Developing a Framework for Measuring Regulatory Performance in OECD Countries

Christiane Arndt
Gregory Bounds
Helge Schröder
Regulatory Policy Division
• Briefing on programme *Communicating and Measuring Progress in Regulatory Reform*

• Presentation of a strawman framework
The fundamental aim for work in this area by the Regulatory Policy Committee (RPC) is to address a key concern to governments and delegates that is:

- Demonstrating how improvements to regulatory governance deliver actual benefits to business and citizens.
- Measuring regulatory performance to diagnose success and failures, improve regulatory policies, programmes and tools, and to communicate progress.
Work to date

- Development of process indicators, ex-post evaluation practices, measurement of red tape reduction, user-centred evaluation

Aims to help officials use perception surveys for evaluating and communicating progress in regulatory reform

Additional material available online at www.oecd.org/regreform/indicators

Feedback welcome
Objective of current work:

- Provide consolidated information on how regulatory policy performance is currently evaluated across a number of countries
- Develop a framework and options for a set of indicators and associated measurement methodology for regulatory policy evaluation within countries

Objectives of workshop:

- Explore the development of a framework that countries can use to evaluate regulatory policy performance domestically
Role of participants

• Contribute in their role as experts to develop a common OECD framework
• Breakout sessions: suggest revisions to the “strawman” framework presented in this session, sketch in missing elements and discuss options for measuring them.
A strawman proposal is intended to generate discussion of its disadvantages and to provoke the generation of new and better proposals.
One way of measuring regulatory performance

- Regulatory Management
- Regulation
- Impact on real world

Macro-links (e.g. econometric studies)
The regulatory system is made up of many actors and agencies across multiple sectors and policy areas.
The Regulatory System

Specific sector/Policy area

Input

What resources are committed?
- e.g. budget, staffing, expertise

Process

Are requirements for good regulatory practices in place?
- e.g. requirements for objective-setting, consultation, evidence-based analysis, simplification, risk assessments (e.g. indicators of regulatory management type)

Output

Have the good practices been implemented?
- e.g. percentage of RIAs that comply with formal requirements

Intermediate outcome

Have regulatory practices in place helped to get quality regulations?
- e.g. Perception surveys of those involved in the regulatory process

Final outcome: High quality regulation

- Effectiveness – market failure/problem/risk was solved or mitigated
- Net benefits (possibly in comparison with counterfactual and alternatives)
- Compliance costs and burdens (possibly integrated into net benefits)
- Reduced enforcement costs
- Perception of improvement in regulation
- Improved compliance rate
- Transparent and easy to access

Feedback loop

OECD Indicators of Regulatory Management

Radaelli/Fritsch (2011)

Canada

Coglianea (2011)
Indicators in the framework

- Populate the framework with proxy indicators
- Indicators need to be assessed according to standard indicator quality criteria (e.g. validity, reliability, interpretability, policy relevance)
- Indicators might be complemented with qualitative research methods (e.g. interviews, case studies, focus-groups)
• Notify us of terminology that should be clarified
• Suggestions for definitions are welcome
We wish you a productive workshop!

Comments and suggestions are welcome:
Please contact:

christiane.arndt@oecd.org, Tel. (33 1) 45 24 76 56
gregory.bounds@oecd.org, Tel. (33 1) 45 24 84 43
helge.schroeder@oecd.org, Tel. (33 1) 45 24 85 71

For practical arrangements:

laure.disario@oecd.org, Tel. (33 1) 45 24 14 13