Global trends in regulatory policy and governance

Regulatory policy refers to the set of rules, procedures and institutions introduced by government for the express purpose of developing, administering and reviewing regulation (both primary and subordinate). OECD member countries have acknowledged the critical importance of regulatory policy and made substancial efforts to ensure that regulations are of high quality and fit-for-purpose. The financial and economic crisis of 2008 has reinforced the need and highlighted the importance of a well-functioning regulatory framework for transparent and efficient markets with the right incentives. Fair, transparent and clear regulatory frameworks serve also as a sine qua non basic condition for dealing effectively with environmental and social challenges in a society. Good regulatory practices and institutions can also help address global challenges and "harness" globalisation through more coherent and shared rules.

The 2012 OECD Recommendation on Regulatory Policy and Governance recommends that OECD member countries "commit at the highest political level to an explicit whole-of-government policy for regulatory quality". In 2014, based on the latest Regulatory Indicators Survey, most countries show commitment towards an explicit whole-of-government regulatory policy. Most countries (94%) have in place standard procedures to develop primary laws and subordinate regulations. Similarly, more than three-quarters (80%) of countries also have nominated a Minister or a high-level official to be accountable for promoting government-wide progress on regulatory reform, and have developed and published an explicit regulatory policy. This high-level of commitment is a sign of wide adoption of a whole-of-government regulatory policy across the OECD. The number of OECD countries without an explicit regulatory policy is shrinking fast (24 out of 34).

The 2012 Recommendation advocates to "establish mechanisms and institutions to actively provide oversight of regulatory policy procedures and goals, support and implement regulatory policy and thereby foster regulatory quality". Thirty two OECD member countries as well as the European Commission have adopted oversight bodies to ensure regulatory quality. Despite the wide adoption of oversight bodies, substancial differences in institutional contexts and structures and differences in the maturity levels of regulatory systems prevail across OECD countries. Many countries report not one but several oversight bodies, which can be located either within government, e.g. at the prime minister's office or the ministry of finance, or outside of government, e.g. as an independent body. This result raises the question of the allocation of responsibility across the different bodies and a need for co-ordination. While specialisation may be warranted, too much fragmentation could erode the whole-of-government approach recommended by the 2012 Recommendation. Likewise, there is substantial variety across countries in relation to the responsibilities of the oversight bodies. Similarly, the oversight bodies can perform a wide range of functions, from providing advice and co-ordination of regulatory tools to acting as formal "gate-keepers" ensuring regulations cannot proceed to the next stage of development until a particular criteria has been met.

Methodology and definitions

The indicators draw upon country responses to the 2014 OECD Regulatory Indicators Survey for all OECD member countries and the European Commission. Responses were provided by delegates to the OECD Regulatory Policy Committee and central government officials. The scope of the data covers only regulations initiated by the executive. All questions on primary laws are not applicable to the United States, as the US executive does not initiate primary laws at all.

Primary laws are regulations which must be approved by the parliament or congress, while subordinate regulations can be approved by the head of government, by an individual minister or by the cabinet – that is, by an authority other than the parliament/congress. Regulatory Impact Analysis (RIA) is the systematic process of identification and quantification of benefits and costs likely to flow from regulatory or non-regulatory options for a policy under consideration. Minister refers to the most senior political role within a portfolio. High level official refers to a senior public official in the ministry, for example a Permanent Secretary, Departmental Secretary, State Secretary, Secretary-General or Deputy Minister.

Further reading

OECD (forthcoming), *Regulatory Policy Outlook 2015*, OECD, Paris.

OECD (2014), OECD Work on Regulatory Policy, OECD, Paris, *www.oecd.org/gov/regulatory-policy/*.

OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD, Paris, *www.oecd.org/gov/regulatory-policy/2012-recommendation.htm*.

Table and figure notes

The question "Are there standard procedures by which the administration develops primary laws" is not applicable to the United States.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

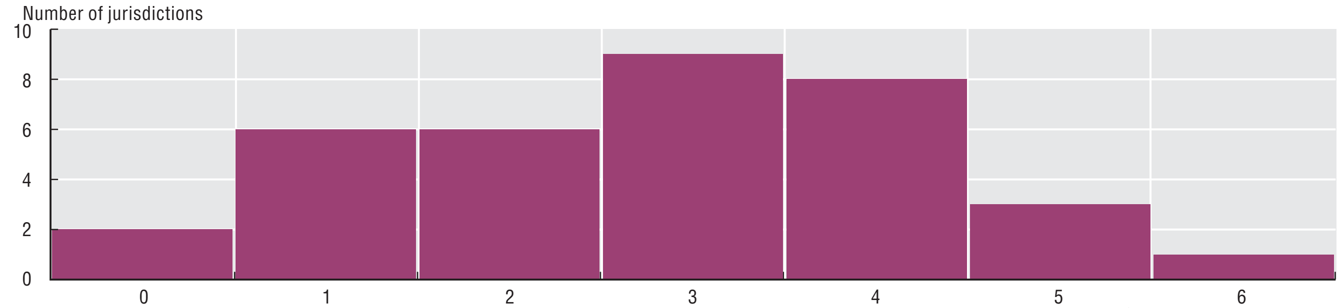
8.1. The adoption of an explicit whole-of-government policy for regulatory quality, 2014

	Explicit published regulatory policy exists	Standard procedures adopted by which the administration develops…		Minister/high level official accountable for promoting regulatory reform	Body responsible for promoting regulatory policy and reporting on regulatory quality	Area of responsibility for regulatory oversight body				
		Primary laws	Subordinate regulations			Regulatory Impact Assessment	Administrative simplification or burden reduction	Stakeholder engagement	*Ex post* analysis	Legal quality
Australia	●	●	●	●	●	●	●	●	●	●
Austria	●	●	●	●	●	●	●	●	●	●
Belgium	●	●	●	❍	●	●	●	●	●	❍
Canada	●	●	●	●	●	●	●	●	●	●
Chile	❍	●	●	❍	❍	❍	❍	❍	❍	❍
Czech Republic	●	●	●	●	●	●	●	●	●	●
Denmark	●	●	●	●	●	●	●	●	●	●
Estonia	●	●	●	●	●	●	●	●	●	●
Finland	●	●	●	❍	●	❍	❍	❍	❍	●
France	●	●	●	●	●	●	●	●	●	●
Germany	●	●	●	●	●	●	●	●	●	●
Greece	●	●	●	●	●	●	●	●	❍	●
Hungary	●	●	●	❍	●	❍	●	❍	●	●
Iceland	●	●	●	●	●	●	●	●	●	●
Ireland	●	●	●	❍	●	●	●	❍	❍	●
Israel	●	●	●	●	●	❍	●	●	●	❍
Italy	●	●	●	●	●	●	●	❍	●	●
Japan	●	❍	●	●	●	❍	●	●	●	❍
Korea	●	●	●	●	●	●	●	●	●	●
Luxembourg	●	●	●	●	●	●	●	●	●	●
Mexico	●	●	●	●	●	●	●	●	●	❍
Netherlands	●	●	●	●	●	●	●	●	❍	●
New Zealand	●	●	●	●	●	●	❍	●	●	❍
Norway	❍	●	❍	●	❍	❍	❍	❍	❍	❍
Poland	●	●	●	●	●	●	●	●	●	●
Portugal	●	●	●	●	●	❍	●	●	●	●
Slovak Republic	●	●	●	●	●	●	●	●	●	❍
Slovenia	●	●	●	●	●	❍	●	●	●	●
Spain	●	●	●	●	●	●	●	●	●	●
Sweden	●	●	●	●	●	●	●	●	❍	●
Switzerland	●	●	●	●	●	●	●	●	●	●
Turkey	●	●	●	❍	●	●	❍	●	❍	●
United Kingodom	●	●	●	●	●	●	●	●	●	●
United States	●	X	●	●	●	●	●	●	●	❍
European Union	●	●	●	●	●	●	●	●	●	●
OECD Total										
● Yes	32	32	33	28	32	26	29	28	26	25
❍ No	2	1	1	6	2	8	5	6	8	9
X Not applicable	0	1	0	0	0	0	0	0	0	0

Source: OECD (forthcoming), *Regulatory Policy Outlook 2015* based on the 2014 OECD Regulatory Indicators Survey results.

StatLink http://dx.doi.org/10.1787/888933248903

8.2. Number of oversight bodies per country/jurisdiction, 2014



Source: OECD (forthcoming), *Regulatory Policy Outlook 2015* based on the 2014 OECD Regulatory Indicators Survey results.

StatLink http://dx.doi.org/10.1787/888933248915

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