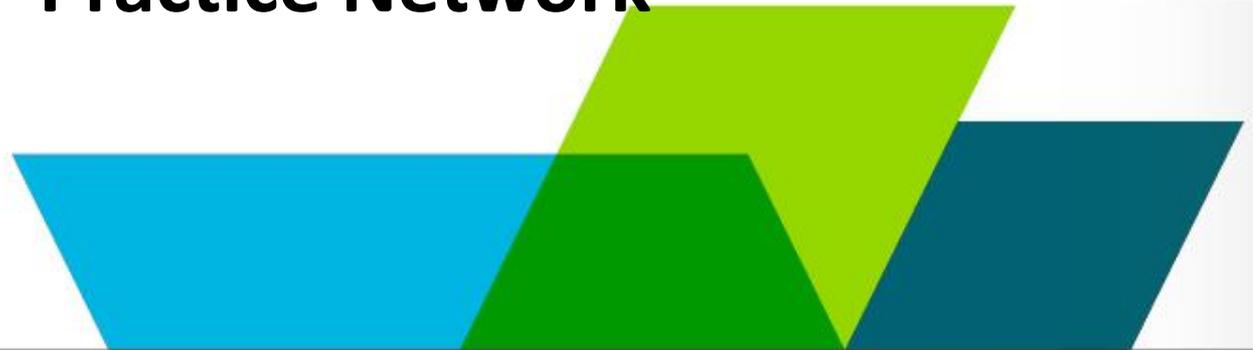




**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

ASEAN-CER Integration Partnership Forum, April 2018

The ASEAN-OECD Good Regulatory Practice Network



Regulation Matters More as Economies Develop

- Pervasive in complex modern economies
- Becomes progressively more important as economies develop
- Economic development can be driven for a long time by creating and mobilising factors of production- more workers, better educated workers, building infrastructure
- Diminishing returns after a certain point



Regulation Matters More as Economies Develop (Cont)

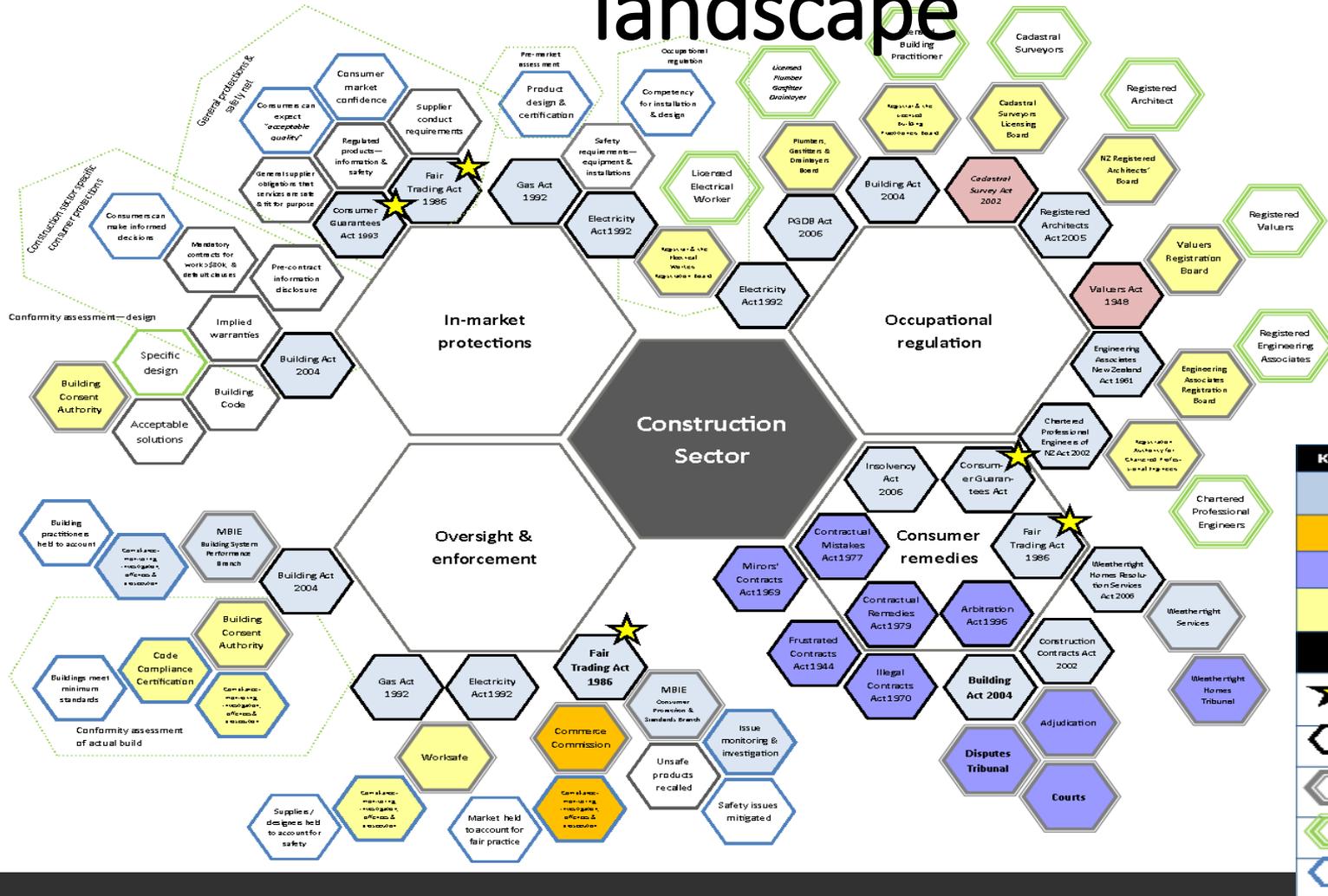
- More businesses become subject to regulation as they move from the informal to the formal economy
- As economies become more complex and actors more diverse and mobile, traditional approaches (personal relationships, buyer beware, local community expectations) become less effective
- The services sector of the economy grows as productivity improves; in many parts of the service sector, product quality is harder to judge, competition may be constrained, and spillovers (“externalities”) -positive and negative- are significant: Financial Services, Health, Education, Environment
- Increasing international connections bring demands for consistent and common approaches
- More important to ensure whole systems work well

System example: Building and Construction Regulation in New Zealand

Buying and selling a house: geodetic system, cadastral survey system, land registration system, insurance law, EQC, fair trading legislation, multiple regulated occupations (builders, surveyors, architects, lawyers, real estate agents, engineers)



Construction Sector Regulatory landscape



Key	Administering Agency
	MBIE
	Commerce Commission
	Ministry of Justice
	Other agency— as specified
Symbols	
	Portfolio: Commerce & Consumer Affairs
	Empowering Act
	Licensing, enforcement or resolution body
	Licensed person/entity
	Outcome/endpoint

Getting it wrong is Expensive: NZ Examples

- Leaky buildings estimated
\$11 billion



- Finance Companies \$3billion+



We are all Grappling With the Same Issues

REGULATION CAN GO WRONG



COMMON THEMES IN 18 DISASTER REPORTS

- POOR ROLE CLARITY
- WEAK GOVERNANCE, CULTURE & LEADERSHIP
- COMPLEX REGULATION
- OBSOLETE REGULATION
- INADEQUATE RESOURCES
- INSUFFICIENT OVERSIGHT



Main Beneficiaries of GRP are Domestic

- Citizens in general, especially the disadvantaged
- Domestic business in general, but especially:
 - New businesses and new entrants to markets
 - Small business
- Consumers
- Small Investors

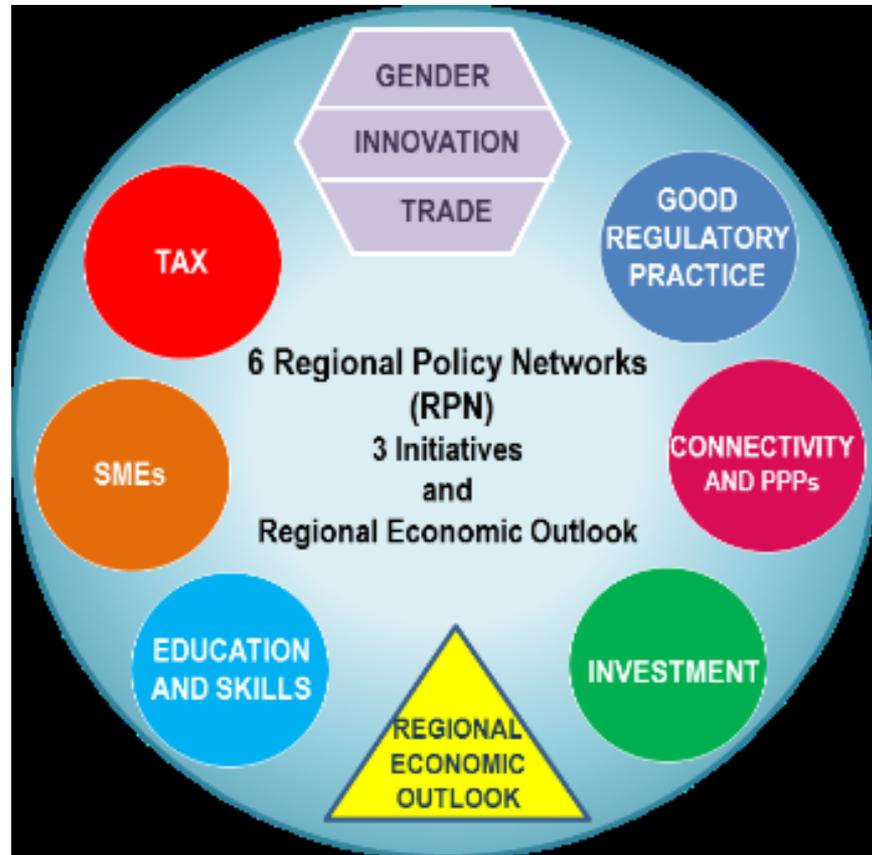


The ASEAN-OECD GRPN

- One component of a broader ASEAN-OECD partnership initiative
- Key purposes:
 - To support ASEAN's efforts towards greater regional integration through The ASEAB Economic Community Blueprint 2025
 - To assist ASEAN members to draw on OECD experience and accumulated knowledge in regulatory policy and practice



ASEAN-OECD Regional Policy Networks



Key Issues for the GRPN

- Working with the diversity of ASEAN; members have widely varying needs
- Supporting the broader ASEAN, and particularly AEC, agendas
- Making regulation work for:
 - SMEs
 - People moving from the informal to the formal economy
 - Businesses wanting to build regional scale



Table 1.1a: Regulatory Quality Scores and Percentile Rankings

Country/Territory	2003		2008		2013	
	Score	Ranking	Score	Ranking	Score	Ranking
New Zealand	1.67	96.57	1.79	98.06	1.81	98.09
Australia	1.58	93.63	1.76	96.60	1.79	97.13
Japan	1.06	80.88	1.13	84.47	1.10	83.25
Korea, Republic of	0.75	73.53	0.72	73.30	0.98	79.90
PRC	-0.34	42.65	-0.13	51.46	-0.31	42.58
India	-0.36	40.69	-0.36	40.78	-0.47	33.97
ASEAN						
Singapore	1.83	99.02	1.90	99.03	1.96	100.00
Brunei Darussalam	1.00	79.41	0.81	74.76	1.10	82.78
Malaysia	0.60	68.14	0.36	62.62	0.62	72.25
Thailand	0.37	64.22	0.24	58.25	0.21	57.89
The Philippines	-0.03	52.45	-0.07	52.43	-0.07	51.67
Indonesia	-0.78	20.59	-0.32	43.20	-0.20	46.41
Cambodia	-0.46	36.76	-0.44	37.38	-0.35	39.23
Viet Nam	-0.56	29.41	-0.61	30.10	-0.65	28.23
Lao PDR	-1.47	6.37	-1.13	14.08	-0.85	22.49
Myanmar	-2.04	1.47	-2.20	0.97	-1.51	5.26

ASEAN = Association of Southeast Asian Nations; PRC = People's Republic of China.

Source: World Governance Indicators dataset, 1996–2013. Adapted from

<http://info.worldbank.org/governance/wgi/index.aspx#home>, accessed on 15 September 2015. Copyright 2014 by The World Bank.

GRPN Focus

- SMEs:
 - Domestic and regional ease of doing business
 - Participation in regional and global value chains
- Ease of Doing Business- making business registration and licensing easier
- Access to Information- ensuring business know and understand what they need to do. Access to laws, rules, guidelines, decisions and procedures
- Inter-agency coordination and cooperation, both domestic and international. A key concern for stakeholders
- Regulatory Impact Analysis- staged capability building



GRPN Focus: Cheerleading

- Important to increase awareness and influence of the wide range of regional GRP activity. These include:
- Specific ASEAN efforts:
 - ASEAN Work Plan on Good Regulatory Practice 2016-25
 - ASEAN Regional Principles for Good Business Registration Practices
- Economic Research Institute for ASEAN and East Asia (ERIA):
 - *Intal and Gill, 'The Development of Regulatory Management Systems in East Asia' 2016*
- APEC:
 - APEC-OECD Integrated Checklist on Regulatory Reform
 - International Regulatory Cooperation Toolkit



More Cheerleading

- Individual ASEAN Member Initiatives:
 - Eg Viet Nam Project 30
 - Eg Malaysia Productivity Commission
- Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)- Viet Nam, Brunei, Singapore, Malaysia, Australia, New Zealand among the members.
 - Regulatory Coherence Chapter
- Proliferation of initiatives and agreements has its risks:
 - Duplication
 - “Noodle bowl” effects

BUT

- Benefits too
 - Repetition can have value in helping to change policy and public discourse
 - Fostering acceptance of benchmarking and peer review

Thank You

