

Stakeholder engagement for developing regulations

Stakeholder engagement helps to ensure that regulations focus on user needs by involving citizens, businesses, civil society and others. These stakeholders can provide expertise and evidence about policy problems and possible solutions to address them, thereby improving the quality of regulatory design. Stakeholder engagement also makes regulations more inclusive and helps affected parties develop a sense of ownership of regulations. This in turn strengthens trust in government, social cohesion and compliance with regulations.

OECD countries show a general commitment to stakeholder engagement, but there is much room for improvement to make consultations more open to the wider public and useful in the policy process. All surveyed jurisdictions require stakeholder engagement for the development of at least some regulations. Overall, formal requirements and consultation practices are less stringent for subordinate regulations. Early stakeholder engagement to inform officials about the nature of a problem and possible solutions does not take place on a systematic basis in most OECD countries. Canada, Iceland and the European Commission have recently introduced reforms to broaden the scope of stakeholder engagement at different stages of the regulatory development process.

Countries have a lot to gain from improving the transparency and oversight of their stakeholder engagement. For example, while many countries publish consultation comments online and pass them on to decision makers, most countries do not systematically inform the public in advance about upcoming consultations or provide feedback on how comments were taken into account. In the area of oversight, most countries currently do not conduct regular evaluations of the performance of their stakeholder engagement systems.

Compared to 2014, countries have only slightly improved their stakeholder engagement practices, with greater improvements for engagement regarding primary laws than for subordinate regulations. Countries such as Israel, Italy, Korea and the Netherlands have broadened their consultation practices and made them more accessible to the wider public. In contrast, evidence of the implementation of stakeholder engagement is weaker in some countries compared to 2014, which is reflected in a decreased score.

The *Indicators of Regulatory Policy and Governance* (iREG) provide a comprehensive evidence base of progress made by OECD countries in improving the way they regulate based on the practices described in the 2012 OECD Recommendation on Regulatory Policy and Governance. The more of these practices a country has adopted, the higher is its indicator score. The composite indicator is composed of four equally weighted categories: methodology gathers information on methods and tools for stakeholder engagement; oversight and quality control records information on mechanisms to monitor and evaluate stakeholder engagement practices; systematic adoption records formal requirements and how

often they are conducted in practice; transparency records information relating to the principles of open government. The maximum score for each category is 1, and the total score for the composite indicator ranges from 0 to 4. The iREG composite indicator on stakeholder engagement presented here is also one of the central indicators used to measure the dimension “civic engagement” of the OECD Better Life Index.

Methodology and definitions

The *Indicators of Regulatory Policy and Governance* (iREG) draw upon responses provided by delegates to the OECD Regulatory Policy Committee and central government officials to the 2017 and 2014 OECD Indicators of Regulatory Policy and Governance Survey for 38 OECD member and accession countries, and the European Union. The data only covers primary laws and subordinate regulations initiated by the executive. In the majority of OECD and accession countries, a majority of primary laws are initiated by the executive. The exceptions are Colombia, Costa Rica, Korea and Mexico, where a higher share of primary laws is initiated by the legislature. All questions on primary laws are not applicable to the United States as the US executive does not initiate primary laws at all. More information on the iREG indicators can be found in Annex E and at oe.cd/ireg.

Primary laws are regulations that must be approved by the legislature, while subordinate regulations can be approved by the head of government, by an individual minister or by the cabinet.

Further reading

OECD (forthcoming), *OECD Best Practice Principles for Regulatory Policy: Stakeholder Engagement*, OECD Publishing, Paris.

OECD (2018), *OECD Regulatory Policy Outlook 2018*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264303072-en>.

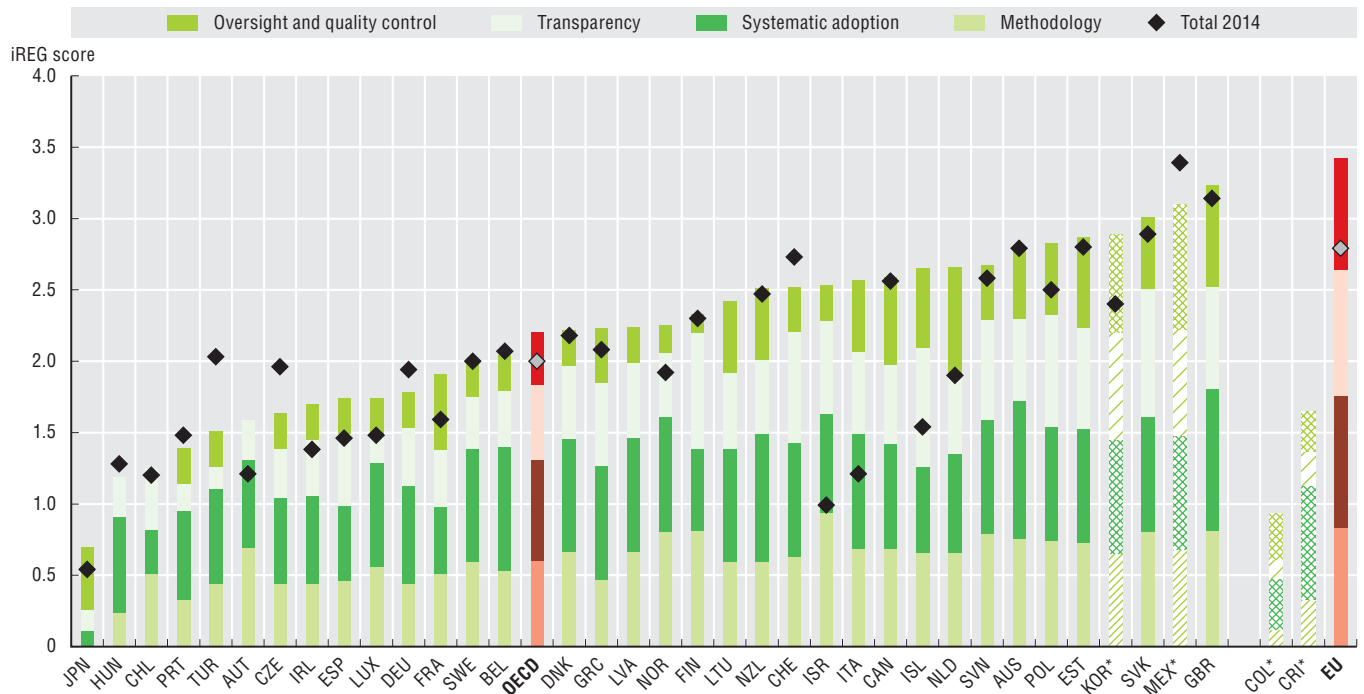
OECD (2012), *Recommendation of the Council on Regulatory Policy and Governance*, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0390>

Figure notes

On data for Israel, see <http://doi.org/10.1787/888932315602>. Data for Latvia, Lithuania, Colombia and Costa Rica are not available for 2014.

7.1. Country scores are not presented for 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 Korea, Mexico, Colombia and Costa Rica where the majority of primary laws are initiated by the legislature.

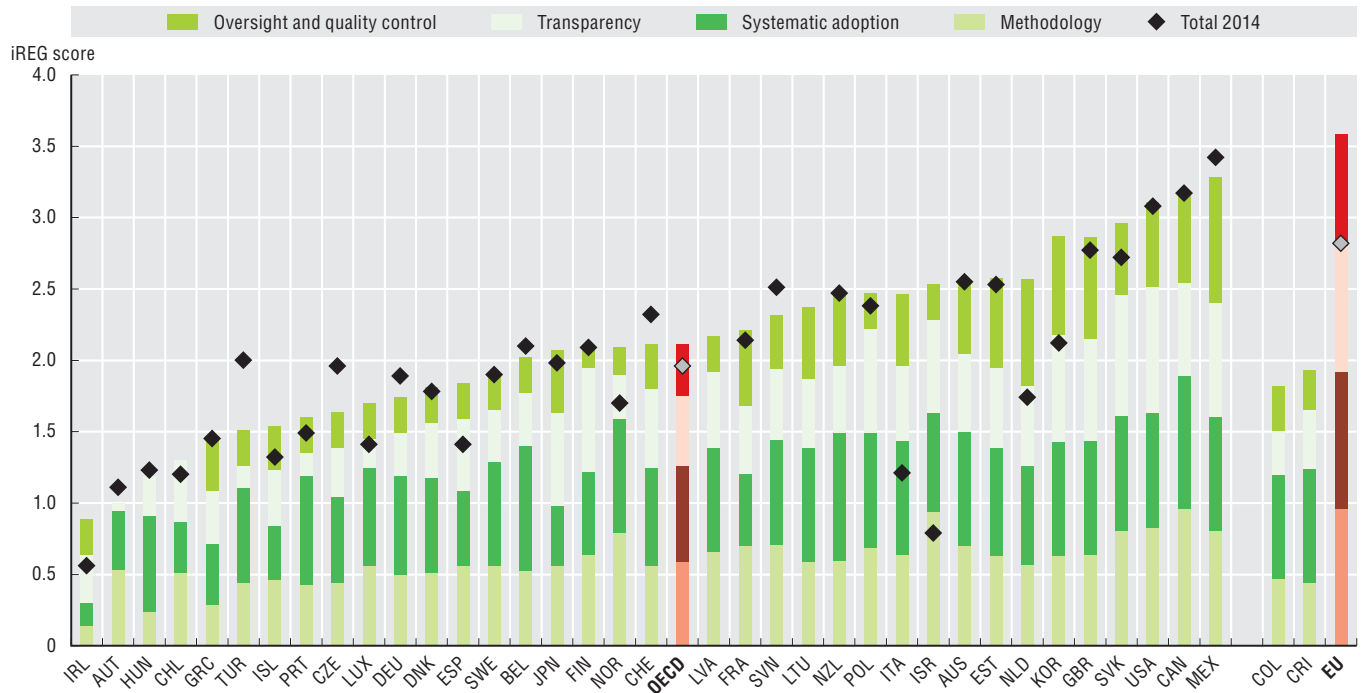
7.1. Stakeholder engagement in developing primary laws, 2014 and 2017



Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2015 and 2018, <http://oe.cd/ireg>.

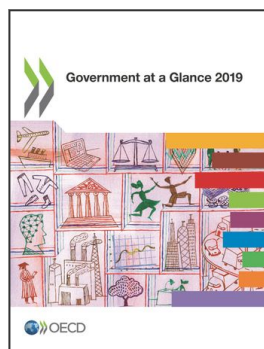
StatLink <https://doi.org/10.1787/888934031161>

7.2. Stakeholder engagement in developing subordinate regulations, 2014 and 2017



Source: OECD Indicators of Regulatory Policy and Governance (iREG) 2015 and 2018, <http://oe.cd/ireg>.

StatLink <https://doi.org/10.1787/888934032681>



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