



MULTI-LEVEL REGULATORY GOVERNANCE

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The 2012 Recommendation of the Council on Regulatory Policy and Governance

10. Where appropriate promote regulatory coherence through co-ordination mechanisms between the supranational, the national and sub-national levels of government. Identify cross-cutting regulatory issues at all levels of government, to promote coherence between regulatory approaches and avoid duplication or conflict of regulations.

11. Foster the development of regulatory management capacity and performance at sub-national levels of government.

12. In developing regulatory measures, give consideration to all relevant international standards and frameworks for co-operation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction.



Why is this important?

- Usually, central governments have made progress on the Better Regulation agenda, which is not always paralleled at the local level. 30 OECD countries (+ the EU) report having an explicit regulatory policy.
- ...and the first window citizens/entrepreneurs knock is the local one (citizen approach).
- High-quality regulation in one level of government can be undermined by poor regulatory policies and practices at other levels.
- Capacities and infrastructure (i.e., use of ICTs) tend to be more limited at the local level.
- Increasingly, inconsistent regulations across countries are considered as regulatory frictions to economic activity (incl. trade)

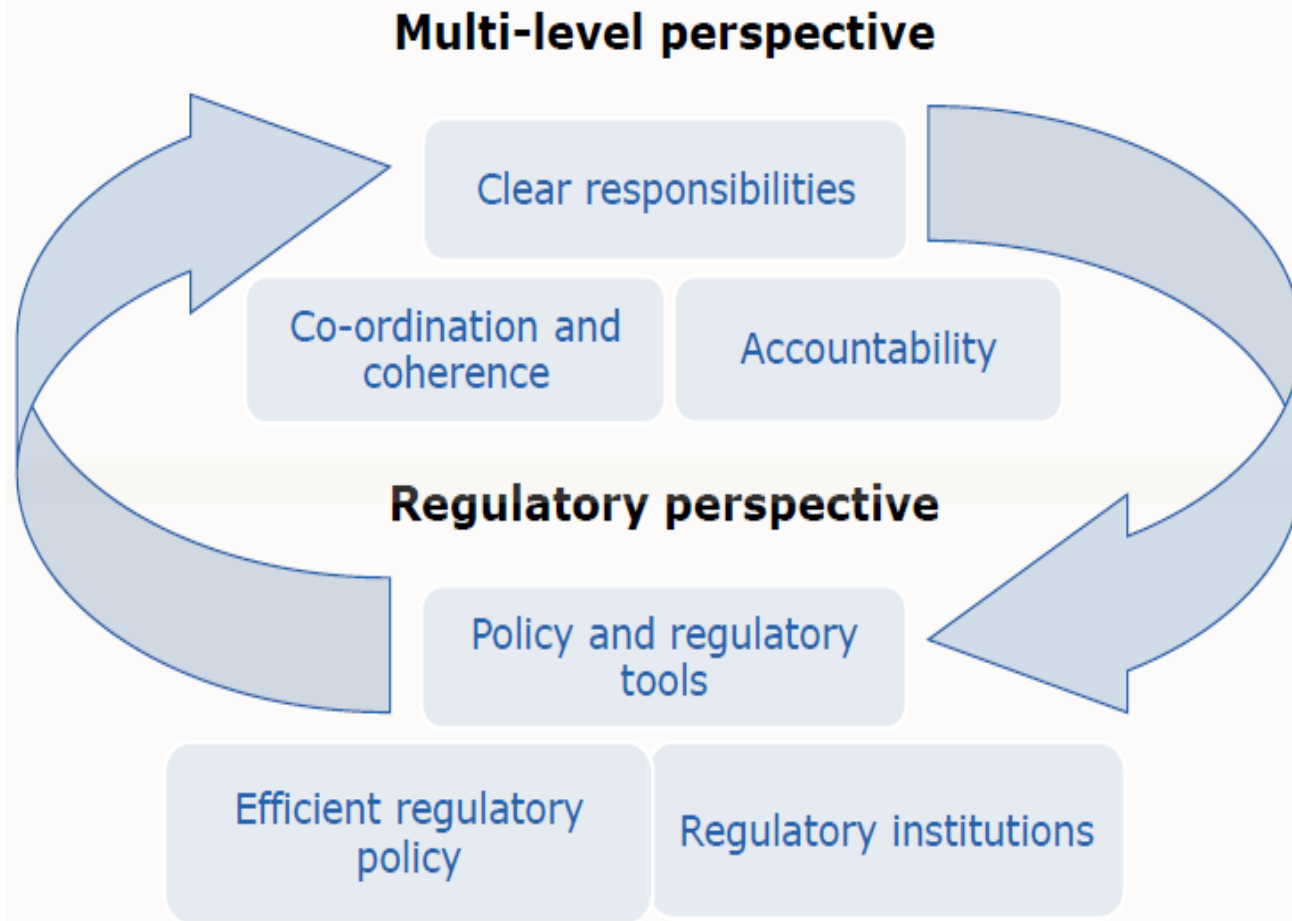


Why is this important?

- Impossible for regulators to regulate in isolation: it undermines their effectiveness in achieving policy goals.
- Facilitating market entry ► Pro-competitive regulation.
- Reducing the costs of doing business ► Attract investment.
- Avoiding informality ► Low productivity businesses.
- Avoiding corruption (i.e, bribes, intermediaries).
- Facilitating the operations of SMEs.
- Developing synergies with other strategies (i.e, clusters, entrepreneurship, innovation).



Framework for analysis





Regulatory policy

- Formalise regulatory policy into legislation (i.e., laws, decrees, executive orders).
- This helps to ensure continuity despite changes in political agendas.
 - BC: Cabinet Directive from the Executive.
 - Piemonte: Regional laws 7/2005, 13/2005, 7/2007, 15/2007, 15/2008.
 - Catalonia: Decrees 324/2001, 93/2008, 106/2008, 56/2009, 1/2011, 325/2011, and Law 26/2010.
 - Mexico: 25 out of 32 federal entities have a state law on regulatory reform. 5 others have laws on economic development with a section on regulatory reform.



Regulatory institutions

- Establish the institutional arrangements for regulatory reform (i.e., a body responsible of overseeing its implementation).
- Functions: Co-ordinating, challenging, facilitating, and advocating.
- Illustrates and materialises political leadership.
 - BC: Straightforward BC (Ministry of Small Business, Technology, and Economic Development).
 - Piemonte: Ministry for Federalism, Decentralisation, Relations with Local Authorities, Legal Affairs, and Relations with the Regional Council.
 - Catalonia: Department for Better Regulation (Ministry of Government).
 - Mexico: 23 states have assigned the Better Regulation agenda to a ministry, 7 to a commission, and 2 to an alternative form.
 - Victoria: Victorian Competition and Efficiency Commission.



Regulatory institutions

- Create institutional mechanisms to allow business and citizen participation in the guidance, management, and evaluation of regulatory reform policies.
 - BC: Red Tape Task Force, BC Competition Council.
 - Piemonte: Administrative Reform Observatory.
 - Catalonia: Labour, Economic, and Social Council.
 - Mexico: 22 federal states have established a citizen council on regulatory reform.



Regulatory tools

- Simplification strategies are usually a good way to start (i.e., One-stop shops).
- Leverage ICTs (i.e., data-sharing, electronic transactions).
- Advance regulatory transparency (i.e., centralized registries).
- Adopt a “regulatory governance” approach ▶
Consultation, RIA, ex post evaluation, etc.
- Adapt tools to capacities (i.e., Regulatory Criteria Checklist instead of a full-fledged RIA).

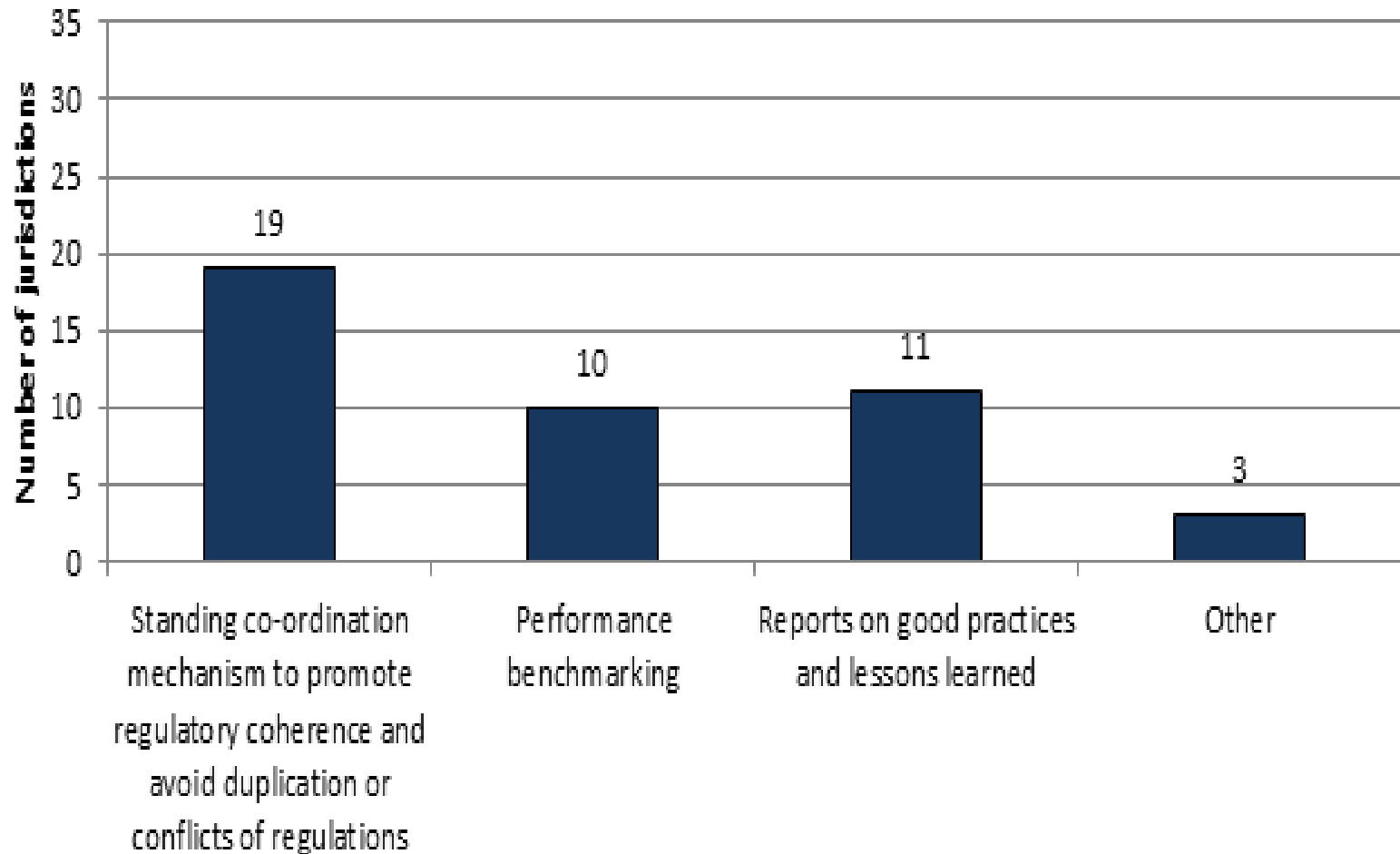


Multi-level co-ordination

- Establish institutional mechanisms for multi-level co-ordination and dialogue.
- Agree on an agenda to be pursued by all levels of government (if possible, provide incentives/benchmarks and, above all, evaluation).
- Entities facilitating co-ordination, covenants/agreements, laws, etc.
 - Australia: Council of Australian Governments (COAG).
 - Canada: Federal-Provincial-Territorial Committee + Mutually recognised licenses.
 - Italy: Conference system.
 - Spain: Sectorial conferences.
 - Mexico: Governors' Conference + Multi-level agreements.



Mechanisms to ensure coherence across levels of government





At the international level: A typology of 11 IRC mechanisms

**Integration /
Harmonisation
through supra national
institutions**
(EU)

**Specific negotiated
agreements**
(treaties / conventions)

**Formal regulatory co-
operation partnerships**
(US-Canada Regulatory
Cooperation Council)

**Joint standard setting
through inter
governmental
organizations**
(OECD, WTO)

**Trade agreements with
regulatory provisions**
(RTAs, FTAs)

**Mutual recognition
agreements**
(MRAs)

**Trans-governmental
networks of regulators**
(ILAC, ICPEN, PIC/S)

**Unilateral convergence
through good
regulatory practices
and adoption of
relevant frameworks in
other jurisdictions**

**Recognition and
incorporation of
international standards**
(ISO, IEC,...)

**Soft law: principles,
guidelines, codes of
conduct**

**Dialogue / Informal
exchange of
information**
(Transatlantic dialogues)



THANK YOU!

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