



# FROM MEASUREMENT TO REGULATORY MANAGEMENT

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**BERR conference centre, London, 3 April 2009**

# Outline

- Background and review of experiences
- Problems with regulatory measures
- Rationales for indicators
- Measures and management processes
- A monitoring and evaluation dashboard

# Take-home messages

- Indicators are useful for defining regulatory quality
- Design indicators and processes of utilization jointly
- Use indicators to build credible commitments
- The monitoring and evaluation dashboard

# Background

- Study for DG Enterprise and MUP book on Regulatory Quality in Europe
- Two FIAS papers on regulatory indicators  
[www.fias.net](http://www.fias.net)
- ESRC project on regulatory impact assessment in comparative perspective  
<http://www.centres.ex.ac.uk/ceg/research/riacp/index.php>
- Several discussions on indicators but no clear movement towards adoption

# Conceptual background

- We are concerned with regulatory quality rather than extent of regulation
- But we need to face a series of questions: what is quality and what does quality help us to achieve?
- There is also debate on who should use indicators: governments, experts, stakeholders, mass media?

# The puzzle of the designers: the pieces that do not seem to fall into place

- Canonical and non-canonical scenarios
- Trade off between generalized and context-sensitive measures
- Diversity and convergence
- Adoption and implementation of regulatory quality programmes

# The problem with regulatory indicators

- There is no shortage of measures although the datasets are not integrated
- Usage of indicators remains limited
- Governments use indicators to review the conduct of regulators rather than the impact and accuracy of economic analyses
- One way out is to design indicators and processes of utilization jointly

# Looking for “quality” by using metrics

- Indicators **dissolve ambiguity** around the notion of quality
- They reveal **preferences**
- They contribute to the emergence of **commitment**, especially if they are embedded in processes

***In short, using metrics to measure AND to manage better regulation policy***



# Functions of metrics

- Justification of cost of BR policy
- Legitimising the increase in political control of regulators
- Proving or challenging statements about the results of BR
- Making BR more accountable and transparent, encouraging pluralistic monitoring and evaluation

# Approaching quality

- From the **bottom**: using experience and evidence of measurement from individual countries and then generalize (Regulatory Quality book, 2007)
- From the **top**: using theory or regulatory quality principles to derive major dimensions and consequently measures
- A **mixed** approach

# Measures and regulatory management processes

- The interplay between technical and political roles
- Experts provide the menu of simple measures, policy officers choose from the menu what they want to eat
- Using adoption of indicators to build credible commitments and design management architectures

# Who should use indicators?

- The organization's perspective (adoption)
- The constellation of policy actors (implementation and legitimacy)
- A pool of countries that share a vision, eg the 27 governments of the EU and the Lisbon agenda for growth and jobs in Europe (adoption and implementation)

# Types of measures

- Quality of design
- Activity measures
- Survey measures
- Real-world economic impact

Plus link between measures and evaluation  
of better regulation policies

# Grouping indicators by purpose

- Internal accountability and institutionalization of BR policies
- External accountability and communication
- Sophistication of economic analysis

# Grouping indicators by purpose

- Internal accountability and institutionalization of better regulation policies
- External accountability and communication
- Economic sophistication

# The main dimensions of BR

- Context
- Design
- Guidance and support
- Output
- Economic Impact



# Purpose and dimensions

By combining the two we create a dashboard for monitoring and evaluation

Each cell represents a type of indicator

The selection of specific indicators is a policy choice to be made by those who are responsible for BR

Possible aggregations by row and column?

# A monitoring & evaluation dashboard

	Political administrative context	Regulatory reform policy/ Organizational design	Guidance and support	Output	Impact
Internal accountability					
External accountability					
Economic sophistication					

# A monitoring & evaluation dashboard

	Political administrative context	Regulatory reform policy/ Organizational design	Guidance and support	Output	Impact
Internal accountability	Requirement to justify regulation	Board-level champions	Explicit criteria for selection of RIA	Cost of RIA programme is known	RIA methods applied across the entire policy cycle
External accountability	Ex post review of regulation	Regulatory principles set in consultation with Parliament	Full publication of report and analysis	Annual report on cost and lives saved	Survey-based indicators (regulators, firms and citizens)
Economic sophistication	General guidance on policy analysis	Max. of welfare is the main choice criteria	Max. of welfare is the main choice criteria	Number of RIAs that comply with guidance	DB and quality of governance indicators

# Thank you

- Papers and documentation available on our website, Centre for European Governance
- <http://www.centres.ex.ac.uk/ceg/research/riacp/index.php>
- Comments are very welcome:  
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