



# REGULATORY BURDENS - PROBLEM IDENTIFICATION

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## Key issues

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1. What methods are there?
2. What matters for business and citizens?
3. Are we asking the right question?



# Methods for problem identification

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- Burden measurement programmes (e.g. SCM in many countries)
  - Economy-wide
  - Targeted (e.g. to burdensome areas such as tax regulation or social insurance)
- Consultations
  - Ad-hoc groups with selected stakeholders
  - Permanent structures with selected stakeholders (e.g. Danish Business forum)
  - Ad-hoc with the general public (e.g. UK Red Tape Challenge)
  - Permanent with the general public (e.g. electronic mailboxes etc.)
- Perception surveys (e.g. see oecd guide on perception surveys)
- Real-life experience studies (e.g. life events, burden hunter technique or Kafka studies)



## Costs = problem?

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- Gap between „objective measures“ and perceptions
- Irritation costs do not equal monetary costs



# What matters for business and citizens?

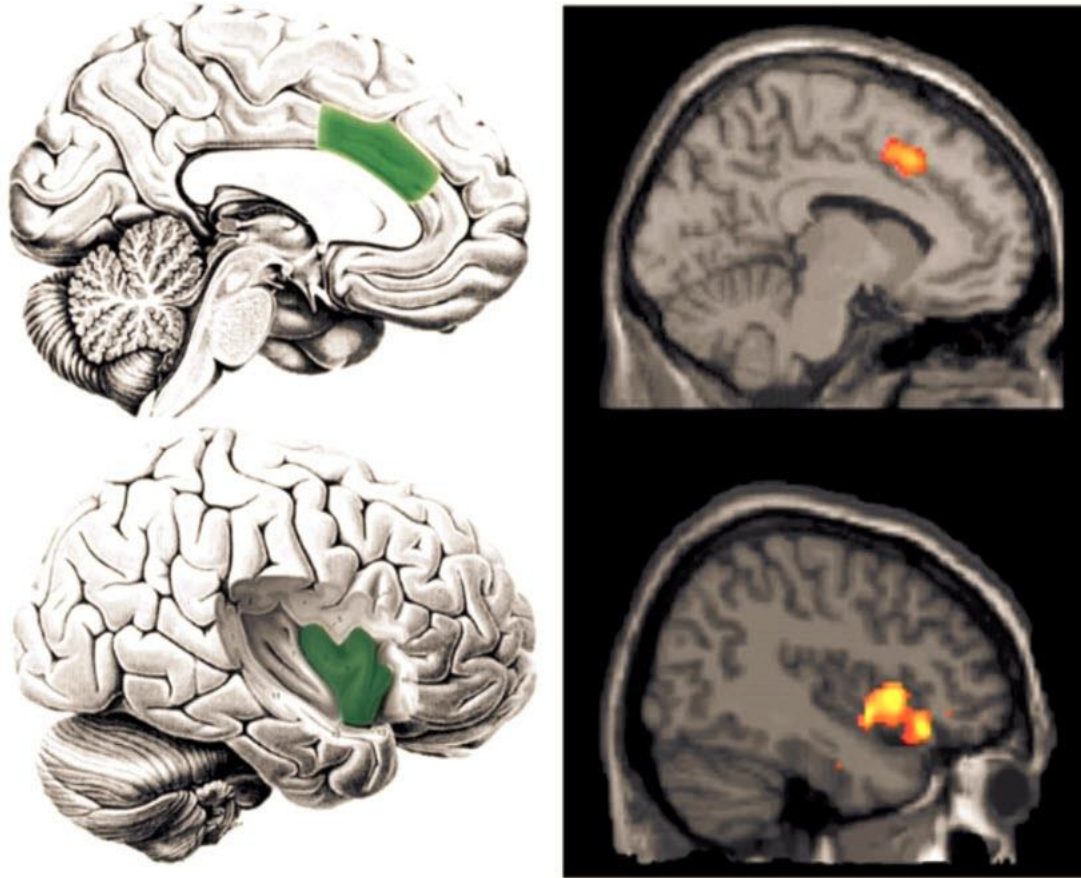
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- Actual costs
- Being „fairly treated“
- Stability
- Flexibility
- Understanding
- ....



# The Brain's Reaction to Exclusion

40 years of research shows: Perception of unfair treatment is key indicator for exclusion

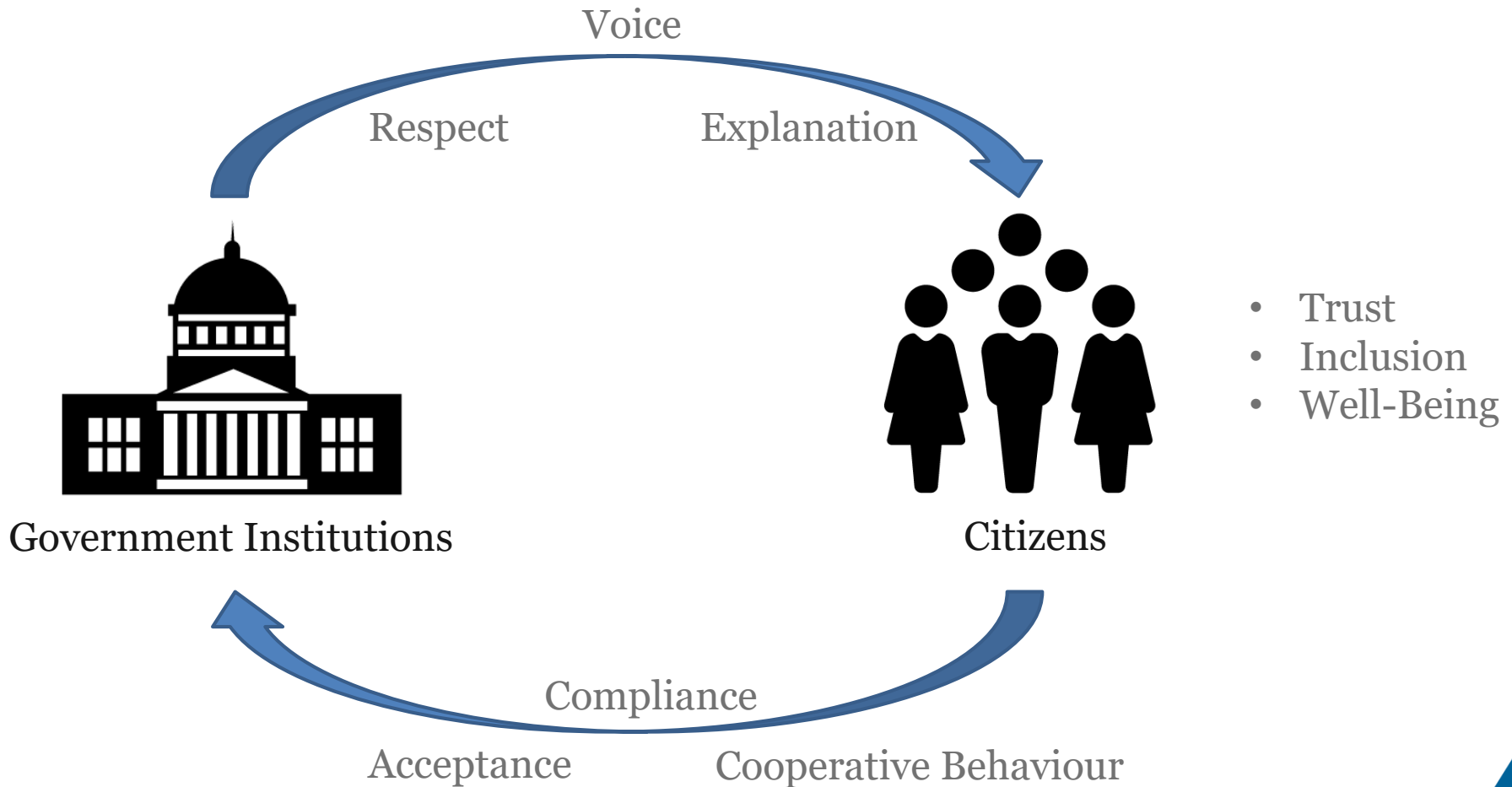


Eisenberger, Lieberman, & Williams, *Science*, 2003.

The Brain's reaction to social exclusion is similar to that of physical pain!



# The Keys to Fair Process



Lind, Allan and Arndt, Christiane (2016): Perceived Fairness and Regulatory Policy. A Behavioral Science Perspective on Government – Citizen Interactions, OECD Working Paper, OECD Publishing, Paris. <http://dx.doi.org/10.1787/1629d397-en>



# Are cocktails the solution?

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- Talk to stakeholders to identify key areas
- Process mapping can then help to identify bottlenecks and find solutions in key areas
- Use user-centred approaches to really understand the problem and bring about change in administration







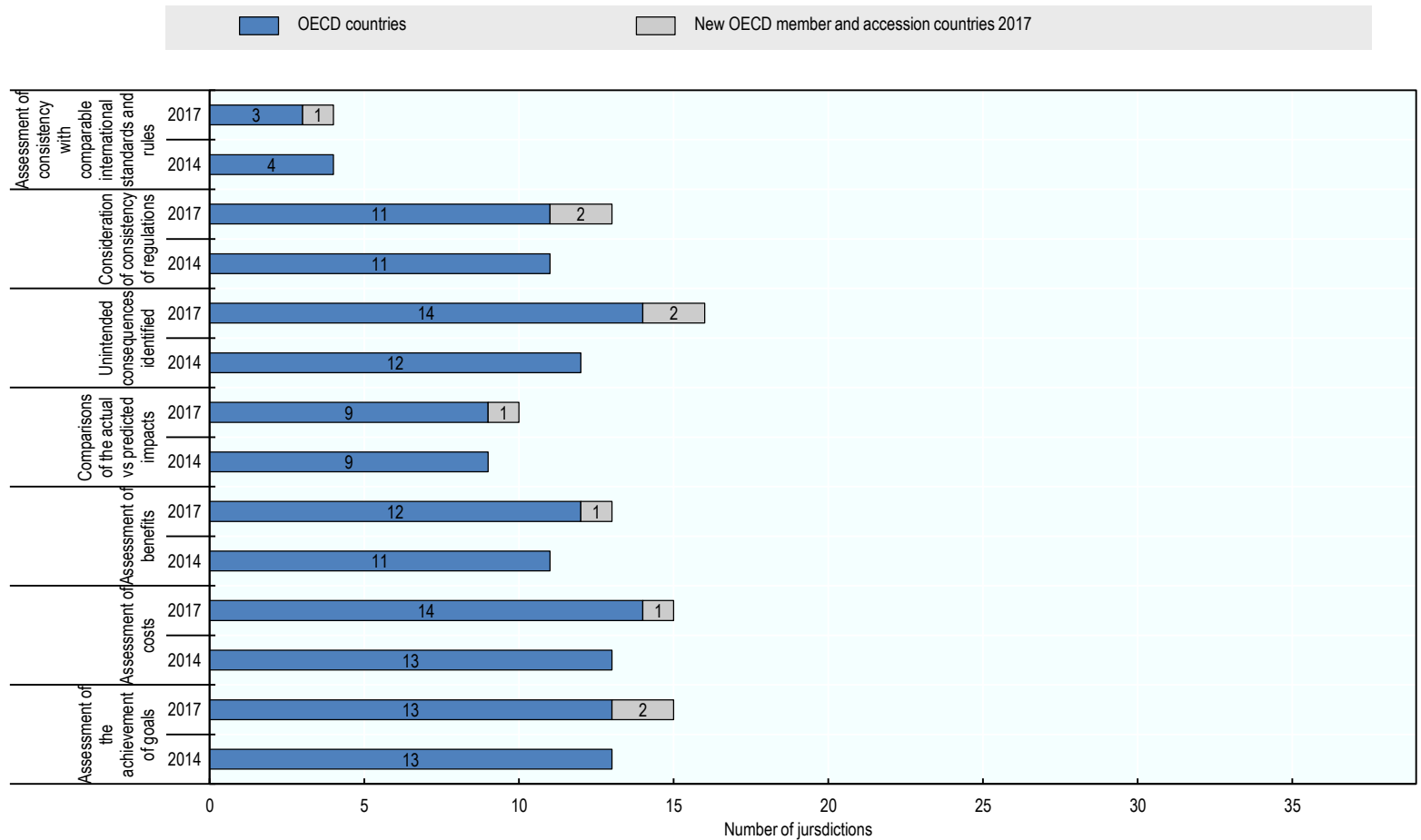
# Are we asking the right question?

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- What if we reduce burdens on a regulation that
  - does not achieve its objectives?
  - Leads to unintended consequences
  - is in contradiction to other regulations or overlaps with them?
  - Is done differently in other countries for no reason causing additional costs to business operating internationally?
  - Is inefficient compared to other solutions?



# Preliminary results: methodology for ex-post evaluation



Source: Preliminary results from the 2017 Indicators of Regulatory Policy and Governance (iREG) Survey and OECD Indicators of Regulatory Policy and Governance (iREG) 2015: <http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm>



## Further information

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- Lind, Allan and Arndt, Christiane (2016): Perceived Fairness and Regulatory Policy. <http://dx.doi.org/10.1787/1629d397-en>
- OECD (2015), [\*Regulatory Policy Outlook\*](#), OECD Publishing, Paris.
- OECD Indicators of Regulatory Policy and Governance: <http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm>
- OECD (2014), [\*OECD Framework for Regulatory Policy Evaluation\*](#), OECD Publishing.
- OECD (2014), Regulatory Compliance Assessment Guidance. <http://dx.doi.org/10.1787/9789264209657-en>
- OECD (2012). Perception Survey Guide. <https://www.oecd.org/gov/regulatory-policy/48933826.pdf>
- OECD (2010), Why Is Administrative Simplification So Complicated? <http://dx.doi.org/10.1787/9789264089754-en>
- OECD work on regulatory policy: <http://www.oecd.org/gov/regulatory-policy/>