



OECD Workshop on Regulatory Enforcement and Inspections

Hosted by the Israeli Government

29-30 October 2012, Jerusalem

Inbal Hotel, Liberty Bell Park, 3, Jabotinsky St. 92145 Jerusalem

Agenda

Goals

Ensuring effective compliance with rules and regulations is an important factor to create trust in a functioning society and in government. The challenge is to develop an enforcement strategy that induces the highest possible compliance while keeping the costs as low as possible. A well-formulated enforcement strategy, providing correct incentives for the regulated subjects, can reduce the monitoring effort and the costs for both the regulated subjects and the public sector. Many countries are realising the importance of the enforcement phase to ensure the quality of regulatory policy and to address the overall level of regulatory burdens imposed on businesses and citizens. Increased attention is being paid to the efficiency of the enforcement phase in the regulatory governance cycle and the issue of proportionality in enforcement. Governments increasingly understand that this can help reduce burdens on business and citizens and release public resources for more productive tasks.

The organisation, design and delivery of inspection and enforcement procedures are understudied areas of regulatory policy. There appears to be considerable latent potential for reducing regulatory costs on businesses and citizens and improving the efficiency and effectiveness of inspection services to address regulatory issues. Some countries have already embarked on reform programmes designed to ensure that inspection services are delivered efficiently and effectively, having regard to the costs for government in the running of inspection services and tailoring the organisation of inspection services to utilise changes in technology and social organisation and better attain regulatory objectives.

The goal of the workshop is to gather policy makers and experts involved in regulatory enforcement and inspections, and enable the exchange of experience among them to share approaches to inspections and their reforms. The workshop aims to achieve these objectives through a set of country presentations as well as through an open discussion among participants.

Target Audience

The conference should bring together those responsible for regulatory policy in general with experts on regulatory enforcement and inspections and their reforms, including representatives of regulators, enforcement agencies and inspections.

Proposed Agenda

The agenda, with a mix of formal presentations and open discussion proposed for the workshop, promotes learning and exchange of experience among experts from the OECD community. It includes presentations of the results of the OECD survey conducted in 2012. Countries that are more advanced with the reforms in the area of reforming inspections should present their country experiences. Presentations will be followed by a round of questions from the delegates. The floor will then be open for discussion to the general audience.

The agenda will also focus on the role of enforcement and inspections in all phases of the Regulatory Governance Cycle, e.g. effective implementation of regulations, monitoring compliance and analysing reasons of non-compliance, as well as contributing to developing new policies and laws. Last but not least, the issue of governance of the so-called regulators and inspection authorities will be discussed including arrangements to prevent political interference into daily work and ensure independence and at the same time accountability of these institutions.

The conference will be opened by Israel's Minister of Industry, Trade and Labour, Mr. Shalom Simhon.

Monday 29 October

8:00-8:45

Welcome, registration

Please allow sufficient time for your registration. All participants should be seated before the official opening of the workshop.

9:00-9:15

Opening speech

Shalom Simhon, Minister of Industry, Trade and Labour, Israel

9:15-10:15

OECD work on regulatory enforcement and inspections

An introduction to the issues and goals of the conference and presentation of the papers

Nick Malyshev, Head of the Regulatory Policy Division, OECD

Daniel Trnka, Regulatory Policy Division, OECD

Julie Monk, OECD expert

Florentin Blanc, OECD expert

10:15-10:30

Break

10:30-12:00

Session 1: Enforcement and inspections – implementation and delivery tools for regulations

Regulations themselves, how they are designed and developed, how to improve them and make them “smarter”, have been considerably more studied than delivery mechanisms such as inspections and other enforcement tools. Available evidence and experience suggests, however, that they are crucial to how the regulatory sphere in general affects businesses and the economy. First, inspections and enforcement actions are generally the primary way through which businesses, in particular SMEs, “experience” regulations and regulators. Second, inadequate approaches or lack of changes in enforcement and inspections can mean that changes in regulations fail to deliver their full benefits. Third, evolutions in inspections and regulatory delivery to make them more compliance-focused, more supportive and risk-based can all lead to real and significant improvements for economic actors, even within the framework of existing regulations. Finally, enforcement and inspections are as much about methods and culture as institutions, and as much about organisational mechanisms as legislation. All these aspects will be discussed during the session.

Speakers

Florentin Blanc, OECD expert

Graham Russell, Better Regulation Delivery Office, UK

12:00-13:30

Lunch

13:30-15:00	Session 2: Governance of inspections: Institutional set ups and governance, demand for changes
13:30-15:00	<p>Institutional set ups and governance arrangements for inspections are very diverse, with combinations of local or national institutions, autonomous structures or departments within ministries, etc. Funding mechanisms are equally diverse. Little research has yet been done to analyse the strengths and weaknesses of different models. Performance evaluation and management is similarly done according to various approaches, and with indicators reflecting very different views of what inspections are supposed to achieve. Measurement of performance can often be challenging as well.</p> <p>In many countries, inspections and enforcement systems have been subject to criticism due to their costs and the burden they create, with critics often focusing on overlaps and duplications between agencies, conflicting or unclear requirements, too frequent visits, or the behaviour of inspectors. All these are intimately linked with organisational structures and set ups, and with governance models. Both aspects will thus be discussed within this session.</p> <p><u>Speakers</u></p> <p>Laurens Smits, Inspection Council, the Netherlands</p> <p>Domen Bizjak, Ministry for Justice and Public Administration, Slovenia</p>
15:00-15:30	Break
15:30-17:00	Session 3: Reforming inspections
	<p>A number of OECD countries have already embarked on inspection reforms for some years, and others are starting or considering the idea. Nevertheless, this remains a relatively new area. The main drivers of these reforms are generally to reduce administrative burdens stemming from inspections, to improve their effectiveness and therefore improve regulatory compliance – and in some cases to increase their efficiency and thus decrease budgetary costs. What are the main factors triggering inspection reforms? What are their main objectives? How are these reforms conducted, what are the major success factors? What were the results in those countries that successfully conducted, or initiated, such reforms?</p> <p><u>Speakers</u></p> <p>Giedrius Kadziauskas, Vice-Minister of Economy, Lithuania</p> <p>Natanel Haiman, Business and Industry Advisory Committee (BIAC)</p>
17:00-17:15	Closing remarks
18:30	Cocktail, Hotel Inbal

Tuesday 30 October

8:30-9:00

Welcome, registration

9:00-10:30

Session 4: Improving effectiveness and efficiency of inspections

This section will directly follow up on the previous one to discuss how improvements in inspections' effectiveness and efficiency are being achieved in OECD countries. Better targeting of inspections through using risk-based approaches to inspections planning (and also during inspections, to focus on the key issues) is one of the main options. Better co-ordination and information sharing among inspections authorities is another one – sometimes combined with consolidation of inspection agencies, and elaboration of joint IT systems. Which approaches are used in OECD countries? What is their success level?

Speakers

Graham Russell, Better Regulation Delivery Office, UK

Rogier de Boer, Ministry of Economic Affairs, Agriculture and Innovation, the Netherlands

10:30-11:00

Break

11:00-12:30

Session 5: Evaluating effectiveness – creating feedback with the regulatory framework

To assess the effectiveness of regulations and enforcement, it is essential to know the level of compliance and analyse the reasons for non-compliance – but also to have data on the actual outcomes, i.e. on the situation in terms of the public goods that regulation is supposed to promote (health and safety, environmental protection etc.). Regulators and inspectors seem to be at the right place to gather such data, but in practice there are often considerable gaps in data, difficulties in collection and attribution. Which approaches are used to monitor compliance and outcomes, and analyse the reasons for unsatisfactory results? Regulators are also those with first-hand experience on how regulations are being (non-) complied with, and know which difficulties exist in the understanding or implementation of the rules. If this experience can be harnessed and the regulators are able to act as “choice architects” to take account of behavioural responses to incentives, the social welfare outcomes sought by regulation should be improved – but this is often made difficult by institutional and political mechanisms whereby “rule makers” and “implementers” are quite strongly separated. Inspectors' experience could often be helpful in developing new and amending existing regulations. Is their experience regularly used in the process of designing of new regulations? How?

Speakers

Michal Alfasi, Ministry of Industry, Trade and Labour, Israel

Florentin Blanc, OECD Expert

12:30-12:45

Closing remarks

12:45 – 13:30

Snacks

14:00 – 17:30

Sightseeing Tour