

The enforcement agency as moral entrepreneur

Dr. Judith van Erp
Dept. of criminology
Erasmus Universiteit Rotterdam
vanerp@frg.eur.nl

The importance of reputation

- Reputation is key motive for compliance
- Independent of consumer effects
- Much stronger than legal sanctions
- Disclosure of enforcement results = reputational information

Naming and shaming

- Naming: disclosure of information on rule compliance
- Shaming: implicitly or explicitly coloring that information
- Stigmatizing: extending shaming beyond violation

Shaming vs. traditional sanctions

- 2 functions of punishment:
 - deterrence
 - moral education
- Shaming is better at deterring; companies have greater fear of loss of reputational capital;
- Shaming is better in moral education, financial sanctions stimulate calculating behaviour
- Shaming reinforces those who are already in compliance

The power of shaming measures

- Shaming sanctions are better in fulfilling task of deterrence and moral education
- Shaming component is a condition for the effectiveness of transparency
- Strength of shaming can turn into weakness

Moral awareness or demoralizing stigma? Effects for the company

- Defensive interpretation of information
- Oversimplification of information
- Lack of context awareness of disclosed information
- Recommendations

Consumer empowerment or loss of trust?

- Misinterpretation
- Insecurity
- Misuse:
 - Media
 - Interest groups
 - Criminals
- Counterproductive effects

Image building or compliance trap?

Effects for enforcement agency

- Enforcement agency as crime fighter
- Enforcement agency may not convince the public
- Loss of political support
- Loss of legitimacy

The importance of a fair publication procedure

- Publicity should be neutral and not portray the offender in a negative way.
- Publicity should aim to inform the public, not to influence the public.
- Disclosure should be limited to the names of companies; do not actively publish names of board members.
- Especially when a case is under judicial review, enforcement agencies should limit their communication to formal and factual press releases.

The enforcement agency as a
moral entrepreneur -

A powerful role

Use it wisely!