Overcoming Obstacles to Integrating Evidence in Policy-Making

Informal Joint Workshop of the Regulatory Policy Committee and AMSDE on the Role of Impact Assessment in Policy Making
EVIA Case Studies

22 case studies in EC (8), Poland (2), UK (5), Denmark (3) and Netherlands (4)

• 4 out of 22 consider economic, social and environmental aspects substantially (all EC)

• In all cases economic impacts have been considered at least formally, social impacts in 13 cases, environmental impacts in 11 cases

• Substantial consideration: economic impacts 17, social 7, environmental 8

• Stakeholder involvement: economic 21, Social: 13, Environmental: 10

• Overall: Assessment of economic impacts and consultation of respective stakeholder is a well established practice, not the case for social and environmental aspects
Determinants of SD consideration

• Policy Domain: Consideration of more than one impact areas more often in non-economic departments

• Limited Stakeholder involvement

• Conflictual relation to other departments

• Technical Constraints: Limited time / resources, difficulties in combining qualitative and quantitative data, lack of skills
Methods and Tools

• Quantification and monetisation favoured in several jurisdictions

• Few countries mention other methods, including qualitative approaches

• Use of tools to quantify/monetise falls short to meet the expectations – only two types of methodologies are consistently used: simple CBA and SCM

• Concerns of overemphasis of monetary impacts confirmed in case studies

• Reservation of government officials about quantification and monetisation
EVIA Surveys

Officers: GER (28), UK (21), NL (11)

National IA Procedures:

- UK: Regulatory Impact Assessment
- NL: 3 separate tests overseen (business, enforcability, environment)
- D: informal analysis versus formalised GFA
Contribution of economic analysis

<table>
<thead>
<tr>
<th>Country</th>
<th>Very important contribution</th>
<th>Important contribution</th>
<th>Some contribution</th>
<th>Minor contribution</th>
<th>Did not take place</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE (24)</td>
<td>4,17%</td>
<td>20,00%</td>
<td>23,08%</td>
<td>12,50%</td>
<td>20,83%</td>
</tr>
<tr>
<td>UK (20)</td>
<td>10,00%</td>
<td>45,00%</td>
<td>20,00%</td>
<td>20,83%</td>
<td>15,38%</td>
</tr>
<tr>
<td>NL (13)</td>
<td>30,77%</td>
<td>37,50%</td>
<td>23,08%</td>
<td>15,38%</td>
<td>7,69%</td>
</tr>
</tbody>
</table>
I do not believe that quantification produces insights that are relevant to policy-making.

Quantification may bias the results towards impacts that can be quantified.

Quantification of impacts is a useful element of impact assessment.

Sceptical on Quantification
### Application of Cost Benefit Assessment (except UK)

#### Comparison of costs and benefits by as specific method

<table>
<thead>
<tr>
<th>Country</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE (28)</td>
<td>Yes, we used the IA to find ways to achieve our objectives at lower costs / with less difficulty (cost effectiveness-analysis)</td>
</tr>
<tr>
<td>UK (21)</td>
<td>Yes, we explicitly compared benefits with costs (cost-benefit analysis)</td>
</tr>
<tr>
<td>NL (13)</td>
<td>Yes, with a Multi-Criteria Analysis</td>
</tr>
<tr>
<td></td>
<td>Yes, but with an explicit acknowledgement of unquantified costs and benefits</td>
</tr>
<tr>
<td></td>
<td>Yes, but only qualitatively</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

---

**Legend:**
- Yes, we used the IA to find ways to achieve our objectives at lower costs / with less difficulty (cost effectiveness-analysis)
- Yes, we explicitly compared benefits with costs (cost-benefit analysis)
- Yes, with a scoring system
- Yes, with a Multi-Criteria Analysis
- Yes, but with an explicit acknowledgement of unquantified costs and benefits
- Yes, but only qualitatively
- No
Costs of the proposal regarding different aspects

- Economic and business costs:
  - Monetisation: 25
  - Full quantification without monetisation: 3
  - Partial quantification: 30
  - Qualitative Assessment: 3
  - No impacts expected: 2

- Social costs:
  - Monetisation: 19
  - Full quantification without monetisation: 4
  - Partial quantification: 27
  - Qualitative Assessment: 6
  - No impacts expected: 2

- Environmental costs:
  - Monetisation: 23
  - Full quantification without monetisation: 9
  - Partial quantification: 30
  - Qualitative Assessment: 13
  - No impacts expected: 2

- Not evaluated: 30
Reasons for the lack of quantification: non quantifieable, lack of data, lack of resources, lack of tools, dominant political arguments

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>... because of a lack of data</td>
<td>16.67%</td>
<td>11.67%</td>
</tr>
<tr>
<td>... because of a lack of suitable quantitative tools</td>
<td>12.24%</td>
<td>18.37%</td>
</tr>
<tr>
<td>... because of a lack of resources (time, money)</td>
<td>36.36%</td>
<td>27.27%</td>
</tr>
<tr>
<td>... because of a lack of expertise and training on the part of desk officers</td>
<td>42.86%</td>
<td>25.00%</td>
</tr>
<tr>
<td>... because the assessment and policy choice were dominated by political instead of factual arguments</td>
<td>31.48%</td>
<td>14.81%</td>
</tr>
<tr>
<td>... because transparency about impacts was not in the interest of the lead ministry</td>
<td>66.04%</td>
<td>14.81%</td>
</tr>
<tr>
<td>... because quantification of impacts was not possible for relevant impact areas</td>
<td>10.71%</td>
<td>28.57%</td>
</tr>
</tbody>
</table>

Effects of IA

<table>
<thead>
<tr>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.00%</td>
</tr>
<tr>
<td>22.45%</td>
</tr>
<tr>
<td>14.55%</td>
</tr>
<tr>
<td>10.91%</td>
</tr>
<tr>
<td>8.93%</td>
</tr>
<tr>
<td>7.14%</td>
</tr>
<tr>
<td>10.19%</td>
</tr>
<tr>
<td>16.07%</td>
</tr>
<tr>
<td>11.11%</td>
</tr>
<tr>
<td>13.21%</td>
</tr>
<tr>
<td>1.89%</td>
</tr>
<tr>
<td>21.43%</td>
</tr>
</tbody>
</table>

1 - Yes, I fully agree 2 3 3 4 5 - No, I fully disagree
General positive assessment of usefulness of IA (Germany: including „informal“ analysis)
Outcomes of IA (officers perception)
Analysis of IA Reports: EU COM, Ireland, UK

Source: Turnpenny et al. 2011
Challenges of IA

- Missing or irrelevant Tools
- Lack of Data
- Risks of early Participation
- Lack of resources: time, staff, budget
- Competing interests and political pre-determination
- Norms, values and priorities: no universal thruth
Opportunities to improve the Practice

Supply side:

(1) Methods and Data
(2) Training and Support

Demand Side:

(1) Adaptation to the institutional context and integration in the policy process
(2) Inter-departmental co-operation
(3) Co-ordination across policy levels
(4) Participation
(5) Quality Assurance