P06 / Trust, Distrust, and Regulation: Exploring their Interdependencies

Topic : COMPARATIVE PUBLIC POLICY

Chair : Bernardo Rangoni (University of York)

Second Chair : David Levi Faur (Hebrew University of Jerusalem)

Third Chair : KOEN VERHOEST (GOVTRUST Centre of Excellence, Politics & Public Governance research group, dep. of Politics, University of Antwerp)

GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

This panel aims to explore the complex, evolving relationship between trust, distrust, and regulation, addressing the following key research question: whether, how, and why (dis)trust and regulation affect one another. Trust is often viewed as the acceptance of vulnerability to others' actions, while distrust reflects a state of wariness or suspicion, and regulation encompasses rulemaking, monitoring, and enforcement. In recent decades, societies have witnessed significant crises—ranging from the 2008 financial meltdown to data privacy scandals, environmental fraud, and geopolitical conflicts—each eroding public trust in various actors, including private-sector tech giants and multinational corporations as well as public institutions such as financial regulators. Amid this context of distrust, regulation has often expanded, reflecting attempts to mitigate perceived risks and abuses, but it also risks unanticipated consequences that may further erode trust.

Empirical examples abound: European regulatory measures to curb the power of tech companies, the tightening of financial regulations after the global financial crisis, and screening mechanisms for foreign investments, especially in strategic sectors, all reflect efforts to restore trust. Yet, these regulatory moves have sparked debates over their effectiveness and unintended side effects, such as bureaucratic overreach and policy complexity. This panel investigates not only how regulation may restore trust but also how it may, paradoxically, breed further distrust by creating perceptions of red tape, inefficiency, or bias.

Theoretically, the relationship between trust and regulation is often viewed as antagonistic—where trust is high, regulation can be light; where distrust is dominant, strict rules emerge to minimize discretion. However, this traditional perspective might overlook scenarios where trust and regulation reinforce each other. For example, trust may support effective regulation, while regulation might act as a catalyst for building or repairing trust. Thus, the panel examines whether these factors are rival or complementary and whether trust can indeed be rebuilt after it has been breached.

This investigation is timely, given the rapid evolution of – inter alia – technological, financial, and geopolitical landscapes, which continuously test the robustness of regulatory frameworks. Through comparative analyses across sectors and governance levels, the panel will probe the iterative co-evolution of trust and regulation, focusing on how different contexts shape the interplay of these forces. Key hypotheses include:
1. Mutual Reinforcement: Trust and regulation can be mutually reinforcing, where effective regulation can build trust, and trust can support regulatory compliance.
2. Distrust and Over-Regulation: High levels of distrust may lead to over-regulation, which can backfire by fostering even more distrust.
3. Trust Repair: Regulation can serve as a corrective mechanism that helps repair trust over time, suggesting that distrust cycles can be broken.

Ultimately, this panel will deepen the understanding of the nuanced, multifaceted ways in which (dis)trust and regulation intersect, offering insights that extend beyond single-issue areas to broader governance challenges.

CALL FOR PAPERS

We invite paper proposals that contribute to a deeper understanding of the interdependencies between trust, distrust, and regulation across various sectors, polities and governance levels. We seek theoretical and empirical studies that address questions such as: Can regulation rebuild trust once it has been eroded? Does over-regulation exacerbate distrust, or can it restore it? Papers may explore these issues through

comparative case studies, historical analyses, or quantitative assessments, focusing on contexts such as technology, finance, environmental policy, or international trade.

Contributions may investigate one part of the trust-regulation sequence (e.g., how regulation affects trust or vice versa) or adopt a dynamic approach that examines the feedback loops between the two. We encourage diverse methodological approaches and welcome inter- and multi-disciplinary perspectives, including but not limited to political science, sociology, economics, and legal studies. Papers that address underexplored aspects, such as citizens' trust in regulatory actors, inter-agency trust, or the role of institutional design, will be particularly appreciated. The goal is to foster a dialogue that challenges traditional views of trust and regulation as mutually exclusive and explores new avenues for understanding their co-evolution.

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Session 1

Friday, July 4th 10:15 to 12:15 (SME-F2)

Rebuilding Trust in Regulation: Lessons from Finance in Europe

Bernardo Rangoni (University of York)

Enhancing Public Trust in the Australian and Indonesian Police (AFP & POLRI) through Procedural Justice and Reconciliation Models

Ilham Hatmawan (Australian National University)

Dispute Settlement in e-Commerce and Regulatory Options

Supruet Thavornyutikarn (Thammasat University)

Trust and Economic Governance of the Sharing Economy in the Accommodation Sector: A Transaction Cost Economics Analysis

Vorapat Chutima (Chiang Mai University School of Public Policy)

Pairach Piboonrungroj (Chiang Mai University School of Public Policy)

Warattaya Chinnakum (Chiang Mai University School of Public Policy)

(Virtual) Trust and the Regulation of Automated Decision-Making Systems in the Public Sector: Explorative Insights from the Swiss Case

Martino Maggetti (University of Lausanne)