

# Improving safety through better regulatory delivery – lessons from international experience

Suggestions for Market Surveillance from World Bank Group and OECD practice and guidance and from 2014 Int'l Conference on Inspections and Enforcement Reform (London)

*UNECE WP.6 – Conference “Safer products and workplaces, safer communities”  
Florentin Blanc – Geneva, 26 November 2014*

# Market Surveillance seen from a broader regulatory perspective

- “Market Surveillance” discussions tend to take place within the community of specialists and practitioners in NQI/MSTQ
- At the same time the ‘better regulation’ community talks about “enforcement and inspections” more generally – and increasingly about “regulatory delivery” (“everything that makes regulation translate into facts and reach its objectives”)
- Much scope for learning from each other – ‘better regulation’ side often does not know much about experience in MS methods, or on how conformity assessment works etc. – but also maybe in the other direction...
- Very short overview of what could be interesting for MS from the work done by int’l organizations (WBG, OECD) and national ones (UK BRDO) – conclusions from Int’l Conference on Inspections and Enforcement (London 2014 BRDO – WBG – OECD)

# Key issues that “better regulatory delivery” seeks to address

- How to achieve optimal results in terms of efficiency (maximum level of safety given constrained resources)?
- How to simultaneously achieve safety objectives *and* avoid harming growth, investment, employment etc. (all the more so as disposable income is a key factor of safety, life expectancy etc.)?
- What are the drivers of “good behaviour” (compliance – and more broadly producing/selling safe products)?
- What downside risks and possible unintended consequences can regulatory actions have?
- How to mobilize all market actors and stakeholders to reach the goal, rather than only relying on regulatory officers?

# What drives compliance (and “good behaviour”)?

- Research and int’l experience: >65% of people comply if properly informed and considering authorities legitimate, >25% are “on the edge” and comply only if sufficient “fear” of control, and a small group are “rogue” and not going to comply anyway
- Main compliance driver for majority of people = ethics and legitimacy of authorities/regulation
- Importance of procedural justice/fairness – key factor affecting legitimacy – thus how regulators treat regulatees has a direct effect on compliance levels – “rough” enforcement can reduce compliance
- Transparency, guidance, explanations, high level of professional behaviour all strengthen compliance
- In terms of rational calculations, market effects more important than potential sanctions

# Some points for improvement in market surveillance practices?

- Information sharing: in EU at least information is shared b/ween MS bodies, but not always across different regulatory services, with health care system etc. – would considerably improve risk analysis and targeting if it were done
- Empowering consumers: are there ways to emulate successful practices e.g. from food safety sphere (like for instance hygiene ratings for premises) to ensure consumers can act as “horizontal inspectors” and market pressure drives better compliance more effectively?
- Is everything being done to ensure that producers and importers/distributors all understand what they have to do?
- Are there some tools that are more effective than others, or approaches that create problems, and lessons that are maybe shared but not always “learned”?
- Are all MS issues of equal importance or should we prioritize?

# Worst cases/problems?

- Absent or highly insufficient data on actual accidents (deaths, injuries etc.) caused by non-conform goods (as opposed to simple count of non-conformities, which tells little about real risk)
- Lack of understanding of risk: “non compliance” identified with “risk” without consideration of potential consequences
- Lack of consideration for the business perspective (inadequate behaviour of inspectors, imposing huge costs of samples without compensation etc.)
- Lack of information to the public on what are they key risks they should pay attention to, which goods are hazardous, how to spot them etc.

# Some useful sources (1)

- OECD – *Good Practice Principles for Regulatory Enforcement and Inspections (2014)* – covers in particular issues of risk management, compliance promotion, coordination and information sharing, relations with regulatees etc. Defines safety of non-food products (essential part of MS) as one of the key areas of regulatory intervention -  
<http://www.oecd.org/gov/regulatory-policy/enforcement-inspections.htm>
- London Conference (“Inspections Reform: Breaking Down Barriers to Trade and Investment”) – strong focus on compliance promotion, issues of trust and confidence -  
<https://www.gov.uk/government/publications/brdo-international-resources>
- World Bank Group:

# Some useful sources (2)

- World Bank Group:
  - Report *Harnessing Quality for Global Competitiveness in Eastern Europe and Central Asia* – benchmarks good and more problematic practices, issues and challenges, across a number of countries, including in the market surveillance sphere - <https://openknowledge.worldbank.org/handle/10986/2305>
  - Toolkit *How to Reform Business Inspections* – should be updated/complemented by additional publications soon - <https://www.wbginvestmentclimate.org/uploads/How%20to%20Reform%20Business%20Inspections%20WEB.pdf>

**Thanks for your attention!**

**[Florentin.blanc@gmail.com](mailto:Florentin.blanc@gmail.com)**