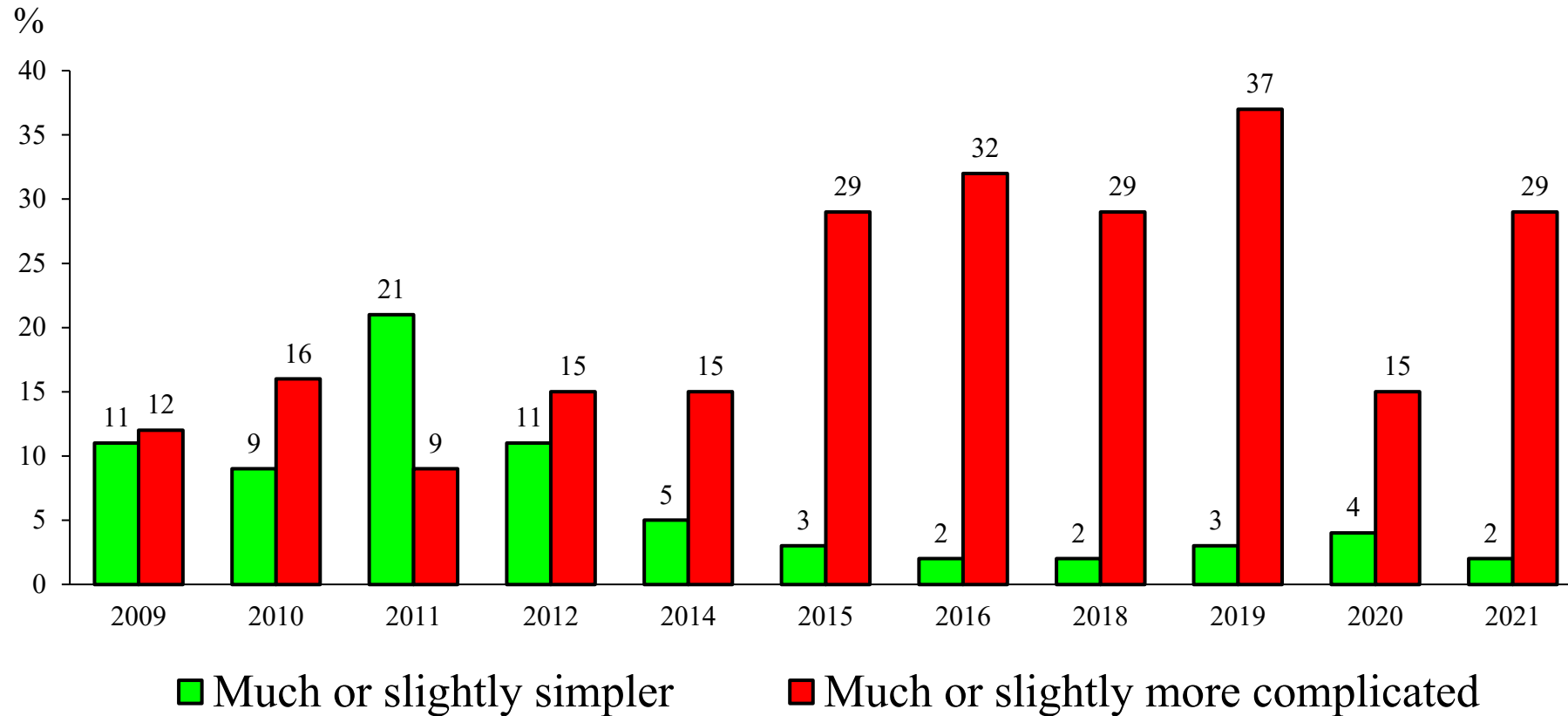


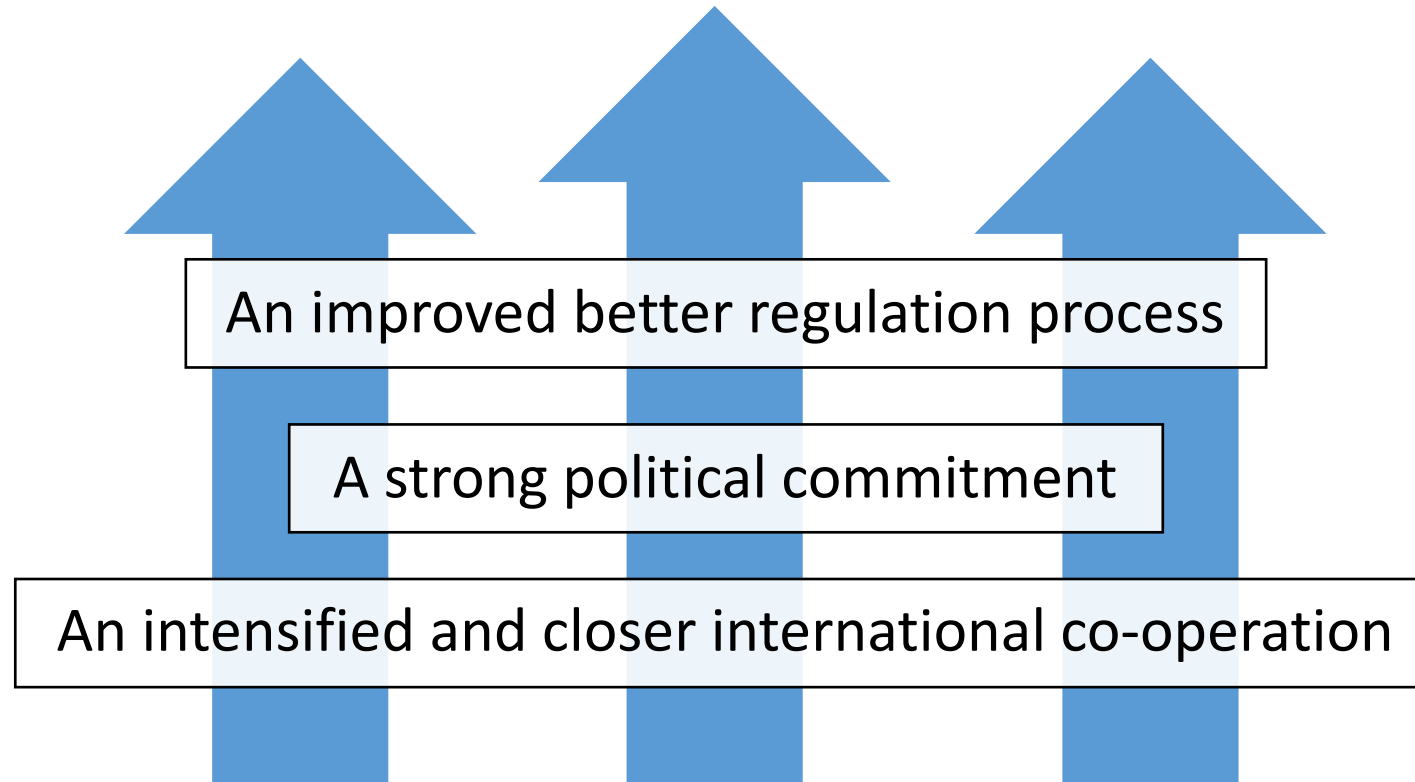
Simpler or more complicated - over time?



Source: NNR/SKOP 2021

Better regulation

Key success factors





Launch of the OECD Regulatory Policy Outlook 2021 in Sweden



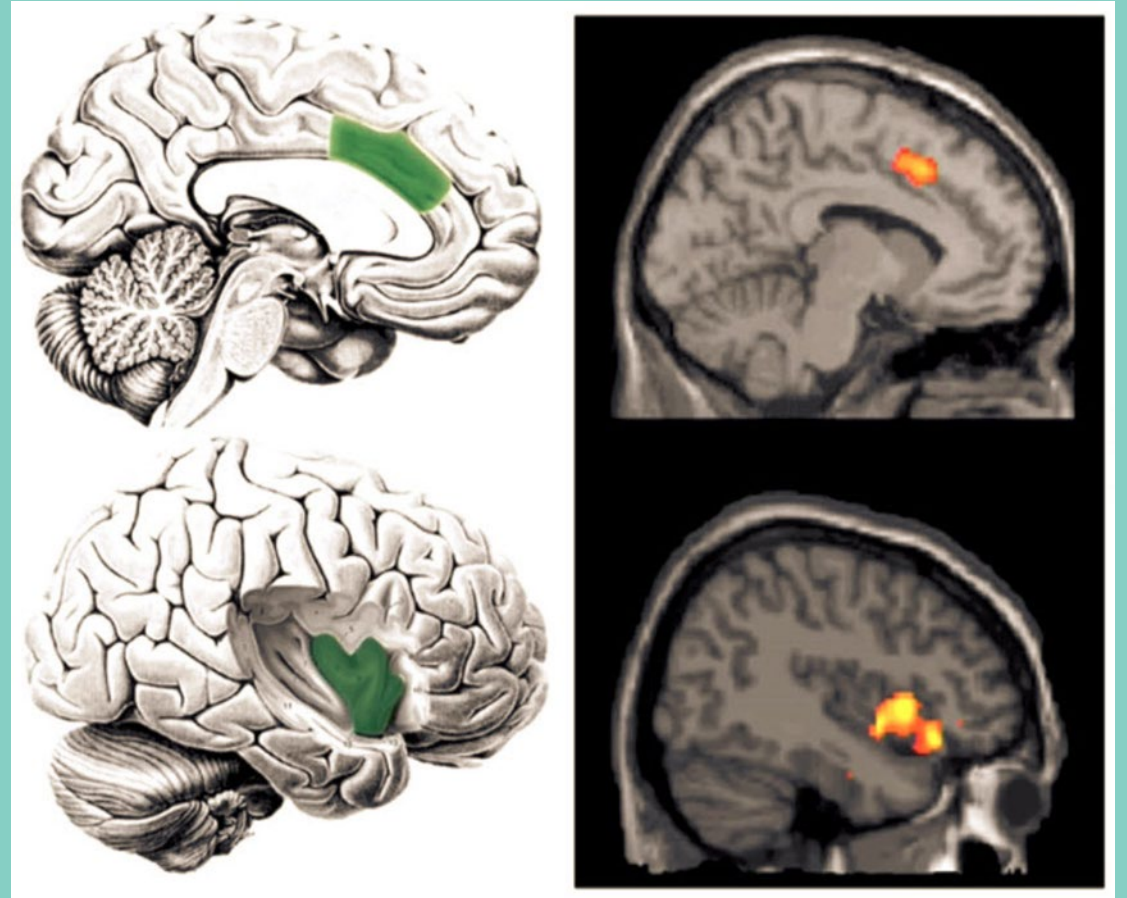
Swedish Better Regulation work in an International Perspective webinar, Stockholm, 30 March 2022
Christiane Arndt-Bascle, Head of Measuring Regulatory Performance, OECD

>> The Brain's Reaction to Exclusion

- **40 years** of research shows:
Perception of **unfair treatment***
is key indicator for **exclusion**
- The Brain's reaction to social
exclusion is similar to that of
physical pain!

*For drivers of perceived fairness see:

Lind, E. (2016), "[Perceived Fairness and Regulatory Policy: A behavioural science perspective on government-citizen interactions](#)", OECD Regulatory Policy Working Papers, Vol. 6.



Eisenberger, Lieberman, & Williams, *Science*, 2003.



A forward looking agenda, reflective of today's challenges

- A stated ambition to better design and deliver public policy for and together with citizen and business, restoring trust in government action
- Addressing climate change, inequality, or ageing populations will require governments to be flexible, regulate faster and better, and co-operate globally
- The COVID-19 pandemic has reiterated some 'home truths' about regulatory policy, especially interconnectedness and risk...
- The Outlook therefore calls for a regulatory rethink: *Regulatory policy 2.0*

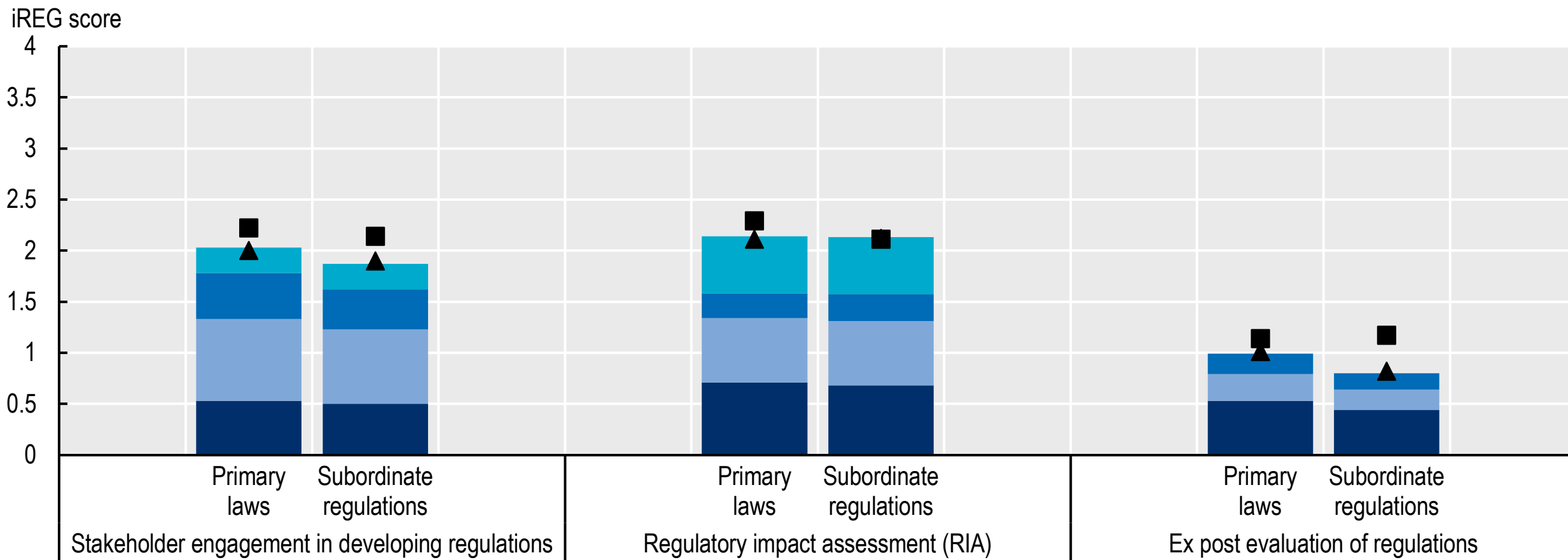


Areas for improvement

- Leveraging and adopting regulatory management tools and making them fit for the future
- Better understanding and balancing of risks
- Using behavioural insights
- Exploiting technological progress
- Increasing the importance and capacities of regulatory oversight
- Looking beyond borders
- Greater inclusion of the public
- Rebuilding trust in regulation, regulators and government action



iREG results: Sweden

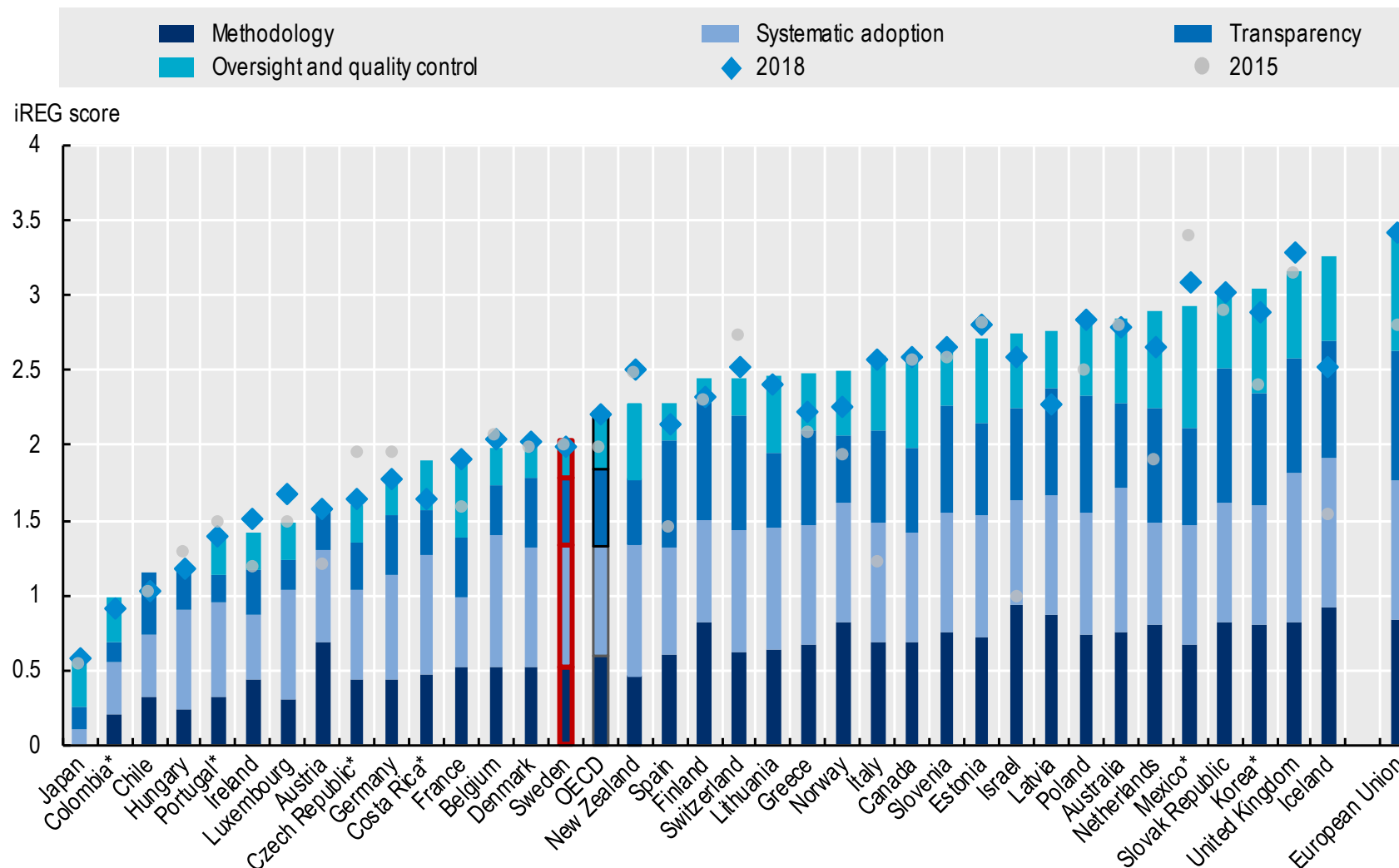


Notes: The more regulatory practices as advocated in the OECD Recommendation on Regulatory Policy and Governance a country has implemented, the higher its iREG score.

Source: OECD (2021), OECD Regulatory Policy Outlook 2021, OECD Publishing, Paris.



Composite indicator: Stakeholder engagement for primary laws, 2021

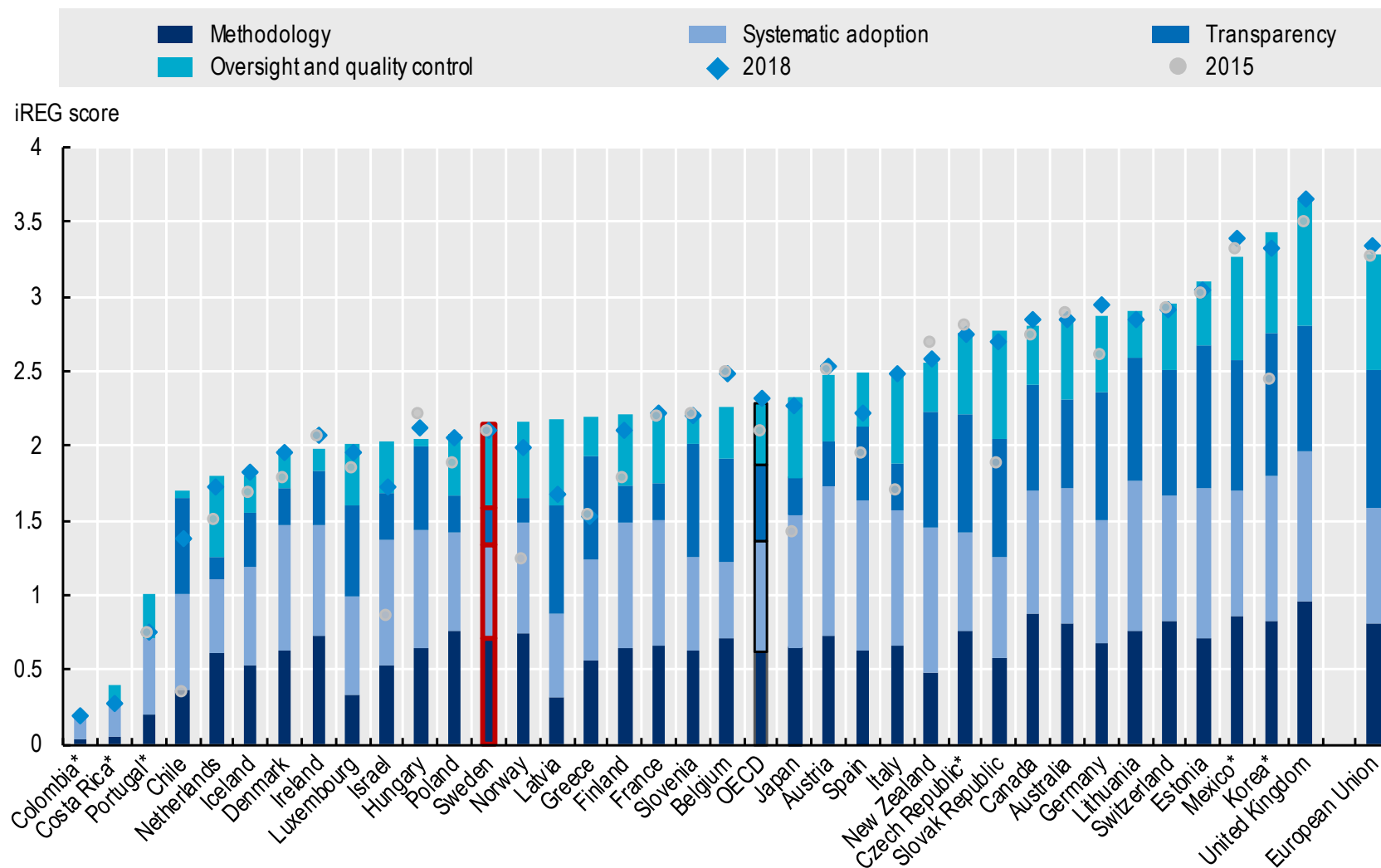


Notes: Data for 2014 are based on the 34 countries that were OECD members in 2014 and the European Union. Data for 2017 and 2021 include Colombia, Costa Rica, Latvia and Lithuania. The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score. The indicator only covers practices in the executive. This figure therefore excludes the United States where all primary laws are initiated by Congress. * In the majority of OECD countries, most primary laws are initiated by the executive, except for Colombia, Costa Rica, Czech Republic, Korea, Mexico, and Portugal, where a higher share of primary laws are initiated by the legislature. Due to a change in the political system during the survey period affecting the processes for developing laws, composite indicators for Turkey are not available for stakeholder engagement in developing regulations and RIA for primary laws.

Source: OECD (2021), OECD Regulatory Policy Outlook 2021, OECD Publishing, Paris.



Composite indicator: Regulatory impact assessment for primary laws, 2021

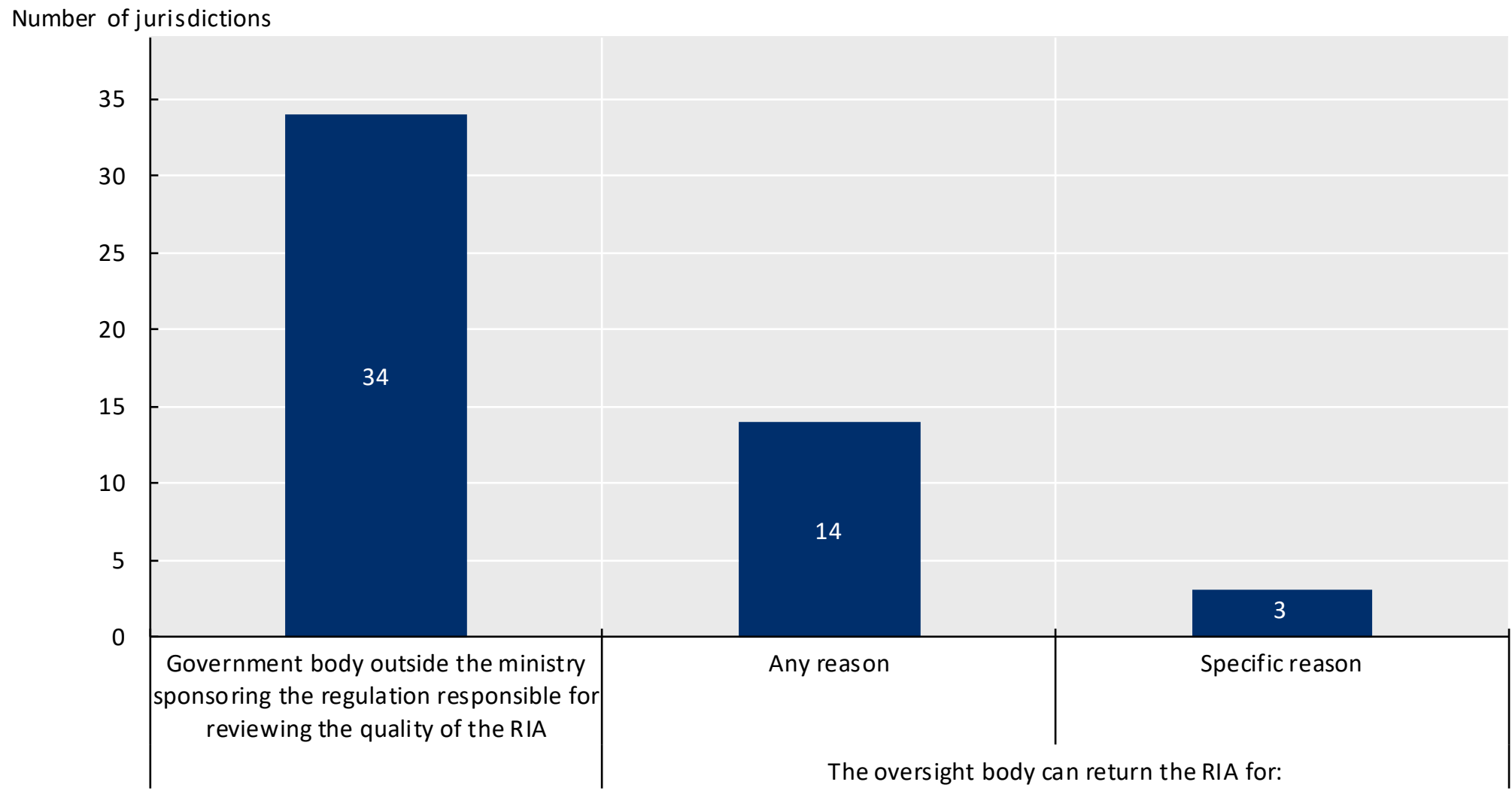


Notes: Data for 2014 are based on the 34 countries that were OECD members in 2014 and the European Union. Data for 2017 and 2021 include Colombia, Costa Rica, Latvia and Lithuania. The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score. The indicator only covers practices in the executive. This figure therefore excludes the United States where all primary laws are initiated by Congress. * In the majority of OECD countries, most primary laws are initiated by the executive, except for Colombia, Costa Rica, Czech Republic, Korea, Mexico, and Portugal, where a higher share of primary laws are initiated by the legislature. Due to a change in the political system during the survey period affecting the processes for developing laws, composite indicators for Turkey are not available for stakeholder engagement in developing regulations and RIA for primary laws.

Source: OECD (2021), OECD Regulatory Policy Outlook 2021, OECD Publishing, Paris.



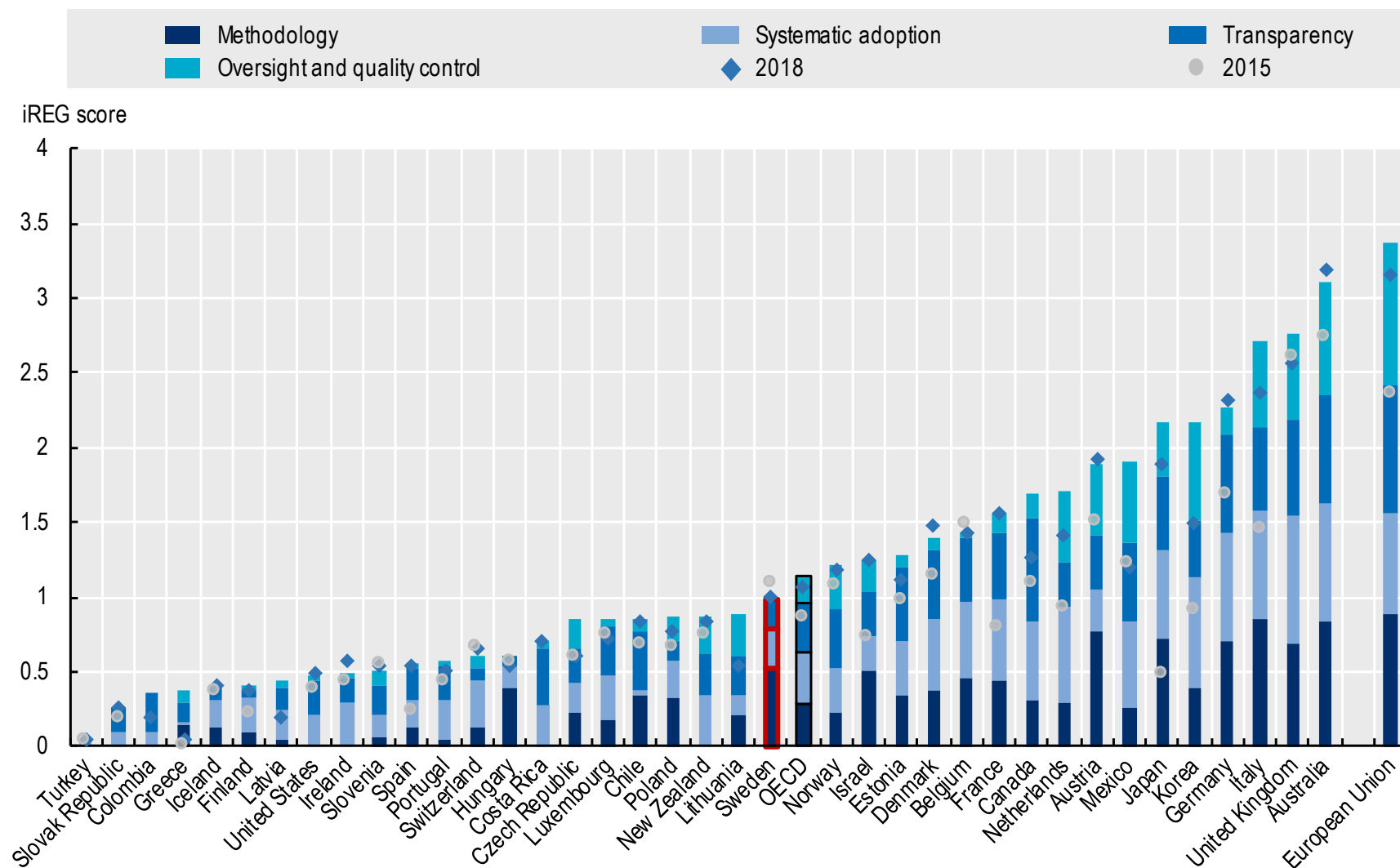
In more than 40% of jurisdictions the oversight body can return RIA for revision



Note: Data are based on 38 OECD members and the European Union.
Source: OECD (2021), OECD Regulatory Policy Outlook 2021, OECD Publishing, Paris.



Composite indicator: *Ex post* evaluation for primary laws, 2021



Notes: Data for 2014 is based on the 34 countries that were OECD members in 2014 and the European Union. Data for 2017 and 2021 includes Colombia, Costa Rica, Latvia and Lithuania. The more regulatory practices as advocated in the 2012 Recommendation a country has implemented, the higher its iREG score.

Source: OECD (2021), OECD Regulatory Policy Outlook 2021, OECD Publishing, Paris.

Thank you for your attention!

To see more of our work on the *Outlook* (including policy briefs, blog posts), please visit oe.cd/reg-outlook. To see all of our work on regulatory policy, please visit [Regulatory policy - OECD](#)

Further questions welcome to
Christiane.ARNDT-BASCLE@oecd.org

Regulatory burden, growth and unemployment

Lars Pettersson, Jönköping University

Co-author (not present): Emma Lappi Copenhagen Business School

This study

- Examines the potential effect of the “regulatory burden” on economic growth (GDP), productivity and unemployment in Sweden.
- Macro study based on international comparable measures. We use the World Bank's so-called "Ease of Doing Business" indicators.
- Panel for OECD member countries for the years 2010-2019.
- We use a “calculation example” to visualize a 10% improvement with respect to regulation (10% increase in Ease of Doing Business).

Statistical analysis

- Four regressions with four different outcome (dependent) variables:
 - 1) GDP growth;
 - 2) GDP per capita;
 - 3) growth in total factor productivity (TFP);
 - 4) Unemployment.

The results indicate a clear covariation between the measure of regulatory burden (Ease of Doing Business) and all our four outcome variables.

Our calculation example

- Assume Sweden increases its “Ease of Doing Business Score” by 10 percentage points from the current 82 to 92.
- The results indicate that the corresponding effect can be assumed to about 1.3 percentage points faster economic growth per year and about 0.75 percentage points in the corresponding effect on total factor productivity
- The corresponding effect on GDP per capita and total GDP can be assumed to be about 5 percentage points.

Sweden vs trading partners, OECD and EU

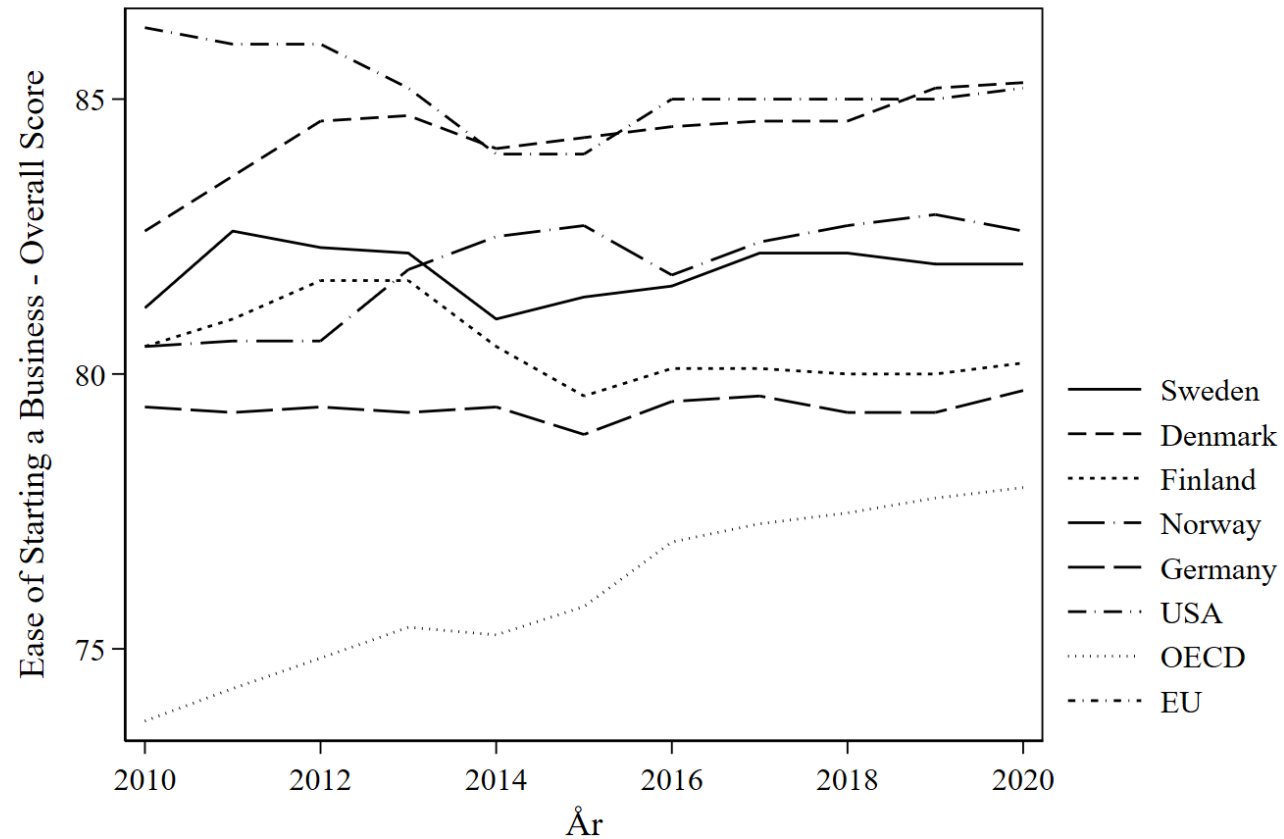


Table 6.1. Results from regressions using World Bank indicator for "Ease of Doing Business" for 36 OECD-members, panel data for the years 2010-2019

Variables	GDP growth	Ln GDP per capita	TFP growth	Unemployment
Ln GDP per capita	-1,059*** (0,163)	-	-0,471*** (0,109)	-0,568*** (0,204)
Ln Labour force	0,176 (0,124)	0,142*** (0,048)	0,041 (0,071)	0,045 (0,183)
Tertiary Schooling	-0,004 (0,009)	0,004** (0,002)	-0,001 (0,006)	0,102*** (0,016)
Export share of GDP	0,025*** (0,010)	0,007*** (0,002)	0,011** (0,005)	0,005 (0,009)
Ease of Doing Business - Overall Score	0,130*** (0,029)	0,049*** (0,006)	0,074*** (0,019)	-0,334*** (0,049)
Constant	-0,599 (4,074)	3,724*** (0,835)	-0,880 (2,086)	31,707*** (4,870)
No Obs. (countries)	299 (36)	299 (36)	299 (36)	299 (36)
R-square	0,294	0,129	0,250	0,370
The models are estimated by using OLS, including dummies for years. Robust errors in brackets. ***p<0,001, **p<0,05 and *p<0,1				

Results from regressions

- The index "Ease of Doing Business" range from 0 to 100.
- "Pooled" panel based on data for the OECD's 36 member countries with fixed-effects dummies for each year.
- *** indicate one percent level of significance (**=5% and *=10%).
- Notice that these are point estimates.

Table 6.2. Overview of estimated signs for subindices of "Ease of Doing Business" with respect to covariation with the dependent variables, panel data 2010-2019

	GDP growth	Ln GDP per capita	TFP growth	Unemployment
Starting a business	0	+	0	-
Construction permits	0	+	0	-
Electricity	0	+	+	-
Property	+	0	+	-
Credit	+	0	+	-
Minority Investors	+	+	0	-
Taxes	0	+	0	0
Borders	0	+	+	0
Contracts	+	+	0	-
Insolvency	0	+	0	-

The table overviews the subindices of "Ease of Doing Business".

Estimated signs from the statistical analyse.

In general, the signs are as "expected".

+ = positive and significant, - = negative and significant, 0 = not significant.

In summary

- Our ***example*** of calculation for a 10 per cent increase of "Ease of Doing Business" indicator for Sweden:
 - Approx. 1.3 per cent (absolute number) increase of annual GDP.
 - Decrease of unemployment by approx. 3 per cent (absolute number)
 - A long term impact on GDP per capita that corresponds to approx. 5 per cent with respect to increase in level for the new equilibrium.



» OECD Regulatory Policy Outlook 2021 - International Regulatory Co-operation

Sweden launch event – March 2022
Marianna Karttunen, Policy Analyst, OECD Regulatory Policy Division



Rethinking Rulemaking Through International Regulatory Co-operation



International regulatory co-operation (IRC): a key pillar of quality laws and regulations in a globalised context

Adapting rules to an interconnected world

Regulation today means looking beyond borders to effectively navigate the rapid growth of economic integration and interdependence, particularly driven by innovative technologies and global crises such as the Covid-19 pandemic or climate change.

Only 7 OECD countries pursue a **systematic, cross-sectoral approach** to embed considerations of the international environment in domestic rulemaking.



Unilateral

Yet, effective common solutions are **constrained by traditional legal and administrative boundaries**.

To fully achieve public policy objectives and to ensure the well-being of all citizens, it is time for a **paradigm shift** towards more systematic consideration of the international environment in regulatory frameworks.

The Best Practice Principles on International Regulatory Co-operation provide **basic tools for adapting laws and regulations** to an interconnected world. They are not limited to one policy field. It is not about the **what**, it's about the **how**.

OECD – BEST PRACTICE PRINCIPLES ON INTERNATIONAL REGULATORY CO-OPERATION

Bilateral

Multilateral

Three examples of effective IRC:

- Limiting tax evasion** thanks to close co-operation between tax authorities.
- Preserving the ozone layer** thanks to a protocol between 46 countries.
- Eradicating smallpox** through collective action led by the WHO.





Today's policy priorities are increasingly transboundary and traditional regulatory frameworks are struggling to keep up

- Innovations of the fourth industrial revolution transcend physical, digital, and biological boundaries, **pushing the limits of national borders**
- Traditional institutional frameworks are **no longer adapted** to effectively keep up with these policy challenges

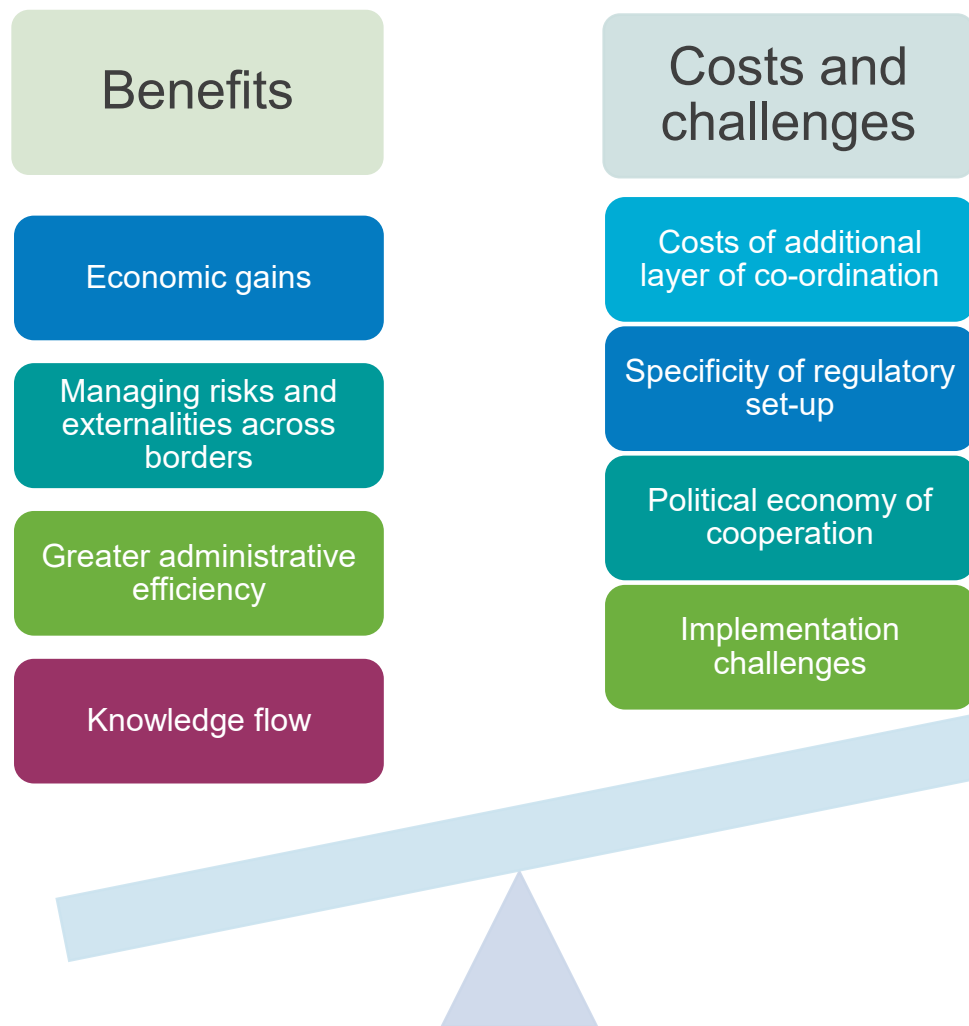


- Given the interdependence of countries, short domestic policy action can only have limited effectiveness. E.g. Global health system is as strong as its weakest link
- Regulatory fragmentation leaves space for regulatory arbitrage and creates barriers to innovation and trade



What is IRC, and how does it contribute to regulatory quality?

Any agreement, formal or informal, between countries to promote some form of co-operation in the design, monitoring, enforcement or ex-post management of regulation.





OECD work on International Regulatory Co-operation: Normative Framework and monitoring of country practice



Summary of the Best Practice Principles on International Regulatory Co-operation

Establishing the IRC strategy and its governance

- > Develop a whole of government IRC policy / strategy
- > Establish a co-ordination mechanism in government on IRC activities to centralise relevant information on IRC practices and activities and to build a consensus and common language
- > Enable an IRC conducive framework – i.e. raise awareness of IRC, build on existing platforms for co-operation, reduce anti-IRC biases and build in incentives for policy makers and regulators

Embedding IRC throughout the domestic rulemaking

- > Gather and rely on international knowledge and expertise
- > In developing regulation, consider existing international instruments and document the rationale for departing from them
- > Assess impacts beyond borders
- > Engage actively foreign stakeholders
- > Embed consistency with international instruments as a key principle driving the review process in ex post evaluation and stock reviews
- > Assess ex ante the co-operation needs to ensure appropriate enforcement and streamline “recognisable” procedures

Co-operating internationally (bilaterally, plurilaterally & multilaterally)

- > Co-operate with other countries to promote the development and diffusion of good practices and innovations in regulatory policy and governance
- > Contribute to international fora which support regulatory co-operation
- > Use mutual recognition in combination with international instruments
- > Align IRC expectations across various policy instruments, including in trade agreements

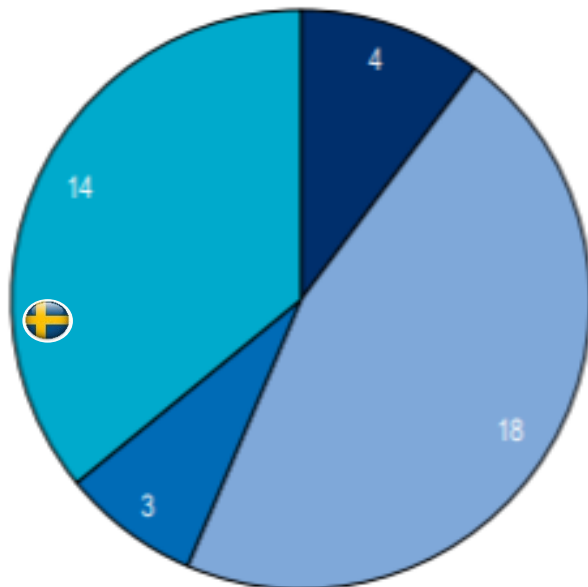
In preparation: [draft Recommendation on International Regulatory Co-operation to Tackle Global Challenges](#)



Pillar 1 BPPs: IRC Governance and policy framework remain far from systematic, most often disconnected from better regulation agendas

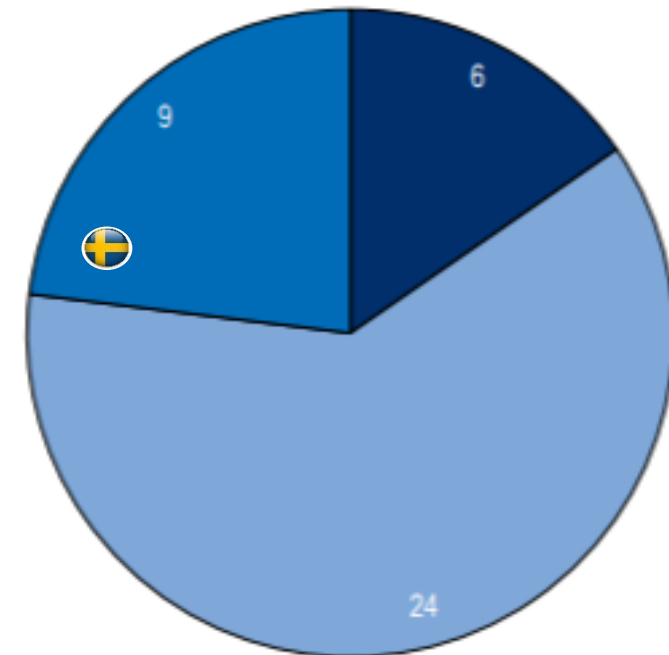
IRC is most often a shared responsibility among different authorities

- Centralised within a single authority
- Responsibility is shared amongst relevant central government bodies
- Responsibility is shared among sub-national and central government bodies
- No governance structure



Only six OECD countries systematically embed international considerations in domestic rulemaking

- Yes, there is a whole of government, cross-sector policy
- Partial, only sectoral policies apply
- No, there is no policy on international regulatory co-operation



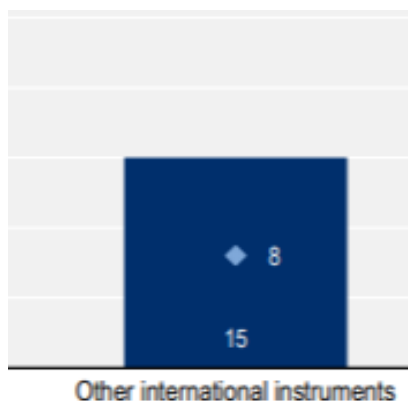
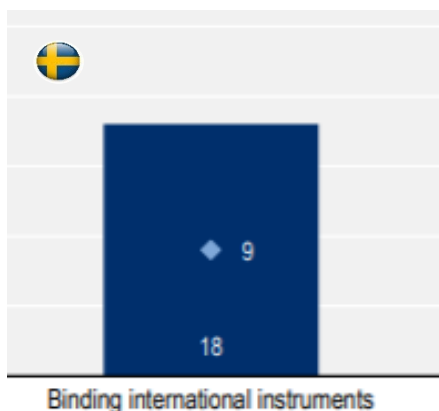
International considerations are still only rarely perceived as an integral part of domestic rulemaking



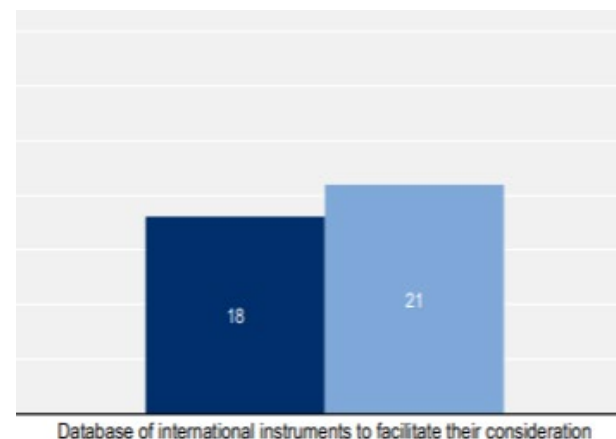
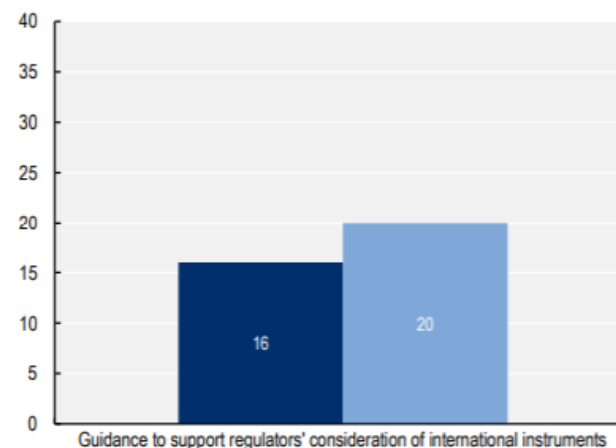
Pillar 2 of BPPs: Embedding IRC throughout domestic rulemaking

Step by step, OECD members are introducing increasing requirements, incentives and support to bring IRC into domestic rulemaking

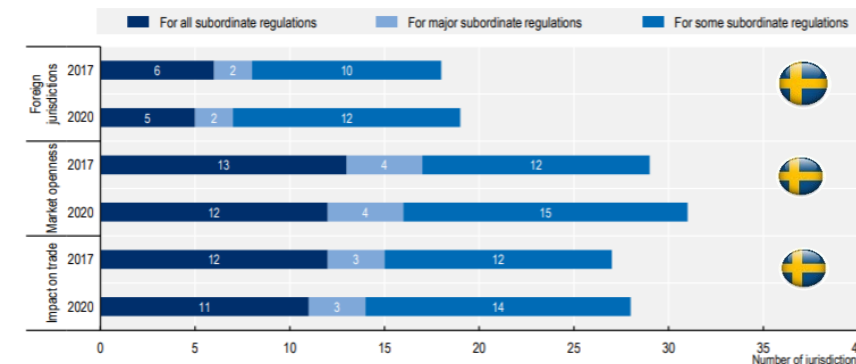
Growing requirements for regulators to consider international instruments



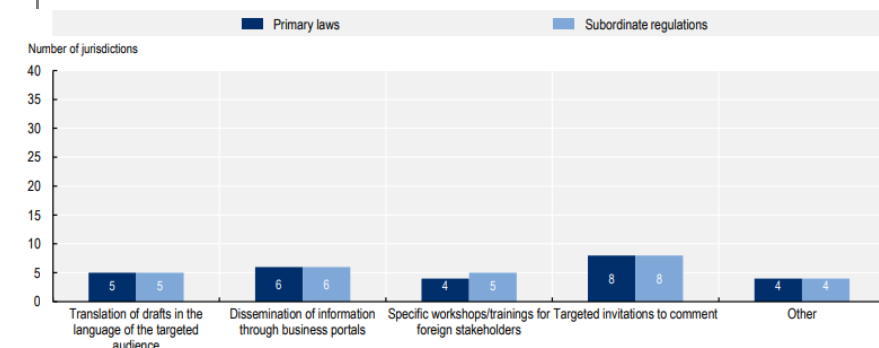
Better support to regulators to help consider wide international landscape



Increasing consideration of international trade and market openness, but rarely on foreign jurisdictions



Few specific efforts across OECD to engage with foreign stakeholders

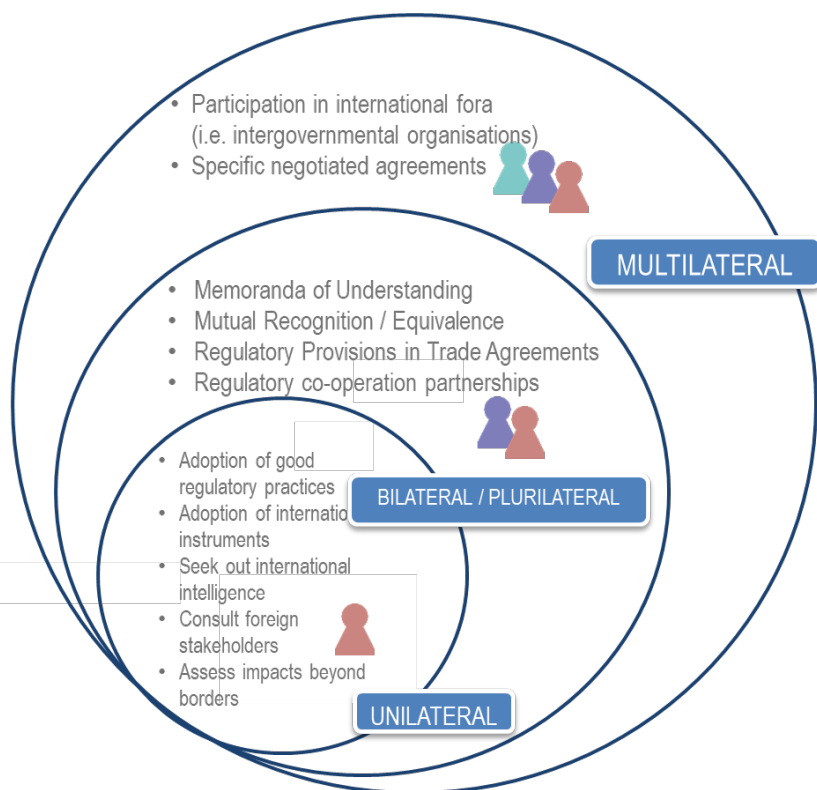




Pillar 3: Bilateral, regional and multilateral co-operation: leveraging international cooperation efforts to improve the quality of domestic rulemaking

Governments co-operated in many different ways during Covid-19

Variety of co-operation forms available to regulators



Co-operation during Covid-19

- > **Finding policy responses to face the disease** – *continuous exchange of scientific information; IOs as data hubs.*
- > **Securing access to essential goods** – *Transparency of regulations; development of common approaches and standards; recognition of conformity assessment procedures.*
- > **Maintaining cross-border services** – *special reporting to monitor internet traffic; ensuring safety of passengers of air and maritime travel.*

Improving the quality of international rulemaking to better support government regulation





International Regulatory Co-operation for Sweden



Sweden is part of the World's most integrated regional co-operation frameworks and a plethora of International organisations



The Nordic Region – towards being the most sustainable and integrated region in the world

Action Plan for 2021 to 2024



Inter-governmental organisations (IGOs)

Open membership (universal membership)

e.g. BIPM, FAO, IAEA, IMF, IMO, ITU, OIE, OIF, OIML, OPCW, OTIF, UNCITRAL, UNDP, UNEP, UNIDO, UNODC, UNWTO, UPU, WCO, WHO, WIPO, WMO, WTO/OMC

Inter-governmental organisations (IGOs)

Closed membership (restricted membership)

e.g. APEC, CARICOM, COMESA, ESCWA, NATO, OAS, OIV, OSCE, OECD, UNECE

Supranational organisation

e.g. EC

International private standard-setting organisations

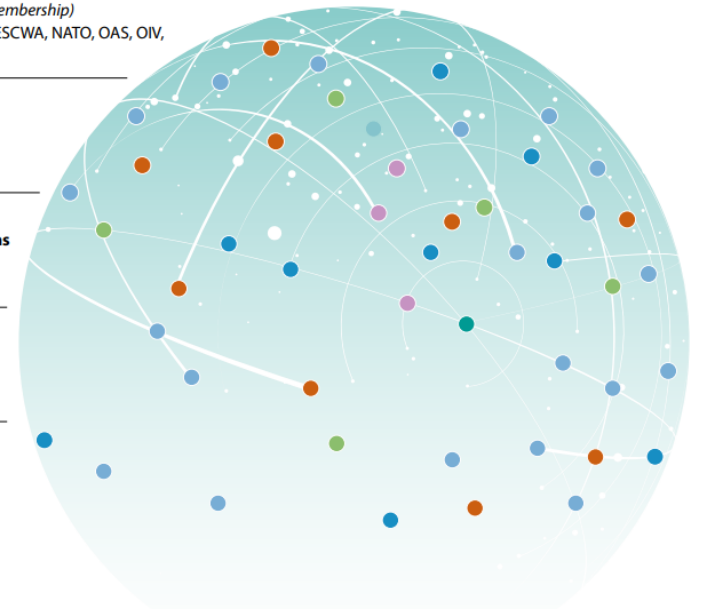
e.g. ASTM International, IATA, IEC, IFAC, ISO

Secretariats of conventions

e.g. BRS Conventions, CBD, CITES, OZONE

Trans-governmental networks (TGNs)

e.g. AHWP, IAF, IAIS, ICN, ILAC, IMDRF, IOSCO, PIC/s, SAICM





Nordic countries have strong drivers present to ensure close integration

A number of factors promote, hinder and shape IRC endeavours. These hypotheses may inform policy makers pondering about when, how and with whom to engage in IRC. Given existing cooperation between Nordic countries, available *fora* and common historic ties, many avenues already exist for further integration.

Common drivers for IRC

- > Geographical proximity
- > Economic interdependence
- > Economic properties of partners
- > Nature of the regulated area
- > Proximity and maturity of domestic regulatory governance

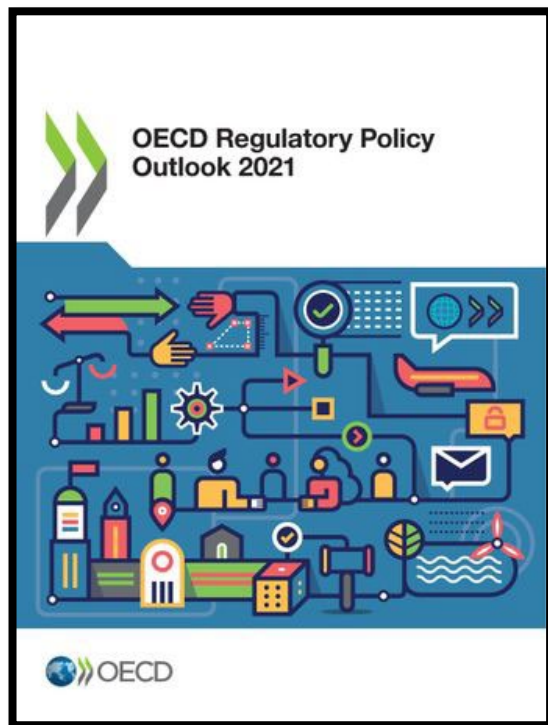


Thank you for your attention!

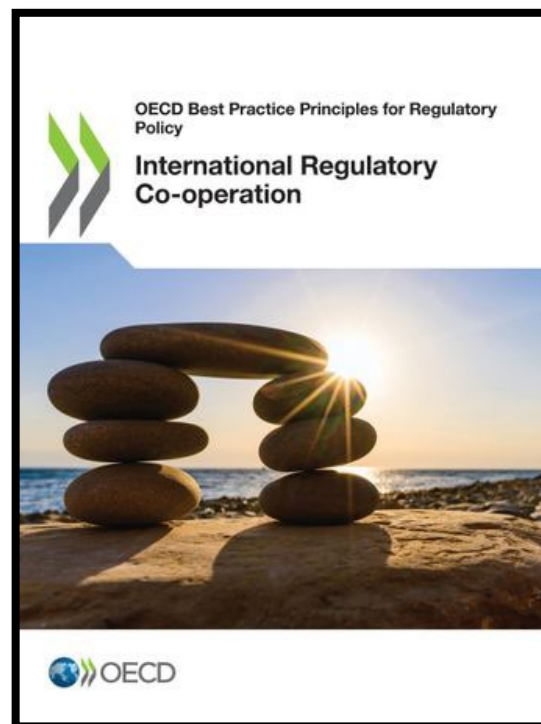
Further questions welcome to
Marianna.karttunen@oecd.org



Full report : RPO 2021



BPP FOR IRC



UK IRC Review 2020



See more on our work on IRC: www.oecd.org/gov/regulatory-policy/IRC



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

International regulatory cooperation in New Zealand

Julie Nind, Principal Advisor, Trade and International





A work in progress

- Broad coverage:
 - Primary/secondary/tertiary regulation
 - Not limited to trade or WTO requirements
 - Multi-faceted approach including:
 - Government expectations for GRP
 - Guidance/IRC toolkit – leveraging the trans-Tasman relationship
 - Government Regulatory Practice Initiative
 - Ex post reviews of key trans-Tasman arrangements
-

IRC with Australia

- Broad, deep and innovative:
 - Trans-Tasman Mutual Recognition Arrangement, Trans-Tasman Court Proceedings
- Shared interest in regulatory effectiveness
- Spectrum of cooperation



Government Regulatory Practice Initiative

- G-REG = network of central and local government regulatory agencies, established to lead and contribute to 'regulatory practice initiatives'
- G-REG – connecting to the rest of the world:
 - Chair in Regulatory Practice - disseminating international regulatory best practice and knowledge
 - Peer learning framework
 - Key audience and source of knowledge on IRC initiatives (case studies, toolkit)



Small country lessons

- Implication of being a “standards taker” not “maker”
 - Harmonisation is not a level playing field
 - Unilateral action is a viable option
 - Relationships matter
 - Thinking about IRC is more important, not less
-



Thank you

Contact us

Ministry of Business, Innovation & Employment
15 Stout Street, PO Box 1473,
Wellington 6140, New Zealand.
julie.nind@mbie.govt.nz | +64 21 821 759
www.mbie.govt.nz