OECD Regulatory Policy Outlook 2015

Country profile

HUNGARY

Access links

- OECD Regulatory Policy Outlook 2015: www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm

- Indicators of Regulatory Policy and Governance and the underlying data: www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm

- Regulatory policy in Hungary: www.oecd.org/regreform/regulatory-policy/regulatory-policy-hungary.htm

- Regulatory Policy Outlook country profiles: www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm

- OECD regulatory policy website: www.oecd.org/governance/regulatory-policy/

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BETTER POLICIES FOR BETTER LIVES

Overview

Hungary has taken action to strengthen regulatory policy. A RIA decree was introduced in 2011, and RIA is mandatory for all primary and subordinate legislation, assessing alternative options and identifying impacts on the national budget, competition, the environment, social goals and sustainable development. Some RIAs also identify a timeline for *ex post* reviews, helping establish a feedback loop between *ex ante* and *ex post* assessment. This approach is expected to help meet a requirement introduced in 2011 for a periodic *ex post* evaluation of all primary and subordinate legislation.

Some of the institutions that can support the systematic use of these tools are, however, not yet fully in place. There is no government body outside the ministry sponsoring the regulation which is responsible for reviewing the quality of RIA. The Prime Minister's Office exercises some quality controls over *ex ante* and ex post evaluations. There is little quality control on the depth and scope of public consultation.
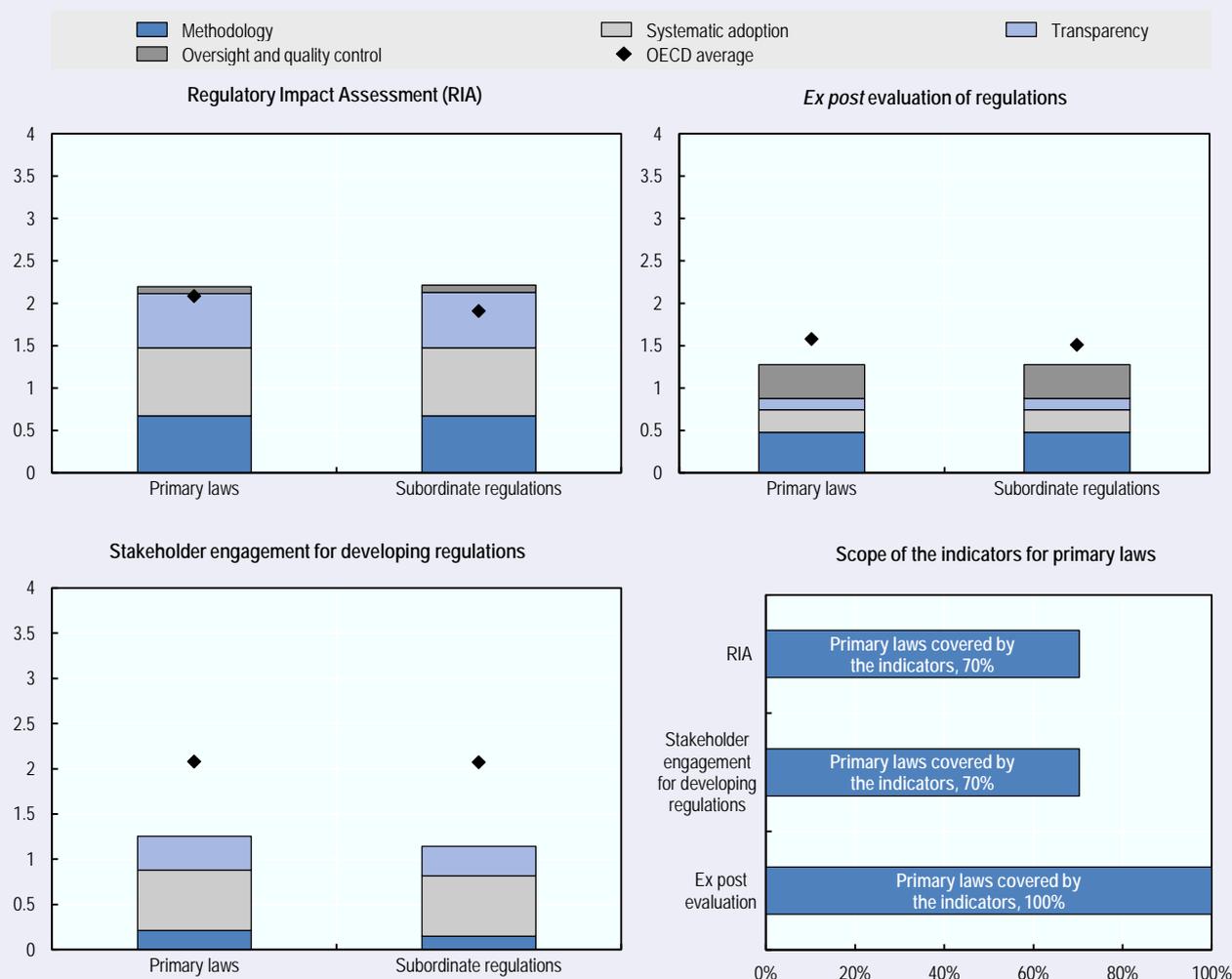
The absence of a RIA and *ex post* evaluation threshold test for more in-depth RIAs and *ex post* evaluation makes it also hard to take full advantage of these tools. The scope and depth of RIA and *ex post* reviews risk of not being proportional to the potential impacts of legislation. In addition, consultation tends to take place mostly through government websites or ad hoc meetings, with limited use of interactive technologies.

Spotlight: Regulatory policy and efficient public administration

Improving regulatory policy is part of a comprehensive public administration reform strategy aimed at strengthening the efficiency and the effectiveness of the state. A key priority of this strategy is the reduction of administrative burdens for businesses and citizens. The reduction of administrative burdens for businesses has included approximately 114 measures in 10 intervention areas. Special attention has also been paid to the reduction of administrative burdens for citizens, with the simplification of 228 procedures covering key procedures involving people's daily life, including birth, employment, social services, education, real estate, personal documents, pensions, death and inheritance. Simplification has been accompanied by a reform of the territorial structures of the central government, with the opening of more than 100 one-stop shops across the country and plans to bring the total number of one-stop shops to approximately 300.

Indicators of Regulatory Policy and Governance 2015

Legend:
- Methodology
- Oversight and quality control
- Systematic adoption
- OECD average
- Transparency

Regulatory Impact Assessment (RIA)

Y-axis: 0 to 4 (intervals of 0.5)
Categories: Primary laws, Subordinate regulations

Ex post evaluation of regulations

Y-axis: 0 to 4 (intervals of 0.5)
Categories: Primary laws, Subordinate regulations

Stakeholder engagement for developing regulations

Y-axis: 0 to 4 (intervals of 0.5)
Categories: Primary laws, Subordinate regulations

Scope of the indicators for primary laws

- RIA — Primary laws covered by the indicators, 70%
- Stakeholder engagement for developing regulations — Primary laws covered by the indicators, 70%
- Ex post evaluation — Primary laws covered by the indicators, 100%

X-axis: 0% to 100% (intervals of 20%)

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1. The figures display the aggregated scores from all four categories giving the total composite score for each indicator. The maximum score for each category is one and the maximum score for each aggregated indicator is four.

2. The information presented in the indicators for primary laws on RIA and stakeholder engagement only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in Hungary approx. 70% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 70% of primary laws. There is no formal requirement in Hungary for consultation with the general public and for conducting RIAs to inform the development of primary laws initiated by parliament. The information presented in the indicators for primary laws on *ex post* evaluation covers processes in place for both primary laws initiated by parliament and by the executive. The percentage of primary laws initiated by parliament is an average between the years 2011 to 2013.

Source: 2014 Regulatory Indicators Survey results, www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Statlink: http://dx.doi.org/10.1787/888933263177

Indicators of Regulatory Policy and Governance (iREG)

The three composite indicators provide an overview of a country's practices in the areas of stakeholder engagement, Regulatory Impact Assessment (RIA) and *ex post* evaluation. Each indicator comprises four equally weighted categories:

- Systematic adoption which records formal requirements and how often these requirements are conducted in practice.

- Methodology which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used.

- Oversight and quality control records the role of oversight bodies and publically available evaluations.

- Transparency records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publically available.

The composite indicators are based on the results of the *OECD 2014 Regulatory Indicators Survey*, which gathers information from all 34 OECD countries and the European Commission as of 31 December 2014. The survey focuses on regulatory policy practices as described in the 2012 *OECD Recommendation on Regulatory Policy and Governance*. The more of these practices a country has adopted, the higher its indicator score. Further information on the methodology is available online at www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Whilst the indicators provide an overview of a country's regulatory framework, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

OECD Regulatory Policy Outlook 2015

The *OECD Regulatory Policy Outlook* (www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm) provides the first evidence-based, cross-country analysis of the progress made by OECD countries in improving the way they regulate. Findings are based on the results of the *OECD 2014 Regulatory Indicators Survey*.

Key findings:

- Laws and regulations are essential instruments, together with taxes and spending, in attaining policy objectives such as economic growth, social welfare and environmental protection. OECD countries have generally committed at the highest political level to an explicit whole-of-government policy for regulatory quality and have established a standing body charged with regulatory oversight.

- Implementation of regulatory policy varies greatly in scope and form across countries. While RIA has been widely adopted, few countries systematically assess whether their laws and regulations achieve their objectives. Stakeholder engagement on rule making is widespread in OECD countries, taking place mostly in the final phase of developing regulation.

- The national executive government has made important progress over the last decade to improve the quality of regulations. Parliaments, regulatory agencies and sub-national and international levels of government need to be more engaged to ensure that there are evidence-based and efficient laws and regulations for stimulating economic activity and promoting well-being.

- The impact of regulatory policy could be further improved by addressing shortcomings in the implementation and enforcement of regulations and by considering new approaches to regulatory design and delivery such as those based on behavioural economics.

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