Parameters of Innovation in Risk Regulation

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Risk Regulation

• Regulating Risky Activities/Products
  – major infrastructure, nanotechnology, financial markets, foods, etc

• Risk-Based Regulation
  – Eg designing instruments and frequency of inspections by reference to scale and likelihood of potential harms
## Regulatory Innovation

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<th>Focus of Change</th>
<th>Example</th>
<th>Character</th>
<th>Decision Mode</th>
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See further: Black, Lodge and Thatcher *Regulatory Innovation* (2005)
# Regulatory Innovation

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Who Regulates How?

- Legislatures
- Departments and Agencies
- IGOs (eg UN, OECD)
- NGOs (eg FSC)
- Businesses
- Trade Associations

Norms (standard-setting)

Correction (behaviour modification)

Feedback (information gathering)

- Agencies and Departments
  - Businesses
    - NGOs
    - Consumers
    - Employees
- Agencies and Departments
  - Trade Associations
    - Businesses
    - NGOs
    - Consumers
  - Gatekeepers (eg banks, insurers)
Meta-Regulation

- Steering Self-Regulatory Capacity
- Providing Assurance
- Principles-Based
- Promotes Mutual Learning
- Harnesses Private Capacity
- Ties regulatory discretion to rule of law
- Outcome-oriented

Meta-Regulator
(eg IGO, Department, Agency, Association)

Self-Regulator
(eg government, business, trade association)
Network Governance

- Inter-Governmental (eg ICN, OECD, BEREC Network of Economic Regulators)
- Sectoral/Associational (eg ISDA, EASA, FSC)

Opportunities
- Steering Behaviour
- Setting Norms

Consultation
- Adding Legitimacy
- Policy Learning

Learning about risk
- Operational Cooperation
Linking Innovation & Reflection

- **Tackling Intractable Problems with Reflection over Objectives, Preferences, Actors, Techniques**
- **Dialogue**
  - Enhanced consultations over policies, alternatives and outcomes
- **Evaluation**
  - Piloting, RIA, Research
- **Oversight**
  - Draw in capacities for direct oversight, gatekeeping, publicity
- **Information**
  - Transparency and feedback measures
- **Competition**
  - Monitoring effects of competition between regimes