

RegWatchEurope Workshop on Institutional Cooperation vs Institutional Resistance in Better Regulation

16 March 2022

Objective

The aim of the workshop was to exchange experience and engage in discussions on the broad issue of institutional cooperation and resistance in better regulation and to learn from examples of past successes and explore ways to achieve smooth adoption of innovation in the future. Like many other initiatives, the implementation of RIA and other better regulation tools into national practice faces a certain degree of institutional resistance from key players. The workshop brought together experts from international institutions, national administrations, RWE members and non-members.

Conclusions

- (1) Even though change is one of life's few certainties, people are inherently resistant to it. This has an impact on their ability to implement better regulation tools and other innovations, too.**

Lack of trust, poor communication, fear of failure, and unwillingness to learn new things are some of the reasons for resistance to change. All these phenomena are described in the so-called institutional theory. This natural resistance often translates into civil servants' reluctance and efforts to avoid or stall the adoption of innovative processes. At the same time, in certain jurisdictions, better regulation mechanisms are prone to merely formal implementation without full acceptance and proper recognition by all stakeholders.

- (2) Many factors determine the extent and scale of institutional resistance, but external and peer pressure appear to be the most effective ways to reduce it.**

Several shared examples and experiences illustrate that pressure from international organisations and businesses, combined with genuine political demand, plays a very important role in breaking institutional resistance. Some of the existing institutions as well as procedures are already deeply embedded in the national administration structures, and dismantling them would be extremely difficult. Applying pressure through consistency, explanation, and assistance can be very effective in efforts to break through resistance.

- (3) A proactive approach and collaborative strategy are required for both the RIA and other innovative processes, such as Regulatory Stewardship.**

Some states face very similar challenges in conducting RIAs, namely interdepartmental mistrust, lack of information exchange across departments, and insufficient analytical capacity, resulting in analyses being undertaken by legislative staff rather than analysts. Time constraints are also an important aspect, both in the context of the legislative process and workload, as well as in terms of political pressure for rapid change, which frequently leads to regular processes being bypassed. Politicians want to be agile, but creating high-quality legislation takes time. It's critical to establish trust between departments and to explain the benefits of regulatory scrutiny both internally and externally, for example, in terms of cost savings.