

# editorial

Vulnerability has advanced to play a central role in risk and regulation research and practice. Its growing importance is not only driven by swelling levels of experienced individual and societal vulnerability. It also highlights how contemporary regulation itself is being increasingly questioned or seen to be in crisis.

Traditionally, the primary interest has been on how different types of vulnerability can be addressed by regulation. After all, the traditional justification for regulation includes protection of individuals from potential harm. However, disagreement exists as to what constitutes appropriate levels of protection. What makes whom vulnerable to potential harm divides those keen on emphasizing individual choice and pitfalls from state paternalism from those that stress the many sources in which market and political power reduce individuals' opportunity to exercise voice or choice. And it is not just individuals whose vulnerability is the target of regulatory activity. Considerable regulatory attention is being paid to encouraging organizations to make sense of their vulnerabilities and address these, for example, through the establishment of safety cultures. Since the financial crisis, more attention is also being paid to vulnerabilities that result from the interconnectedness of organizations and sectors; individual organizations may be good at focusing on their own vulnerabilities, but they are less likely to consider systemic issues that arise from interdependencies. What distinguishes the current interest in vulnerability from earlier discussions are therefore two elements; one concerns the interest in systemic vulnerabilities that cut across organizational boundaries, the other relates to the growing concern with the capacity of individuals to exercise meaningful voice and choice.

Vulnerability can further be a consequence of regulation, partly due to unintended consequences of regulatory regimes. Typical examples are regulatory interventions that were set up to address certain issues, whilst creating (potentially bigger) vulnerabilities elsewhere, or being 'blind-sided' by issues that one 'didn't' see coming'. In an age of crisis regulation, it remains a continuous challenge for regulators to de-

vote resources to exploring emerging, yet unknown risks, and to probe existing models so as to reduce potential sources of vulnerability of risk regulation itself.

Articles in this issue of *risk&regulation* focus on questions of vulnerability across a range of dimensions. Suzanne McCarthy considers the rationale for regulating internet-based funding platforms, a new type of business model for organizing crowd-funding. Giovanni De Grandis, Irina Brass and Arthur Petersen explore the promise and perils of biotech in personalized healthcare. Yasmine Chahed and Zsuzsanna Vargha discuss how technological change disrupts the business model of professional service firms, while Stefano Cascino and Maria Correia examine how financial vulnerabilities of individual, but group-affiliated firms affect group-wide credit risk. Changing business models and vulnerabilities to existing providers and students are also at the centre of Inez von Weitershausen's contribution on higher education. Andrea Mennicken and Martin Lodge consider the latest calls for reform of the accounting profession. Organizational features loom large in the discussion of unintended consequences and blind spots by Tobias Bach, Kai Wegrich and Martin Lodge; organizational contexts also feature in Lodge's consideration of the centrality of expertise and advice in managing vulnerability in contemporary executive government.

For **carr**, current times most certainly do not allow for slothful complacency, whether it is due to the distinct vulnerabilities arising from our interdisciplinary interests in a world dominated by disciplinary silo-building or threats posed to international collaborative research because of the current political climate.

We depend on your support for the continued viability of **carr**, especially in view of its 20th anniversary in 2020. We hope you enjoy this issue of *risk&regulation*.

**Martin Lodge & Andrea Mennicken**