

# Regulatory performance indicators

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# Conclusions:

1. We need facts and explanations of what works to help government regulate and reform in the best way
2. Perception surveys could be a part of this strategy
3. But governments need facts about what work under different conditions (as countries are different)
4. The road might lead us through output indicators, not going directly for the outcome indicators

## Some general reflections upon performance indicators

- What is performance: A simple model
- What does different actors want?
- What indicators do we have?
- What indicators do we want?
- Some ideas about indicators
- The way forward

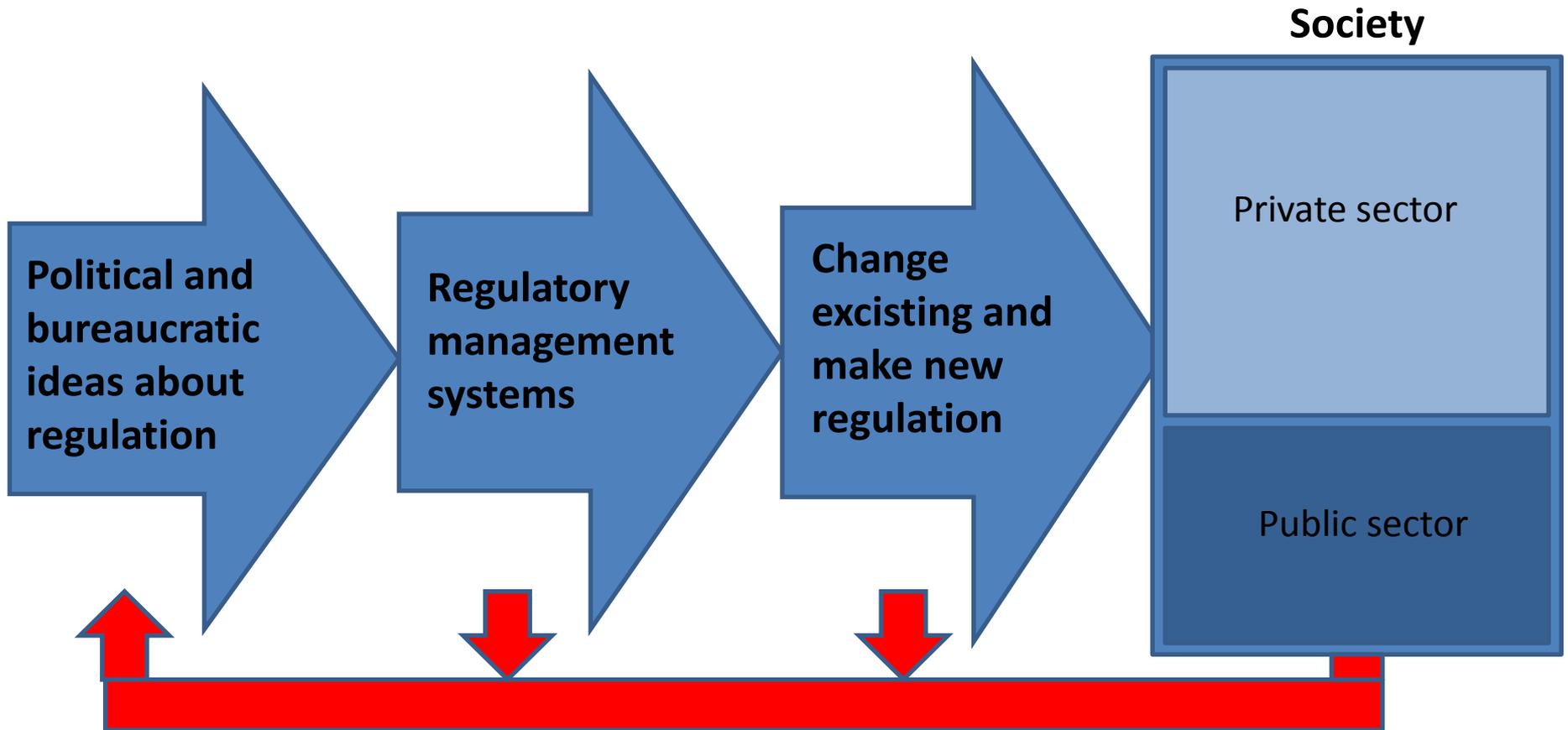
# A simple model of regulatory performance

**INPUT**

**INSTITUTIONS AND  
PROCESSES**

**OUTPUT**

**OUTCOME**



# What do different actors want? How do they look upon reform?

- **Politicians** are generally positive to reforms to show initiative and leadership which is necessary to be re-elected
- **Bureaucrats** (in many line-ministries and agencies) are reluctant or negative - will defend the existing system
- **Citizens** are ambivalent:
  - On the one hand they want regulation that gives them protection
  - On the other hand they want reduced burdens and results
- **Business** are ambivalent:
  - On the one hand they want reduced burdens and less regulation
  - On the other hand they want stability and are sensitive to negative changes in regulation

# What indicators do we have?

- OECD have two sets of regulatory indicators
  - **Regulatory management systems (RMS) indicators:**
    - They tell us about processes and systems
    - They tell us little about qualitative aspects
    - They tell us very little about what comes out: neither output nor outcome
  - **Product market regulation (PMR) indicators**
    - They tell us about the extent to which regulatory settings promote or inhibit competition (settings like state ownership & control and barriers to entrepreneurship).
  - There has been some statistical analysis on the RMS indicators together with PMR indicators to show links with economic growth

# What do we want?

- We need **data about output** to tell us more about
  - actual effects of regulatory management systems and requirements: What does regulatory management systems actually produce of regulations?
  - actual effects of reform efforts: What regulatory reforms actually produce of change in regulations
- To give us good time-series data should be gathered on a yearly basis, or at least with even intervals
  - How this could be tackled practically and financially should be discussed after looking into costs and benefits

# Some ideas about indicators

- The **purpose of indicators** should be
  - **Learning** through **comparison** (benchmarking) that could give experts, politician and the general public food for debate about what good regulation are about, and how good regulation are made
- Indicators should
  - **Make us ask the right questions** by looking to other countries
    - not necessarily by exact comparable data since countries differ to much on other variables such as political and legal systems, culture, size etc.
  - **Show development over time**
- The **process** (how data is gathered) **are important:**  
To answer questionnaires and participate in peer review (can) give member countries
  - **knowledge** about problems
  - **new ideas** about their own regulatory management systems and regulatory reform strategies when compared to others

# The way forward

## Some possible conclusion on further work on performance indicators in the OECD

1. We need facts and explanations of what works to help government regulate and reform in the best way. This should be pursued through indicators on output and outcome.
2. Perception surveys could only be a part of this strategy. Perceptions are important, but not enough to build explanations about what works under different conditions (as countries are different)
3. There could possibly be some further work on RMS and PMR indicators, but that is probably not enough
4. The OECD secretariat should, in collaboration with experts, try to work out indicators of output and outcome in
  - one or two sectors, like transportation and health.
  - a cross-sectoral setting, for example with administrative burdens (as this is a common reform effort across countries)