



Workshop on regulatory reform

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Part One: The Context

Regulation, 1990-2000 (I)

- Deregulation and privatisation
 - Releasing assets; improving consumer choice
 - Attracting investment into network utilities
 - Technological change: logistics and telecommunications
- The public interest
 - Oversight institutions matter
 - Agencies and questions of design, sequencing
 - The technical-political relation

Regulation, 1990-2000 (II)

- The first set of crises
 - Korea
 - Japan
 - Mexico
 - UK, Scandinavia
 - Resilience; flexibility; non-inflationary growth; integrated markets
- The OECD:
 - 1995 Checklist
 - 1997 Recommendations
 - The reviews begin
 - Leadership is critical

Regulation since 2000

- Markets need more, not less regulation
 - The competitiveness agenda – avoiding the race to the bottom
 - Legal clarity, economic criteria
 - Target sectors where change will do the most good – but opposition can be strong
 - The regulatory stock and the red tape agenda
- The OECD:
 - 20 Reviews – 2005 Guiding Principles
 - APEC-OECD Integrated Checklist (2005)
 - Co-operation in the Middle East and North Africa
 - Regulatory Policy Committee created (2009)
 - Indicators (1998, 2003, 2008): progress in form, but in practice?
 - The challenge of a horizontal approach

Regulation after 2010 (I)

- Lessons of experience
 - Adopt a user focus
 - Mainstream good regulatory policy
 - Capacity-building in line ministries
 - Multi-level issues for coherence, results
- The Crisis of 2008
 - Regulatory gaps – regulatory certainty
 - Regulations as the policy instrument in era of fiscal constraint
 - Low public trust means more, not less, regulation

Regulation after 2010 (II)

- Challenges
 - International regulatory co-operation
 - Assessing costs and benefits of regulation (ex-ante, ex-post)
 - Alternatives to regulation
 - Evidence-based decision-making – RIA, policy coherence, risk management
 - Communicating the benefits of reform



Part Two: The Way Forward

Cutting Red Tape: Still Uncut (I)

How Hard it is to Make Life Easier

- Policy Options
 - Include the costs of regulation on citizens and the public sector
 - Qualitative methods, especially to assess irritation costs, should complement quantitative ones
 - Co-ordinate simplification with other aspects of regulatory reform, especially ex-ante assessment;
 - Integrate with e-government
 - Create efficient institutional structures for co-ordination and monitoring; involve sub-national levels
 - Strengthen communication with stakeholders, who should be actively involved throughout the process of simplification
 - Evaluate simplification programmes for their “value for money”, including broader social and economic outcomes

Cutting Red Tape: Still Uncut (II)

How Hard it is to Make Life Easier

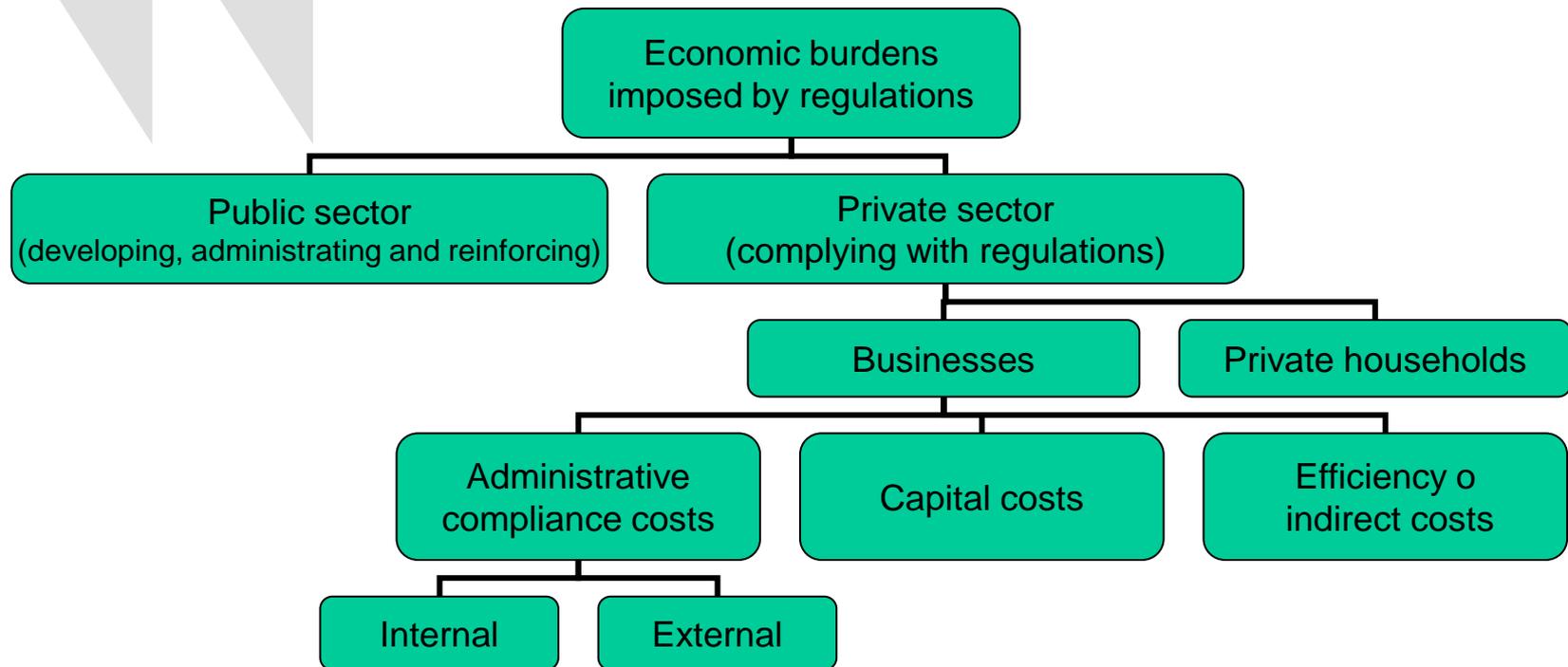
- Evaluation Steps
 - Proportionality test: whether the process was organised and managed effectively
 - Efficiency test: number and type of procedures that were simplified or repealed; resources freed up; etc.
 - Perceived outcome
 - Macroeconomic impact: entry of new firms, changes in production or prices; time taken for procedures and decisions; transparency of regulatory activity

OECD Regulatory Policy Concept

- Six key areas
 - Administrative simplification
 - Regulatory impact analysis
 - Transparency and consultation
 - Alternatives to regulation
 - Compliance and enforcement
 - Cross-border/multi level governance
- A dynamic agenda
 - Maintaining consistency, smoothing out the waves
 - Constant improvement
 - Avoiding reform fatigue, complacency
 - Stakeholder pressure

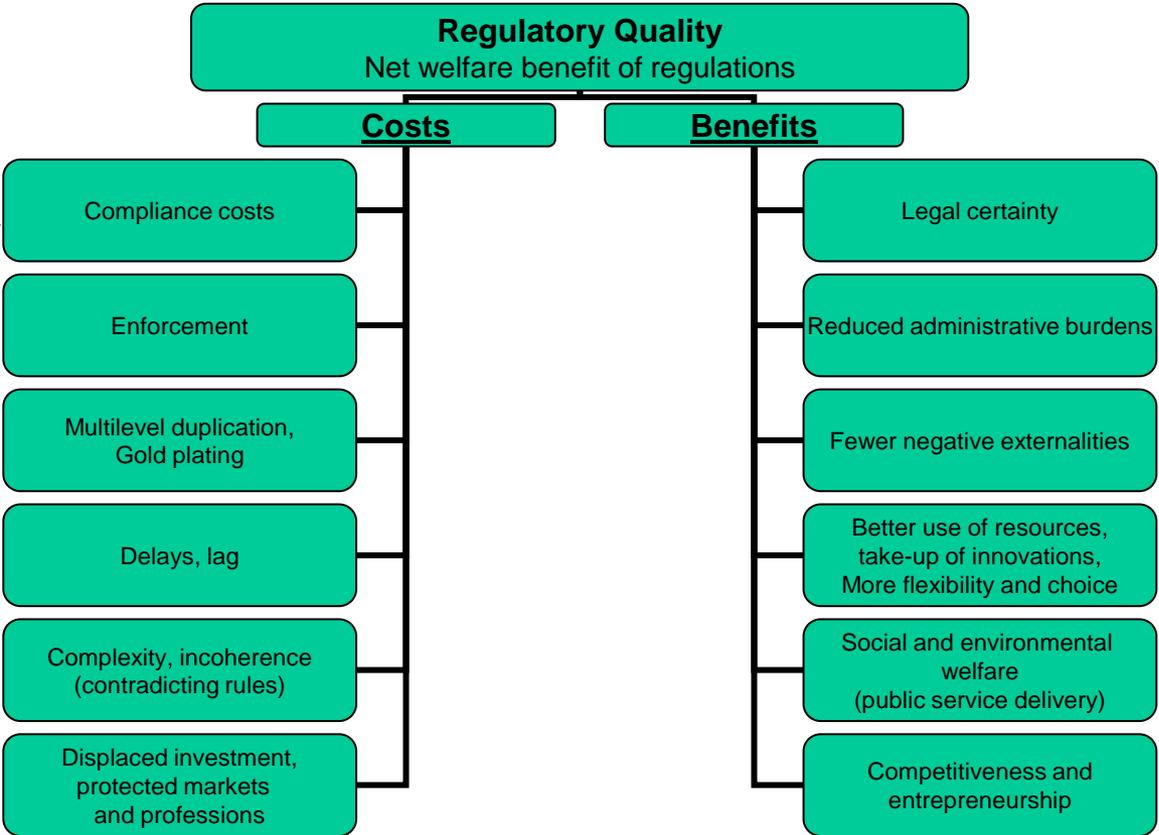
Administrative Simplification and Broader Regulatory Reform

- 1997: The OECD Report on Regulatory Reform



Responsible regulation

- Capital
- Administrative Burdens
- public, private
- Indirect



Regulatory Capacity for integrated approach