

# OECD REGULATORY REFORM SUPPORT IN SOUTHEAST ASIA

**Regulations affect all areas of life.** Good regulation can promote sustainable development and well-being, while inadequate regulation endangers it. They determine the ease of doing business, the investment climate, as well as the protections afforded to society and the environment. Better regulations ensure quality of life and well-being, without questioning the quality of food or water supply, safety on roads and public transportation, and faith in our economic and financial systems. Regulations function as effective “rules of the game” for businesses to respect and society to benefit. However, we tend to only see rules when they do not work, leading to a loss of trust in institutions and government itself (OECD, 2018). ASEAN countries recognise regulatory reform as a cross-cutting theme for ASEAN economic integration and regulatory coherence, as well as related measures at the level of individual members states (ASEAN, 2017)

**Regulating effectively is becoming an increasingly difficult task.** The overwhelming pace of technological change and unprecedented interconnectedness of economies create uncertainty and complexity regarding what and how to regulate. This increasingly challenges the validity of existing frameworks and capacity of governments to adapt.

**The OECD conducts evidence-based analysis for reform and regulatory policy making,** anchored in the multi-laterally backed the OECD (2012) [Recommendation on Regulatory Policy and Governance](#). The OECD gathers and analyses evidence, distil normative frameworks and guidance. These are applied by working with countries and regions to support reform and better regulation, including in Southeast Asia through a dedicated programme (see Box below). Areas of application include regulatory strategy and oversight, good regulatory practices – regulatory impact assessments (RIA), stakeholder engagement and evaluations) – regulatory delivery, international regulatory cooperation, regulating in the age of emerging technologies, and the application of behavioural insights.

## OECD WORK ON REGULATORY REFORM IN SOUTHEAST ASIA

In addition to the yearly [ASEAN-OECD Good Regulatory Practices Network](#) meeting with over 70 senior officials from Southeast Asian (SEA) member states, the OECD conducted the following projects with SEA countries:

- [Regulatory Reform Review of Thailand \(2020\)](#) supports the Office of the Council of State implement reforms to the use of good regulatory practices (GRPs) in the Thai Government.
- [Evaluation Report on Regulatory Impact Assessments \(2020\)](#) provides an assessment of the state of RIAs in the Philippines and a review of the new RIA requirements and oversight body.
- [Good Regulatory Practices to Support SMEs in Southeast Asia \(2018\)](#) the first comprehensive stock-taking of the use of GRPs to support SMEs and their integration into global value chains.
- [Business Regulation Pillars: Good Regulatory Practices for ASEAN \(2017\)](#) provides policy directions for developing modern business registration systems and principles.
- [Implementing Good Regulatory Practice in Malaysia \(2015\)](#) examines Malaysia’s early experience of implementing RIA to support evidence-based rule making
- [Regulatory Reform Review of Indonesia \(2012\)](#) focuses on the administrative and institutional arrangements in Indonesia for ensuring that regulations are effective and efficient.
- [Administrative Simplification in Viet Nam \(2011\)](#) explores how Viet Nam can rapidly bring about the full potential their administrative simplification programme and introduce a range of regulatory instruments.

The OECD has also been supporting regulatory reform in Southeast Asia more broadly through APEC, including the development of the 2005 APEC-OECD [Integrated Checklist on Regulatory Reform](#). More recently, work on taking stock of GRP language in trade agreements and international regulatory co-operation has been supported through APEC.

## HOW THE OECD CAN SUPPORT SOUTHEAST ASIAN ECONOMIES

The OECD has a long history supporting countries in applying normative guidance and evidence-based analysis towards improving regulatory design and delivery. This involves a unique blend of approaches that combines in-depth technical knowledge of better regulation with practical experiences from OECD countries and access to networks of senior government officials responsible for better regulation through the OECD Regulatory Policy Committee.

Cooperation between the OECD and countries can come in variety of forms, including:

- *Reviews applying OECD normative and practical standards:* This seeks to apply the theoretical, practical and network knowledge of better regulation to priorities, opportunities and challenges faced by governments. These reviews can cross any number of focus areas, from a single issue (i.e. RIA) to an in-depth look at the entire regulatory governance and policymaking system, and anything in between.
- *Capacity building on areas of interest:* This seeks to support countries in discovering more about OECD research and practical application in a given policy area(s) through in-country seminars. These can be on a single issue or more than one, depending on the time allowed and depth required. Sessions address OECD normative guidance and research on the topic and support further learning through practical experience from OECD countries and hands-on learning.
- *Assistance for reforms:* supporting countries in reform implementation through hands-on mentoring by OECD experts, peer countries and the regulatory policy community. This support often focuses on a few priority areas whereby in-country and off-line support is extended towards thoroughly understanding the challenges and practically addressing them through OECD guidance and good practices from countries.

**The OECD always stands by to support countries through tailored assistance.** Any of the above can be amended or combined to suit a country's needs, stage of development and resources. The exact topic, scope and plan is always a product of thorough discussions with the country. All forms of cooperation are also fully supported by OECD peers from the Regulatory Policy Committee and experts from the regulatory policy community.

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## REFERENCES

ASEAN (2017), [ASEAN Guidelines on Good Regulatory Practices](https://asean.org/storage/2017/09/ASEAN-Guidelines-on-Good-Regulatory-Practices.pdf), ASEAN Secretariat, Jakarta, <https://asean.org/storage/2017/09/ASEAN-Guidelines-on-Good-Regulatory-Practices.pdf> (accessed 19 May 2020).

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