking an overly prescriptive approach is unlikely to make the financial system safer.

Dr Martin Lodge introduced the third session. Professor Arjen Boin of Louisiana State University and Utrecht University, and Jason R. El Koubi, Director of State Economic Competitiveness, Louisiana Economic Development, explored academic and practitioner questions about security, reputation, and trust, as well as the potential for the concept of resilience to respond to these questions. Professor Boin discussed the problem of transboundary crises, referring to events such as the 1986 Chernobyl disaster, the 1995 Kobe earthquake, and the terrorist

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attacks on September 11 2001. Characteristics of transboundary crises include their crossing of geographic and functional boundaries, their acute threat to multiple life-sustaining systems, periods of rapid escalation, and unpredictable trajectories. According to Professor Boin, transboundary crises are on the rise. This is due, firstly, to changing threat agents. Among them are new forms of terrorism and climate change. Secondly, societies are increasingly vulnerable owing, for example, to growing complexities and interdependencies and design failures as unintended consequences of prevention-oriented strategies.

One of the paradoxes highlighted by transboundary crises is that public leaders can do less and less to prevent these events, but are increasingly held responsible for them. Challenges for leadership include preparation, making sense of crisis developments, managing large response networks, and creating stories which lend meaning to crises. Boin called for investment in resilient societies and dynamic capacities, and pointed out that the European Union provided an unnoticed success story of transboundary crisis management. In the discussions following the presentations, the panel and the audience reflected on the lessons that can be learnt from the aftermath of catastrophes such as Hurricane Katrina in 2005. Debates centred on the requirement for economic recovery in affected regions, on the need to improve economic resilience in such regions and to gain a better sense of what resilience involves, and on ways of countering distorted, potentially damaging public perceptions of certain areas as particularly accident-prone. The question as to whether some disasters might be seen as creating opportunities for officials and communities was also raised in this context.

The plenary session was led by Sir Bill Callaghan, Chair of the Legal Services Commission and former Chair of the Health and Safety Commission. The panellists looked back on the social conditions that have lent such gravitas to risk regulation research and forward to the analysis of risk and regulation space in the coming years. Professor Lord Anthony Giddens, Director of the LSE between 1997 and 2003 and one of the pioneering sociological theorists of risk, underscored the influence of two groundbreaking socio-analytical risk texts. He began by singling out Ulrich Beck's *Risk Society* as the first major theoretical argument about the growing prominence of risk conceptions and calculations in many social life domains (Beck's book, Giddens warned, should not be misunderstood as an argument about an inherently 'riskier' modernity). The second text, Peter Bernstein's *Against the Gods*, spotlights how modern societies have mobilized risk in their endeavours to control the future and to maintain the institutions that make contemporary life possible. With reference to his own recent research, Giddens went on to argue that greater social interdependence and mankind's unparalleled intrusion into nature are likely to augment 'new-style risks' such as climate change. Debates on 'new-style risks', he pointed out, are complicated by the complex nature of research

output on these risks, by the abstract nature of 'new-style risks' themselves, by the current lack of experiential data, and by the myriad opinions channelled into discussions from outside the realm of science (e.g. from the blogosphere).

The theme of information was also central to the paper given by Dame Deirdre Hutton, Chair of the Civil Aviation Authority and former Chair of the Food Standards Agency and National Consumer Council. Dame Deirdre raised the question of how information might be utilized to enable consumers to evaluate the safety of products independently. She warned that information, especially if it is manipulated or released in amounts that overwhelm individual consumers, can become a device for exploitation. Dame Deirdre illustrated the problem of information with reference to case studies from three regulatory areas: food, finance, and aviation. Her discussion of food regulation reconnoitred regulators' and the media's treatment of scientific information on risks associated with the food dye 'Sudan Red'. Her article in this issue contains her corresponding remarks on the difficulties that confronted aviation regulators as a result of the eruption of Iceland's Eyjafjallajökull volcano earlier this year. The final paper of the day was presented by Professor John Braithwaite, Fellow of the Australian Research Council Federation and founder of the Regulatory Institutions Network (RegNet). Professor Braithwaite raised the issue of risk in post-liberal regulatory capitalism. His argument is also outlined in a separate article in this magazine.

The resources provided over the past decade by the ESRC and other funding bodies such as the Peacock Foundation have enabled CARR staff to engage in cross-boundary learning and research and to disseminate their work among academics and practitioners. At *Working Across Boundaries*, recent and ongoing projects conducted by CARR's current staff, former staff, and research

associates were presented in the form of posters. The posters were well-received as succinct displays of the findings, cases, and critical discussions of analyses in three major areas of CARR's research: risk regulation; business, regulation, and risk management; and science, technology, and risk. The conference was accompanied by a compilation of 16 posters in the booklet *CARR Research: a collection of selected projects*. Titles and abstracts of over 60 issues published in CARR's Discussion Paper series since the year 2000 were collected in *CARR Discussion Papers 2000-2010*. Both publications were produced by CARR's support staff and can be downloaded as PDF files on the Centre's homepage: www.lse.ac.uk/collections/CARR/publications/conference.htm. Full-length Discussion Papers continue to be available at www.lse.ac.uk/collections/CARR/publications/dpAbstracts.htm.

In summary, the papers and posters presented at *Working Across Boundaries* tackled a variety of questions and concerns of risk regulation studies. The contributions thus provided an overview of the scope of CARR's work over the past decade. One recurrent theme was the ongoing relevance of the risk regulation approach developed at CARR for social research and policy. Professor Gaskell, for instance, highlighted the continuing importance of CARR's risk- and regulation-focused analyses in light of institutions' regulation of external risks and management of internal risks associated with risk-based approaches. Many delegates were united in the view that risk regulation studies will continue to face challenges from real world issues in the future. CARR's approach appears to be well-placed to meet them.

Matthias Benzer is Peacock Fellow at CARR.

Conference photos taken by Attila Szanto.





Risk & Regulation:

a retrospective

Anna Phillips reflects on the history and impact of *Risk&Regulation* magazine.

With this being CARR's anniversary edition of *Risk&Regulation*, it seems fitting to reflect on the history of the magazine and pay tribute to those who have worked hard over the last decade to ensure its continued success.

Beginnings

Risk&Regulation was established back in 2001, when CARR's management committee felt that producing a bi-annual magazine would be an effective and productive vehicle for bringing the work of CARR to a wider audience. The magazine's aim was ambitious: to appeal not only to the academic community, but also to make CARR's research accessible and engaging to practitioners, the media, and the general public. We are proud that it has met these goals, having established a substantial readership-base outside of academia, among all its targeted audiences.

The articles, written by both CARR staff and guest researchers, have covered a hugely diverse range of topics over the years: from global security, DNA databases, aviation regulation and climate change; to financial governance, sporting mega-events, food safety and internet address management. As well as showcasing the work of guest researchers, the magazine's 'Meet the Regulator' page has featured interviews with the Environment Agency, the Advertising Standards Agency, the Nuclear Safety Directorate and the Federal Aviation Administration – to name but a few. These have sometimes been very timely: the first ever regulator to be put under the spotlight was Ofcom in the midst of the media storm following the publication of its first Public Service Broadcasting Review in 2004.

Henry Rothstein, the first editor of the magazine, recalls that the production process proved time intensive, not least because of the challenge involved in condensing complex arguments into one or two pages. 'It was always an interesting exercise to work out what was likely to appeal to a mixed academic and practitioner audience,' he says. Will Jennings, who took over editorship of the magazine in 2006, echoes this. He believes that one of the reasons that *Risk&Regulation* allows contributors to speak to a wider audience is because 'less lip service has to be given to citing "the literature" and more thought can be given to ideas, contemporary debates and brainstorming solutions'. He feels that the challenge of making complex ideas and empirical facts accessible is 'rewarding when it works, as it increases the impact of research'.

This impact is indeed apparent: the magazine soon got noticed, and many contributors have had articles they have written for the magazine published elsewhere. Rothstein was asked by *New Scientist* to turn one of his articles about the risks of radon gas into a Comment and Analysis piece: ('Don't Die of Apathy': 7 June 2003). Bridget Hutter, Director of CARR, had her editorial on balancing the interests of consumers and businesses from the Winter 2006 issue published in *Strategic RISK* ('The Balancing Act': 12 March 2007). Jennings points out that 'having written more than thirty papers and book chapters since I started out as a postdoc in CARR, the one written piece that I still receive regular emails about, from students and journalists, is the article on the Olympics that I wrote for *Risk&Regulation*.' The article, published in the Winter 2005 edition of the magazine, discusses London's winning bid for the 2012 Olympics and

argues that risk has become an integral element of the Olympic experience. David Demortain, who edited the magazine from 2008 until 2009, puts it succinctly when he says: 'The strength of the magazine comes from a very simple principle: we want to showcase research that is relevant and interesting. We have always tried to preserve the quality, richness and complexity of research in our articles, simply because that is the best way to attract readers.'

As Rothstein is quick to point out, producing the magazine was always a team effort and credit for the magazine's style must go to the LSE's Design Unit, who have worked tirelessly over the years to come up with inventive and thought-provoking designs for each edition. The magazine's cover images are a reminder of how rapidly the world has changed over the last decade. Rothstein admits that one of his favourite covers was that of the fourth edition in 2002, which featured a sheet of paper bearing the title 'The Enron Effect' being fed through a shredder. 'Given the scale of the subsequent financial crisis, its focus now seems almost quaint,' he says.

Themes

Designed to address contemporary issues and debates in regulation and risk management, the varying 'themes' of the magazine have also allowed editors to focus on their own area of expertise. John Downer, the current editor, says that 'serving as editor has been an excellent opportunity to bend the magazine towards some broad themes that interested me. This was especially true of the "Disasters" issue, given that, over the same period, I was writing a discussion paper about the sociology



of accidents.' The issue's examination of how we anticipate natural disasters was particularly relevant given catastrophic events of recent years, such as the earthquakes in Haiti and Chile, Hurricane Katrina and the Southeast Asian tsunami. Similarly, Demortain took 'Global risks, global regulation' as an overarching theme for the Summer 2009 edition of *Risk&Regulation*. This issue looked at the interconnectedness of countries in the 21st century, and the vulnerabilities that arise from risks which transcend national borders. Internet security, pandemics, CO2 emissions, transnational crime and the financial crisis are all construed as posing cross-boundary challenges, and form part of this global risk agenda.

Joan O'Mahony, who edited the magazine between 2003 and 2004, commissioned articles on topics such as public perceptions of GM (the *GM Nation?* debate was garnering a lot of attention in the press at the time); strategic decision making in large organizations (based on a meeting between CARR and British Petroleum, which was part of a series on the interface between academic theory and business practice); and pharmaceutical regulation. O'Mahony's successor was Robert Kaye, who continued to take subjects that were topical and place them in a risk regulation context. For example, his issues examined the uncertainties faced by the insurance industry as a result of terrorist threat; NHS reforms and risk management; responsive risk regulation in the context of immigration and asylum; and the perils and pitfalls of public enquiries.

Sometimes the themes of the magazine proved prescient, foreshadowing events that later came to occupy the public arena. Jennings' Summer 2007 theme, 'Order Out of Chaos', arose through his interest in ideas about chaotic dynamics, non-linearity and feedback. Looking back, he observes

that, 'the theme of the issue now turns out to have been highly prophetic, given the subsequent events of the global financial crisis.' In the midst of this crisis, in December 2008, a *Risk&Regulation* Financial Crisis Special Issue edited by Hutter was published, assembling early reflections and reactions from CARR staff. The issue was very well received, underlining the critical importance of the kind of interdisciplinary research undertaken by CARR in the context of a world that had undergone radical change. The topics covered went beyond finance and the financial sector to address broader themes relating to culture and values in organizational life, to the socially constructed nature of failure, and to the danger of rapid policy responses driven not by diagnosis but by expedience.

Downer reflects on the theme of this issue of *Risk&Regulation*: 'It seemed very appropriate, given the upcoming anniversary of CARR and the impending organizational changes, that we should have a retrospective issue that looked back over the Centre's first ten years.'

Outreach

The CARR management committee's original vision of appealing to a worldwide audience has certainly been realized: *Risk&Regulation* has evolved to become a valuable resource for international readers as far afield as Uganda and Japan. The popularity of the online version of the magazine has grown exponentially, with the Financial Crisis Special Issue alone receiving 9,200 hits on CARR's website from late December through to the end of January 2009. The magazine's international flavour is also reflected in its guest contributors, examples of whom include the Lebanese-born essayist, scholar and former practitioner of mathematical finance, Nassim Nicolas Taleb, who wrote about epistemology and risk management

in the Summer 2007 edition. Other practitioners who have contributed to *Risk&Regulation* have included Sir Bill Callaghan, former Chair of the Health and Safety Commission, who discussed Britain's flexible and modern system of health and safety regulation in the Winter 2007 issue; and Sophia Bhatti from the Office of Fair Trading, who examines our attitudes to information sources in the Winter 2008 edition.

As well as its impact on the wider world, it is worth mentioning, as a final note, the effect of *Risk&Regulation* upon CARR itself. As Jennings observes: 'The magazine has always been excellent in promoting the work of CARR staff as well as showcasing its links with practitioners and other academics across a range of disciplines.' The magazine has accomplished its goal of communicating ideas and research around the fields of risk regulation to the wider world, and it has enhanced CARR's reputation as a forward-looking, challenge-orientated establishment in the process. Downer agrees: 'I think the magazine has long served as an invaluable conduit for helping academic ideas reach relevant public and professional spheres, and has become, in many ways, the 'public face' of CARR the institution.'

We hope that the success and influence of *Risk&Regulation* will continue in the years ahead.

Anna Phillips is Managing Editor of *Risk&Regulation*.



CARR staff in profile

Over the past ten years of CARR's existence, many researchers have come and gone, producing a diverse range of research. Here we focus on former CARR staff: who they are, what they did and where they are now.

As well as being an interdisciplinary hub, with representatives from 11 different academic disciplines (including Sociology, Politics, Accounting and the Natural Sciences), CARR has a strong international component. 12 different countries are represented by former and current researchers (including Finland, Germany, Israel and the USA).

Some began their research careers here as Postdoctoral Fellows with several moving on to become Research Officers. These include David Demortain, who studied transnational regulation in the biotech industry and produced three discussion papers on the subject during his time here; Yuval Millo, whose research interests led to discussion papers on topics such as financial risk management and regulatory experiments; and Will Jennings, whose most recent discussion paper (co-authored with Martin Lodge) focused on security risks around mega-events such as the London 2012 Olympic Games and the FIFA 2006 World Cup. Other Research Officers include Carl Macrae, who worked on airline safety oversight by aviation regulators; and Jeanette Hofmann, recently appointed a member of the Enquete Commission of the German Parliament on Internet and Digital Society, who investigates internet governance and the regulation of digital goods.

Javier Lezaun, (Research Officer, 2003-2006) characterizes his experience at CARR as such:

'The freedom to do research in an interdisciplinary environment gave me a chance to investigate topics in multiple directions, some of which have only borne fruit years later. CARR was a good

place to figure-out the "policy relevance" of one's own work – but a place where "policy relevance" was also an object of study.'

His emphasis on CARR's flexibility and interdisciplinary setting aptly reflects the Centre's great diversity of staff interests and expertise. Although linked in their common focus on risk and regulation, staff research projects have spanned a wide range of specific subjects. These include forensic science (Lawless), the food industry (Demortain), pandemics and healthcare (Mansnerus), cybercrime (Hofmann), aviation (Downer; Macrae), financial and business regulation (Gilad; Millo; Hutter and Jones), goal-framing and compliance (Etienne), and education (Huber) – to name but a few.

After their time at CARR, many staff have moved on to new opportunities at a variety of destinations. Many continued their academic pursuits at universities. Lezaun is now at the Institute for Science, Innovation and Society at the Saïd Business School, University of Oxford. Mansnerus is now a British Academy Postdoctoral Fellow at the University of Cambridge. Henry Rothstein is now a Lecturer in Risk Management at the Centre for Risk Management, King's College London. Several others have gone on to work in varied places outside of academia. Macrae, for instance, is now a Special Advisor at the National Patient Safety Agency. Robert Kaye, meanwhile, works at the Conservative Central Office.

CARR deeply values its continuing relationship with its former staff and we hope that Lezaun, now at Oxford, speaks for many of his former colleagues when he says that 'I left after three years, but CARR remains an intellectual home.'

Katherine Taylor is Office Administrator at CARR.



Martin Lodge

Years in CARR: 2001-2005

Destination: Reader in Political Science and Public Policy, LSE. Continues in CARR as Research Theme Director

What did you research when you were here and where did it lead you?

I researched utility regulation (especially telecommunications reform in the Commonwealth Caribbean, with Lindsay Stirton), the project on 'Regulatory Innovation' (which led to the co-edited book of the same name with Julia Black and Mark Thatcher) and the research for the book on Public Service Bargains (with Christopher Hood). It led me to a lectureship in the Government Department at the LSE – and continued involvement with CARR.

What are your current research interests?

Broadly defined, my research is around executive government (which includes regulation). My specific research interests include public administration and European policy, administrative reform, and regulation and development.

What led you to working in CARR and how has CARR influenced your career?

The possibility to be at one of the leading places in Europe led me to CARR and it has been hugely influential in everything that I have done over the past ten years. It has shaped my understanding of regulation, allowed me to value trans-disciplinary and inter-disciplinary research and teaching, and it has also allowed me to meet an impressive range of people.

Why is risk and regulation research important to our society and what do you consider to be the most important themes in risk/regulation research in the current climate?

Risk and regulation research affects every aspect of our life and it raises fundamental questions about how governments respond to demands for regulation, what risks gain attention, and what regulatory strategies are being utilized. In the current climate, resilience and sustainability in the context of demographic and ecological vulnerability are important, in a time when financial austerity is a dominant theme.

CARRPEOPLE

**Javier Lezaun**

Years in CARR: 2003-2006

Destination: James Martin Lecturer in Science and Technology, University of Oxford

Can you tell us about your time in CARR?

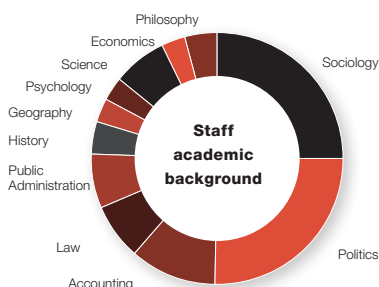
I joined CARR right after finishing my PhD – a study of the regulatory changes brought about by the release of genetically modified organisms. CARR was a very hospitable, personal and intellectual environment. It gave me a chance to situate my work with researchers who had a diversity of backgrounds but shared an interest in practices and institutions of risk regulation. It forced me to consider the value of other perspectives on governance, particularly those from accounting, political science and economic sociology. The strength of CARR was that it ignored disciplinary divisions and tried to tackle a subject that defied easy categorization.

Where are you now?

I work at the Institute for Science, Innovation and Society at the University of Oxford. We are part of the Saïd Business School, and our Institute is also a member of the James Martin 21st Century School. Two areas of the Institute's work, Science and Technology Studies and the Governance, Accountability and Innovation (GAI) group, have strong intellectual affinities with the work conducted at CARR over the last decade.

What are your current research interests?

I continue working on dynamics of innovation in the life sciences, the legal and regulatory challenges thrown up by advances in bioscientific research. This is an area where principles and apparatuses of governance are tested in a radical manner. Biotechnology is a machine to generate surprises – surprises that our institutions have to deal with and respond to. I teach courses on innovation and emerging technologies at Oxford. My work is focused on the intersections of epistemic and political processes – how knowledge-making features in the art of governing recalcitrant entities – which I think is a thread running through most of CARR's work.

**Will Jennings**

Years in CARR: 2004-2008

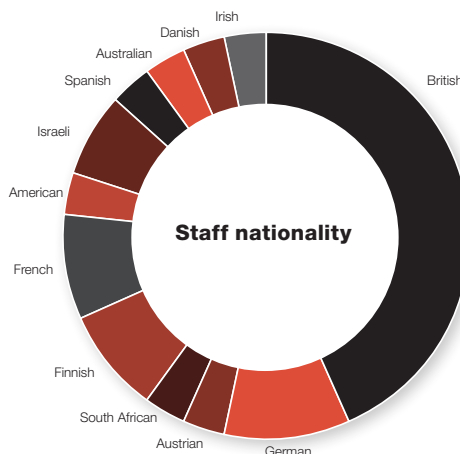
Destination: ESRC/Hallsworth Research Fellow, School of Social Sciences, University of Manchester

What did you research at CARR?

My research as a British Academy Postdoctoral Fellow addressed a couple of distinctive themes. First of all, I undertook research on responsiveness of government to public opinion – for example, through quantitative (time series) analysis I showed how government's management of the asylum system in the 1990s and 2000s had responded to rising public concern about the issue (as well as highlighting some of the risk-based approaches to administration in the policy domain). Second, I conducted some research on mega-events and risk, and the budgeting for the London 2012 Olympics in particular.

How has your work at CARR impacted your future research?

The time I spent on mega-events has shaped my current research programme, funded through an ESRC Research Fellowship, on the Olympics and risk management – which has explored the rise of risk and risk management in organization of the Olympics – looking at the use of administrative tools such as insurance and risk management, the use of contingencies and budgeting practices, and also looking at modes of security risk management. My research on policy and public opinion has led me to continue my work on political behaviour, and I have since undertaken research on the issue competence of political parties as well as continuing my role as Co-Director of the UK Policy Agendas Project, which analyzes the policy agenda of UK Government dating back to 1911.

**Carl Macrae**

Years in CARR: 2006-2008

Destination: Special Advisor, National Patient Safety Agency

What led you to working in CARR?

I was fortunate to present at the first CARR postgraduate conference in 2002, early in my PhD. The conversations were so broad-ranging, it really emphasized the breadth and importance of the research that CARR was bringing together. The CARR conference helped shape my doctoral research as I returned each year to present my developing findings, so CARR felt the natural place to continue postdoctoral work.

What did you research at CARR?

I spent much of my time at CARR examining the role of errors and near-miss incidents in risk management and regulation. I focused on comparative analysis of airline flight safety and healthcare patient safety practices. Healthcare is rapidly expanding the use of safety incident analysis and so is confronting some particularly fascinating challenges at the moment. CARR also allowed a broad view of risk regulation – I also published on shipping accidents and the nature of resilience in risk regulation. The latter continues to be a focus of my work.

Where has it taken you?

My work at CARR has been a platform for an interesting journey through risk regulation so far, taking me from the safety critical industry of aviation and leading me to a role in a national healthcare safety agency, via the risk regulation group at an investment bank.

What research at CARR do you think has had/will have most impact on risk and regulation?

CARR has produced research of such diversity, perhaps the single greatest impact is having firmly established risk regulation as an object of study. For me, one of the most valuable contributions of CARR's portfolio is the focus on practice – lifting the lid on the social, organizational and institutional processes that can so heavily shape the management and regulation of risk.

What do you consider to be the most important themes in risk/regulation research in the current climate?

For me, two of the most striking themes in risk regulation research today are the nature and role of organizational resilience in managing risks and preventing future crises – what does resilience look like, how can it be built? And the still unclear relationships between regulatory architecture, institutional design and risk management practice. Issues of resilience and design seem to come to the fore after every major crisis.

CARR students *in profile*

Part of CARR's wide-ranging remit over the past decade has been to promote the development of younger graduate scholars working in risk regulation studies. The Centre has been an ideal environment for this because it is a hub of multi-disciplinary research, with strong links to businesses, government agencies and wider academia. 23 PhD students have come and gone, and there are currently seven students. Here we look at what it was like to be a research student in CARR, and where their studies have led our former students.

CARR graduate students have worked on a diverse and interdisciplinary range of doctoral research projects. For example: Andrea Mennicken (2005) studied 'Reforming auditing in Post-Soviet Russia'; Sue Kerrison (2007) studied 'The regulation of nursing homes'; Clive Jones (2006) studied 'An analysis of reputation risk management practices within food retailing businesses in the UK'; and Yasmine Chahed (2009) studied 'The regulation of strategic reporting in Britain and Germany'.

CARR has also reached out to graduate students beyond the LSE through a succession of workshops and conferences. These provided a forum for constructive discussion and debate between research students whose projects focused on topics within CARR's agenda. The Centre held its first such conference in September 2002. It exceeded all expectations, with 24 different presentations from students representing 14 different countries. The quality of the work presented at the conference showed that risk and regulation is a vibrant area of study for young scholars. The success of that conference led to a further six student conferences and colloquia. By 2005, the (now two-day) conference had grown to 46 presentations, as well as four 'masterclasses', a plenary session on getting published, and a keynote address from Bill Callaghan, then Chair of the Health & Safety Commission. As one participant would later put it: this conference was 'a great chance to meet fellow researchers working with risk regulation issues in a variety of different fields.'

Many research students have showcased their research in *Risk&Regulation* magazine. In 2005, for example, Anneliese Dodds (2006) wrote an article on the British and French experiences of regulating universities and what they say about regulatory capacity. In summer 2007, meanwhile, Chahed wrote on the re-negotiation of financial reporting paradigms in the *British Company Law Review*.

Research students have met (and continue to meet) once a term to present their work and see presentations from recent graduates on the route to submitting their theses: 'CARR PhD seminars were an opportunity to explore bodies of literature I was not aware of, and to compare my reading of them with that of other doctoral students and other CARR members – at times these conversations were quite demanding, as we were all coming from different backgrounds, but they were truly formative and enriching' Rita Samiolo (2008) recalls.

Former CARR students have gone on to careers in academia and the public and private sectors. Many are now lecturers or researchers across the UK, with several staying on as lecturers at the LSE (such as Mennicken and Samiolo, both lecturers in Accounting). Others went to work as practitioners. Paolo Dasgupta (2009) now works at the Financial Service Authority, for instance, and Jones at the Better Regulation Executive.

In supporting research students CARR has seized the opportunity to develop the next generation of research into risk and regulation. We sincerely hope that Dasgupta aptly summarizes the student research experience in CARR when he told us that: 'It is rather unlikely that I will have the opportunity to replicate such a positive experience in another environment.'

Katherine Taylor is Office Administrator at CARR.





Paolo Dasgupta

Years in CARR:
2002-2009

PhD thesis: 'Independent regulatory agencies in Britain and France: Of tel and ART'

Why did you study in CARR?

I owe a big thanks to my supervisors, Professors Mark Thatcher and Julia Black, for encouraging me to join CARR from year one of my PhD. Thereafter, it became the key source of intellectual stimulation through its various events.

Tell us a bit about your PhD research in CARR

The PhD research examined the independence in practice of regulators, and in particular whether such independence in practice reflects their formal independence. It challenged the assumption that the degree of formal independence of an agency determines its independence in practice, assessing instead what the key factors are by comparing case studies in the telecoms sector in France and the UK, by exploring whether and how the respective regulators achieved their policy preferences. The research showed that to analyse the independence of regulators in practice it is important to assess, for a given policy: participants' specific resources; their preferences, with respect to those of the regulators assessed; and the processes applied by regulators. Three typologies of regulatory 'autonomy' were developed using these indicators. Ultimately, statutory resources, namely expertise and informal ties, were shown to be very important for regulators' preference fulfilment. Otherwise, it was found that the same regulator, using the resources at its disposal, might apply different processes to achieve distinct policy preferences. Conversely, regulators with different formal institutional arrangements can show the same type of 'autonomy'. Thus, the evidence showed that it should not be assumed that regulators' independence in practice reflects the degree of their formal independence.

Where has it led you?

To work as a practitioner in regulation in a different industry (financial) from that I had analyzed for my PhD (telecoms). Therefore, using the skills and insights from the PhD cross-sectorally.

Where are you now?

I'm currently working at the Financial Services Authority (FSA).

Why is risk and regulation research important to our society?

'Regulation' has made its own case, in particular, over the past two decades as it has spread in different fields of society. Risk regulation is at the centre of many practitioners' regulatory toolkit. With these premises, the range of research on risk and regulation can help us learn lessons from the past and have a useful degree of predictive value, for normative purposes.

What do you consider to be the most important themes in risk/regulation research in the current climate?

Institutional reform and its implications for regulation would seem strikingly important at present. However, I wish (regulatory) policy makers had the opportunity to sit in at the equivalent of a CARR graduate seminar a few years ago, when we discussed Professor Ted Porter's book 'Trust in Numbers: The Pursuit of Objectivity in Science and Public Life'.

What are your fondest memories of CARR?

The graduate seminars, with fellow PhD students from different disciplines, run informally but always very insightfully by the wide range of CARR academic staff. I thoroughly enjoyed those seminars.



Tola Amodu

Years in CARR:
2001-2007

PhD thesis: 'The Planning Obligation and its significance as a form of public law regulation'

Why did you study in CARR?

An interest in socio-legal and empirical scholarship and a fascination for working in an interdisciplinary context.

Tell us a bit about your PhD research in CARR

I considered the use of contracting practices by central government as a tool of regulatory control using the evolution of the planning agreement as a model. By adopting a historical approach I was able to challenge some of the assumptions relating to the novelty of contracting as a regulatory form and to use this as a basis to critique some of the notions associated with 'new public management' techniques.

What are your current research interests?

More extensive investigation into the use of law to facilitate the perils and possibilities for central government control over local activity; the impact of law in the context of the introduction of risk regulation in higher education; effective regulatory enforcement in health and safety and environmental contexts. All of this is situated in a context of interdisciplinary research because the role and function of law in public policy contexts becomes difficult (if not impossible to understand) without external reference points. I am currently writing on the impact of the community infrastructure levy.

How did your PhD here figure in your career?

It set me on course to undertake further research and recognize how theoretical research can shape effective policy activity and vice versa. I have, for example, undertaken research for the Pennington Inquiry into the recent e-coli O157 outbreak in Wales.



Rita Samiolo

Years in CARR:
2003-2008

PhD thesis: 'Accounting in the collective management of risk: The case of the defence of Venice from high waters'

Why did you study in CARR?

I was greatly attracted to CARR's diversity, to the possibility of looking at issues of risk and regulation from a wide variety of perspectives. As a student I benefited immensely from it.

Tell us a bit about your PhD research in CARR

I was studying the economic and environmental appraisal of a large and public sector project in Italy – the flood protection scheme for Venice. I was interested in the broad theme of the role of science in policy, in how the boundary between the 'technical' and the 'political' was negotiated in the course of the controversy which was sparked around the project. I was also looking at the different approaches to calculation which emerged in the course of its environmental and economic appraisal, and I tried to trace the institutional preconditions for these different modes of valuation of the project and its impact on the economy and territory. A place like CARR, where disciplines like science studies, organization studies, sociology, political science, geography and accounting could meet and talk to each other, was the perfect place to explore these issues.

What are your current research interests?

I am interested in the theme of 'commensuration', which has been explored by scholars like Wendy Espeland and which is one of the key concepts I used in my PhD: the issue of how quantification and measurement come to mediate and standardize different modes of valuing and to transform the way in which problems are defined and managed. I am especially interested in those instances in which alternative modes of calculation and valuation emerge and clash, or in which people resist calculation, and its rationalizing logic, altogether.

Where are you working now?

I am working in the Department of Accounting at the LSE, where I try to be close to accounting debates and practices, and at the same time to interrogate them from a broad social science perspective.

CARR IN PRINT

PUBLICATIONS

Anticipating Risks and Organizing Risk Regulation

Bridget Hutter (ed), Cambridge University Press 2010

Helping with Inquiries, or Helping with Profit?: The Trials and Tribulations of a Technology of Forensic Reasoning

Chris Lawless (co-author) *Social Studies of Science*, 40(5), 2010 (October special issue on the commercialization of science)

Et in Arcadia Ego: From Techno-Utopia to Cybercrime

Jeanette Hofmann in *Paradoxes of Modernization: Unintended Consequences of Public Policy Reforms* by Christopher Hood, Helen Margetts and Perri 6 (eds), Oxford University Press 2010.

RECENT CARR DISCUSSION PAPERS

www.lse.ac.uk/collections/CARR/publications/discussionPapers.htm

DP 68 The Risk University? Organizational Risk Management in the English Higher Education Sector

Michael Huber, forthcoming

DP 67 The Risks of Self-Reporting Incidents to External Controllers: A Case Study in the Chemical Industry

Julien Etienne, forthcoming

DP 66 Towards a Sociological Examination of Healthcare Approaches to Risks to Quality of Life

Matthias Benzer, forthcoming

DP 65 Analyzing Public Management Policy Cycles in the European Commission: Oversight of Budget Control and the Integrated Internal Control Framework

Michael Barzelay, Roger Levy and Antonio Martin Porras Gomez, August 2010

DP 64 Enlisting Commitment to Internal Compliance via Reframing and Delegation

Sharon Gilad, June 2010

CONFERENCE PUBLICATIONS

www.lse.ac.uk/collections/CARR/publications/conference.htm

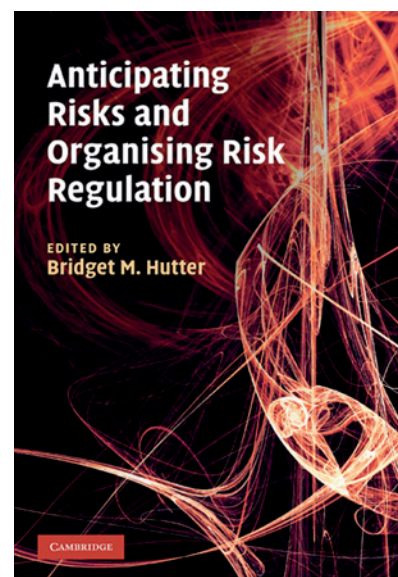
CARR Research: a collection of selected projects

A taste of a selection of CARR projects undertaken by former staff, current staff and also research associates funded by CARR over the past decade. The projects are organized around three broad areas of CARR work:

- *Risk Regulation* from a state and governance perspective;
- *Business, Regulation and Risk Management* which focuses on how businesses manage risks and respond to regulation;
- *Science, Technology and Risk* which considers the role of experts and scientific knowledge and their status in national and transnational regulation, especially of technology.

CARR Discussion Papers: 2000-2010

A collection of abstracts from every discussion paper that CARR has published over the last decade.



CARR research staff

Bridget Hutter

CARR Director
Professor of Risk Regulation

Sociology of risk regulation; risk management; regulation of economic life; the impact of state and non-state regulation; risk regulation in Asia.

Matthias Benzer

Peacock Fellow

Socio-scientific approaches to suffering, dying and death; quality of life debate; healthcare regulation; sociological methodology; sociological theory.

David Demortain

ESRC Research Officer

Sociology of regulation and risk management; sociology of expertise and scientific advice.

John Downer

ESRC Research Officer

Sociology of knowledge; epistemology of technological risk assessment; regulation of complex and dangerous technologies.

Julien Etienne

ESRC Postdoctoral Fellow

Compliance theory, major accident hazard regulation, incident reporting, and regulator-regulatee relations.

Sharon Gilad

ESRC Research Officer

Corporate responses to regulation; citizen-consumer complaints and complaint handling; retail financial services regulation.

Jeanette Hofmann

ESRC Research Officer

Internet regulation and the development of intellectual property rights.

Christopher Lawless

ESRC Postdoctoral Fellow

Sociology of forensic sciences, and sociological and philosophical issues concerning the use of evidence and probability theory.

Martin Lodge

CARR Research Theme Director: Reputation, Security and Trust. Reader in Political Science and Public Policy

Comparative regulation and public administration; government and politics of the EU and of Germany.

Sally Lloyd-Bostock

Professorial Research Fellow

Medical regulation by the GMC. The psychology of routine decision making, blaming and accountability and the construction and use of information about risk. Regulation and compensation culture.

Peter Miller

Deputy Director and CARR Research Theme Director: Performance, Accountability and Information; Professor of Management Accounting

Accounting and advanced manufacturing systems; investment appraisal and capital budgeting; accounting and the public sector; social and institutional aspects of accounting.

Michael Power

CARR Research Theme Director: Knowledge, Technology and Expertise; Professor of Accounting

Internal and external auditing; risk management and corporate governance; financial accounting and auditing regulation.

CARR research associates

Michael Barzelay

Professor of Public Management, LSE

Ulrich Beck

Professor, Institute for Sociology, Munich

Gwyn Bevan

Professor of Management Science, LSE

Julia Black

Professor of Law, LSE

Damian Chalmers

Professor in European Union Law, LSE

Simon Deakin

Professor of Corporate Governance, University of Cambridge

Anneliese Dodds

Lecturer in Public Policy, King's College London

George Gaskell

Professor of Social Psychology, LSE

Maitreesh Ghatak

Professor of Economics, LSE

Andrew Gouldson

Director, Sustainability Research Institute, University of Leeds

Terence Gourvish

Director, Business History Unit, LSE

Carol Harlow

Professor Emeritus of Public Law, LSE

Christopher Hood

Professor of Government and Fellow, All Souls College, University of Oxford

Michael Huber

Professor for Higher Education Research, Institute for Science and Technology Studies, Bielefeld University

Will Jennings

Hallsworth Research Fellow in Political Economy, University of Manchester

Roger King

Visiting Professor, Centre for Higher Education Research and Information, Open University

Liisa Kurunmäki

Reader in Accounting, LSE

Javier Lezaun

Lecturer in Science and Technology Governance, James Martin Institute, Saïd Business School, University of Oxford.

Donald MacKenzie

Professor of Sociology, University of Edinburgh

Andrea Mennicken

Lecturer in Accounting, LSE

Yuval Millo

Lecturer in Accounting, LSE

Edward Page

Professor of Public Policy, LSE

Nick Pidgeon

Professor of Applied Psychology, Cardiff University

Tony Prosser

Professor of Public Law, Bristol University

Judith Rees

Professor of Environmental and Resources Management, LSE

Henry Rothstein

Lecturer, Centre for Risk Management, King's College London

Colin Scott

Professor of EU Regulation and Governance, University College Dublin

Susan Scott

Senior Lecturer, Information Systems, LSE

Jon Stern

Honorary Senior Visiting Fellow, City University

Lindsay Stirton

Lecturer in Medical Law and Ethics, University of Manchester

Peter Taylor-Gooby

Professor of Social Policy, University of Kent at Canterbury

Mark Thatcher

Professor of Public Administration and Public Policy, LSE

Kai Wegrich

Professor of Public Management, Hertie School of Governance, Berlin

Paul Willman

Professor in Employment Relations and Organizational Behaviour, LSE

Brian Wynne

Professor of Science Studies, Lancaster University

CARR visiting professors

Keith Hawkins

Emeritus Professor of Law and Society, University of Oxford

Frank Vibert

Founder Director, European Policy Forum

CARR administrative team

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Centre Administrator

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