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carr centre for analysis of risk and regulation

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editorial

Welcome to this issue of risk & regulation! This issue's emphasis is on sustainability, one of **carr**'s primary research themes. Sustainability is one of those words that seem to attract universal support, but often for very different reasons. One of the key challenges for accounting, for example, has been how to account for issues of sustainability. Similarly, regulation more broadly is supposed to incentivize sustainable resource use, while regulatory efforts themselves may be said to be faced with criticisms in terms of their resource intensity and their associated compliance costs.

This issue brings together a number of perspectives on sustainability. Will Jennings questions whether 'mega-events' can be sustainable. Questions about the design of bidding processes sit side by side with concerns regarding wider governance issues, whether this is about the operation of organizations allocating mega-events, such as FIFA, or about the host countries' labour regulation and human rights records. Elsewhere in this issue, Bruno Cunha questions whether recent popular protests, such as those witnessed in Brazil, illustrate the limitations of established regulatory approaches. He challenges countries to reflect more creatively on the governance and regulation of public services. Antoine de Raymond highlights the consequences of contemporary approaches towards research on food security for understandings of risk and risk regulation. Linda Hancock, in turn, points to the trade-offs and unintended consequences that arise from the advocacy of particular, supposedly sustainable, technologies, such as new battery energy storage technologies.

Whether regulation itself can be sustainable is a question that has been much debated since the financial crisis and the subsequent age of austerity affecting government finances. Such concerns will feature ever more prominently in the post-election world of UK politics, where the issues of the relationship between the UK and the European Union, the relationship among different parts of the United Kingdom, as well as the relationship between national regulators and local authorities will witness renewed attention, regardless of the party-political make-up of the new government. How regulation interacts with the changing political context is illustrated in Roger King's contribution on the regulation of higher education, which reflects on a **carr** workshop that was held on this theme in late March this year.

Challenges at the frontline of regulation have featured prominently in our discussions at the **carr** Regulators' Forum. As described in a separate article in this magazine, this initiative was established to create a venue for those regulators that previously did not have opportunities to speak freely about their experiences. More general insights regarding 'safe spaces' for exchanges between professionals about their experiences are discussed by Julien Etienne. A 'different frontline experience' is explored by Ed Humpherson who illustrates how 'thinking like a regulator' has become an increasingly pertinent theme in the life of his agency, the National Statistics Authority.

carr's own sustainability is dependent on success with research grant applications. After having received ESRC funding for the 'Regulation in Crisis?' seminar series, we were particularly delighted to receive funding under the European Union Horizon 2020 scheme for a project on Transboundary Crisis Leadership Capacity (TransCrisis). This three-year project not only brings new faces to **carr**, but also allows us to lead a trans-European research effort with partner institutions. We are very pleased to welcome Kavita Patel as TransCrisis project manager to **carr**. More information on this new research project can be found in a separate article in this magazine.

We would also like to express our gratitude for all the positive and encouraging comments that we received following the publication of the previous re-launch issue. We hope that you will find this issue similarly interesting and attractive and we are looking forward to hearing from you and to welcoming you to our events.

Martin Lodge & Andrea Mennicken

that allows the repacking of existing ideas and approaches.

Regulating for sustainability

Andrea Mennicken and **Martin Lodge** put forward an agenda for the study of the governance and regulation of sustainability

Climate change, natural and man-made disasters, uncertainties about future energy supplies, and the food security problems raise pressing issues for questions concerning the sustainability of prosperity and its regulation and governance (see also de Raymond's article on the UK Global Food Security Programme in this issue). Yet the fields of sustainability research and risk and regulation studies have developed on separate tracks. **carr** seeks to bring these respective fields together to develop an approach towards the governance and regulation of sustainable prosperity that is cross-sectoral in focus, moves beyond the boundaries of single organizations, engages multiple stakeholders and builds on lessons learnt from multi-level governance.

Given the need to move beyond single sectors, it has become fashionable to highlight the significance of understanding the 'nexus' between different sectors. Such a nexus-based thinking adds further complexity to the governance and regulation of sustainability. For example, energy, environment, and food security are central to the future of societies and individual wellbeing. Failure to combine growth and prosperity goals with objectives of social and environmental sustainability will have disastrous consequences. Similarly, failure in governance and regulation will have far-reaching consequences, as illustrated by the financial crisis. The assurance of sustainable prosperity across different sectors (energy, environment, food, finance) poses severe challenges for governance and regulation. Firstly, there is uncertainty and dispute about how to govern and regulate each of these domains. This uncertainty is corroborated when considering interdependencies between the domains. Biofuels, for example, contribute to the development of sustainable energies but pose risks to sustainable agriculture and the assurance of worldwide food supply. Secondly, challenges are posed by multi-level governance issues, as regulatory solutions are required that cut across local, regional, national and international levels; move beyond the boundaries of single organizations; and engage multiple stakeholders with diverging interests.

Innovative research into the possibilities of risk governance and regulation, including accounting systems, is critical to promote technological innovation and harness threats to sustainability across different domains. Yet, governance and regulatory institutions have been criticized for standing in the way of sustainable prosperity. They have been accused of hindering, if not deterring goals of sustainable prosperity. Existing regulatory systems are often said to be overly prescriptive, siloed and inflexible. They are accused of being a source of non-sustainability as they fail to detect risks to society and environment, hinder less resource-intensive innovations and thereby protect, if not promote existing, resource-intensive products and services. There is uncertainty not only about the ends and means of achieving sustainable prosperity. Uncertainty exists also about the effectiveness and legitimacy of existing governance approaches in light of the multi-level and dispersed nature of contemporary governance and the challenges posed by internationalized, increasingly complex production chains.

All this raises a number of critical questions: How can siloed, often nationally focused governance regimes be transformed to deal with cross-sectoral, transboundary challenges posed by the interdependencies that exist between different domains and across different levels of regulation (local, regional, national, transnational)? How do governance instruments need to be modified to address challenges posed by conflicting sustainability agendas, power asymmetries, and multi-stakeholder integration? How can technological innovation and production chains be steered towards sustainable prosperity objectives?

Over the coming years, **carr** will seek to address these questions by developing a succinct and fresh voice in dialogue with practitioners and policy makers about the technological, social and political challenges of the governance and regulation of sustainability in the 21st century. We will bring together established and emerging scholars from different disciplines to generate new thinking around three research themes that build on **carr**'s existing research and expertise in risk and regulation studies:

› Accounting for sustainable prosperity, to scrutinise new ways of accounting for and overcoming interdependencies inherent in the food-energy-environment nexus;

› Governance innovation for sustainable prosperity, to investigate systems of governance and regulation that seek to deal with new technologies and complex production that threaten sustainability;

› Governance and regulation of critical infrastructures, to examine the resilience of critical infrastructures on which sustainable prosperity depends.

Accounting for sustainable prosperity

Accounting instruments play a key role in fostering sustainable prosperity. Yet, currently, we lack credible sustainable development accounts in practice (see for example Bebbington and Larrinaga 2014). There is also no unified understanding as to what sustainable prosperity might mean, and how it is best to be achieved. Different, often conflicting views about sustainability shape conditions and possibilities for accounting practice, and they pose considerable challenges. Under this theme, **carr**

scholars in cooperation with the Centre for Social and Environmental Accounting Research (CSEAR) at the University of St Andrews investigate different attempts that have been undertaken to open up accounting for sustainability concerns at local, national and transnational level. The theme cuts across social and environmental sustainability concerns, and pays attention to the challenges posed by multi-level government arrangements and multi-stakeholder approaches. It further pays attention to the couplings and de-couplings between accounting and sustainability discourses, and how these further or hinder the production of robust (un)sustainability accounts. Research conducted under this theme includes investigations of issues connected to carbon accounting standard-setting with a specific focus on challenges arising at the level of corporate organizations, including corporate financial reporting issues. Further research projects include investigations into practices aimed at 'accounting for social value'. Work here investigates the rise, diffusion and impact of social value accounting measures and social finance instruments in the governance and regulation for sustainability.

Governance innovation for sustainable prosperity

Technological innovation can play a central role in achieving sustainable prosperity, as illustrated by Linda Hancock's article in this issue. Yet technology has also been the source of major harm to the environment, to the health and wellbeing of individuals, and to societies at large. Calls for enhancing innovation to support sustainable development have featured in every major review of sustainability science, however, there has been far less attention to how this can actually be achieved. This theme takes up this challenge, investigating, for example, the roles and functions of transnational actors in the global innovation system for sustainable development. When it comes to problems of sustainable development, both the actors developing solutions, and the problems that they are addressing, or may inadvertently cause, occur across national boundaries. However, there is only nascent thinking about innovation systems at transnational scales. What is required is a multi-sectoral, case-based approach to better understand the roles that transnational actors can play in the global innovation system and to advance our knowledge about effective drivers of innovation transnationally in the areas of agriculture, energy, health, water and manufacturing.

Governance and regulation of critical infrastructures

Challenges posed by sustainability agendas and the food-energy-environment nexus parallel those of complex critical infrastructures that are closely coupled and non-linear in their interactions. Sustainable prosperity requires the ability of governance and regulatory systems to facilitate bouncing back in the face of crisis and disaster. Yet, the governance and regulation of critical infrastructures to enhance resilience is a challenge as power is dispersed across different government agencies at different levels of government, key operational competencies reside in private organizations, and transnational regimes impact on the way in which traditional oversight functions have been pursued. Critical infrastructures are central for economic development and social welfare. Increasingly, however, the cross-national or transboundary effect of these critical infrastructures, such as food and energy, has become prominent, giving rise to transnational initiatives, such as the European Union's 'critical infrastructure protection' initiative, or the EU-wide food safety 'alert' system. Research under this theme scrutinizes the risk regulation regimes that seek to deal with transboundary crisis and critical infrastructures in select European countries and among the devolved jurisdictions of the UK (see also **carr**'s TransCrisis project) and explores the biases and complexities in decision making that apply to critical infrastructure planning (see for example the contributions by Will Jennings and de Raymond in this issue).

The notion of sustainability is one that has witnessed increasing appeal across different social science research traditions beyond those traditionally concerned with environmental issues. Sustainability is also a term that appeals to many audiences for often very different reasons. It therefore runs the risk of becoming one of the labels that allows for the repacking of existing ideas and approaches and where different schools and approaches talk past each other. A focus on regulation and governance concentrates attention on one key aspect in the broad sustainability discussion. Such a focused agenda speaks to, but is not overwhelmed by wider debates about economic and social growth, the nature of capitalism, and the future of democracy. For **carr**, this agenda builds on existing research themes and traditions, while also stretching our attention beyond the traditional research comfort zone. It offers great potential to advance theories and methods, and explore empirical phenomena, and it highlights the significance that regulation and governance play in one of the key challenges in the 21st century.

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Running on empty?

Linda Hancock highlights the complex effects of new sustainability technologies

New 'disruptive' sustainability technology has the potential to reduce carbon emissions and divert harmful climate change impacts related to the dominant global reliance on fossil fuels for transportation and energy. The key question is how new technology can mediate transitions to a low carbon economy for both developed and developing countries whilst balancing ethics and equity considerations.

The picture is always more complicated than it seems. New battery energy storage technology is key to reducing automotive fossil fuel pollution and to storage back-up for intermittent solar and wind power alternative energy generation. Research teams internationally are refining the chemistry, capacity and density of new batteries, using nano technology and new chemistry.

Any new technology also raises ethical, human rights and product life cycle issues. Chain of supply and ethical procurement at extractive/production, manufacturing, consumer use and end of product are a necessary part of the analysis. It is here that voluntary corporate CSR sustainability reporting is frequently limited, where corporations signing on to voluntary frameworks like the GRI (Global Reporting Index) can cherry-pick the reporting criteria to optimise reputation and omit full product life cycle sustainability disclosure.

The May 2015 Responsible Business Summit Asia promised delegates the opportunity via 'cutting edge debates', to discover how 'to generate profits through embedded sustainability strategy and community engagement'. The speaker line-up participants include Apple, investment banks, auditing firms, palm oil, clothing and footwear manufacturers, NGOs and the hotel industry.

Apple was recently slammed in a BBC documentary Apple's Broken Promises, on undercover exposure of work conditions in Indonesian mines supplying tin used in its smartphones and Chinese factories manufacturing them. Illegal tin miners on Bangka Island in Indonesia, working in dangerous life-threatening, unregulated conditions, disclosed they sell tin illegally to Apple's suppliers, Refined Bangka Tin and Nurianah.

Herein lies a common problem in supply chain analysis that prompts questioning of the ethics and reportage emanating from corporate boardrooms and the governance, regulatory and public policy issues this raises both nationally and internationally. Should we be moving towards more binding corporate disclosure and transparency requirements and perhaps international legal agreements?

Initially designed for small hand-held devices, the lithium-ion (Li-ion) battery has been refined by car manufacturers and is now embedded in business plans and manufacturing production lines. Initial concerns about energy capacity for everyday commuter use have been addressed. The energy capability of electric and hybrid battery cars has been lauded as a sustainability initiative with potential to reduce fossil fuel emissions. Although distance still precludes electric car rural travel in countries like Australia and Canada with long-distance travel needs, battery-powered cars have been embraced for city travel. Re-charge stations now have a visible presence in cities like Paris and London. There of course remains scepticism about real emission reduction if coal-fired power is used to re-charge car batteries – known as 'the rebound effect'. Moreover, consumer concerns about battery re-cycling still have some currency and the component parts of new battery technology are also in need of life-cycle and chain of supply analysis.

In the automotive field, questions include what arrangements are in place to regulate re-cycling of Li-ion batteries? Batteries may contain toxic materials or materials that should be recycled and diverted from landfill. How can manufacturers be made responsible for end-of-life management costs? Does EPG (Extended Producer Responsibility, which holds manufacturers responsible for collecting and recycling their waste products), hold a key to this? If so, what legal mechanisms and enforcement machinery could ensure manufacturers meet performance targets? Does

it come down to cost or do the ethics of diversion from landfill or the toxicity of component parts, trump costly recycling?

Typically, national regulation is lacking as for example in the US, where some states like Minnesota (which requires manufacturers to recover 90 per cent of nickel-cadmium and small sealed lead acid batteries in waste), have double the low national collection rate of rechargeable batteries (10–12 per cent) reported by the Product Stewardship Institute for 2010 under voluntary collection programs (Nash and Bosso, 2013). The failure of e-waste public policy provisions is leading to increased pressure for producer take-back and safe recycling.

Recycling of Li-ion batteries in hybrid and electric cars may drive new recycling initiatives as batteries are typically sold in-product, along with the car, facilitating recovery and a feedback loop to the manufacturer. But the uncertainties of battery science are a barrier to investment in recycling plant.

Another concern is the continuing future supply of affordable lithium, as new generation cars will account for an estimated 7 per cent of global transport by 2020 (Kumar, 2013) and demand will rise exponentially if lithium-ion batteries are used for wind power storage requiring more grunt. As Kumar argues, global supplies of lithium are concentrated in South Americas's ABC (Argentina, Bolivia and Chile) in a region historically associated with conflict and

unstable governments; and in the Tibet region of China. Automotive industry battery production currently accounts for about 25 per cent of lithium demand projected to increase to about 40 per cent (and will increasingly compete with pharmaceuticals, construction and ceramics and glass industries as well as alternative energy storage). Issues of scale may result in depletion of finite resources and raise further questions of supply ethics and intergenerational and geopolitical equity.

In any event, lithium is a relatively small and less costly battery component than cobalt and copper, which have been overlooked. Lithium is not regarded as a conflict mineral but tantalum (the main component in battery micro capacitors), tungsten, tin and gold are. The issue of 'blood diamonds' over a decade ago linked sourcing of diamonds from conflict zones in Liberia, Sierra Leone, Democratic Republic of Congo (DRC) and Cote d'Ivoire, where revenue contributed directly to financing oppressive non-democratic regimes, resulting in the Kimberley process of international diamond certification.

The debate around what is and is not a conflict mineral is blurred, as small quantities of minerals mined in artisan mines adjacent to conflict zones can and have easily found their way into 'conflict-free smelters'. What is more to the point, is that minerals which may not strictly be regarded as 'conflict minerals', like cobalt, used in new-generation batteries, may involve ethical sourcing issues related to human rights, labour standards and environmental impact as well as supply (an estimated 50 per cent of cobalt comes from the DRC). A central issue is the extent to which producers, policies and regulatory frameworks have kept pace with changing science and the need for broadened ethical supply chain and product life-cycle transparency, monitoring and regulation.

Some national governments have attempted corporate regulation which may have some piecemeal reach in regulating corporate global operations on various dimensions. The Singapore Stock Exchange CSR Disclosure requirements, India Companies Act 2013, the EU regulations on electronic waste, and the US Dodd-Frank Act (section 1502), may directly or indirectly affect business practices and reporting. But extractive industry corporate interests have been active in lobbying for voluntary codes and initiatives undertaken by the OECD, UN and EU. What seems to be the lone legislative initiative, the US Dodd-Frank Act, requires US companies to disclose use of conflict minerals sourced from the DRC or its neighbours, but litigation has challenged whether this applies to specific product linked disclosure and the jury is out on the effectiveness of the Act which in any event does not apply internationally and may have detrimental unintended consequences (Seay, 2012).

The lithium-ion battery is a bridge to the potential for electric cars to reduce fossil fuel emissions and to provide much needed backup storage for wind and solar energy generation. But its reliance on copper and cobalt has been largely overlooked in debates on conflict minerals and the focus on recycling, availability and pricing of lithium. This points to the need to broaden regulation and policy from voluntary industry self-regulated codes to transparency on uncomfortable issues like human rights, labour standards and environmental impact in addition to the seepage issues that undermine the effectiveness of conflict mineral regulation and broader debates on fossil fuel energy and intergenerational equity. A key initiative would be to encourage technology that does not depend on lithium, copper or cobalt and that has emancipatory impacts for energy and transport for poor and developing countries and real application in building disaster resilience for vulnerable communities. Although it is more suited to stationary batteries at present, the newly developing sodium battery has potential for emancipatory impacts that overcome the reliance on cobalt.

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Aligning competing risks? The UK Global Food Security programme

Antoine de Raymond highlights wider implications for risk regulation

Food security has risen to the top of national and international agendas following the 2008 food crisis. In response to that crisis, caused by rising food prices, a number of initiatives have emerged; for example, the reform of the Committee on World Food Security, hosted by the Food and Agriculture Organization (FAO), the creation of a High Level Panel of Experts (HLPE) on food security and nutrition by the United Nations in 2010, or the launch of an Agricultural Markets Information System (AMIS) by the G8/20 in 2012. In that year, the G8, together with major philanthropic foundations, put in place the 'New Alliance for Food Security and Nutrition', in order to encourage private investment in agricultural technology in developing countries, especially in Africa.

All of these initiatives relate to what is commonly called the 'global governance' of food security, and the collective effort to free developing countries from hunger and malnutrition. Less attention has been paid to the process through which developed countries re-import concepts and tools from development policies (such as food security) to reflect upon their own situation. Similarly, limited attention has been paid to the consequences of this process in terms of food regulation. Food security can be used to reconsider the debate around agricultural technologies in developed countries (see Dibden et al., 2013). The example of the UK Global Food Security (GFS) programme, a domestic research programme launched by the UK Government in 2009 to co-ordinate public funding in food and agriculture-related research, offers important insights into the potential implications of such programmes for risk regulation. The global food security approach represents a comprehensive framework that allows for the measurement of trade-offs between competing policy objectives. This, in turn, may have implications for technology risk assessment.

The UK GFS programme was launched in the context of the warning of a 'perfect storm' by the Government Chief Scientific Adviser, John Beddington. According to Beddington, by 2030, the combined effects of various global factors could potentially destabilize the global food system and result in major political, economic and social crises across the world. This warning was followed by a report on the 'Future of food and farming' (Foresight, 2011). Both Beddington and the report concluded that in order to avoid major food crises, urgent action was needed and that there was no other solution than globally increasing food production.

The UK GFS programme was set up to respond to this call for action. The UK GFS objective is to enhance food production without harming the environment, a double bind which is sometimes expressed as 'producing more, on the same amount of land'. Like Living With Environmental Change (LWEC), UK GFS is an inter-agency programme. It brings together various research councils and government departments, and is hosted by the Biotechnology and Biological Sciences Research Council (BBSRC). The programme does not directly conduct research on food security, but co-ordinates existing research across councils and departments. It is about raising new issues, and keeping food security on the scientific and public policy agenda. This results in activities of synthesis, horizon scanning, and prioritization of research issues. The UK GFS programme thus seeks to identify issues that are relevant for food security which are then to be addressed by academic research. One further aim of the programme is to encourage partnerships between academic and corporate research in order to foster innovation in agricultural technology. In addition, the government complements the UK GFS programme with the 'Agri-Tech Strategy', which co-funds innovation in agriculture.

To summarize, the global food security approach assumes that, due to global changes (climate change, shrinking resources, rising food and water demands), there are new drivers of food security. In addition, this approach assumes that the global food system is currently moving from an era of over-abundance to a new era of scarcity (of both agricultural inputs and outputs). Global food security responds to that challenge by seeking a new wave of agricultural innovation (based on new technologies, such as biotechnologies, nanotechnologies or information technologies) that would enable the achievement of both growth and sustainability.

While the UK GFS programme is intended as a research programme, it is also meant to inform policy making. It is therefore likely to have consequences for risk definition and regulation. Discussing potential consequences might be somewhat speculative as the programme is still in its infancy. GFS operates as a comprehensive approach that seeks to articulate and align various (potentially competing) objectives. One notable effect of the global food security approach is to go beyond single-issue based policy making, and to rank food policy priorities.

Take 'food safety' as an example. Food security does not work as an alternative to food safety, but integrates it into a wider framework by articulating the objective of delivering safe food to consumers with other objectives such as the availability and the affordability of food, or environmental protection. In other words, safety risk is not set aside but modulated, or adapted according to other risks (production, price, biodiversity, etc.). So, the way in which UK GFS innovates is not by designing new agricultural models, new standards, new diets, or such like, but in developing new ways of thinking about existing models and standards. For instance, the Foresight report (2011) advocates new ways of evaluating technology in general, and

agricultural technology (such as genetic engineering) in particular: 'Decisions about the acceptability of new technologies need to be made in the context of competing risks (rather than by simplistic versions of the precautionary principle); the potential costs of not utilising new technology must be taken into account' (p. 11). In general, UK GFS promotes an economic vision of risk, and challenges with this vision the dominant qualitative understanding of risk. In other words, GFS assumes that environment or health protection should not be imposed at the expense of growth or affordability. Accordingly, UK GFS can be seen as a form of meta-knowledge, primarily consisting of re-arranging issues.

Ideas of multiple and competing risks and of inter-relatedness of issues may have practical effects on risk assessment and policy making. One way in which these ideas could translate into actual policy making can be found in the call, often made by participants to the UK GFS programme, to break away from universal solutions ('panacea') to global issues and to adopt context-based decisions, following the most appropriate trade-off between competing objectives. For instance, rather than trying to identify the one best agricultural model that could 'feed the 9 billion' in 2050 (organic farming versus genetic engineering, for example), some UK GFS participants propose to look at this issue differently. They advocate choosing among available ways of farming according to regional contexts in order to optimize the double imperative of raising food production and protecting the environment (biodiversity). This corresponds to what the 'champion' of the UK GFS programme (Tim Benton) calls the 'place dependency and context dependency' of sustainability. This approach could have much wider implications. Regulation usually implies that each parameter meets only one value for all actors: one price for a given commodity, one risk threshold to authorize a product, one standard to appraise quality and so on. The GFS approach suggests that individual parameters are constantly adjusted according to other parameters. This is done by measuring trade-offs between these parameters. In so doing, the GFS capitalizes on and facilitates some existing practices. For example, instead of selling a given yogurt for a single price, some retailers are willing to adapt the price depending on how close this yogurt is to its expiry date.

The adoption of the notion of food security, while claiming to refer to a global approach, is likely to impact on domestic or regional regulation (see Dibden et al., 2013). It promotes a specific approach to risk assessment which results in the re-ranking of food policy priorities. It notably re-legitimizes quantitative aspects of food production over qualitative aspects. This has triggered much criticism, based mainly on the importance of the demand side (diet, nutrition, retail industry structures) over the supply side (Lang and Barling, 2012). While all protagonists in this dispute would agree that it is necessary to build upon complex – beyond single-issue based – approaches to the food issue, they disagree on the way in which heterogeneous objectives might be articulated and how complex indicators of food security (Carolan, 2012) might be constructed. Advancing this debate would contribute greatly to our understanding of food security.

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Risking reason or taming technocracy? Counter-movements and regulation in the global south

Bruno Queiroz Cunha calls for a different understanding of regulation

The past decade has witnessed a number of high profile regulatory failures, the 2008 financial crisis probably being the most pervasive. These failures have highlighted severe shortcomings in one of the dominant regulatory orthodoxies, namely the one that centres on the importance of credibility. As illustrated by Alasdair Roberts' The Logic of Discipline, the dominant emphasis has been on regulatory approaches that minimize discretion and flexibility, and that place great emphasis on technocratic decision making. Emphasizing credibility and lack of discretion denies the inherently political nature of regulation and reduces the scope for a constant questioning of regulatory choices and interventions, as well as the kind of resources that are being devoted to particular interventions. Such an understanding of regulation would in contrast advocate the importance of adaptability.

The criticism of regulatory orthodoxies has been particularly pronounced in the global south. The emphasis here has not just been on failings in financial regulation, but has focused on public services more generally. Localized social mobilization in different countries has generated new critical narratives that are exposing the flaws in the rhetoric and practices of regulatory orthodoxies. These narratives have begun to penetrate policy makers' rhetoric and formal decision making processes. A number of innovative initiatives have emerged that can be considered as laboratories for new ideas concerning the delivery and regulation of public services.

Such developments go against the traditional pattern of regulatory (policy) diffusion in which initiatives that flourished in the developed world travel 'southwards', as was observed in the diffusion of the regulatory agency 'model'. More broadly, reforms in the global south favoured the creation of regulatory regimes that were inspired by the 'logic of discipline', namely by establishing rule-based systems that supposedly removed electoral incentives and decision making from elected officials and put experts and technocrats in charge. However, in numerous cases, the regulatory apparatus in emerging economies soon turned into rather dysfunctional caricatures of first-world regimes.

One popular and convenient explanation for this failure in absorbing institutional models has been 'underdevelopment'. Such an account merely highlights the contrast between the supposed sub-par performance and that of some form of idealized world. Without wishing to deny the existence of structural weaknesses in emerging economies (diagnosed by observers from both the political right and left), a more critical reflection on the large scale institutional transplants would question why these transplants were adopted and remained predominant even in contexts where local policy alternatives were potentially available.

Contrary to stereotype, the global south has witnessed innovative methods to design and implement policy and to organize governance. Some of these experiments have generated considerable international interest. Well-known examples include conditional cash transfers and micro-credit technologies. Another prominent example is the global diffusion of participatory budgeting mechanisms. A shared theme across all of these initiatives is a concern for local diversity, interdependencies and needs. These initiatives have resulted from and encourage a continuous process of experimentation and adaptation. Even if one were to suggest that such innovative initiatives may face a harder time when encountering more difficult policy areas, it is unlikely that regulation can remain totally immune from such experiences.

Brazil offers a good example. Over the past few years, disappointment with existing regulatory regimes has been reflected in opinion polls, escalating complaints, legal challenges and disputes involving regulated companies and utility industries. Brazil has also witnessed a growing counter-movement that challenges regulated public services whose operations are accused of a lack of transparency and a hurried, non-deliberative type of formal decision making. Regulatory regimes were accused of emphasizing a technocratic vision of public services that did not reflect public preferences. These counter-movements have emerged in a variety of forms, from the highly critical and popular to those focusing on litigious disputes. Regardless of format, they have increasingly put pressure on regulators and regulated companies to offer further concessions in fields such as public transport systems, water services, telecommunications, and private health insurance.

The rise of these counter-movements that challenge regulated public service regimes is arguably the most visible part of a much more deep-seated problem. There is an irresolvable and growing tension between, on the one side, a model of 'reinventing government' that has encouraged considerable institutional change following the idea of a technocratic and non-intervening state, and, on the other, growing demands for democratization, wealth distribution and, therefore, a more active (and interventionist) state. This tension is highly perceptible in contemporary Brazil with likely consequences for existing regulatory frameworks and decision making processes.

One of the main actors involved in the disputes over the regulation of public services in Brazil deserves particular attention. The Free Fare Movement (Movimento Passe Livre) initially served as a hub for a policy community made up almost exclusively of university students and more politically engaged individuals in urban centres. More recently, its membership has grown much larger and diverse. It articulates a coherent critique against one central tangible and pervasive problem affecting urban areas in developing countries, a discourse that has been adopted by wider groups in society.

Free Fare's major demand is the abolition of all public transport charges as a way for everyone to enjoy their rights to the city. This demand used to be dismissed and ridiculed by policy makers. However, after the large scale and nationwide street protests of June 2013, and in the light of Free Fare's continuous growth in popular support, criticisms became more vitriolic and confrontational. More recently, prominent forums have responded to Free Fare's central message, which has spread to other regulatory fields beyond public transport. Free Fare's discourse has become far more salient and it can no longer be given the same short shrift as in the past. This is especially the case as these suggestions are put into policy practice. For example, a free fare policy has been set up to compete with a long established private bus service in Maricá, a city of around 100,000 people in the State of Rio de Janeiro.

The pressure exercised by Free Fare and other social movements have shown a potential for additional changes. In 2014, largely as a result of the widespread support for counter-movements, the Brazilian federal government launched a proposal for a National Policy of Public Participation and declared it would seek concrete ways to improve public participation in policy and rule making. At that point, influential conservative figures associated with the existing regulatory orthodoxies attacked the government's proposal as representing a disguised assault on representative democracy and constitutional rule. Conservatives succeeded in galvanizing support and eventually vetoed the proposal in parliament amid extensive mass media coverage.

The conservative backlash to counter-movements might be said to reflect the typical resistance of a group that seeks to protect its influence. Another interpretation, however, is to suggest that the premature end to the National Policy of Public Participation was due to a lack of high level political support from the outset. One may therefore have to question whether the government was truly committed to the new policy, or whether this was largely a political sop.

How to build productive ties among fragmented groups in order to enable critical viewpoints to be reflected in the institutional process remains a major challenge. In Brazil, the surge of new ideas for regulation practice and public service delivery is an indication of greater maturity. The continuous consolidation of democracy over the last decades has empowered local groups and increased society's awareness and clout in decision making processes. This, in turn, has fuelled bottom-up pressures for greater responsiveness of policy approaches and instruments. Regulatory failures and 'policy surprises' that do not fit the orthodoxies in regulatory thinking present key problems to the purist advocate of conservative orthodoxies of regulation. However, the sustainability of these orthodoxies has become increasingly questionable. It is high time to realise that adaptability to local circumstances ought to be given the same status as credibility in contemporary regulatory theory and practice.

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Olympic-style mega-events reach new frontiers – at a cost

Will Jennings questions the sustainability of the governance model for sporting mega-events

On paper, the mega-event industry has lately experienced a period of unprecedented success – with international governing authorities such as FIFA and the IOC securing ever more lucrative revenues from their commercial activities and taking events to new markets and to new audiences. However, a cursory review of preparations for upcoming mega-events across the globe points to the challenges facing organizers and the problematic nature of their governance and future sustainability. In Qatar ahead of the 2022 FIFA World Cup, the dire safety record for migrant labourers in building the stadiums and infrastructure has brought much scrutiny and criticism. In Rio, ahead of the 2016 Olympics, the Chair of the IOC's Coordination Commission has warned that several venues have set 'very aggressive timelines in order to be ready for the test events,'[1] while pollution continues to be a concern at Guanabara Bay where the sailing and windsurfing competitions are to be staged – with debris and super-bacteria identified as risks to competitors.[2] Indeed, last year the Vice President of the IOC, John Coates, described Rio's preparations as the 'worst ever'.[3] In Sochi, the private investors who originally put up the funds for several of the venues for the 2014 Winter Olympics have since transferred their toxic assets back to the state, with Russian taxpayers left to pick up the cost of the white elephants.[4] More generally Sochi suffered from a spiralling of costs, rising from $10 billion in the original bid to $50 billion according to some estimates, repeating the pattern of systematic cost overruns observed at past Olympics. Meanwhile in the bidding contest for the 2022 Winter Olympics, the Norwegian city of Oslo became the fourth city to withdraw, in the face of opposition from citizens to the use of public funds to pay for the Games.

The seemingly endemic problems with the organization of mega-events run counter to a growing sensitivity of organizers to the many risks associated with putting on these grand spectacles. Today, mega-event managers are typically in the business of compiling extensive lists of prospective hazards and threats to inform their strategies and operations. Despite pressure from authorities such as FIFA and the IOC, the costs of these events continue to grow and the array of risks that organizers face continues to proliferate. Why?

While there have been cost overruns ever since the first modern Olympic Games in 1896 the recent explosion of the mega-event industry has exposed event planners to new pressures and temptations. Commercialization has brought money flooding

into sport and made such mega-events desirable once again to ambitious politicians and governments in search of personal credit or an economic boost. It has also increased the financial liabilities at stake should things go wrong. Significantly, the recent trend of mega-events moving into emerging markets – such as the Olympic Games in Rio de Janeiro due to be held in 2016 and the Football World Cup in Qatar in 2022 – has given rise to a new set of risks. Indeed, the changing world of the mega-event industry suggests that the governance of mega-events may become increasingly problematic in future, for a number of reasons.

Bidding wars and showcasing

Despite continued upward pressure on event costs, mega-events remain a sought after prize for certain city, regional and national governments looking to showcase their economic and/or political power on a global stage. Bidding competitions – for most events at least – can fuel the optimism bias in planning, pushing expectations skywards, and once preparations are underway the pressure to impress a potential global audience of billions can encourage a mindset among political overlords that 'no expense be spared' in designing and delivering the event – with such mega-projects often serving as expressions of political ambition and fiat.

Lack of infrastructure

Staging mega-events in emerging economies with under-developed infrastructure and facilities has implications both in terms of cost and event delivery. The high price tag for the Beijing 2008 Olympics, put by some at around $40 billion, was linked to the huge sums that were invested in the infrastructure (even the security bill for the event was highly inflated by installation of a vast CCTV surveillance system that remained in place in Beijing after the event). The high cost of the Sochi Winter Olympics was similarly been put down to lacking most of the needed infrastructure, requiring it to be built from scratch. As mega-events increasingly are awarded to emerging markets in which infrastructure development is needed, and part of the deal, total costs will rise – as will the propensity for cost overruns, as the associated portfolio of mega-projects also grows. This local context is crucial, since the two Olympics typically presented as being 'textbook' cases of financial restraint are US-based Games which necessitated minimal infrastructure or venue construction: Los Angeles 1984 and Atlanta 1996.

Corruption and construction standards

In comparison to advanced democracies, emerging economies tend to suffer from higher levels of corruption, which are a potential issue in containing construction costs, procurement and breaches of venue safety (such as allegations relating to EURO 2012 in Ukraine and Sochi 2014 which were associated with organized crime and stolen funds). Corruption is highly problematic for the governance of mega-events, since organizations like the IOC rely upon 'values-based' brand that events are built upon. Less tightly regulated markets also lead to poor construction standards and worker safety, especially when organizers are running behind schedule with a deadline that cannot be missed. In the run-up to the Delhi 2010 Commonwealth Games, the collapse of a footbridge close to the main stadium highlighted the chaotic state of preparations and unfinished venues as well as the infrastructure. Construction standards of stadiums in Brazil were the focus of concerns ahead of the 2014 World Cup and remain a factor in the preparations for the 2016 Rio Olympics. Shocking reports about the treatment of migrant workers in Qatar ahead of the 2022 World Cup highlight poor safety standards and worker exploitation commonly linked with weakly regulated labour markets in emerging economies.

Globalisation of risk portfolios

As mega-events have increasingly expanded their global reach, becoming embedded in the cycle of global economy and society, they have increasingly become vulnerable to complex interdependencies of states and economies. Threats to international sport from illegal betting and match-fixing, for example, are a product of globalized forces in the activities of criminal networks that operate across borders and exploit global audiences (and betting markets) for major events. Human trafficking and ticketing fraud similarly are risks that face event organizers which require joined-up responses.

Democracy and weak states

With mega-events increasingly being awarded to authoritarian regimes, such as Qatar and China, or weak states that cannot fully control their borders and populations, there is increased risk of disruption both from democracy campaigners on the one hand, and terrorists on the other. For example, the 2011 Bahrain F1 Grand Prix was postponed and later cancelled due to civil unrest and pro-democracy protests. Militarized zones are often used to secure mega-events, but lead to the dispersal of unrest and terrorist activities to other regions, such as terrorist attacks in the Xinjiang province in China in the lead up to the Beijing Olympics and the Volgograd bombings in Russia ahead of the Sochi Winter Olympics. The award of mega-events to countries with poor human rights records and weak state institutions is another problematic trend in terms of the risks facing event organizers and transnational sporting authorities. Human rights abuses associated with preparations for the specific event represent a major headache for bodies such as the IOC and FIFA who are often left defending the indefensible.

Growth in the mega-event industry and its movement into emerging markets has left it facing an array of new and often poorly understood dangers. Over the next ten years, the world's largest events – the Olympic Games and the FIFA World Cup will be held in a number of emerging economies – in Brazil, Russia and Qatar (and in recent years major events have been staged in Russia, China, South Africa and India) – against a backdrop of fast-changing global risks. The shift towards emerging markets offers exciting opportunities for major sports events to reach new audiences. They also, however, present serious problems in terms of their governance and spiralling financial and human costs that are interlinked with the selection of host cities and countries with limited physical and state infrastructure, weakly regulated markets and poor records in human rights.

Questioning the sustainability of mega-events is therefore not just about their complexity, financial costs and social consequences. They also raise questions about the sustainability of risk management and regulatory approaches that are challenged by the complexities of these events. More generally, mega-events risk long-term damage to their brand not just due to questionable conditions in host countries. The legitimacy crisis engulfing organizations such as FIFA and the IOC illustrates problems with self-regulation and autonomy. For how much longer these institutions can withstand calls for extensive governance reforms without damaging their branded mega-events remains an open question.

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Introducing TransCrisis

Arjen Boin and **Martin Lodge** introduce the new international research programme on transboundary crisis management capacity in the European Union

Why study transboundary crisis management capacity?

The global financial crisis put the European Union through one of the deepest crises in its existence. The EU-response drew sharp criticism in many member states. It undermined support for the euro, eroded solidarity within the Union, and, perhaps most importantly, cast a negative spell on further integration efforts. It provided the basis for broad Euro-sceptic mobilization in the 2014 European Parliament election. While the need for co-operation, if not further integration in the face of future threats, is higher than ever, the response to the financial crisis has made clear just how big that challenge is.

The financial crisis and its aftermath exposed acute and salient shortcomings in the EU's joint capacities to address transboundary threats. National and transnational regulatory regimes failed to respond to warning signals, political institutions appeared ill-prepared to act within the constraints of multi-level and volatile environments, and political leaders in EU institutions and member states found it hard to communicate effectively with the public at large. Co-ordinating national responses proved difficult; developing a coherent EU-level response all but impossible.

The underwhelming response to the financial crisis fuelled disagreement among member states about the degree and type of 'more' Europe. In response to its perceived underperformance, the EU has initiated many changes. The emerging post-crisis institutions (rule-based approaches to public finances, such as budgetary surveillance, or approaches to the banking union) reveal a growth of executive power (especially the European Council and the European Central Bank (ECB). Yet, these reforms have not helped the EU to re-gain citizens' trust in its practices, institutions and leaders. The irony is that the EU's declining legitimacy is at least partially related to the perceived failures to administer growing powers (often granted in the wake of crises).

But the EU needs enhanced crisis management capacities, perhaps more than ever before. The transboundary nature of European policy domains makes transboundary threats and crises ever more likely to occur in a wide variety of policy sectors. Indeed, the EU has seen a series of transboundary crises in recent years, from Chernobyl to BSE (mad cow disease) and further food crises (such as the 'horsemeat' re-labelling scandal); from the SARS threat to the Dioxin food scandals in Belgium and Germany; from terrorist threats to the Icelandic volcanic ash crisis. The global financial crisis exemplifies the transboundary nature of modern threats.

The future is likely to bring more such crises as climate change and cyber threats have entered the picture. Indeed, this state of uncertainty, volatility and vulnerability has been termed 'the new normal'. The nation state cannot deal with such threats by itself. Modern threats do not recognize or respect geographical, legal, institutional and policy borders. As they escalate quickly across various domains, they leave national administrations impotent. Interdependence among member states and resultant co-ordination challenges mean that the EU can play a meaningful role in facilitating shared action in the face of transboundary crises.

Building a new transboundary crisis management system, which is both effective and legitimate, is therefore one of the big challenges for Europe. We define a crisis as a situation in which a widely perceived threat compels authorities to initiate an urgent response under conditions of collective stress and deep uncertainty. A transboundary crisis plays out across political and administrative levels of a system, threatening the functioning of geographically dispersed critical systems.

The context of EU transboundary crisis management

The TransCrisis project offers a unique framework for assessing crisis management capacities and the various multi-level constellations in which they can be configured. It will offer a way to assess crisis leadership in the Union and will suggest strategies that will enhance European capacities to meet future threats.

The TransCrisis project will study what crisis management capacities the EU has and how political leaders have made use of these capacities. Our analysis will play out along three dimensions:

1. The crisis management capacity of EU institutions (including Commission, Council, EU agencies and the European Parliament).
2. The capacity of individual political leaders to effectively and legitimately employ these institutional resources in concert.

3. The interaction across levels: between the EU level and efforts at the national level.

More specifically, the TransCrisis project will investigate (1) what institutional, administrative and political capacities are needed to fulfil crisis management functions; (2) how leaders should use these capacities in times of crisis; (3) what constraints need to be taken into account when employing these capacities; and (4) what can be done to enhance effective and legitimate transboundary crisis management.

The first question pertains to what political leaders need to fulfil critical crisis tasks. What is needed to detect impending threats (think of ICT instruments of information-sharing protocols)? How can leaders make sense of a complex crisis (which analytical units in the EU can make a difference here)? What do political leaders need to enable a truly joint response (what co-ordinative bodies can play a role)? How can EU leaders assess the potential electoral backlash of their (often technical) responses?

The second question points to political and administrative leadership in times of crisis. TransCrisis looks at the way in which leaders across different levels of governing interact with each other to initiate and coordinate a joint response to a shared threat. It includes elected leaders (at the national and EU-level) and non-elected leaders (i.e. those located at the European Commission, and at regulatory and other agencies). The study analyses how political leadership can be exercised to identify challenges and crisis, to make decisions, to gather support, and to ensure that 'things happen' whilst being sensitive to historical and cultural differences. It studies the consequences of leaders' performances on the legitimacy of political systems and their core institutions. Such a focus has become more pertinent as the financial crisis revealed a reluctance of various national leaders to 'own' crisis responses in public, thereby straining relationships between and within institutions of the EU, and between the EU and member states. In short, we want to know how political leaders can and do work together within the dispersed EU multi-level system that constrains and enables trans-boundary crisis management.

This third question reflects on the constraints on transboundary crisis management. One such constraint is the deep tension between decentralized, specialized governance and co-ordinated synoptic governance modes. Political leadership in the EU governance context takes place in settings of dispersed authority (horizontally at any level of government, and vertically across different levels of government). This means that leadership is inherently about mediation and negotiation by elected and non-elected leaders rather than the exercise of hierarchy. Our project therefore will reflect an appreciation of the varied ways in which EU institutions exercise their own crisis management mechanisms, mediate with each other and, how national administrations interact with and are informed by EU-level decisions.

Another constraint stems from persistent fiscal constraints, accentuated by emerging pressures such as demographic and climate change. The financial 'slack' and political appetite to reflect on and finance planning for the future and investment has vanished. The financial crisis has changed EU politics into one of high salience and one that has potential redistributive effects across member states. This, in turn, has increased the reluctance of some national governments to engage in EU-wide crisis responses.

Yet another constraint is found in the re-nationalization of politics, which makes it more problematic to gather political support for transboundary solutions. During the financial crisis, national leaders were only too ready to practise 'blame avoidance' and easily shifted blame onto the EU, even though, behind closed doors, they may have advocated the very same solutions they were criticising in public. There has been a worrying growth in contestation about the direction of European integration which has moved (degrees of) euro-scepticism from the political fringe to the political mainstream, including parties in national government. More generally, this trend has also led to a wider debate about the problem-solving capacities of the modern state.

The fourth question focuses on the observed backlash or 'backsliding' following EU crisis management. If we take into consideration that the EU was not built to manage crises, it is quite remarkable what the EU has accomplished in recent years. But effectiveness does not automatically translate into recognition and support. Many politicians and citizens have blamed EU responses to the financial crisis for the economic health of their countries. This sentiment, in turn, has translated into a widespread resentment against the European project. It is therefore crucial that political leaders develop an understanding of the negative consequences of their crisis management strategies (even those that are considered functionally effective).

Taken together, TransCrisis will offer a framework for understanding, analysing and assessing political leadership in response to transboundary crises. It offers a way to analyse what may be said to have gone right or wrong during a transboundary crisis while taking account of the difficult circumstances in which crisis leadership is exercised; it will help assess existing tools and processes that have not been tested by actual crises.

TransCrisis will develop our understanding of political leadership in a context of paradox: the increasing realization of the transboundary nature of crises is met by an increasing re-nationalization of political discourse that denies the EU a legitimate role in addressing overall crisis management capacity. It is this context of paradox that makes TransCrisis a highly pertinent project that addresses not just important academic debates, but that also develops understanding of the most important aspects of contemporary governing, and, ultimately, legitimacy.

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The TransCrisis project (full name: Enhancing the EU's Trans-boundary Crisis Management Capacities: Strategies for Multi-Level Leadership) is a three-year project funded by the European Union under the Horizon2020 programme.

carr is the co-ordination partner in this network of eight organizations. Other partners involve: Crisisplan (Arjen Boin), the University of Utrecht (Femke van Esch), Central European University (Nick Sitter), Institut Barcelona d'Estudis Internacionals (IBEI, Jacint Jordana), University of Catania (Fulvio Attina), University of Stockholm (Mark Rhinard)and ThinkTank Europa (Maja Rasmussen). Future editions of risk & regulation will report on individual research activities and events.

More information can be found under the project website www.transcrisis.eu.

Can safe spaces contribute to business regulation?

Julien Etienne considers why safe spaces require special attention

To achieve their objectives, regulators are dependent on the goodwill of those they regulate. That is particularly true of regulators' need of information about business practices. Businesses generate information and hold information. Regulators regularly request information, but whether they are ever fully, or even in part, successful in receiving relevant information, is more questionable.

In financially less austere times, intensive and frequent inspections added insights to regulators' pool of knowledge. However, in times of shrinking public finances in general, and of regulatory budgets in particular, regulating business practices is proving increasingly difficult as the frequency and intensity of inspections is reduced. The ability to gather information has decreased considerably, while the need for information has most certainly not done so. In fact, the globalization of supply chains has transformed the scale and complexity of the issues business regulators are mandated to address, making it more difficult for them to 'read' any particular situation. Meanwhile, whatever promises the 'information age', and notably 'big data', might hold for easing the job of government, they are yet to materialize.

Beyond inspections, there are not many alternative ways for regulators to collect information. Whistleblowing is often put forward as a viable alternative. However, while useful knowledge may occasionally emerge, whistleblowing is far from a panacea. Indeed, many regulators look at third-party complaints with suspicion since these may emerge for a variety of reasons, reflecting disgruntlement, personal biases or overall hostility to the regulated activity rather than relevant information about systemic wrongdoing. More generally, complaints are resource consuming as claims have to be investigated and verified.

Regulators have been seeking ways to alter the incentives for businesses to share information. One proposal is to establish so-called safe spaces. The idea of a safe space refers to a set of conditions that facilitates business interaction with other businesses and with regulators, without fearing any potential subsequent repercussions. Only few examples of such shared spaces exist. They tend to be short-lived, or perform unevenly over time. However, some examples of institutionalized and stabilized safe spaces do exist, such as in the civil nuclear industry in the United States and in civil aviation. However, these represent exceptions to the rule: safe spaces for businesses do not appear to work terribly well.

The study of safe spaces in the chemical and oil (onshore) industries has shed some light on potential causes for this pattern. In these two sectors, various forums, where membership is either exclusively industry-based, or allows some regulatory involvement, have been established to exchange incident data. Such incident data is useful to businesses operating with highly hazardous products and processes as they are seen as a good source for revealing unknown or unaddressed weaknesses. By responding appropriately to these sources of information, businesses may avoid catastrophic accidents and contribute to the overall safety of the sector as a whole. Incident data is also useful for regulators. It provides information, and it offers indications as to whether enforceable violations have been committed.

In the UK, a few safe spaces have been in operation in the chemical and oil sectors. They have worked without highly formalized rules with meetings generally being hosted and led by a representative of a trade association. Third parties do not attend these meetings, and various, mostly informal measures, have been taken to protect those providing information from potential adverse commercial or regulatory enforcement-related consequences.

Listening to participants in these forums, it becomes quickly apparent how institutionally constrained they are. They operate in a context that emphasizes the demands for transparency, accountability, and fair competition. These demands are directly contradicted, if not violated by discussions within the safe spaces. In that sense, safe spaces are anti-institutional. One might even want to call them 'deviant'. Their organisers – mostly trade associations, but also, at times, regulators – have to take various steps to circumvent those requirements that would put at risk the immunity of those who share information in confidence. For instance, Freedom of Information requirements can be circumvented by exemptions or other measures. Organizers of industry-exclusive safe spaces also have to ensure that they are not exposing themselves to accusations of engaging in anti-competitive practices. After all, safe spaces effectively enable behind-closed-doors information sharing among firms operating in the same market.

It is unsurprising that the safe space 'practice' is disputed and that incident sharing in closed meetings is viewed in very different ways by insiders and outsiders. Participants, safety managers and regulators, share information for a purpose they believe in ('safety') and do not regard this information exchange as 'guilty knowledge'. Their colleagues within their organizations may have a very different interpretation. In business organizations, for example, 'lawyers' are worried about information sharing as this might damage a firm's reputation. They will therefore seek to constrain the scope and level of information sharing. In regulatory organizations, those with an enforcement-driven mindset are usually opposed to the guaranteed amnesties that are offered to businesses in order to make them share informa-

tion about breaches and failures.

The hostile environment explains why there have been so few safe spaces for business, and why the few examples that do exist have performed so poorly.

There are, however, further factors that have undermined the effectiveness of safe spaces. One of them is industry structure. Safe spaces are likely to work best in homogenous industry sectors which are characterized by stable technologies and a relatively limited number of players (exactly the conditions which facilitate cartel-building). In the chemical industry, chlorine production is one such area. The main players in this sector developed a reputation for successfully sharing incident knowledge in the 1980s. This led to considerable gains in reliability. Yet, since the 1990s, the dynamic, global and financialized nature of the chemicals industry has led to industry fragmentation. This dynamic has also undermined the standing of individuals within businesses who would be keen to exchange incident data with their peers.

Another set of difficulties emerges from the variety of motives and levels of commitment that industry representatives bring to safe spaces. Many scholars have seen a 'new industrial morality' spreading across the chemical industry after major accidents in the mid-1980s, notably to shape (and be shaped by) the Responsible Care programme. Arguably, that should be a crucial ingredient for effective sharing of incident data. Yet participants at Responsible Care meetings (a key safe space for chemical firms) appeared to have mixed motives, not all of which could be described as a form of morality. Indeed, many would come to these meetings to ensure a level playing field is maintained between competitors. Others might refuse to share information because they see their knowledge on what may cause incidents and how to mitigate them as a commercial advantage. The amount and quality of information sharing may vary considerably between firms or regional meetings, or from one period of time to another.

As a result, information might not so much 'flow' from safe spaces to regulators, but come in irregular bursts of highly variable quality and interest. Even if regulators were obtaining useful information, they would find it difficult to act decisively on it, as this would inevitably lead to an instant drying-up of the source. In Responsible Care meetings, for instance, discussions in the regulator's presence would be held under the Chatham House Rule, preventing the regulator's representative from using the information for targeted enforcement actions. Inspectors who do not abide by this unwritten rule would lose access to these discussions for themselves or their colleagues.

Does a record of short-lived experiments or ineffective information sharing mean that safe spaces present no significant benefits? Not quite. Even if safe spaces are not terribly good at facilitating information flows, they still may hold the key to incremental improvements in industry practices. By getting business representatives to discuss failures and misconduct in meetings with peers and regulators, safe spaces may change perceptions and trigger useful innovations elsewhere. There is certainly scope for progress in the business world. Indeed, businesses, either individually or collectively, have not been getting visibly better at resolving fraud or hazard. The expression 'self-regulation' has also come to sound hollow as major cases of business failure or misconduct have unfolded over the past few years. Arguably, safe spaces could help improve the prospects of self-regulation, notably because trade associations have a key role to play in making safe spaces work. By supporting safe spaces, regulators may be able to strengthen the authority of trade associations over their members, a condition identified as crucial to industry self-regulation in previous studies (Rees 1994).

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Encouraging regulatory conversations

Julia Black and **Martin Lodge** highlight how the Regulators' Forum offers a unique setting for the discussion of regulatory experiences

One of the key characteristics of the so-called age of the regulatory state is the growth in prominence and number of regulatory agencies, in the UK, EU member states and internationally. Much has been written about the growing European networks of regulatory bodies and competition authorities, arrangements governing concurrency and the co-operation among those regulators tasked with utility and competition-related portfolios. However, these economic regulators are just one side of the story. There has been, as yet, hardly any endeavour to bring together those regulators in the UK whose primary responsibilities relate to the inspection of quality and safety standards. This absence is even more surprising given the considerable importance of these regulatory activities for economic and social life.

This gap was one of the main motivations for establishing the Regulators' Forum. Since June 2014, **carr** has held a series of meetings on cross-cutting themes during which a variety of regulators considered experiences and challenges. These meetings were held under the Chatham House rule to provide for a 'safe space' in order to support frank and free exchanges without fear of unwelcome reprisals or publicity. The Regulators' Forum therefore represents an experimental venue to to encourage the exchange of knowledge, not just between practitioners, but also between **carr**-based researchers and the world of practice. Such a setting requires trust, interest and a spirit of curiosity in order to encourage free and frank exchanges. A different setting, one dominated by a concern for organizational reputation, would quickly descend to the performance of highly stylised 'best practice' presentations and rehearsals of well sounding stock phrases from the 'better regulation' dictionary.

Over the past year, the Regulators' Forum has covered a variety of themes. These include:

- enforcement and inspection, especially the experience with risk-based regulation, the use of complaints and other alternative information gathering devices, and different ways of conducting inspections;
- emerging risks, particularly how regulators seek to monitor changing market structures and behaviours and how regulatory organizations adapt to identify and adjust to emerging risks;
- regulatory performance, in particular in relation to how regulators know whether and how interventions achieve intended outcomes and behaviours and on what basis performance should be evaluated in the light of the expectations from different constituencies.
- regulatory failure, specially in the view of developing structures to respond effectively to events and crises;
- transboundary issues, in particular in relation to the experiences in other jurisdictions, whether in terms of devolved jurisdictions, fellow EU or non-EU jurisdictions, or in terms of jurisdictional overlap and intergovernmental relations, especially with regards to EU institutions.
- stakeholder engagement, especially in light of widespread interest in alternative ways in which to engage diverse stakeholders in the decision making of regulators.

What kind of lessons can be drawn from these conversations and discussions?

One key insight has been that there is a genuine appetite for knowledge exchange among regulatory bodies that until now have not had the opportunity to exchange experiences and perspectives. Regulators struggle with similar problems. Such problems refer, for example, to questions regarding the operation of risk-based regulation in the light of various pressures, the ways in which regulatory organizations seek to identify changes in business behaviour or responses to new technological applications, or the different means through which regulators engage with other bodies at the national and the EU level. Similarly, regulators share an interest in moving towards outcome-based regulation. However, the implementation of such an approach faces problems as both regulators and regulated prefer the comfortable certainties of checklists. Regulators usually depend on shared responsibilities, therefore requiring cooperation when it comes, for example, to information exchange. Regula-

tory attention might be dominated by sector-specific dynamics, but concerns and problems are widely shared. For instance, some regulators may have suffered more high profile incidents and failures than others. However, at the core of all regulatory activity is a concern about the consequences and limitations of regulatory interventions, especially in the context of changing technologies, diversifying market participants and depleted public finances. One key shared insight emerging from the Regulators' Forum has been, for example, a preference for themed inspections. These are inspections that focus on particular business activities, and that are aimed at generating a constructive relationship between regulatory authority and industry.

A second insight is a greater appreciation of the variety of contextual conditions under which regulators operate. Some regulators can rely on well established relationships with their regulated industry which facilitates exchanges of information, a shared interest in identifying emerging risks and in learning lessons. Some regulators benefit from close relationships with their industry associations, others face regulated industries which might not always be considered as well intentioned. Some regulators have a clearly identifiable set of constituencies, others are faced with highly diverse regulated populations. Some regulators depend on third parties for information and/or on information that can hardly qualify as 'real time'. Some regulators can rely on 'hard' data (of varying degrees of gameability), others have to rely on the often diverse judgement calls by inspectors. Equally, while regulators report similar approaches towards the identification of emerging risks, the source of these risks varies greatly, ranging from those due to changing technologies, changing business models, societal expectations, and those to wider politico-legal changes, which are often unrelated to the primary activities of the regulator. Such variety of contextual conditions calls for more reflective debates about the utility and application of regulatory instruments across regulatory bodies, for example risk-based regulation.

The third insight relates to the nature of 'knowledge exchange' itself. Ideas such as 'impact' and 'knowledge exchange' are highly popular with government departments, funding agencies and university managers alike. What then can be said about the 'value added' of the Regulators' Forum? Knowledge exchange is about bringing together the worlds of practice and of research. The Regulators' Forum has established itself as a key venue for exchange among UK practitioners in regulation, with a growing number of members from an increasingly diverse set of regulatory bodies. Such exchanges are unlikely to deliver immediate changes in practices. However, if regulation is about learning about the impact and limitations of particular regulatory interventions, about facilitating reflection on the possibilities and limitations of particular approaches, and the ways in which problems are being tackled, then knowledge exchange represents a diffused model of information dissemination.

Furthermore, knowledge exchange opportunities, such as the Regulators' Forum, have a distinct advantage for academic research into regulation. **carr** has always prided itself for conducting substantively important, public-minded research. Learning from the challenges faced by diverse regulators, and confronting academic debates with the experiences of regulators offers the space for a greater appreciation of the 'real' world of regulation. At the same time, it provides a privileged venue to challenge regulators with findings and theoretical assumptions. Finally, the Regulators' Forum also tells us something about 'good regulation' – this 'good regulation' is about the appreciation and careful application of regulatory interventions and not about the search for the latest regulatory fashions. It is about realising the potentially asymmetric costs and benefits of regulation affecting some businesses and societal actors rather than others. In short, in an age of budgetary squeezes and general hostility towards regulation, the Regulators' Forum offers the opportunity to develop a greater appreciation of the experiences of regulators, especially in terms of learning from the successes and limitations of regulatory activities.

The Regulators' Forum is supported by LSE's HEIF 5 knowledge exchange financial support scheme. Further information on the individual themes of the Regulators' Forum as well as web-videos on particular sessions can be found on the **carr** website.

Julia Black is a **carr** Research Associate, Professor of Law and Pro-Director for Research at the LSE. **Martin Lodge** is **carr** Director. They co-chair the Regulators' Forum.

Regulating the risk university

Roger King considers options for English higher education

Following the UK general election in May 2015, where should a new government focus its attention in considering policies for higher education in England? Some view will have to be taken without too much delay: the previous Coalition Government found it impossible to implement a planned piece of primary legislation to provide a new regulatory architecture for higher education to accompany its market reforms for England, partly to spare Liberal Democratic embarrassment over its tuition fee volte-face. The key issue will be over the line to be drawn between advancing institutional freedoms in line with market reforms, and yet regulating to protect the public interest by constraining such autonomies.

It should be noted, however, that higher education is a devolved matter in the UK; Scotland, Wales and Northern Ireland have eschewed many of the policies established by the UK Government for England, especially in their reluctance to follow marketization and student-fees policies. Moreover, universities are also subject to international flows of students becoming more competitive between countries and the constraints on fees that they are able to charge. Nonetheless, as predominantly status-seeking bodies, high reputation seems able to trump price signals for many elite institutions.

The context for all political parties is a further dilemma; universities have become increasingly accountable to a range of stakeholders for their performance and management of taxpayers' and other funds. There is intense media interest these days in what universities are doing, reinforced by regular publication of various national and global 'league tables' of university performance (or, really, their comparative reputations). As a result, the so-called 'risk university' is actually in danger of becoming the 'risk averse university'.

The 'risk university' may be regarded as exhibiting four key characteristics. Firstly, it corporately regards entrepreneurial risk taking as a potential source of value as well as hazard in its status and economic competition with other similarly located universities. Secondly, the university is increasingly subject to risk, not only as a result of increased marketization and often declining per capita public funding, but also to its organizational reputation through external – often media-amplified – evaluations by standards setters, such as those found in national and global university rankings, professional accreditation processes, and the activities of quality assurance agencies and other regulators. Thirdly, the university is increasingly required to introduce risk management models as a key issue of corporate governance, in part as a response to a rise in external threats (national and global), and also as a result of encouragement by regulators (such as the Higher Education Funding Council for England). Finally, in some countries, the university is increasingly subject to the introduction of risk-based regulatory approaches by government-supported quality assurance and funding bodies. Operating with broadly deregulatory objectives in mind, these regulators focus selectively on those institutions judged to offer the most risk to themselves and to the system overall. They thus exercise diminishing regulatory attention on the majority of perceived low-risk providers.

Some governments, especially those on the centre-right, tend to see not only ever increasing accountability demands on universities as blunting their risk appetites and entrepreneurial zeal, but also regard the type of accountability as a problem. Although accountability and transparency have been triumphant regulatory principles in recent years around the globe, there is no universal agreement on how these should be exercised. While lawyers often regard accountability as constituted by the processes of legal enforcement, and theorists of democracy and organization see them as best exercised through electoral and other forms of political participation, plus through hierarchical authority, neo-liberal and market policy reformers feel that such processes generally within societies have gone too far and threaten risk-taking. Rather, universities like other organizations, are best held accountable in this view through the disciplines arising from the multitude of well informed individual consumer decisions found in competitive markets (not by bureaucratic rule making).

Nonetheless, as with other sectors, higher education systems are generally characterized by 'regulatory regimes', in which a combination of self-governance, external state regulation, and the impacts of competitive markets all play a role. Individual academic freedom or autonomy is seen in some systems (such as the UK) as best protected by institutional autonomy, including universities' economic independence, while elsewhere, such as continental Europe, there has been a long tradition of seeing the state as the guarantor of individual autonomy –with the university as a collective actor rather more poorly placed and weaker in this regard.

In the search for innovation and global competitiveness, ministers have been concerned that red tape and constant public rebuttal and promotion results in universities recoiling from taking any risks at all and falling behind other countries. A strong domain assumption in political culture – not least in the so-called West – has been that scientific progress and innovation relies on the freedom and creativity (including the capacity to refute and test accepted truths) of universities.

Of course, personal autonomies in universities enjoyed by academics increasingly been overshadowed by increased organizational identity and freedom. The state (as principal) steadily has devolved more organizational autonomy to universities (agents) in many countries as part of a new modality of strengthened control. In this view, the local knowledge possessed by institutions is beyond the capacity of governments.

Consequently, universities can exercise more effective internal control over their staff than can governments, provided, of course, that they develop the managerial and other capacities to enable them to do so. Institutions have become incentivized to accept new corporate structures through law, markets and competitive status rivalry. Autonomy has become a means of control rather than a route to evading it.

Nonetheless, does the higher education sector in England need more regulation or less; or more institutional autonomy and less external political constraint? Two cases – charitable status and tuition fee levels – show that the answer is not necessarily the same for all circumstances. Charitable status for nearly all established universities and colleges not only provides tax advantages in comparison with other, non-charitable, corporatized entities (although gradually these are being eroded on such issues as VAT) but underlines the essentially public purpose of education. Recent reform proposals by ministers in Wales go so far as using charitable status to define the legitimacy of higher education providers for the purposes of public funding, regulation, and the freedom to operate (thus essentially excluding private for-profit entities).

In England, however, recent market reforms suggest that the next logical step for at least some institutions would be to dispense with charitable status altogether, not least as this prevents the raising of equity investment by issuing shares. Although most universities in England are perceived as private bodies, they do not have the full rights of private ownership enjoyed by commercial companies (such as the ability to disband themselves). This hampers one possible solution to the prospect of more institutional failures under a more marketized system – takeovers or mergers between for-profit commercial education providers and established universities and colleges.

New legislation should give higher education corporations the power to dissolve themselves, or to adopt through Board decision, another corporate form, such as a company limited by shares or a public limited company (plc). Nor is there any reason why most of the pre-1992 universities should be required to go to the Privy Council whenever they wish to change their constitutions.

An area, however, where further freedoms to institutions should be moderated by regulation is around student finance and tuition fee levels. A number of 'high branded' universities especially have called for governmental caps on domestic undergraduate fee levels to be eliminated, thus allowing market forces greater play while providing increased resources to allow continued excellence and global competitiveness. Yet the comparison with the freedoms enjoyed by the private commercial sector in setting prices is not valid here.

Universities are not simply recruiting student consumers as happens in pure retail markets. They are doing so in the context of a publicly funded student loan system. This confers enormous market power on institutions – a power that requires the retention of tuition fee caps.

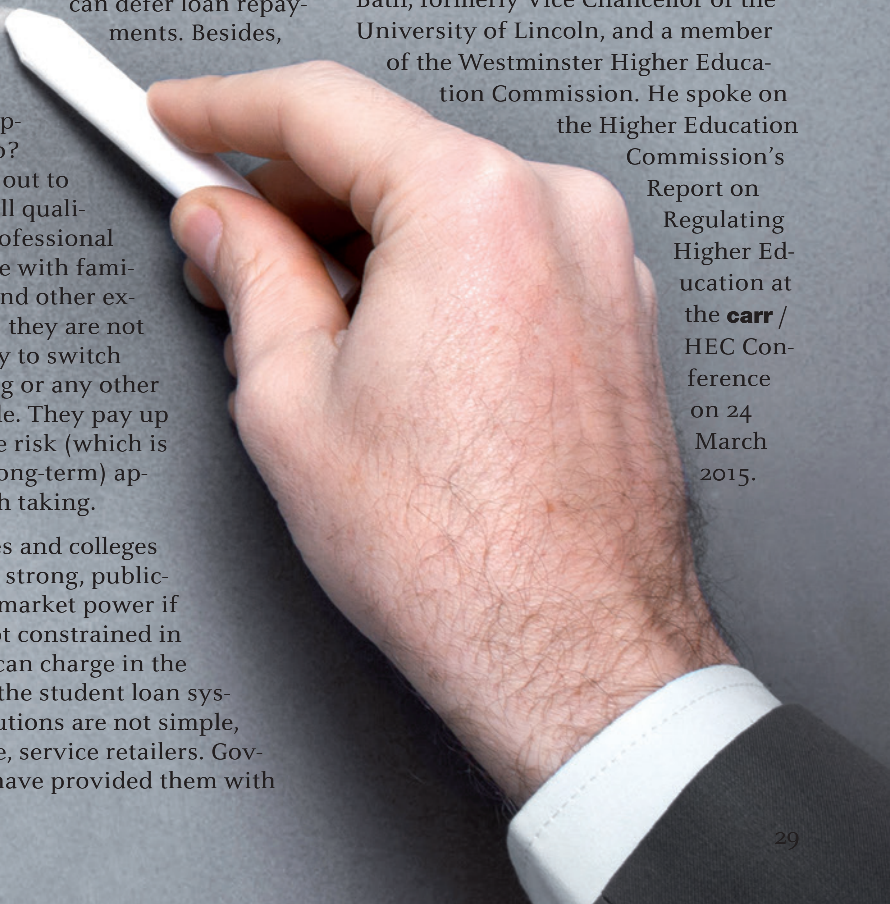
The student loan system allows students, who generally lack the financial resources at the time of enrolment to pay up-front fees, to defer payments until later in life when they can better afford them (or not to pay if earnings are too low under the scheme). Higher fees tend not to defer demand – students, even if they are from quite poor backgrounds, pay them because they can defer loan repayments. Besides, what else are they supposed to do? Having set out to become well qualified in a professional area (in line with family, school and other expectations) they are not going easily to switch to plumbing or any other skilled trade. They pay up because the risk (which is relatively long-term) appears worth taking.

Universities and colleges are given a strong, publicly funded, market power if they are not constrained in what they can charge in the context of the student loan system. Institutions are not simple, stand-alone, service retailers. Governments have provided them with a monopoly-type advantage through the provision of student loans which follow an admission decision rather than a credit-checking one (in comparison with most other loans).

Moreover, institutions sell positional goods which means that most have to follow price leaders to maintain their reputation (and their finances). Market competition – making institutions honest on prices – hardly comes into it. Governmental controls on tuition fee levels should stay in place for some time yet.

This is an argument to maintain price regulation to protect students, not necessarily to reduce (rising) levels of public expenditure on the student loan system. The sustainability of the student loan system has been questioned but we cannot be sure how high will be levels of student non-repayment in thirty years time at this stage. But we should recognize that student loans are different from most other credit arrangements. The system is designed to permit non-repayment, not least on grounds of social access and career earnings, and to share some of the risk of paying to go to university or college between taxpayer and student. Maintaining the regulation of tuition price levels provides an example of defensible controls over universities that can be justified as being in the public interest.

Roger King is Visiting Professor at the School of Management, University of Bath, formerly Vice Chancellor of the University of Lincoln, and a member of the Westminster Higher Education Commission. He spoke on the Higher Education Commission's Report on Regulating Higher Education at the **carr** / HEC Conference on 24 March 2015.



The UK Statistics Authority: Voice, brand and behaviour

It's regulation, but not as you know it, says **Ed Humpherson**

Pick up a typical speech by a British politician in 2015. You're likely to find statistics very prominently used: to frame the arguments; to drive home the case; to explain why these policies are both necessary and superior to others. This isn't a phenomenon particular to any one political party. It's common to most political speeches, from the leader of the Opposition and the First Minister of Scotland to the Prime Minister and Deputy Prime Minister.

Nor is this adherence to the use of statistics a phenomenon isolated to the rarified world of political debate. We live in a society that attaches huge importance to numbers, facts and data. As the Data Manifesto of the Royal Statistical Society said in autumn 2014:

'What steam was to the 19th century, and oil has been to the 20th, data is to the 21st. It's the driver of prosperity, the revolutionary resource that is transforming the nature of economic activity, the capability that differentiates successful from unsuccessful societies.'

The enthusiasm for data and statistics led Hal Varian, Google's chief economist, to assert that being a statistician is the sexiest profession of the 21st century. This early 21st century world is the world of ubiquitous data, Open Data, Big Data – all available and waiting for the adept statistician (rebranded, of course, as 'data scientist') to exploit, just like reservoirs of crude oil sitting under the Texas dust at the start of the 20th century.

Into this world, the UK Statistics Authority pitches its work. This article explains the drivers of the Authority's work, and to answer the question as to why, given the very limited tools available to the Authority, we have been able to wield increasing influence.

The Authority was established in 2008 under the Statistics and Registration Service Act, against a backdrop of declining trust in official statistics and a desire for greater independence of statisticians in Government. We have always enjoyed cross-party political support, particularly through the Public Administration Select Committee, which has held a series of enquiries devoted to ensuring that statistics produced by Government continue to meet the highest standards and maintain their relevance in a changing world.

The Authority's primary statutory objective is to 'promote and safeguard the production and publication of official statistics that serve the public good'. We deliver this aim through two principal functions. Firstly, through our executive arm, the Office for National Statistics (ONS), we are responsible for overseeing the production of many of the main statistics produced in the UK – for example, the size of the population and the economy, unemployment and prices. But the ONS is not the only producer of statistics – there is a whole range of Government departments producing statistics across the countries of the UK – on health; taxes and benefits; transport; and so on. As a result, the Authority ensures statistics serve the public good through its second function: overseeing statistics across the UK – ensuring the statistics comply with the statutory Code of Practice for Official Statistics. This second role is akin to a regulatory function and is the focus of this article.

Our regulatory function has three main tasks:

- Assessing statistics against the Code of Practice for Official Statistics, leading to designation as a National Statistic
- Monitoring issues with the quality and use of statistics across the statistical system
- Public interventions surrounding the use of statistics

This is an intriguing regulatory function by the standards of regulators of business or professional life. We have only limited tools at our disposal. We cannot fine anyone; we cannot prohibit anyone, either within or outside Government, from producing or using statistics; and we are relatively small, with a budget of around £1.5 million. In effect, all we can do is award or remove the designation of statistics as 'National Statistics'; and express a view publicly about the quality and use of statistics. And yet we do not suffer from a lack of influence. How have we done this? Through a rigorous focus on voice, on brand, and on behaviour change.

Firstly, voice. Our ability to express a view publicly on the use of statistics is powerful. Government departments, politicians and others don't want public criticism from the Authority. The Authority's voice, akin in some

ways to the name-and-shame tool used effectively by regulators in other contexts, seems to be a powerful incentive mechanism. Our voice has led Government departments to strive to improve the rigour with which they handle data and statistics. This was true right from the outset of the Authority in 2008, when our criticisms of how figures on knife crime were used led to changes in the Home Office's approach to data and statistics.

Secondly, brand. The Act gave the Authority the power to confer the status of 'National Statistic' on those statistics that comply fully with the Code of Practice. And from its creation, the Authority did so with real gusto – in a massive programme of assessment, it confirmed the National Statistics status for around 1,000 separate statistical series between 2008 and 2013.

Since we completed this huge endeavour of assessment, we have increasingly focused on National Statistics as a brand, rather than simply starting again to reassess all 1,000 statistics. We are clear that National Statistic status means that the statistics are trustworthy, high quality and valuable. Where they meet these criteria, we celebrate them, through our speeches, presentations, and public letters. Where they do not, we are quick to remove the designation – as we did for example in 2014 for statistics on recording of crime by the police in England and Wales. We act promptly and firmly not because we want to weaken trust in statistics. Instead, we want to show the world that the statistics are trustworthy, literally worth trusting, and that we should respond to anything that detracts from that trustworthiness. In the long term, trust is likely to be raised as a result of raising standards, not by sweeping problems under the carpet.

Our third key tool involves being clear on the change in behaviour we want to secure. We focus on two key groups: firstly, the statisticians who produce statistics; and secondly, all those who use them in the public domain.

For the statisticians, the behaviour change we want is to see National Statistics as a system, not isolated, incoherent sets of numbers. The statistics should serve the needs of users; and not just come off a production line. Statisticians are at their best not when they just produce numbers and pump them out, but when they add value, provide insight, paint a picture – explain what the statistics mean.

A good example of this focus was our extensive review of statistics on income and earnings, which was published in February 2015. It highlighted the plethora of different measures of income and earnings, and how this could cause confusion – especially pertinent given the prominence of debates about living standards in the UK in the run-up to the May 2015 general election. We recommended a much greater focus by statisticians on creating an integrated, coherent overall picture of income and earnings, and making their statistics much more accessible – because coherent and accessible statistics clearly serve the public good.

The second group is those who use statistics in public debate. Statistics are the lifeblood of political communication – a building block of democracy. I have already mentioned the power of voicing our concerns in public. Recognizing this power of voice, we are judicious in the way we use it. We are clear that we don't police all political speech – that would be overweening and undemocratic. Instead, we focus rigorously on the use of statistics in the public domain. We seek to protect the value of official statistics; we want statistics to be cherished and used appropriately.

So in the last year we have written publicly about the use of statistics by the leaders and senior spokespeople of most of the main parties, and others (including in one case voluntary sector organizations); have defended statisticians from political criticism; and have clarified how best to describe issues such as the difference between the annual deficit and the National Debt (a perennial source of confusion, apparently), the extent of zero-hours contracts in the economy, and the comparability of accident and emergency waiting time measures across the UK. All these interventions, and many more, are available on the correspondence page of our website <http://www.statisticsauthority.gov.uk>.

We live in a world that attaches increasing importance to the power of data. From the millenarian cult of Big Data to the typical political speech, data and statistics are seen as a central driver of understanding and change. In this environment, the sober voice of the UK Statistics Authority is essential. We use our voice, our brand and our focus on behaviour to enhance the trust, quality and value of statistics.

Let me close with two final calls to action. If you see concerns about the use of statistics, let us know. But more importantly, if you are using official statistics yourself, use them wisely.

Ed Humpherson is the Director General for Regulation at the UK Statistics Authority. He is also **carr** Visiting Fellow.

carr news

carr news

We welcome Kavita Patel to **carr**. Kavita is project manager for the Horizon2020-funded TransCrisis project.

Madalina Busuioc has been appointed as Lecturer in Politics at the University of Exeter. Madalina has been a wonderful colleague, contributing significantly to the life of **carr**, especially with the running of our doctoral student workshop.

Two of our research students, Eva Heims and Irina Iordachescu, have successfully completed their PhDs.

carr publications

A brave new world? Making sense of practitioner and regulator perspectives on risk culture
Michael Power, Simon Ashby and Tommaso Palermo, Journal of Financial Perspectives 2(3): 65–76

Accountability and consumer sovereignty
Martin Lodge, in A. Bianculli, X. Fernandez-i-Marin and J. Jordana (eds), Accountability and regulatory governance, Basingstoke: Palgrave, pp. 235–64.

Ian Ayres and John Braithwaite 'Responsive Regulation'
Martin Lodge, in S. Balla, M. Lodge and E.C. Page (eds), Oxford handbook of classics in public policy and administration, Oxford: Oxford University Press, pp. 559–77.

Oxford handbook of classics in public policy and administration
Edited by Steve Balla, Martin Lodge and Edward C. Page, Oxford: Oxford University Press.

Regulation in crisis: reputation, capacity and limitations
Martin Lodge, in S. Kim, S. Ashley and W.H. Lambright (eds), Public administration in the context of global governance, Cheltenham: Edward Elgar, pp. 96–115.

Risk and responsibility
Bridget Hutter, review of The Social Roots of Risk Producing Disasters: Promoting Resilience by Kathleen Tierney (2014) Stanford Business Books, in Science 346(6205): 45.

Risk, social theories and organizations
Michael Power, in Paul Adler, Paul du Gay Glenn Morgan and Mike Reed (eds), The Oxford handbook of sociology, social theory and organization studies: contemporary currents. Oxford: Oxford University Press, pp. 370–92.

Valuation studies and the critique of valuation
Andrea Mennicken, Liliana Duganova, Martin Giraudeau, Claes-Fredrik Helgesson, Hans Kjellberg, Francis Lee, Alexandre Mallard, Fabian Muniesa, Ebba Sjögren, Teun Zuiderent-Jerak, Valuation Studies 2(2): 87–96.

carr discussion papers

In the shadow of Tomioki: on the institutional invisibility of nuclear disaster
John Downer, discussion paper 76.

Rational tools of government in a world of bounded rationality
Martin Lodge and Kai Wegrich, discussion paper 75.

carr seat

The following web-videos feature on the **carr** website:

Regulatory Failure (Bridget Hutter)

Risk Culture in Financial Organisations (Tommaso Palermo)

Regulatory Performance (Julien Etienne)

Emerging Risks (Alex Griffiths)

Enforcement and Inspection (Julia Black and Martin Lodge)

Introduction to Regulators' Forum (Julia Black and Martin Lodge)

The **carr** media channel is available on the website: www.lse.ac.uk/newsAndMedia/videoAndAudio/channels/carr/Home.aspx

carr events

A number of visitors joined **carr** over the past few months: Laure Celerier (HEC Paris), Tom Christensen (University of Oslo), Martijn Groenleer (TU Delft), Linda Hancock (Deakin University) and Elizabeth Sheedy (Macquarie University)

We ran a number of lunchtime seminars:

Exploring fraud in food regulation
Jon Spencer, Sarah Devaney and Nicholas Lord
University of Manchester

Regulating cybersecurity: incentives, interventions and the emerging governance of the internet
Martijn Groenleer
TU Delft

Empirical analysis of risk culture in financial institutions
Elizabeth Sheedy
Macquarie University

Regulation in Crisis
In December 2014, **carr** launched the ESRC-funded seminar series on *Regulation in Crisis?* with a workshop involving researchers and practitioners. The focus of the workshop was to encourage reflection and discussion. The first session, on regulation in sectors in crisis featured contributions on energy, financial and food regulation by Sebastian Eyre (EdF), Adam Leaver (University of Manchester) and Tetty Havinga (Radboud University Nijmegen). The second session debated whether regulatory instruments themselves were in crisis. The discussion was introduced by short contributions from Linda Hancock (Deakin University), Jeremy Lonsdale (RAND) and Henry Rothstein (King's College London). Finally, the workshop turned to the question as to

whether regulation as a field of study was in a state of crisis. This theme was introduced by Joanna Gray (University of Birmingham), Andrea Mennicken (**carr**) and Kutsal Yesilkagit (Leiden University). The discussion concentrated on the relevance of regulation-related research for the world of practice.

In January, we organized a one-day workshop with colleagues from the network of St Andrew's Centre for Social & Environmental Accounting Research (CSEAR) on the theme of sustainability, accounting and regulation.

In March, jointly with the Commission for Higher Education, **carr** organized a one-day workshop on *'regulation of higher education'*. This high level workshop involved practitioners and academics interested in the British and international trajectory of regulating universities. This discussion was particularly pertinent in view of the UK general election. The event was introduced by contribution from Roger King and Lord Philip Norton (Higher Education Commission) and Martin Lodge. A panel discussion on the theme of Risk, Regulation and Higher Education involved contributions from Julia Black (LSE), Stephen Jackson (Quality Assurance Agency), Roger King, and Simeon Underwood (LSE). Bridget Hutter chaired a session on Policymakers and Higher Education Regulation which featured interventions from Heather Fry (HEFCE), Christopher Hale (Universities UK), Ian Kimber (Quality Assurance Agency), Nick Hillman (Higher Education Policy Institute) and Andrew Boggs (Russell Group). In the concluding session Tony Travers (LSE) questioned Adrian Bailey MP (Labour) and Baroness Sal Brinton (Liberal Democrat) on the role of higher education in the 2015 election and its aftermath. David Willetts MP (Conservative) had earlier in the day contributed his thoughts from the perspective of a former government minister.

carr talks

Madalina Busuioc presented the paper on *'The reputational basis of public accountability'* (with Martin Lodge) at the annual meeting of the American Society for Public Administration in Chicago.

Bridget Hutter participated in the *'Best-in-Call Regulator International Expert Dialogue'* organised by the Penn Program on Regulation in March. In February, she participated in an academic workshop on the modernization of risk rating systems in food establishments in the UK, organized by the Social Research Institute, Ipsos MORI. In January, she participated in the *'Food and You Expert Workshop: Food Practices (Inside and Outside the Home) and Risk'*, organized by NatCen in London.

Martin Lodge presented papers on *'Accountability, transparency and societal security'* (with Tom Christensen) and on *'The reputational basis of public accountability'* (with Madalina Busuioc) at the Accountability and the Welfare State conference of the Structure and Organisation of Government research committee, organized by the University of Bergen in February. In January, he presented a co-authored paper with Christel Koop on the transparency of transnational governance regimes at a workshop in Barcelona. Together with Will Jennings, he presented a paper on *'Blundering governments in comparative perspective'* at the Political Studies Association annual conference in Sheffield. He also gave a paper on *'Post-colonial public service bargains'* (with Lindsay Stirton and Kim Moloney) at the annual meeting of the Midwestern Political Science Association in Chicago. He was awarded the Burchfield Award by the journal Public Administration Review and was elected co-chair of the Structure and Organisation of Government research committee of the International Political Science Association.

Andrea Mennicken spoke on *'Accounting, territorialization and the plasticity of valuation'* at the Financialization of Financial and Real Estate Markets' conference at he J.W. Goethe University in Frankfurt/Main in March 2015. She also gave a talk on *'Custody, care and cost: accounting between economic and morality'* at ESCP Paris and at the Warwick Business School. Together with R. Salais, she organized a workshop on *'Power through Numbers? Quantification and Democracy'* at the Nantes Institute for Advanced Study in April.

Mike Power spoke on *'The social life of accounting estimates'* at Queen's University Belfast and the University of Amsterdam. He was a panel speaker at Ernst and Young's seminar on *'Risk Culture and Effective Risk Governance'* and a guest speaker at the Institute of Internal Auditors FTSE 100 Heads of Audit Dinner on the theme of *'How Internal Audit Can Help NED Oversight'*. He spoke on *'The production of risk culture'* at the Constructing Financial Risk conference at the CASS Business School, and on *'How accounting begins'* at the AOS 40th anniversary conference. He participated in the consultation about the role of public audit with the Ministerial Advisory Board for the Welsh Minister for Economy, Science and Transport, Edwina Hart MP.

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