

The OECD's indicators on product market regulation

Expert Meeting on Communicating and Measuring Progress in Regulatory Reform

26 September 2011

What methodologies and strategies do we use to construct the indicators?

	PMR	ETCR
Scope	Economy-wide regulation and regulation in retail trade and professional services	Regulation in 7 network sectors : telecoms, electricity, gas, post, rail, air passenger transport, road
Policy setting	De jure	
Coverage	1998, 2003, 2008 , OECD countries	1975-2007 , OECD countries
Data compilation	Questionnaire sent out to governments of member BRIICS countries	OECD staff or external consultants drawing on various sources; data vetted by country officials
Coding	Qualitative information coded by assigning numerical values to each reply; quantitative information divided into classes using thresholds; normalization over 0 to 6 scale , from least to most restrictive	

What are the benefits and potential drawbacks/risks of such indicators?

Benefits

- Providing policy makers and practitioners with **broad and comparable measures** of various dimensions of product market regulation
 - Measuring performance relative to other countries
 - Tracking an individual country's progress over time
- Contributing to international **dialogue, transparency, accountability**, and, ultimately, **improvements in policy settings**

Drawbacks/risks

- By nature the presented indicators are an **imperfect reflection of reality**
- This entails the risk that policy focuses on improvements in measured policy settings, thus **neglecting (potentially important) policy levers** that are not captured by the indicator
- De jure indicators may not reflect the **actual regulatory setting** (e.g. influence of other institutions, perceptions of private agents) which may ultimately be relevant for economic performance

In which areas does the current set of indicators need to be extended or refined?

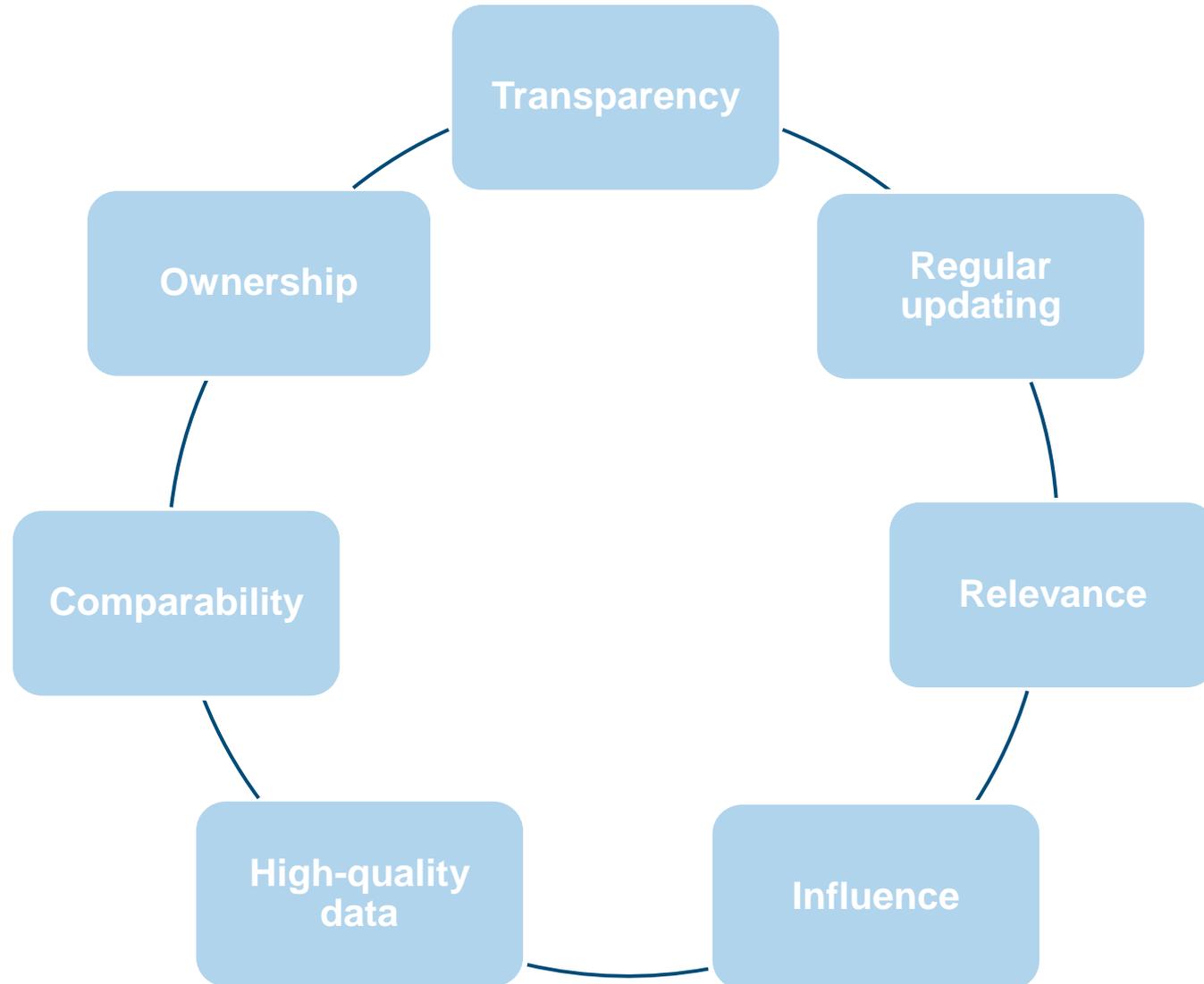
Areas where work is currently ongoing (new indicators)

- Strength and scope of the general antitrust framework (six indicators)
- Non-enforcement work by the competition agency
- Sector regulators (gas, electricity, telecommunications, rail transport)

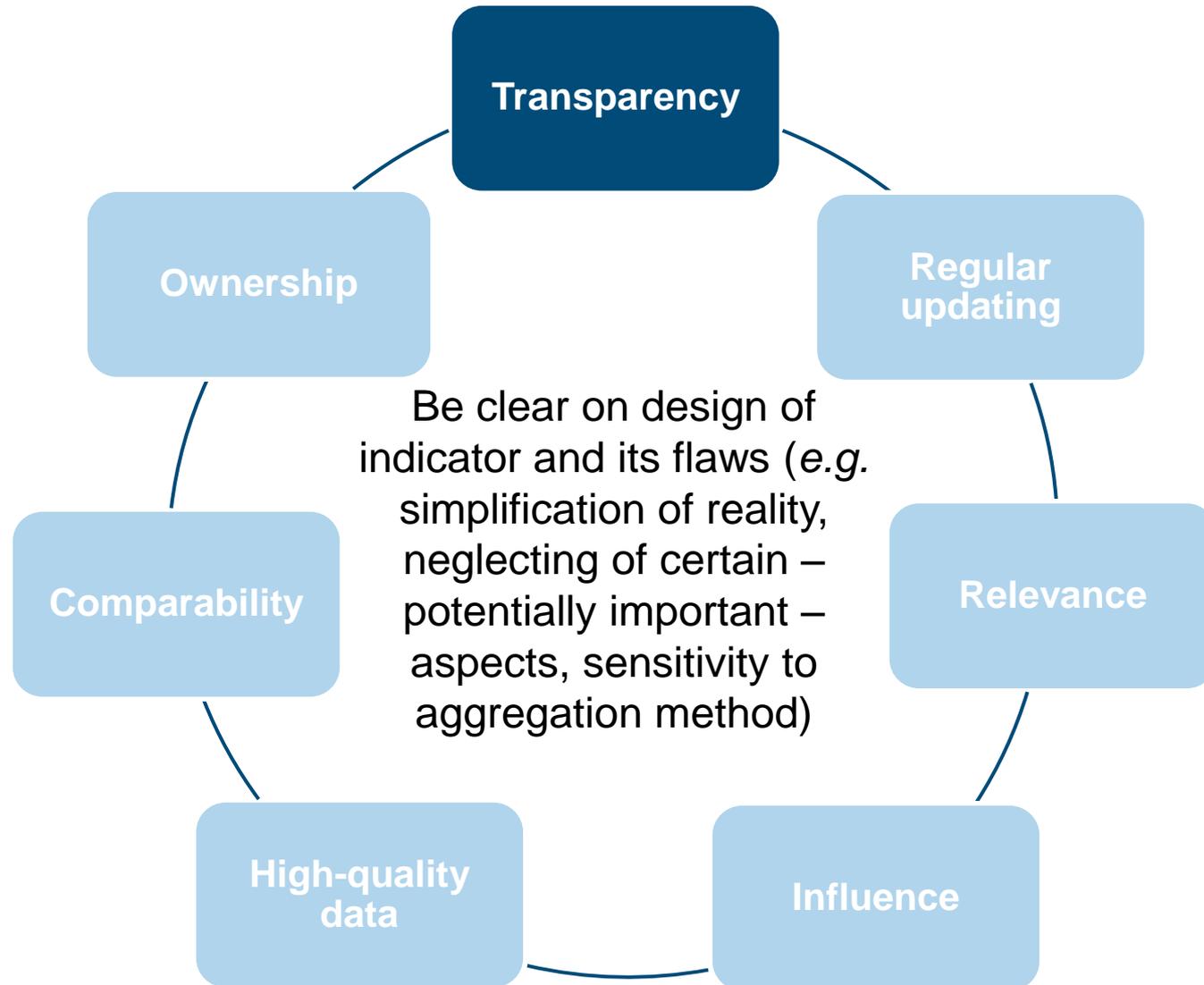
Areas for potential future work (modifications of the PMR)

- Financial services
- Bankruptcy procedures
- Venture capital regulation
- Regulation of intangibles
- Governance of state-owned enterprises
- Barriers to market access of foreign suppliers
- Barriers to trade facilitation
- Differential treatment of foreign suppliers
- Retail trade indicator needs to be refined, particular in the area of shop opening hours

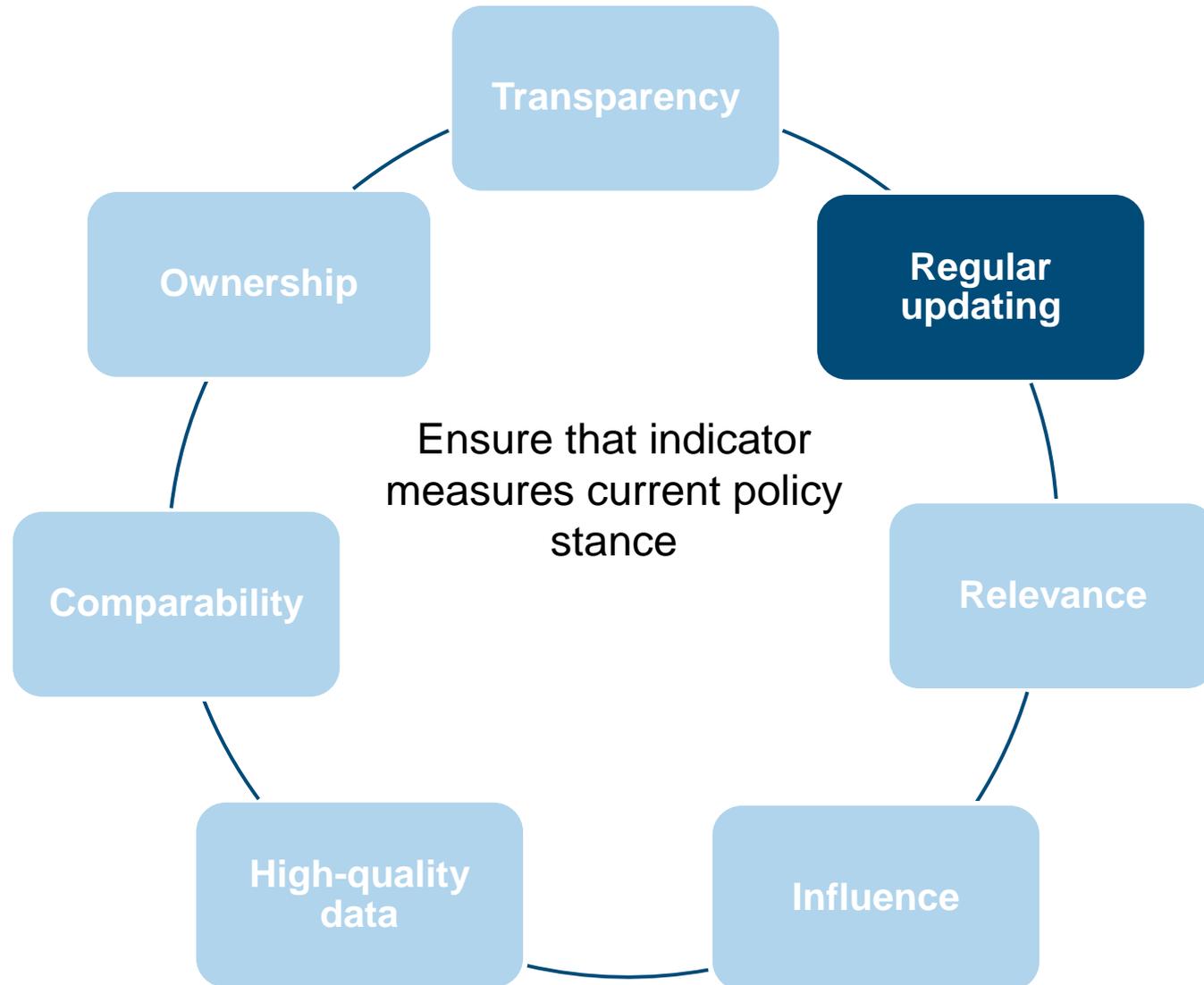
How can we ensure that indicators provide the right incentives?



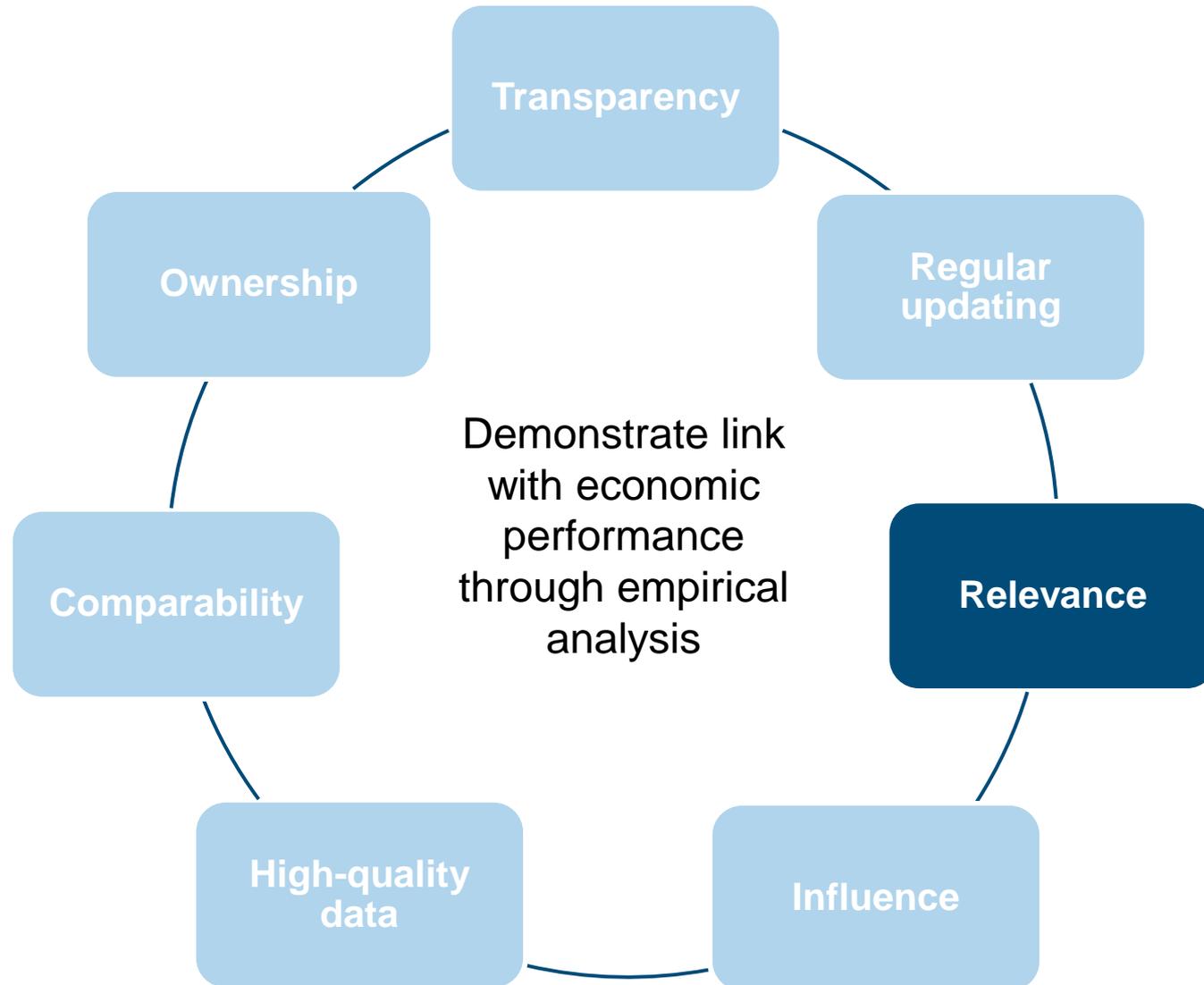
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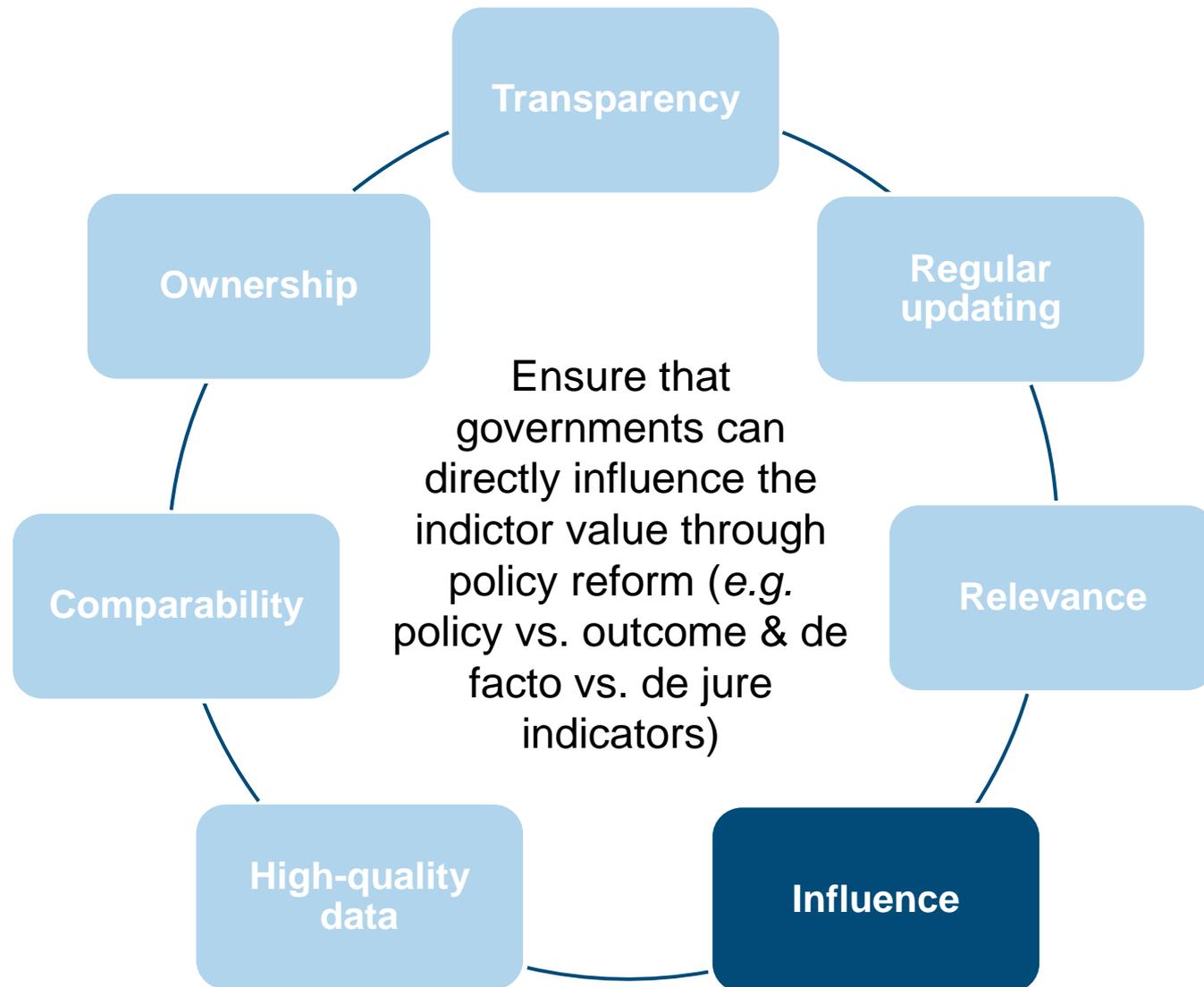
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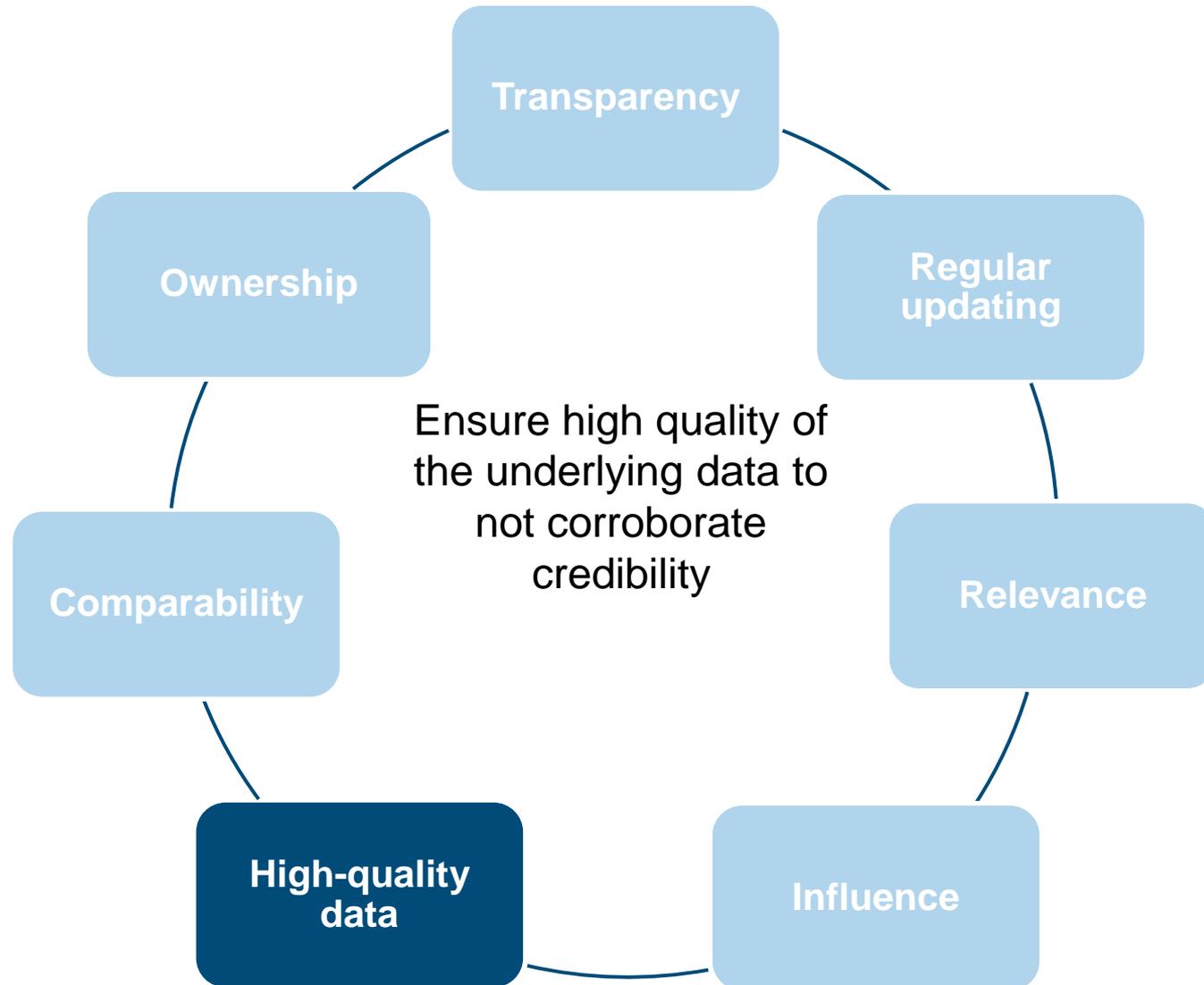
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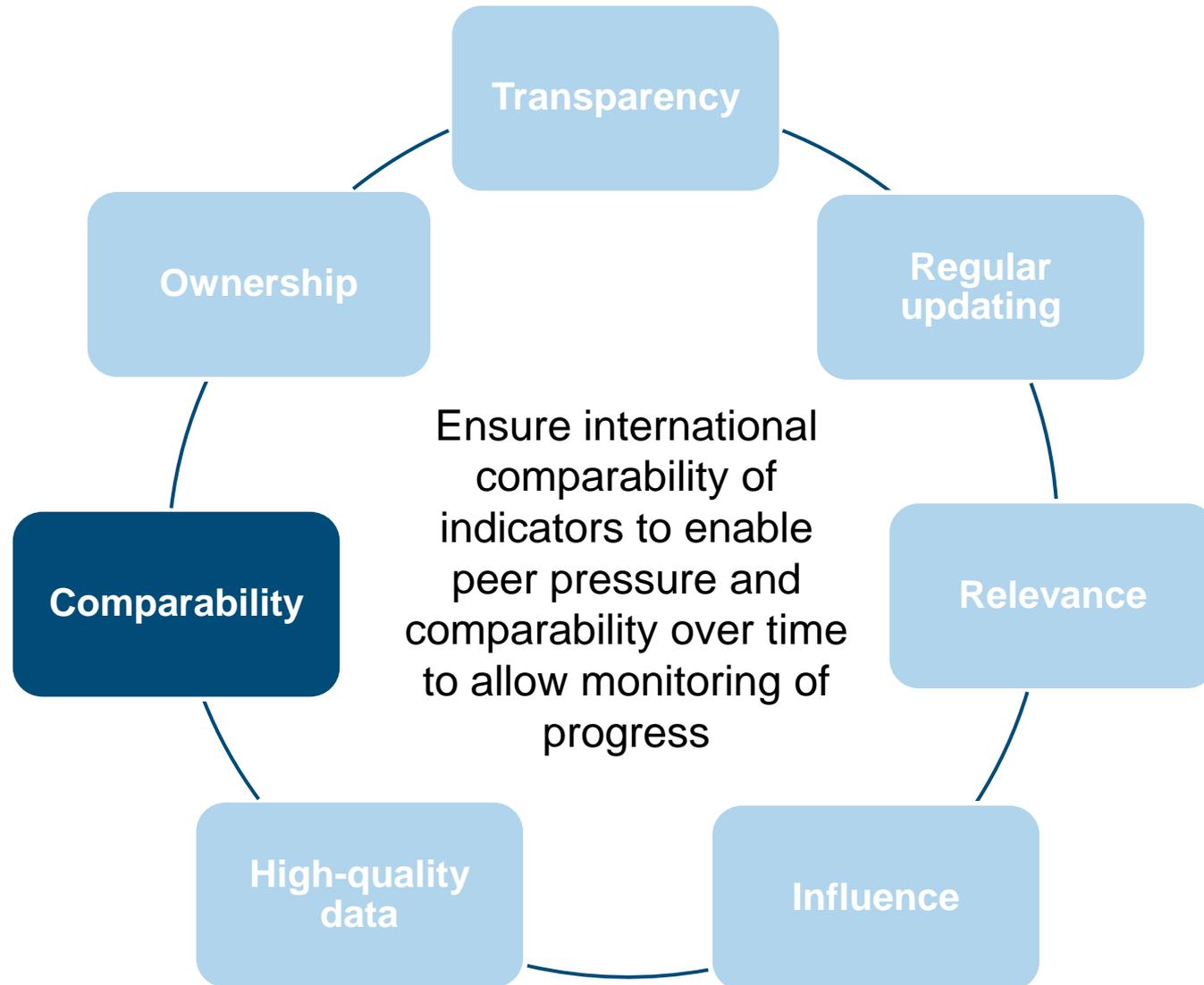
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Thank you!