



# EVALUATING EFFECTIVENESS OF INSPECTIONS AND ENFORCEMENT

Challenges and ways forward

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**Many challenges...**





# What are we evaluating?

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- Improvements in compliance? But if so, it means we equate compliance with achievement of public goods, which may be wrong (regulations might miss their goals, or have unclear ones, etc.)
- Improvements in public outcomes? But how much of public health, environmental situation etc. is really within the reach of inspection agencies to change?
- Difficulties:
  - *Inspections' effect on public outcomes is indirect (inspectors do not run business operations...)*
  - *Compliance is (at best) a poor proxy for safety, health etc.*
  - *How to know if an inspectorate's effectiveness is good, or improving, in such a context?*



# Where do we get data from?

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- Much data ends up being collected by inspectorates themselves:
  - *On compliance, only by them*
  - *On many public outcomes, mostly by them: e.g. occupational safety, environment etc.*
- Risks of conflicts of interest: inspectorates may benefit from under- or over-reporting (depending on the context) – if evaluation is used as a major policy/funding etc. tool, the risk increases
- In some cases data comes from other structures (including state), which is better – or at least there are competing sources of data (e.g. data on public health can allow to cross check many areas)
- Nonetheless, completeness and reliability of data can raise concerns in many cases



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**...but not trying is even worse...**





## Current situation in most cases: inspections not really evaluated

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- In most cases, inspections and enforcement activities essentially *assumed* to work and deliver results – even: to be indispensable
- Means it is impossible to really assess their cost effectiveness, and allocate results to different agencies/actions on a cost/benefit basis
- It also conversely means that expectations of inspection agencies are exaggerated – and this can result in strong backlash whenever anything wrong happens
- Having clearly articulated goals, objectives and evaluation systems is thus an important priority – but one where in most cases little progress has (yet) been done



# **Assessing and monitoring reform progress**





## Many ways to track (and promote) implementation of reforms (1)

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- Measuring and tracking administrative burden from inspections – generally defined as staff time spent on preparing/undergoing (and following up on) inspections – but some difficult questions on which costs to include, whether/how to count lost profit etc.
- Sources of information for burden? Issue of representativeness of data given how different the experience of inspections can be from one business to the next (thus, better a larger sample and simpler questions)
- Tracking burden is partly a proxy for many other things (more focused inspections generally go hand-in hand with more attention to compliance promotion, more transparency etc.) – burden itself is not the most important, but the one that we know how to measure
- Still only few countries doing this systematically – some variation in methods (NL, Italy, Lithuania, WBG surveys...) but many common points





## Many ways to track (and promote) implementation of reforms (2)

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- Many other things can be tracked beyond/beside administrative burden calculations – some of which may be easier and help monitor/steer reforms more easily and regularly
- Among these:
  - Targeting – number of inspections of different types of businesses conducted by inspecting agencies
  - Use of new instruments for transparency and compliance (e.g. check-lists) during inspections
  - Number of consultations/advice given to businesses (and possibly ‘satisfaction rates’ too)
  - Allocation of resources in inspectorates (% going on inspections, awareness/information, analysis/planning etc.)
  - Staffing levels and budget levels compared across inspectorates
  - Review of consolidated staffing, resources, number of inspections etc. of agencies looking at essentially similar issues (duplication)



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# Going forward





# Evaluation – connected to all inspection issues

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- The issue of evaluation is deeply connected to the question of what inspections are here for (GOALS) and of what RISKS they are here to address
- Gathering regularly good quality data is linked to the issue of internal processes and information systems
- Evaluation is to be a major element in driving cultural changes by changing incentives for agencies and their staff
- Considerable analytical/research work still needed – but there is a lot that can be done today with existing data, or with limited means – if this is put as a priority