

In the face of global crises and complex policy problems, governments have been required to regulate faster and better and attempt to build a sense of shared policy ownership. Giving the opportunity to business, citizens and the public to shape, reform and challenge regulations is important to improve the design and quality of regulations.

The OECD Indicators of Regulatory Policy and Governance (iREG) measure the quality of communication, consultation, and stakeholder engagement when developing regulations. The quality of stakeholder engagement in developing regulations has been improving slowly. 16 of 38 OECD countries (42%) plus the EU improved the quality of their stakeholder engagement for primary laws between 2018 and in 2021 (Figure 5.1), and 17 of 38 (45%) plus the EU for subordinate regulations (Figure 5.2). Systematic adoption improved through new requirements to conduct stakeholder engagement, and through conducting late stage consultations more frequently. Recent improvements include the increased use of virtual consultation meetings (in large part driven by the impacts of the COVID-19 pandemic), and the transparency of consultation processes. Since 2018, countries such as Chile, Colombia, Costa Rica, Greece, Iceland, Latvia, the Netherlands, Norway, and Spain have broadened consultation practices and made them more accessible.

Nonetheless, most OECD countries still have significant scope to improve stakeholder engagement. Despite recent changes, the area with the greatest scope for improvement, for both primary laws (Figure 5.1) and subordinate regulations (Figure 5.2), remains Oversight and Quality Control (mechanisms to monitor and ensure the quality of stakeholder engagement).

There is also scope to improve on Transparency. Informing stakeholders before consultations begin can save time, resources and energy. Only 6 of 38 OECD countries (16%) and the EU announce all forthcoming consultations on primary laws. Only 4 of 38 (11%) and the EU announce consultations on subordinate regulations (Online Table G.2.1). Governments can engage stakeholders in regulation development both at an early stage (to gather data and ideas on possible solutions to problems) and a late stage (to consult on draft regulations). Only 7 of 38 OECD countries for which data is available (18%), plus the EU, systematically engage with stakeholders at an early stage. This has not improved in recent years. By contrast, providing opportunities to stakeholders to comment on draft regulatory proposals is a longstanding practice. In 29 of the 38 OECD countries (76%) plus the EU, stakeholders are now systematically consulted at a later stage of policy development. Some countries require consultation more frequently with affected parties. However, significant opportunities remain to enhance the oversight of consultations, and to report on how consultations have influenced the final design of regulatory proposals (OECD, 2021).

Methodology and definitions

The iREG survey draws on responses from delegates to the OECD Regulatory Policy Committee and central government officials. In 2021, 38 OECD countries, and the EU, responded to the survey. The data cover primary laws and subordinate regulations initiated by the executive. More information on iREG at oe.cd/ireg.

iREG is based on the 2012 OECD *Recommendation on Regulatory Policy and Governance*. iREG assesses the quality of stakeholder engagement using a composite indicator. It contains four equally weighted categories: *Methodology*; *Oversight and Quality Control*; *Systematic Adoption*; and *Transparency*. The more practices a country has adopted, the higher its indicator score. The maximum score for each category is 1. The total score for the composite indicator ranges from 0 to 4. The indicator only covers practices in the executive.

Primary laws are regulations which must be approved by the legislature. Subordinate regulations can be approved by the head of government, a minister or the cabinet

Early stage consultation is conducted when policy makers have identified a public policy problem and are considering solutions. Late stage consultation is conducted when the decision to regulate has been made and proposed regulation is drafted.

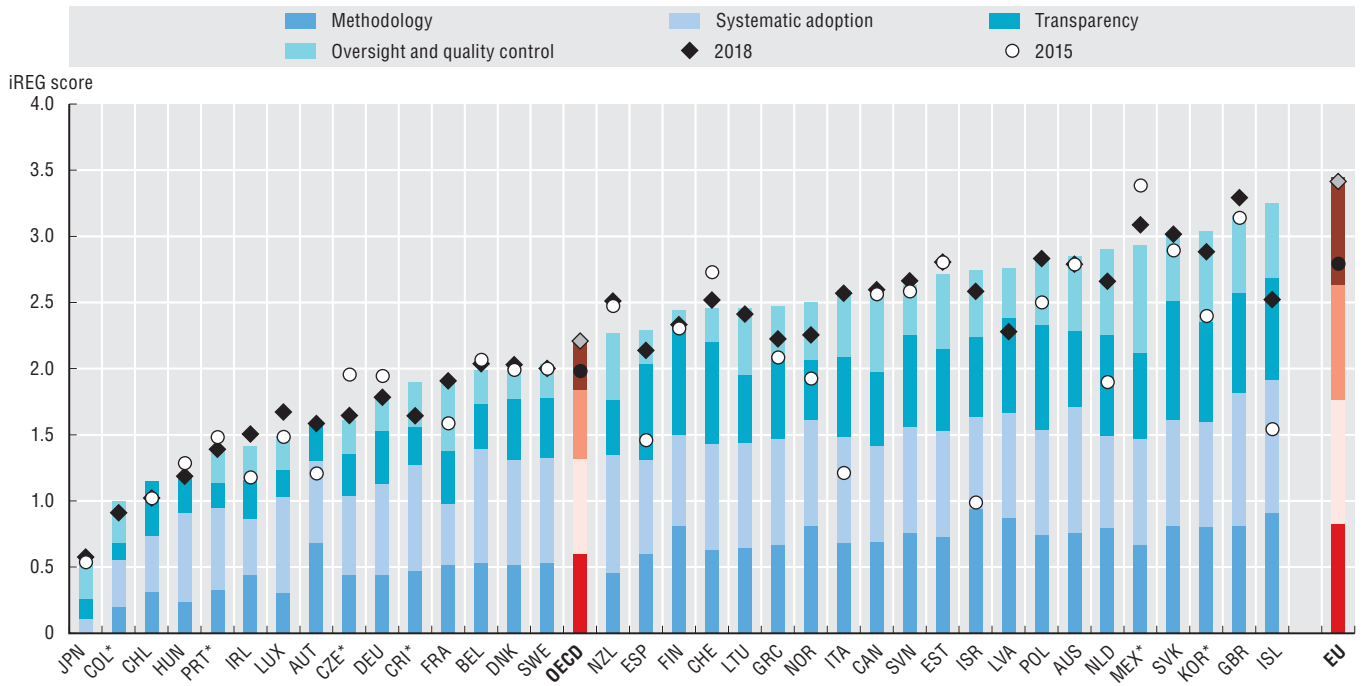
Further reading

- OECD (2021), *OECD Regulatory Policy Outlook 2021*, OECD Publishing, Paris, <https://doi.org/10.1787/38b0fdb1-en>.
- OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264209022-en>.

Figure notes

- 5.1 and 5.2. 2014 data based on 34 countries that were OECD members in 2014 and the EU. 2017 and 2021 data include Colombia, Costa Rica, Latvia, Lithuania.
- 5.1. Due to an ongoing process in the legislative system regarding RIAs during the survey period affecting the processes for developing laws, composite indicators for Türkiye are not available for stakeholder engagement in developing regulations and RIA for primary laws.
- 5.1. Indicator only covers practices in the executive. Figure excludes the United States where all primary laws are initiated by Congress. *Countries where a higher share of primary laws are initiated by the legislature.
- G.2.1 (Stakeholder engagement during policy design by country, 2021) is available online in Annex G.

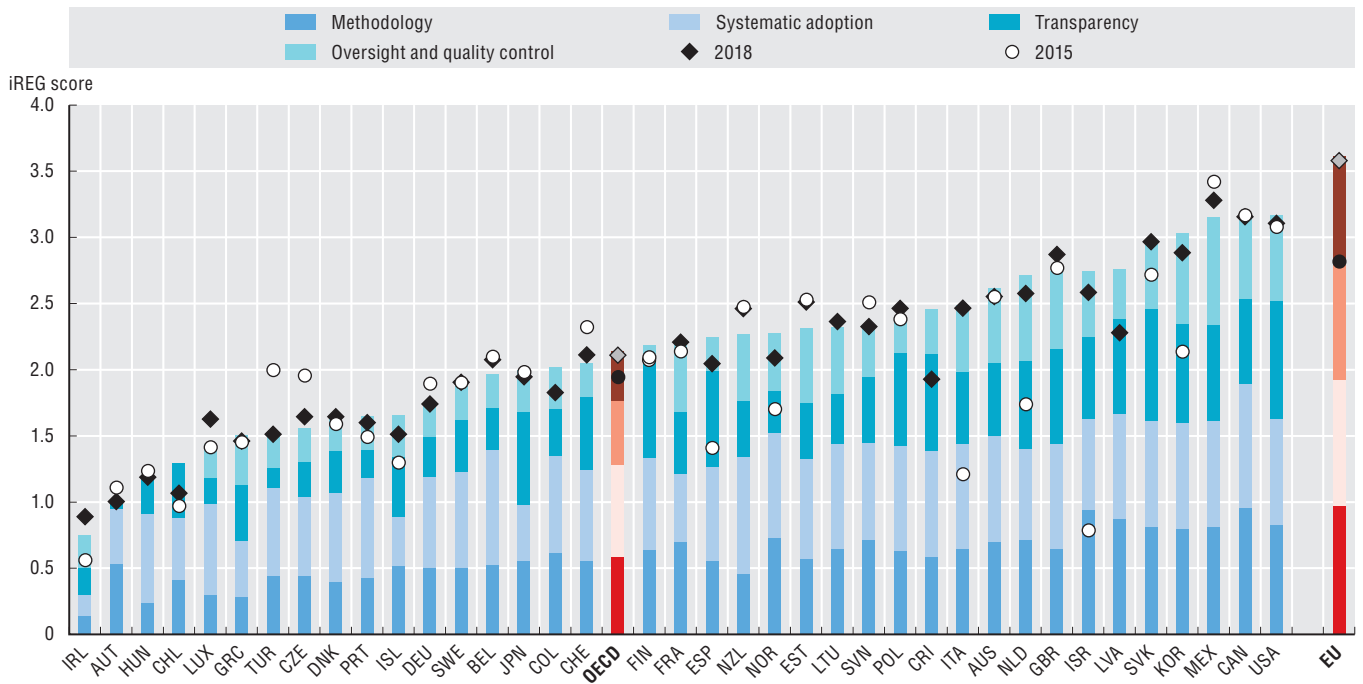
5.1. Stakeholder engagement in developing primary laws, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, oe.cd/ireg.

StatLink <https://stat.link/8kiw0q>

5.2. Stakeholder engagement in developing subordinate regulations, 2021, and total score in 2015 and 2018



Source: Indicators of Regulatory Policy and Governance Surveys 2014, 2017 and 2021, oe.cd/ireg.

StatLink <https://stat.link/mtne4j>



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