

DIE HERAUSFORDERUNG 'GUTER REGULIERUNG' - ANSPRUCH UND WIRKLICHKEIT

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STANDARD COMPLAINTS

- > 'too much' (too precise, too much attention, too 'costly'...)
- 'too little' ('holes', no interest...)
- 'inconsistency' (over- and underlap)

WHAT DOES THE 'BETTER REGULATION' AGENDA SEEK TO ADDRESS

- Problems in standard-setting
 - develop better 'standards'
- Problems in information-gathering
 - reduce the costs of reporting and inspection
- ➤ Problems in behaviour-modification
 - reduce the costs of enforcement/sanctions

APPROACHES

- Standard-setting
 - ➤ Regulatory impact assessment, cost benefit analysis
 - Sunsetting/reviews
 - \rightarrow 1 in, X out (x=1,2,3)
 - ➤ 'Crowdsourcing'
- ➤ Information-gathering: Cost containment approaches/'big data'
- ➤ Behaviour-modification: 'risk-based regulation'

➤ 'Customer engagement' - negotiated settlements (not administrative consultation exercises)

TENSIONS

- ➤ Is 'better regulation' creating 'more structured' oversight?
- ➤ Is 'better regulation' creating 'more shared' regulatory space?
- ➤ Is 'better regulation' creating more rivalry and 'less' regulation?
- ➤ Is 'better regulation' creating ad hoc opportunities for constraining gaming?

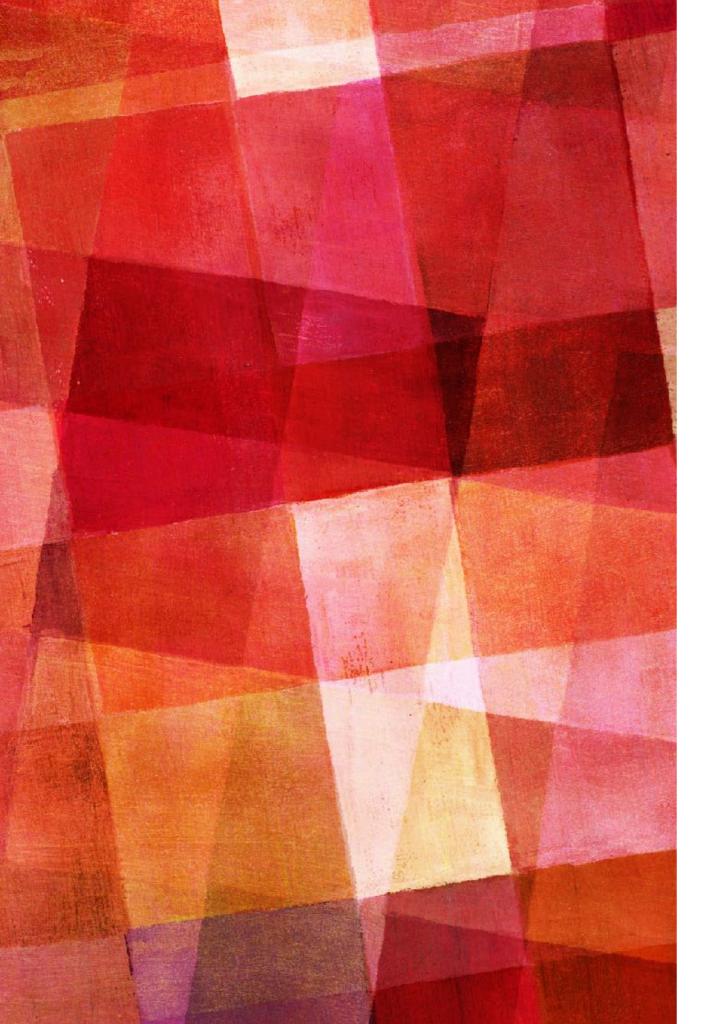
WHY BETTER REGULATION WILL ALWAYS BE UNPOPULAR

- ➤ Instruments cannot resolve tensions in policy-process, especially those of high political attention
- ➤ Better regulation initiatives usually go through issue attention cycle
- ➤ Goals of better regulation are incompatible

➤ Likely outcomes: tombstones, tight procedural requirements, dashed enthusiasm and hostile opposition

WHAT COULD THE ANSWER BE?

- ➤ Accept inherent tensions and side-effects
- ➤ Encourage mutual learning, avoid targets that encourage gaming on the baseline
- ➤ Consider what regulatory capacities are actually required to deal with particular problem and where these capacities could be allocated
 - analytical capacity
 - oversight capacity
 - coordination capacity
 - delivery capacity



CONCLUSION

- ➤ Better Regulation characterised by contested instruments and contested goals
- Need to move beyond headlines towards informed conversation
- ➤ Assume fragmented regulatory regimes
- ➤ <u>www.lse.ac.uk/carr</u>