

Risk & Regulation

Magazine of the Centre for Analysis of Risk and Regulation

No.2 Autumn 2001

**Bureaucratic
Competencies:
A contradiction
in terms?**

**Organisational
Learning and
Risk Management**

**Why We Need
to Understand
Corporate Life**

**The Government
of Risk**

Contents

3 Editorial

CARR Co-Directors, **Bridget Hutter** and **Michael Power**, reflect on the development of CARR's intellectual strategy over the past year.

4 Guest Column

Stephen Wilks identifies a vital need for comparative research on regulation.

5 CARR News

CARR moves into permanent accommodation, we welcome new staff and CARR sponsors the second international conference on Regulation Inside Government.

6 Bureaucratic Competencies: A contradiction in terms?

Christopher Hood and **Martin Lodge** compare German and UK civil service competencies.

7 Organisational Learning and Risk Management

Michael Huber argues that the insurance industry faces tough organisational challenges in the face of rocketing costs of natural hazards.

8 Why We Need to Understand Corporate Life

Corporate regulatees are often disregarded as regulation's 'silent' partners, but **Bridget Hutter** argues that we ignore the difficulties of implementing successful corporate risk management strategies at our peril.

9 The Government of Risk

Why is there so much bewildering variety in the regulation of risks to human health and safety? **Christopher Hood**, **Henry Rothstein** and **Robert Baldwin** think they can explain.

10 Risk Research Institute

The Risk Research Institute, sponsored by PricewaterhouseCoopers, hosts risk forums by **Bridget Hutter** and **Robert Baldwin** on corporate risk appetite and risk regulation, and by **Michael Barzelay** on the challenges of long-range strategic planning.

11 CARR Seminars

Brian Wynne on the profound failures of risk management, **Roger Noll** on the economics of promotion and relegation in sports leagues, **Martin Glaum** on risk disclosure in Germany, and **Richard Ashcroft** on health care ethics and clinical risk management.

12 CARR Network

CARR welcomes four leading scholars and practitioners as visiting fellows and sponsors conferences across the UK.

13 CARR Impact

Advice, consultancy and presentations by CARR members around the world.

14 CARR in Print

CARR publications and other books and papers by CARR members.

15 CARR Staff

CARR staff and their expertise.

Risk&Regulation: CARR Review No 2 Autumn 2001

Editor: **HENRY ROTHSTEIN**

Editorial Assistant: **LIZ WHITE**

Enquiries should be addressed to:

Centre Administrator

Centre for Analysis of Risk and Regulation

The London School of Economics and Political Science

Houghton Street, London WC2A 2AE

United Kingdom

Tel: +44 (0)20 7955 6577 Fax: +44 (0)20 7955 6578

Website: <http://www.lse.ac.uk/Depts/carr/>

Email: risk@lse.ac.uk

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‘Our field of vision is broad, but our comparative advantage lies in understanding the institutional settings of risk management and regulatory practices’

As CARR enters its second year as an ESRC research centre, questions of intellectual direction and strategy are foremost in the minds of the Directors. CARR's raison d'être is to link and develop disparate literatures in risk management and regulation. In addition we have a defining commitment to the comparative institutional analysis of risk management and regulatory practices that encompasses, but is not reducible to, an inventory of their respective tools and techniques. CARR's intellectual strategy is also emergent, however, and in this respect the last year has been especially important as we have made appointments, held seminars and workshops, welcomed visitors and engaged in other activities which play an important role in slowly defining what CARR is substantively about. While these activities are informed by the broad goals we set ourselves nearly three years ago when we sought funding from ESRC and private donors, it is also true that our conception of what CARR can and should do has been further developed and refined over the past 12 months.

As Directors we have learned a number of things from this process. First, it has become as important to define what CARR is not, as much as what it is. The intellectual and practical worlds of risk and regulation have many different territories. Our field of vision is broad, but our comparative advantage lies in an emphasis on understanding the institutional and organisational settings of risk management and regulatory practices. Second, we have learned that the outside world often has unrealistic expectations of what such a unit as this can do. CARR is a centre for independent academic research and is not a think tank or a consulting unit. Naturally, we believe that if the former is done properly, then advisory spin-offs that are evidence based should follow and we encourage this. But it is not our core business and managing expectations continues to be an important part of our job.

Good research needs time and space to develop a vibrant intellectual climate, supportive colleagues with whom one can exchange ideas and, something easily overlooked in the planning stage, good resources and infrastructure. Space is especially important and is a commodity in short supply in a central London institution like LSE. In June this year we moved to new integrated accommodation within the School, something that has had an enormous beneficial effect on general morale. Now there are real possibilities for those vital informal exchanges between researchers working in proximity to each other, and with visitors from other institutions.

Research needs some direction but researchers have to be managed with a 'light touch' and getting the right balance is not easy in an environment where there are all kinds of demands for monitoring, accountability and performance measurement. In this respect, we have been forced to define our role partly as a 'buffer' between these environmental pressures and the research life of CARR. Vital in all of this is



assembling colleagues who are able to work both individually and in a team setting. Accordingly, recruitment has been a time-consuming but vitally important activity in the past year. Some difficult decisions have had to be made but we are confident that, as we move forward into the second year of CARR, the necessary intellectual assets are in place.

‘Dreams and visions have an important role to play at crucial junctures in the life cycle of a research centre, especially at the beginning’

The time has also come to take stock of the emergent intellectual agenda and to develop more consciously the generic intellectual themes (accountability and legitimation; side effects; knowledge and tools) that cut across CARR's three research programmes. To this end we intend to build up a series of informal and formal events that examine domains (eg food, transport, health and safety) and tools (eg audit, models, internal control systems). Planning is also underway for a CARR conference on our third cross-cutting theme 'accountability, legitimation and public expectations', with accountability in the European Union as its substantive focus.

Finally, while the academic work of many colleagues within CARR suggests that the production of performance documents may be an expensive ritual with little apparent benefit, we have consciously tried to use the process of constructing our first annual 'account' beneficially. Thinking about where we have been in the past has provided a basis for reflecting on where CARR will go in the future. We look forward to reporting further on these activities in forthcoming editions of *Risk&Regulation*.

Bridget Hutter and Michael Power

Comparatively speaking

For over twenty years many of my research interests have been 'comparative' – comparing policies, political economies and institutions. I was therefore delighted to attend CARR's first conference on 'The Comparative Dimension of Regulation Inside Government', which covered many of the issues Bruce Doern and I had been exploring in our study of regulation with a comparative transatlantic focus. Comparison is one of the essential methodological approaches in the social sciences. Since we cannot design and execute neat scientific experiments, we compare between the real-life laboratories in which we are immersed. But cross-national comparison looks archaic in the glossy globalised world of contemporary regulation. The late Susan Strange used to be blunt in her dismissal of 'you comparativists', making me feel something of an escapee from Jurassic Park, soon to be returned to my fossilised state. In contrast banks, companies, consultants, and even unions and NGOs operate apparently effortlessly across the time zones and the cultures of the globalised economy.

In defiance of the imperatives of globalisation, regulation retains a firm national base and it is at least arguable that as regulation becomes more sophisticated and more goal-orientated, so national differences will become more, rather than less, important. A telling case here is provided by European competition policy. The Commission's current proposals for the implementation of Articles 81 and 82 (the 'competition rules') involve surrendering the Commission's monopoly of implementation, enshrined in the crucial 'regulation 17', in favour of implementation through the network of national authorities. This has caused some consternation as lawyers and their clients visualise the problems of dealing with multiple national agencies and courts. Contrasts between the OFT, the Bundeskartellamt and the Autorità Garante della Concorrenza e del Mercato become more, not less, important.

Comparative methods and approaches have been reinvigorated by the work on institutions and institutional endowments, which has become the new orthodoxy. Increasingly comparative studies welcome historical approaches that allow analysts

'In defiance of globalisation, regulation retains a firm national base and it is at least arguable that as regulation becomes more sophisticated, so national differences will become more, rather than less, important'



Stephen Wilks is Professor of Politics and Deputy Vice Chancellor at the University of Exeter and was a founding member of the CARR Policy Advisory Committee. He is also a member of the Economic and Social Research Council and a member of the Competition Commission.

to ground the obvious cultural contrasts in an historical understanding of how cultures have developed and how cultural systems exhibit and maintain their consistency. This helps to avoid cultural caricatures and the cultural determinism that can dog comparative work. Again competition policy provides examples of well-established areas of regulation that can benefit from historical analysis. In a forthcoming special issue of the journal *West European Politics*, jointly edited by Mark Thatcher – one of CARR's research staff, we pick up issues of independence and design of independent regulatory agencies. The distinctive historical profiles of the agencies serve to illustrate diversity, whilst political analysis of the design process in each case seeks to draw out common trends.

The more we look, the more we are struck by persistent and profound national differences. Legal institutions, traditions and expectations are especially important and here CARR is well placed to advance understanding. The contrast between the civil and the Roman law systems of the UK and continental Europe creates a crevasse in cross-European comparison that is all too easily overlooked. The British system of negotiated, administered,

'Europe had socialism and class struggle, America had regulation. As a result regulation in North America is far more a matter of 'high politics', constitutional principle and democratic concern'

non-judicialised regulation can still provoke something close to incomprehension in continental observers. The crevasse has recently been sign-posted by Pollitt and Bouckaert who draw an intriguing distinction between the 'public interest' model of the civil service (and regulation) and the Rechtsstaat model. They suggest that the two models may be inherently inconsistent and irreconcilable. With its distinctive legal expertise and

multi-disciplinary resources we can expect that CARR will be guiding us on whether there is fundamental inconsistency and how we should conceptualise, compare and improve regulation across the diversity of European government.

While European comparisons are of immediate practical importance, the comparisons with North America are perhaps of even more interest. A by-product of the United States' unchanging commitment to capitalism is its rich centuries old legacy of economic regulation. Europe had socialism and class struggle, America had regulation. As a result regulation in North America is far more a matter of 'high politics', constitutional principle and democratic concern.

Prominent among scholars of US regulation is Giamdomenico Majone whose characterisation of Europe as a 'regulatory state' has been highly influential. Majone has also picked up the political and institutional dimensions of the US regulatory debate. He has advanced an ingenious argument about the ability of independent, non-majoritarian regulatory agencies to legitimate their activity through their ability to deliver economic efficiency. This perspective will not appeal to advocates of participatory democracy but he does pose a real dilemma. For independent regulatory agencies, such as central banks, whose activities persist whilst governments come and go, how do they legitimate their activities?

The North Americans have been better at asking these big questions about the nature of the 'new regulatory state'. They are constitutional questions that are too frequently skirted round in the UK where the debate tends to be more preoccupied with technique, interests and efficiency. In studying regulation let's not forget that this is an activity sanctioned by the state, supported by the full rigour of the law, and it must retain its democratic underpinnings. In this, as in many other areas, the British (and European) constitution may need to go back to first principles.

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New Accommodation

CARR has now moved into permanent accommodation on the sixth floor of Connaught House. Our suite of offices now boasts a dedicated seminar room and workstations for visiting fellows and research assistants.



Staff News

George Gaskell, Professor of Social Psychology at LSE, was appointed as CARR Programme Director: Organisations and Risk Management, in October 2001. George Gaskell is currently co-ordinating a pan-European and North American research programme on 'Life Sciences in European Society'. The programme includes studies of the precautionary principle in the framing and management of risk; public perceptions, elite media coverage and policy and regulatory activities in relation to the development of biotechnology; and the management of technological risks in organisations.

Robert Kaye joined CARR in October 2001 as an ESRC Research Officer. He was previously Lecturer in Politics at Worcester College, University of Oxford. He is completing his DPhil at Oxford on 'Parliamentary Self-Regulation' and his interests will add to the ongoing research in public sector regulation in the 'Regulation of Government and Governance' team within CARR.

Judith Freedman left the LSE at the end of August to take up the KPMG Chair of Taxation Law at Oxford. She will, however, continue to be a member of CARR and will offer a link to Risk and Regulation work at Oxford University. She is committed to pursuing her CARR work in collaboration with Vanessa Finch of CARR. Judith will focus on government incentives for entrepreneurship, particularly tax incentives, and the effect these have on risk distribution.

And finally, we say goodbye to **Abigail Walmsley** our ultra efficient Administrative Assistant and Assistant Editor of *Risk&Regulation* who left in April to pursue a career in music publishing.



MSc Management and Regulation of Risk

The MSc Management and Regulation of Risk is now underway with 17 students from a range of disciplines and countries. The programme examines theory and practice in key areas of risk and regulation, including financial risk, corporate governance and environmental risk. The programme is directed by Ronald Anderson, Deutsche Bank Professor of Finance, and includes seminars led by CARR staff. Deutsche Bank has provided generous support for the programme.



BP Complex Risk Research Programme

Andrew Gouldson has just started a project supported by the BP Complex Risk Research Programme on risk-based regulation of complex environmental risks. The project will examine trends towards targeting regulatory resources on high-risk activities and increased public consultation in the regulatory process. The project will consider the impacts of these changes on corporate governance, public confidence and regulatory efficiencies and outcomes.

Conference News

Europeanisation of National Economic Orders CARR organised a UACES-sponsored workshop in June for academics and practitioners focusing on different conceptions of 'Europeanisation' in relation to competition policy and utility regulation. Papers were presented by Nick Sitter (BI School of Management, Oslo), Stefan Enchelmaier (Oxford), David Levy-Faur (Haifa/Oxford), Ian Bartle (Exeter), Peter Humphreys (Manchester), Lynne Conrad and Catherine Waddams (UEA), and Mark Thatcher, Imelda Maher and Martin Lodge (LSE).

White Paper on Governance A high-level seminar on the implications of the European Commission's White Paper on Governance was jointly organised in July by CARR, the ESRC Future Governance Programme and the Cabinet Office's Centre for Management and Policy Studies. The seminar was part of CARR's research programme on the control of supranational governance. The seminar included papers by Colin Scott (CARR) and Joanne Scott (Cambridge University) on contrasts between EU and UK initiatives.

Regulation Inside Government The second two-day international workshop on the 'Comparative Dimension of Regulation Inside Government' was held in October in Oxford. The workshop examined changing patterns of control and regulation of the public sector across a range of state traditions and within three different institutional and policy domains. Papers were presented on Japan, USA and Europe by Katsuya Hirose (Hosei University), Tak Nishio (International Christian University), Guy Peters (Pittsburgh), Per Laegreid (Bergen), Hans Ulrich Derlien (Bamberg) and Nicole de Montricher (CNRS, Paris). Thematic papers were also presented on higher education by Theo Toonen (Leiden) and on prisons by Oliver James (Exeter) and Arjen Boon (Leiden).

University of Oxford Inaugural Lecture

Professor Christopher Hood, Gladstone Professor of Government

The Risk Game and the Blame Game

Tuesday 6th November at 5pm, Examination Schools, High Street, Oxford

Reception and launch of two books by Oxford University Press

The Government of Risk: Understanding risk regulation regimes
by Christopher Hood, Henry Rothstein and Robert Baldwin

Regulation and Risk: Occupational health and safety on the railways
by Bridget Hutter

Inquiries to: Michèle Cohen, All Souls College, Oxford. OX1 4AL
Tel: 01865 279 349; Email: Michele.cohen@all-souls.ox.ac.uk

Bureaucratic Competencies:

A contradiction in terms?

Christopher Hood and Martin Lodge compare German and UK civil service competencies

A tale of two bureaucracies

The Smith Institute and Industry Forum have commissioned ourselves, Christopher Hood and Martin Lodge, and Chris Clifford, to compare industrial policy-making in the German Economics Ministry or Bundeswirtschaftsministerium (BMW) and the British Department of Trade and Industry (DTI). The study is part of CARR's wider comparative interest in the way that public sector organisations are regulated and controlled. The central focus of the study is on policy competencies in the civil service – an issue that is being actively debated across many OECD countries and is more than just a product of Tony Blair's frustrations with the public service in the UK. The study explores civil service policy competencies by a novel method, tracing out the 'biography' of a selected set of policy documents, to identify what skills, knowledge and capabilities went into making those documents.

Industry departments under attack

The German Economics Ministry and British DTI comprise a sizeable chunk of the top bureaucratic talent of both governments and a financial investment that is large in public sector terms (though it would not buy many top-rank international footballers). Both organisations were created long before the current industrial age. Both combine – uneasily, in the view of some of their critics – policy responsibilities for regulation and for industrial promotion and both face the challenge of adapting to a new era of politics and economics. The German economics ministry is widely seen as having lost direction and prestige since its glory days as a crusader for ordo-liberalism under Ludwig Erhard after World War II. Both departments also face an army – or several armies – of critics attacking them from various quarters. While most observers tend to admire and respect the analytical ability of British civil service mandarins and

the subject-expertise of Germany's top bureaucrats, the organisational systems of the two bureaucracies are not so widely admired. Critics of both departments include business people looking for a more business-friendly industry bureaucracy, politicians looking for a new style of public servant, and internal critics of dysfunctional or out-of-date methods of working and management.

Rethinking civil service competencies

For some, the idea of civil service competencies might seem to be a contradiction in terms but over recent decades much bureaucratic and business-consultant effort has been devoted in the UK and elsewhere to spelling out elaborate competency frameworks for higher civil servants. The DTI works with a bifurcated competency framework, split between its 200-odd topmost mandarins (in the 'Senior Civil Service') and the 6000 or so minions who work beneath them. The German Economics Ministry has its own tailored approach for the whole department. Listing civil service competencies is in high fashion at present, but it tends to be based on research-free 'wish lists' of more or less arbitrarily selected qualities. Such wish lists tend to be embodied in shiny documents that are often seen as more for external consumption than closely embedded in the basic operating systems of the bureaucracy.

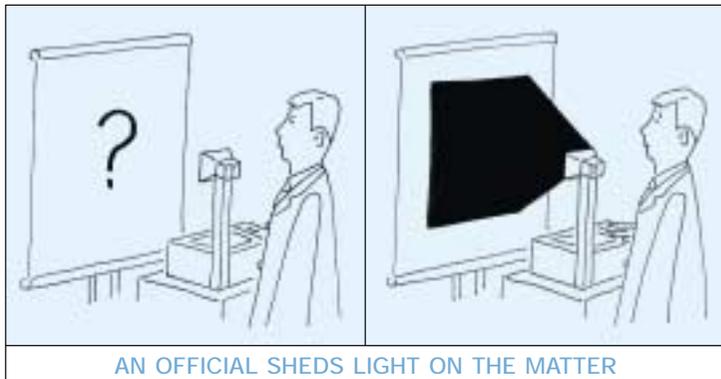
Researching civil service competencies: the policy biography approach

Our approach to researching civil service competencies for the Smith Institute and Industry Forum starts from the opposite end of the wish list approach. We have closely investigated a set of specific policy documents, and sought to inventorize the skills, knowledge and social processes that went into creating them. We have been working on six policy documents in the two countries, drawn from three different domains of industrial policy – competition and competitiveness, energy mix policy and communications policy – and covering a range of political conditions from clear direction from the top, to near-total anarchy. With access to both bureaucracies and a substantial interviewing programme in London, Berlin and Bonn, the team has identified all the civil servants who contributed to the six policy documents that form the heart of the study, examined the individual capacities and knowledge that each participant brought to the process and the collective capacities of the teams and organisations involved. The study therefore provides an empirical account of what bureaucrats do when they produce policy documents, as well as an account based on the views of participants and observers interviewed by the team about the strengths and weaknesses in policy capacity in both departments.

Watch this space

By the time you read this article we should have finished our work and our report for the Smith Institute and Industry Forum should be about to roll off the presses, together with a set of policy recommendations. We have already been asked to report on our work in academic and practitioner forums, including a meeting of the government's new Centre for Management and Policy Studies in February. The work is due to be discussed during the late autumn both at a meeting at 11 Downing Street and at a symposium funded by the Anglo-German Foundation which will bring civil servants from the two departments together to discuss the report's findings.

Christopher Hood is a CARR Programme Director and Gladstone Professor of Government at All Souls College, Oxford. Martin Lodge is a CARR ESRC Senior Research Officer.





GLOBAL WARMING COULD MEAN MORE BEACH HOUSES

Organisational Learning and Risk Management

Michael Huber sets out the organisational challenges facing the insurance industry in coping with the increased costs of natural hazards

The insurance industry is facing dramatic changes in the economic and social impacts of natural hazards. The cost of natural hazards has rocketed in the last ten years. In 1990 the maximal insured costs of a hurricane were estimated to be below \$1 billion, but by 2000 the estimated costs had reached \$100 billion. Yet, over the same period, premiums failed to grow at a comparable pace.

New financial instruments of risk management that link the insurance market to the stock market have decreased the insurance system's vulnerability to such changes. Those instruments, however, have failed to meet the new challenges adequately. Most significantly, changes in frequency and severity of natural hazards have challenged the insurance industry at a 'methodological' level. The drastic and rapid change in the nature of events has tested the predictive capacity of the industry to its limit and has put the economic fundamentals of the insurance industry under extreme pressure. These 'new risks' call for innovative risk management.

In order to meet these challenges business actors have had to change their behaviour and states have had to develop new regulatory regimes. For example, the State of Florida sought to stabilise the insurance market in response to an increased hurricane frequency by imposing a moratorium on insurance companies cancelling existing property insurance contracts, setting an upper limit on insurance premiums and

establishing funds to compensate for economic losses arising from those regulatory policies. Those three elements constituted a preliminary regulatory system that has bought some time for developing a new regime capable of managing the new challenges more efficiently and justly.

This project is considering two key questions: how are insurance companies and other organisational 'players' in the 'insurance game' contributing to the new rules; and how are they adapting to those new rules? In order to answer those questions, the project is taking two

'In 1990 the maximal insured costs of a hurricane were estimated to be below \$1 billion, but by 2000 the estimated costs had reached \$100 billion'

complementary perspectives. First, the project is taking an organisational perspective that focuses on individual strategies within the emerging scene. In particular, the project is looking at how organisations are learning and improving their skills. Not all organisations in a vast network, however, are able or willing to learn. The project, therefore, is taking a second perspective that focuses on the ability of the entire network to learn. If only some organisations are able and willing to learn, what are the prospects for the

whole network to learn and hence improve the insurance system? Are new co-operative features emerging at the level of the network?

The research project is examining how the insurance system, comprising the state, insurance companies, firms and federations, is adapting to the new situation and whether a feasible institutional setting is being established for regulatory reform. If it is the case that the success of the entire insurance system is at stake, then how firms, the state and the customers co-ordinate their short term and longer term interests is of crucial significance. In particular, understanding is needed of the emerging co-ordinating mechanisms and instruments that are aimed at achieving the goal of co-operation.

This project takes as its starting point the numerous contributions to understanding the management of new risks by several US research institutes, such as the Wharton Risk Management and Decision Processes Center, University of Pennsylvania. This study, however, focuses on two key issues that have, so far, been ignored by the American studies.

First, this study brings out the significance of organisational issues that have been somewhat sidelined by the prior dominant focus on policy outcomes and economic features. Second, this project adds a European comparative perspective by undertaking studies in two European countries. That comparative perspective will help us understand how different regulatory regimes influence organisational behaviour and co-ordination.

In order to explore these broad risk management problems in this new environment, the project is using the case of household flood insurance. Flooding is an old and well-known risk, but one that has changed its 'nature' with the changing weather patterns during the last decade. Flooding is responsible for approximately half the overall damage to properties worldwide, and the changing nature of flooding is set to have an even more serious impact on properties as housing developments are forced into more exposed areas. Flooding therefore presents greater organisational and economic challenges for the insurance system than many other natural hazards.

This study will provide important theoretical and policy-relevant insights into the organisational constraints on risk management and regulation. The project will help identify and account for variation amongst regulatory and insurance regimes. In so doing, it is expected that the research will help explain the difficulties and capacities of those regimes in adapting to new situations.

Aon
Insure your vision

Michael Huber is Aon Fellow in Risk Management. Aon have generously funded this research fellowship for three years.

Why we need to understand Corporate Life

Corporate regulatees are often disregarded as regulation's 'silent' partners, but CARR Co-Director, **Bridget Hutter**, argues in a new book that we ignore the difficulties of implementing successful corporate risk management strategies at our peril.

Regulating risks in modern societies increasingly involves governments guiding and co-opting corporate risk management systems. *Regulation and Risk: Occupational health and safety on the railways* examines the feasibility of that process by examining the management of workplace risks, and in so doing brings into focus broader theoretical and empirical discussions of regulation, risk and corporate activities.

A central organising perspective of *Regulation and Risk* is that regulation is a form of risk management. The book examines how businesses and their employees manage workplace risks in modern societies and the influence of law on those processes. In particular, the tensions between the constitutive and controlling aspects of regulatory law are analysed using in-depth empirical data about corporate and individual compliance and non-compliance. In so doing, the book examines related theoretical and policy concerns about the social control of organisational and economic life.

The book shifts the gaze to a sometimes 'silent' partner in the regulation literature, namely the 'regulated'. All too often those subject to regulation have been caricatured as the passive and sometimes recalcitrant recipients of state regulatory regimes. Yet, if regulation is to be an effective way of managing risk we need to pay more attention to our assumptions about corporate life and be more prepared to use the full range of regulatory resources and tools available to us.

Regulation needs to take account of the fact that abilities and willingness to comply can vary significantly within companies. *Regulation and Risk* shows how, in the railways' case, employees complied most of the time, but that situational and structural imperatives also led to non-compliance. Generally risk management

systems and procedures had been instituted but they were not fully operationalised. For example, everyday awareness and understanding of both the legal and corporate risk management systems was sketchy; there were no centralised corporate understandings of risk; employees empowerment was variable and the communitarian objectives of regulation remained largely unfulfilled.

Employees saw the control aspects of regulation as necessary, but there was no evidence of fear of criminal sanctions. Legal action was judged on its merits on a case-by-case basis, and where it was regarded as 'unfair' it had less impact on the corporation. Indeed, the research period saw an increasing inclination to challenge regulatory agency decisions.

Where regulatory ambitions were not being met the main obstacles emerged as:

- The fragmentation of the company, both organisationally and geographically;
- Serious communication difficulties;
- Inequalities in knowledge of regulation and risk;
- Difficulties in the perceived legitimacy of state regulation and corporate risk management efforts.

These issues are especially significant in the wake of major rail disasters, particularly as the privatisation of Britain's rail network introduced regulatory systems that are highly reliant on industry self-regulation. The study was undertaken during the early phases of the privatisation of British Railways and maps out how privatisation actually exacerbated the very factors that undermined successful enforced self-regulation. It did so in dramatic and unfortunate circumstances. As the industry fragmented so did the difficulties of communication. In sum, privatisation served to heighten the tensions between risk and regulation, and productivity and safety.

More generally, the book's significance is highlighted by the increasing popularity of risk-based approaches to corporate governance. The railways case shows how trends to systematise corporate and government approaches to risk management can have counterproductive side effects, such as undermining the legitimacy of regulatory objectives and hampering the ability of the industry to self-regulate. These tensions came into public focus in the late 1990s with the loss of 7 people in an accident at Southall in 1997, the loss of 31 at Ladbroke Grove in 1999 and then again just a year later with the death of 4 more in an accident at Hatfield. Each of these accidents crystallised attention on the tensions between maintaining a safe railway system and satisfying commercial interests.

The book presents a three-phase model of corporate responsiveness to the constitutive objectives of regulation. That model can be used to understand how effectively businesses are managing risks and responding to regulatory demands. In particular, the book sharpens our awareness of the drivers of, and obstacles to, successful risk management and the limits of state regulation. The next step is to examine how businesses understand and manage risk more generally; what influences and drives their risk management practices; and how those practices may influence, and be influenced by, various sources of regulation both inside and outside of the company. That project will form part of CARR's programme 1 on 'Organisations and Risk Management', details of which can be found on the CARR website.

Regulation and Risk: Occupational health and safety on the railways. By Bridget M Hutter, Oxford: Oxford University Press, 2001; £50. To read a sample chapter or order a copy: <http://www.oup.co.uk/isbn/0-19-924250-X>



ALISA FAROUHAR

The Government of Risk

Risk regulation is full of bewildering variety, but that variety is rarely explained. A major new book by CARR authors, **Christopher Hood**, **Henry Rothstein** and **Robert Baldwin**, seeks to change that.

At first glance UK risk regulation seems hopelessly confused and inconsistent. Why does government restrict pesticides in drinking water to vanishingly small levels, yet recommend exposure limits for the radioactive gas radon that could cause 2000 lung cancer deaths each year? Why does government base road safety legislation on extensive risk analyses, but enact laws on killer dogs on little more information than newspaper headlines? Why did government come down heavily on the sale of beef on the bone, but take a much lighter touch on smoking?

Such inconsistencies have often been commented upon, but *The Government of Risk* systematically examines that regulatory variety and considers how it can be explained or justified. The book sets out a method for comparative analysis, examines the driving forces shaping regimes and identifies the causes of regulatory failure and success. The analysis is based on an intensive examination of risk regulation across government including paedophiles in the community, air pollution, road safety, radon, pesticides and dangerous dogs. The book puts regime analysis at centre stage in trying to understand how and why government regulates, or fails to regulate, risk.

At its core, the book applies a systems based concept of a 'risk regulation regime'. In theory any viable control system must contain three basic components: a goal setting component; an information gathering component to check that the goal is being reached; and a behaviour modification component to bring activities into line with the goal. But examination of risk regulation regimes reveals wide variety in the character and linkage of those components – sometimes components work

together, sometimes they pull in opposite directions and sometimes they are simply absent.

The simplest explanation for regulatory variety is that governments in market-orientated societies only intervene when market or civil law processes fail to redress transactional problems posed by hazards. The state might therefore be expected to regulate heavily only where individuals face high costs in gathering information about, and/or avoiding, risks. The 'Market Failure' model explains some variety, but leaves cases where the state does more than expected and others where the 'nanny state' seems uninterested in the welfare of its charges.

The book therefore examines other forces shaping regulation – the first being public opinion. Even in an age of focus groups and opinion polls, government tends to pay greater attention to front page headlines than in-depth public attitude studies. Public opinion can help explain some features of regulatory regimes, particularly when government feels the heat of popular opinion in the standard-setting process. Forces acting on other parts of regimes, however, can negate the impacts of public opinion. For example, strict Euro pesticide residue limits for drinking water were introduced in line with public opinion, but pre-privatisation, they were not enforced for years in England and Wales because government was keen to avoid the cost implications.

Organised groups are also important shapers of regulation, whether they be business groups, green lobbies or regulatory professionals. Sometimes organised interests reinforce one another, but at other times they pull government in different directions. Pressure from police and probation officers resulted in the 1997 paedophile register, and three years later that same coalition,

together with the human rights lobby, managed to defend the confidentiality of the register against aggressive media and local NIMBY campaigns. In contrast, European air quality rules were introduced in line with green lobbies and public opinion, but the transport lobby managed to secure a years-long implementation delay.

Regulatory regimes, moreover, have an 'inner-life' that makes it difficult to change persistent regulatory cultures simply by decree. After a short spell of enforcing the unpopular Dangerous Dogs Act, beat constables reverted to the fatalist and traditional 'every dog has one free bite' philosophy in an effort to keep public support and limbs intact. More recently, the Phillips Inquiry demonstrated the tragic consequences of the resilient belief amongst regulators that BSE posed little risk to humans long after the evidence suggested otherwise.

The book explains much regulatory variety and failure, but it also sounds a note of caution for those who advocate openness as a necessary medicine for the UK's regulatory ills. Openness is no magic pill and can have undesirable side-effects if regulators seek to deflect the increased potential for blame if things go wrong. Regulators have recourse to a repertoire of blame shifting responses including: 'by the book' protocols that can sacrifice effectiveness on the altar of legal defensibility; organisational complexification that diffuses blame amongst so many organisations that no-one seems to be accountable (look no further than rail privatisation); and even 'service abandonment' where risks are simply too hot to handle (consider paedophiles shunted around the country if denied housing by local authorities).

The book's primary aim is diagnostic but it also attempts to prescribe. First, a whole system perspective needs to inform regime design. Failures to enforce BSE controls in abattoirs shows how regulation can go tragically wrong when regulatory control components are inadequately linked or not up to the job.

Mature assessment of regulation that goes beyond current government thinking is also needed. Some problems are easier to solve than others – it is simpler to get people to drive on the left than it is to deal with dangerous dogs. Rather than look for uniformity amongst regimes, we should consider the inherent difficulties of balancing competing policy goals, dealing with uncertainty and finding policy windows to circumvent administrative obstacles.

Finally, the book prescribes something akin to a precautionary principle of designing and reforming regulatory regimes. Government is the risk regulator of last-resort and as such it should focus on managing risk rather than ways of deflecting problems from politicians or bureaucrats.

The Government of Risk: Understanding risk regulation regimes. By Christopher Hood, Henry Rothstein and Robert Baldwin, Oxford: Oxford University Press, 2001; £30.

To read a sample chapter or order a copy: <http://www.oup.co.uk/isbn/0-19-924363-8>

The Risk Research Institute is a unique partnership between CARR and PricewaterhouseCoopers Global Risk Management Solutions. The Institute provides grants for specialist research projects and runs an innovative risk forum on risk management issues, bringing together senior figures from business and the public sector.

Corporate Risk Appetite and Risk Regulation

Robert Baldwin and **Bridget Hutter** led the Risk Research Institute's second risk forum in February 2001 on the links between managerial and regulatory responses to risk. They argued that managerial and regulatory responses routinely interact or overlap and also that 'risks' often comprise clusters of sub-risks. Moreover, in designing corporate and regulatory risk management systems it is helpful to break down 'risks', 'risk clusters', 'risk management' and 'risk regulation' into their elements or 'dimensions'. Doing so highlights the complex issues facing managers and regulators, including: the point of intervention for risk management and whether to pursue specific, general or incidental responses; the need to co-ordinate informational, standard-setting and enforcement activities; how to cope with dynamic and complex risk management and regulatory contexts; how to apply accountability mechanisms; and whether to target individuals, groups or organisations and how to keep their incentives consistent.

The suggested approach poses formidable challenges insofar as it exposes multiple and simultaneous problems. Identifiable 'short cuts', however, are available to managers and regulators. Many challenges can be met simultaneously – for example, actions to increase an organisation's reputational pride might also enhance the risk management of individuals.

A further 'short cut' to better risk management involves weeding out 'omissions' and 'obsessions'. 'Omissions' are instances where insufficient attention has been paid to one risk dimension (eg a lack of information on individual risk taking). In contrast, 'obsessions' arise when managerial or regulatory approaches are shaped by excessive attention to just one aspect of a risk, such as a firm's resilience to the impact, rather than the prevention, of a risk.

Robert Baldwin and Bridget Hutter argued that analysis should transcend divisions between 'manager' and 'regulator' or 'corporation' and 'government agency'. The multi-dimensional nature of risk control and risk appetite has to be confronted head-on, if clear thinking about the design of responses is to be advanced.

Analysing and Managing Perceptions of Strategic Risk

Michael Barzelay led the third Risk Forum on the relationship between risk analysis and long-range strategic planning. He argued that whilst both practices are concerned with rational organisational decision-making under uncertainty, long-range strategic planning is better suited to formulating and evaluating beliefs about the future within complex organisations.

Michael Barzelay examined the organisational processes involved in such planning, using the example of 'future games' – a variant on war-gaming used to detect weaknesses in the US Air Force's then-extant strategic vision, known as 'Global Engagement'. He examined how strategic planners made process decisions given that their prime audience was the Air Force Chief of Staff and how planners ensured that the Chief of Staff 'bought into' the future games' approach. Without that 'buy-in', the Chief was unlikely to be influenced by the conclusions drawn from the game. Furthermore, Michael Barzelay examined the complex organisational process of preparing a 'futures game', which involved multiple stakeholders from inside and outside the Air Force. Planners used a process that dealt with a typical function of long-range strategic planning: reducing ignorance about the future by externalising and combining the limited knowledge possessed by multiple units that would not otherwise be linked together.

Two major points emerged from the forum. First, this particular method's strength is in mobilising knowledge about one major type of perceived risk, rather than about a range of risks. The value of the effort, however, is dependent upon which risks are chosen for analysis (a point underscored by the recent attack on the Pentagon). Second, a futures game approach is unlikely to provide a general template for corporate strategic planning, which some forum participants envisioned as an ongoing, dialogical process involving the full top echelon. Nevertheless, strategic planning is clearly an important field of risk analysis and management and more attention needs to be paid to designing processes for creating knowledge, challenging current strategies and achieving consensus.

RRI Funds Three New Projects at LSE

Integration and Data Management: The duality of risk Claudio Ciborra, Information Systems Department

Large corporations are meeting the demands of globalisation and cost reduction by deploying massive information and communication infrastructures that are aimed at streamlining, centralising and integrating key information flows and databases. Though managing a fragmented business in the present era can be a high-risk endeavour, this research project aims to reveal the hidden risks of centralization and integration that modern information infrastructures can generate as side effects.

Risk Perceptions: An Internet approach Frank Cowell, STICERD

This project uses V-Lab – the Virtual Laboratory launched last year by the Distributional Analysis Research Programme in STICERD. V-Lab is an Internet tool for conducting questionnaire experiments, facilitating remote coordination by the research team in Europe and in Israel. The purpose of the questionnaires is to identify people's attitudes towards risk and uncertainty by using attitudinal questions in hypothetical settings.

Strategic Decision Making in Companies Peter Abell and Geoffrey Owen, Interdisciplinary Institute of Management

This project will analyse corporate performance and key strategic decision-making in two UK industries, food retailing and vehicle components. The project will consider why some companies consistently make better decisions than others. Does sustained competitive advantage derive from distinctive managerial skill in assessing the risks and returns of particular strategies – or is luck the most important factor? The study will test the validity of some well-known theories of corporate strategy, including the positioning view, the resource-based view and game-theoretic approaches.

Details of forthcoming seminars can be found on the CARR website:
<http://www.lse.ac.uk/Depts/carr/>

From Risk to Contingency: Introducing science to culture in late-modern times

Brian Wynne
 Lancaster University
 May 2001

According to Professor Wynne a paradox lies at the heart of 'Risk Society'. Modern science is founded on provisionality and contingency, but that foundation is rarely publicly acknowledged in relation to controlling risk because of the belief that the public expects science and risk managing institutions to deliver certainty. Yet according to Professor Wynne, that paternalistic belief is redundant and counterproductive. He argued that the public does not withdraw trust from risk managing institutions because of risk management failures; people are familiar with unpredictability and problems of control and so do not expect zero risk. Instead, the public withdraws trust because institutions fail to acknowledge their limited knowledge and abilities. Moreover, scientific risk discourses further alienate the public by marginalizing broader questions of the purposes and benefits of new sciences and technologies. Professor Wynne concluded that whilst moves towards opening up risk assessment practices have been laudable, they fail to grapple with the profound democratic challenges presented by 'Risk Society'.

The Economics of Promotion and Relegation in Sports Leagues: The case of English football

Roger Noll
 Stanford University
 May 2001

Professional sports leagues are organised in either of two ways. In 'closed' leagues, existing members vote on the number and location of teams, and new teams are almost always created *de novo*. In 'open' leagues, teams are added and subtracted through the 'promotion and relegation' system. In his seminar, Professor Noll examined how the incentives and performance of the two types of leagues differ, with special attention to the top four professional leagues in British football. Professor Noll argued that a hysteresis effect can cause the total income to be higher in an open system. That is, if a team is promoted and then relegated, its income in the years after relegation is higher than it would have been without promotion. That means the top professional league inevitably includes a few teams that generate less income than other teams that have been relegated. 'Yo-yo' teams that bounce back and forth between leagues can consequently emerge. These teams sometimes cut their payroll when they are promoted, so that they field a weaker team when they are in the top league than when they are in the lower league, thereby making both leagues less than optimally balanced in terms of relative team quality.

Regulating Risk Disclosure in Germany – A Leap into the Unknown

Martin Glaum
 Justus-Liebig-Universitat, Giessen
 June 2001

In the late 1980s and early 1990s several large German firms collapsed because of severe mismanagement, fraud and other criminal behaviour. Those collapses led to significant amendments to German commercial law in 1998 that required firms to assess and disclose the range of risks that they faced. The amendments, however, did not stipulate how those risks should be reported, leading the German Accounting Standards Committee to establish a risk disclosure standard. In his talk, Professor Glaum examined the developments that led to the legal changes and analysed how successful the Accounting Standards Committee had been in establishing a standard. In particular, Professor Glaum discussed the problems faced by the committee in defining, categorising and quantifying risk. He then discussed how the work of the committee had been received in Germany and drew a number of international comparisons.

Health Care Ethics and Clinical Risk Management: What does regulation have to do with morality?

Richard Ashcroft
 Imperial College School of Medicine
 June 2001

Many health care organisations in the US and the UK have developed two kinds of mechanism for managing and averting 'trouble' – clinical risk management and medical ethics committees. According to Dr Ashcroft regulatory analysts have paid more attention to clinical risk management than medical ethics. In part, that has been because the concerns of medical ethics have been rather less tangible than the financial and reputational concerns of clinical risk management. Dr Ashcroft presented an analysis of the history of medical ethics and ethics committees and argued that the tools of regulatory analysis can prove fruitful for evaluating medical ethics methods and institutions in the healthcare sector. He then set out a research programme for analysing 'research ethics committees' in contemporary healthcare, political and life sciences sectors.



FORTHCOMING LUNCHTIME SEMINARS

Julia Black, LSE, Tuesday 30th October
 Regulation: A Useful Concept?

Joyce Tait, Edinburgh University, Tuesday 20th November
 Governance, Risk and Modernising Government

Paul Willman, University of Oxford, Tuesday 11th December
 Traders and the Management of Risk in Financial Markets

Seminars start at 1pm, Room H615, Connaught House, LSE

Visiting Fellows

CARR has a dynamic Visiting Fellows programme that is actively contributing to CARR's intellectual life. CARR has recently been privileged to welcome four leading scholars and practitioners.

Neil Gunningham is Professor of Law and a founding Director of the Australian Centre of Environmental Law at the Australian National University. He has been a private practitioner, consultant to government agencies, parliamentary committees, and employer and trade union groups. His present research seeks to identify the contribution that broader innovative forms of regulation can make to environmental protection.

Fred Thompson is Professor of Management and Policy Analysis at Willamette University Salem, with a special interest in the Economics of Management, Organisation and Governmental Institutions. He is the co-author of the Handbook of Public Finance (New York: Dekker, 1998).

Richard Anderson is a consultant specialist in risk management with wide experience of Big Five accountancy practice. He is currently working on ways in which risk management scholarship can more productively inform corporations that are confronted with urgent needs to reorganise.

Michael Spackman was Chief Economist at the Department of Transport and was Undersecretary at HM Treasury, responsible for the Public Expenditure Economics Group until 1995. He was also a member of the ESRC's Steering Group for the 'Risk and Human Behaviour' Programme. He is currently a Special Advisor to National Economic Research Associates.

The Visiting Fellows programme is now advertised in the academic press and on the CARR website.



CARR Develops Links with Other Research Institutions

CARR has made contacts with a number of research institutes with a view to developing collaborations on workshops or research programmes. Bodies involved in discussions include the Centre for Business Research (Cambridge); Business History Group (Glasgow); Centre on Regulation and Competition (Manchester); Centre for Regulated Industries (London) and the Centre for Competition and Regulation (Norwich). Approaches from all researchers in the regulation and risk fields are invited and welcomed.

CARR is building contacts across the UK – organising conferences in Scotland, Wales and England, developing links with other institutions and running a vibrant visitors programme.



Professor Rob Baldwin speaking in Glasgow

Regulation and Risk in the New Scotland Glasgow, September 2001

CARR's first major outreach conference was held in Glasgow in September on the theme, 'Regulation and Risk in the New Scotland'. Organised by Tony Prosser, CARR Associate and Professor of Law at Glasgow University, the conference brought together academics and practitioners to consider the challenges of developing innovative regulatory strategies in the context of Scotland's devolved constitutional status. Speakers included the Water Commissioner for Scotland, Alan Sutherland, Tricia McAuley of the Scottish Consumer Council, Alisdair Meldrum of the Scottish Executive Enterprise and Life Long Learning Department, Kevin Taylor of Shepherd and Wedderburn, Professor Alain Page of Dundee University and Professor Joyce Tait of the Scottish Universities Policy Research and Advice Network.

Outreach Events

Business History and Risk Leeds, 20th February 2002

This conference will provide an opportunity for business historians to explore varying conceptions of risk as these impinge on work in the business history sector. Joint organisers are Professor Steven Tolliday (University of Leeds) and Dr Terence Gourvish (CARR).

Accountability, Accounting and Regulation Norwich, April 2002

The seminar will be run jointly by CARR and the Centre for Competition and Regulation at the University of East Anglia where Professor Catherine Waddams will act as organiser. Papers will focus on the utilities and other sectors and especially the accounting/auditing, legal and medical professions. Broader discussions of alternative accountability models and theories will be encouraged.

Graduate Workshop on Regulator-Regulatee Relationships Scotland, Autumn 2002

A graduate workshop is being planned for next year that will focus on the relationships between regulators and managers. In many sectors regulators become involved in the close oversight of managers, the design of systems and the planning of new developments. Similarly, firms carry out a variety of regulatory and self-regulatory tasks. Such overlaps of function raise issues of accountability, efficiency and how the regulatory state is modelled at different governmental levels. The workshop will examine how such linkages and fusions challenge a range of regulatory theories and how those theoretical problems might be overcome.

Regulation, Audit and Environment Cardiff, 2002

The Cardiff organiser will be Professor David Miers of Cardiff Law School.

More information on the Outreach Programme can be found on CARR's website, <http://www.lse.ac.uk/Depts/carr/>

During the past year CARR members have been consulted by national and international organisations on a wide range of issues

Advice and Consultancies

Robert Baldwin advised the National Audit Office on Postcomm regulation and the OECD/Cabinet Office on British regulation and regulatory variety. He has recently been made a member of the Ministerial Advisory Group to the Cabinet Office/Performance and Innovation Unit review of the regulation of charities.

Julia Black's work on enforcement practice and design was influential for the Australian Law Reform Commission's work on civil and administrative penalties.

Christopher Hood gave advice to the Committee on Standards in Public Life at a seminar in Oxford on the subject of elite interviewing in the public service (May 2001).

Bridget Hutter acted as consultant to the Cabinet Office study on the effectiveness of the Enforcement Concordat (May 2001).

Colin Scott gave advice to the UK Cabinet Office on the effects of the Enforcement Concordat on businesses (April 2001). He also wrote the consultation document 'Governance and Regulation for the Digital Age' for the European Internet Foundation which formed the basis for consultation between the European Parliament and industry groupings. Together with Martin Lodge he also gave advice to the OECD on administrative simplification programmes in the UK (July 2001).

Mark Thatcher and **Martin Lodge** gave advice to the UK Government's Better Regulation Task Force on the Review of Economic Regulators (March 2001).

Presentations and Visits

Robert Baldwin and **Bridget Hutter** presented a paper on 'Responding to Risk: Linking the Managerial and the Regulatory' to the Law and Society Conference in Budapest (July 2001).

Tim Besley presented a paper on 'Citizens Initiative' at University College London (January 2001) and on 'Government Responsiveness in India' to the 'Polarization and Conflict' conference in Barcelona (January 2001).

In June 2001, **Julia Black** travelled to Australia and presented a paper on 'Managing Discretion' to the Australian Law Reform Commission Conference and two papers at the Australian National University on 'Enforcement Practices and Principles' to the RegNet Seminar, and 'Critical Reflections on Regulation' to the Conference of Australian Legal Philosophers.

Vanessa Finch and **Judith Freedman** presented a paper on 'Limited Liability Partnerships: Much ado about nothing?' to the IALS Company Law Seminar Series (June 2001).

Judith Freedman presented a paper on 'Limited Liability Partnerships and Small Firms – a Triumph for Limited Liability?' to a conference on 'Close Corporation and Partnership Law Reform in Europe and the United States' at the Centre for Company Law, Tilburg University (May 2001).

Andrew Gouldson presented a paper on 'Ecological Modernisation and the Environment – Economy Interface' to the American Association of Geographers (February 2001), and a paper on 'Voluntary Regulation and Industrial Capacities for Environmental Improvement' to a Harvard University conference on 'Voluntary, Collaborative and Information-Based Policies' (May 2001).

Terence Gourvish presented a paper on 'British Rail and the Department of Transport-Treasury Relationship: Social vs. economic goals' to the American Business History Conference in Miami (April 2001).

Christopher Hood presented a paper to the American Political Science Association on 'Control, Bargains and Cheating: The politics of public service reform' in San Francisco (September 2001) and presented a paper on 'The Risk Game and the Blame Game' to the British Academy/Academy of Medical Sciences conference on 'Risk, Democratic Citizenship and Public Policy' (June 2001). He also presented a paper with Martin Lodge to the Public Administration Theory Network Conference in Leiden on 'Pavlovian Policy Responses to Media Feeding Frenzies' (June 2001).

Michael Huber presented a paper on 'Lesson Drawing and Burden Sharing in the EU Climate Change and Acid Rain Policies' to the JACES Study Group on EU Burden Sharing at the LSE (June 2001).

Martin Lodge presented a paper on the 'Failure in the Regulatory State: Comparing railway regulation in Britain and Germany' to the Political Studies Association annual conference in Manchester (April 2001).

Michael Power presented papers on 'Standardizing Management Control Practices' at the conference on 'Managing Out of Networks and Systems' University of Witten/Herdecke (April 2001); 'The Reinvention of Risk Management: Consequences for regulation' at the Euroconference on 'Financial Reporting and Regulatory Practices in Europe', Palermo, Italy (May 2001); and 'Risk Management and Corporate Responsibility' at the conference on 'Risk and Morality', University of British Columbia, Vancouver (May 2001).

Jonathan Rosenhead presented a paper with colleagues on 'Soft Crime Prevention – Some UK Experience' at the International Conference on Operational Research for Development in Berg-en-Dal, South Africa (May 2001), and a joint paper on 'Learning from Partners in the Construction Industry: A feedback approach to cross-organisational learning' at the 8th International Conference in Multi-organisational Partnerships and Co-operative Strategy, in Bristol (July 2001).

Colin Scott presented papers on 'EU and UK Governance Reform – Wholly Dissimilar?' to the ESRC Future Governance/CMPS Seminar on 'Modernising Government and the EU' (July 2001); 'The Partial Role of Competition in Controlling the New Media' (with Andrew Murray) to a Leicester University conference on 'Competition Law and the New Economy', (July 2001); and 'The Problem of Control and Alternative Regulatory Models' to the EU Committee of the American Chamber of Commerce conference on 'Alternative Regulatory Models' in Brussels (February 2001).

Mark Thatcher presented papers on 'Delegation and Semi-Independent Regulatory Agencies' to the ECPR workshops in Grenoble (April 2001) and to the American Political Science Association Annual meeting in San Francisco (August 2001).

New CARR Discussion Papers

DP3
THE NEW POLITICS OF RISK
REGULATION IN EUROPE
David Vogel

Through the mid 1980s, health, safety and environmental regulations tended to be stricter in the United States than in Europe. This is no longer the case: a number of European environmental and consumer safety standards enacted over the last fifteen years are stricter than their American counterparts. In a number of critical respects, contemporary regulatory politics and policies in Europe resemble those of the United States during the 1960s and 70s: they are highly contentious, NGOs enjoy substantial political influence, courts exercise considerable regulatory oversight and policy makers find themselves under considerable political pressure to adopt risk adverse policies, even in the absence of conclusive scientific evidence. The precautionary principle both encourages greater reliance on science and the making of non-scientific judgements.

There are a number of explanations for the emergence of a new European regulatory risk regime. These include: the emergence of a European civic culture characterised by a strong interest in regulatory issues; a series of regulatory failures that have undermined public confidence in existing regulatory institutions and the capacity of governments to protect their citizens; and the European Union, which has both heightened public scrutiny of both EU and national regulatory policies and provided more opportunity for political participation by NGOs. Each of these causes has parallels with the USA during the 1970s.

Recent Books by CARR Members



REGULATION AND RISK:
OCCUPATIONAL HEALTH
AND SAFETY ON THE
RAILWAYS

Bridget Hutter

Oxford: Oxford University Press
2001. For a review see page 8
of *Risk&Regulation*.



THE GOVERNMENT OF RISK:
UNDERSTANDING RISK
REGULATION REGIMES

Christopher Hood, Henry
Rothstein and Robert Baldwin

Oxford: Oxford University Press
2001. For a review see page 9
of *Risk&Regulation*.



RATIONAL ANALYSIS FOR
A PROBLEMATIC WORLD
REVISITED: PROBLEM
STRUCTURING METHODS FOR
COMPLEXITY, UNCERTAINTY
AND CONFLICT, (2nd ed.)

Jonathan Rosenhead and
John Mingers (eds)
Chichester: Wiley 2001

Forthcoming in 2002

**Corporate Insolvency Law:
Perspectives and principles**

Vanessa Finch
Cambridge: Cambridge University
Press

**British Rail 1974–1997: From
integration to privatisation**

Terence Gourvish
Oxford: Oxford University Press

Other Recent Publications by CARR Members

The Commission and National Governments as Partners: EC regulatory expansion in telecommunications 1979–2000

Mark Thatcher
Journal of European Public Policy 8
(4), 2001: pp558–584

**Analysing Regulatory Space:
Fragmented resources and
institutional design**

Collin Scott
Public Law, Summer 2001:
pp283–305

**Risk Regulation Under
Pressure: Problem solving
or blame-shifting?**

Christopher Hood and Henry
Rothstein
Administration and Society 33 (1),
2001: pp21–53

**Decision Support for
Organisational Risk
Management by Problem
Structuring**

Tom Horlick-Jones, Jonathan
Rosenhead, Ion Georgiou, Jerry
Ravetz and Ragnar Löfstedt
Health, Risk and Society 3 (2),
2001: pp141–165

**Imagining, Measuring and
Managing Intangibles**

Michael Power
Accounting, Organizations and
Society 26 (7/8), 2001: pp691–693

**Governing by Numbers: Why
calculative practices matter**

Peter Miller
Social Research 68 (2), 2001:
pp379–96

**Regulating in the Interest of
the Citizen: Towards a single
model of regulatory
transparency?**

Martin Lodge and Lindsay Stirtton
Social and Economic Studies 50
(2), 2000: pp75–109

**Risk Management and
Business Regulation**

Bridget Hutter and Mike Power
in J. Pickford (ed.) *Mastering Risk*
Vol.1: London: Pearson Education
Ltd, 2001

**A Regional Approach to the
Management of Global
Environmental Risks: The case
of the European Community**

Michael Huber and Angela
Liberatore in *The Social Learning
Group* (ed.) *Learning to Manage
Global Environmental Risks* Vol. 1:
Cambridge, Ma.: MIT Press, 2001

**Paradoxes of Public-Sector
Managerialism, Old Public
Management and Public
Service Bargains**

Christopher Hood
International Public Management
Journal 3, Autumn 2000: pp1–22

**European Yearbook of
Business History, Vol.3**

Terence Gourvish (ed.)
Aldershot: Ashgate, 2000

**Employed or Self-Employed?
Tax classification of workers
and the changing labour
market**

Judith Freedman
Tax Law Review Committee
Discussion Paper: London: Institute
for Fiscal Studies, 2001

Is Pari Passu Passé?

Vanessa Finch
Insolvency Lawyer 5, October
2000: pp194–210

Proceduralising Regulation

Julia Black
Oxford Journal of Legal Studies
(Part I) 20, 2000: pp597–614 and
(Part II) 21, 2001: pp33–58

**Policy Agency, Government
Responsiveness and the Role
of the Media**

Tim Besley
European Economic Review
(45), 2001

**A Risk Framework for
Regulatory Accountability**

Robert Baldwin
In P. Vass (ed.) *Regulation 2001*,
London: CRI, 2001

CARR research staff

Robert Baldwin

CARR Programme Director: Business Regulation and Corporate Governance
CARR Director of UK University Liaison

Professor of Law

Law; Regulation; Rulemaking; Strategies of risk control.

Tim Besley

Director of Suntory and Toyota International Centres for Economics and Related Disciplines (STICERD)

Professor of Economics

Public economics; Development economics; Political economy.

Julia Black

Senior Lecturer in Law

Regulatory techniques and processes; Interpretive and discourse based approaches to regulation; Rule making; Financial services regulation.

Vanessa Finch

Senior Lecturer in Law

Corporate insolvency; Corporate Governance; Directorial Responsibility/Liability; Creditors, Security and Risk.

Judith Freedman

KPMG Professor of Taxation and Fellow of Worcester College, University of Oxford

Taxation; Small businesses; Interaction between legal and accounting regulation; Corporate accountability; Company law.

George Gaskell

CARR Programme Director: Organisations and Risk Management

Professor of Social Psychology

Organisational management of technological risks; Public opinion and public policy; Expert and lay understandings of risk and uncertainty; Public perceptions of biotechnology.

Andrew Gouldson

Lecturer in Environmental Policy

Science, technology and environment; Environmental risk assessment and management; Corporate governance and stakeholder relations.

Terence Gourvish

Director, Business History Unit

Business and corporate history in the 19th and 20th Centuries; Comparative study of state-owned enterprises; Mergers and industrial concentration.

Christopher Hood

CARR Programme Director: Regulation of Government and Governance
Gladstone Professor of Government and Fellow of All Souls College, University of Oxford

Regulation of public-sector bodies; International comparative analysis of risk regulation regimes; Institutional factors in shaping regulation; Transparency and 'better regulation'.

Michael Huber

Aon Fellow in Risk Management

Environmental regulation; Risk regulation; Organisation theories and social theory.

Bridget Hutter

CARR Co-Director

Peacock Professor of Risk Management

Sociology of regulation and risk management; Regulation of economic life; Corporate responses to state and non-state forms of regulation.

Robert Kaye

ESRC Research Officer

Self-regulation, in particular parliamentary self-regulation; Good government; British government and politics.

Martin Lodge

ESRC Senior Research Officer

Comparative regulation and public administration; Government and politics of the EU and of Germany; Railway regulation in Britain and Germany; Regulatory reform in Jamaica.

Richard Macve

Professor of Accounting

Conceptual framework of financial accounting and reporting; Financial reporting in the insurance industry; Accounting history; Environmental accounting and reporting.

Peter Miller

Professor of Management Accounting

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

Michael Power

CARR Co-Director

P D Leake Professor of Accounting; Role of internal and external auditing; Risk reporting and communication; Financial accounting and auditing regulation.

Jonathan Rosenhead

Professor of Operational Research

Participatory methods for intra- and inter-organisational risk management; Organisational health and safety issues; Large-scale public events.

Henry Rothstein

ESRC Research Officer

Comparative analysis of risk regulation regimes; Risk regulation and public opinion, the media, interest groups and regulatory professionals; Transparency and accountability.

Colin Scott

Reader in Law at LSE

Senior Research Fellow in Public Law, Australian National University

Regulation of government, telecommunications regulation and regulation of consumer markets; New dimensions of regulation of the public sector and regulatory innovation.

Mark Thatcher

Lecturer in Public Administration and Public Policy

Comparative European regulation and public policy; Telecommunications and other utilities; Institutional design and independent regulatory agencies.

CARR research associates

Michael Barzelay

Reader in Public Management, LSE

Tom Horlick-Jones

Senior Research Fellow, Cardiff University

Larry Phillips

Visiting Professor of Operational Research, LSE

Tony Prosser

John Millar Professor of Law, Glasgow University

Judith Rees

Pro-Director, LSE

Professor of Environmental and Resources Management, LSE

Lindsay Stirton

Tutorial Fellow in Law, LSE

CARR administrative team

David Black

Administrative Secretary

Louise Newton-Clare

Centre Administrator

Liz White

Administrative Assistant



Centre for Analysis of Risk and Regulation
The London School of Economics
and Political Science
Houghton Street
London WC2A 2AE
United Kingdom

Tel: +44 (0)20 7955 6577
Fax: +44 (0)20 7955 6578
Website: <http://www.lse.ac.uk/Depts/carr/>
Email: risk@lse.ac.uk