

Why Governance and Regulatory Policy Matters

OECD: Governance and Regulatory Policy

Mission

The OECD Directorate for Public Governance (GOV) supports both the OECD and partner countries, by providing a forum for policy dialogue and the creation of common standards and principles. The Directorate provides policy reviews and practical recommendations targeted to the reform priorities of each government. In particular, GOV provides comparative international data and analysis, to support public sector innovation and reform.

Programme of Work

The Directorate of Public Government aims to address the evolving challenges that governments face. These challenges are constantly evolving and include the impact of the digital economy, robotics, climate change, erosion of trust in government, or ageing populations. Hence, GOV seeks to analyze the implications, examine the evidence, and put forward ways of addressing the public governance-related dimensions of these challenges.

The work programme is monitored and decided by two committees made up of senior government officials from every OECD member country and some partner countries: the Public Governance Committee and the Regulatory Policy Committee. These Committees have also specialized practitioner networks, such as:

- Senior Budget Officials
- Public Employment and Management
- Senior Public Integrity Officials
- Senior Digital Government Officials
- Senior Officials from Centres of Government
- Global Network of Schools of Government
- High-level Risk Forum
- Network of Economic Regulators

Publications and Topics

The most relevant publications by GOV are: **‘Government at a Glance’** and the **‘Regulatory Policy Outlook’**. Additionally, the directorate publishes country-specific reviews on topics such as regulatory reform, public governance, integrity, e-government and budgeting, and other crosscutting thematic reports. **The main topics relevant for the business community are:**

- **Better Regulation:** In this area, GOV focuses on addressing problems in regulatory systems, including the weakness of regulatory bodies, the misalignment of incentives, and the lack of adequate enforcement and compliance. Furthermore, GOV is particularly active in relating good regulatory quality with sustainable growth. One of its new work streams is use behavioural economics in this field.
 - Latest reports:
 - [OECD Regulatory Policy Outlook 2021](#) - Published in October, 2021
 - [Recommendations of the Council for Agile Regulatory Governance to Harness Innovation](#) Adopted by the Council at Ministerial level in October 2021
 - [Data-Driven, Information-Enabled Regulatory Delivery](#) - Published in September 2021
 - **Rebuilding Trust in Government:** Exploring the relationship between government and citizens, and how economic and social factors are driving forces of decreasing trust in public institutions. In doing so, GOV analyzes a wide array of issues in the relationship between governments and society, including lobbying, mis- and dis-information, and rebuilding public trust in institutions.
 - Latest reports:
 - [Government at a Glance 2021](#) – Published in July 2021
 - [Lobbying in the 21st Century: Transparency, Integrity and Access](#) Published in May 2021
 - [Governance responses to disinformation](#) – Published in August 2020
- **Sustainable Development Goals:** GOV is working with countries to deepen the understanding of institutional arrangements that are effective in delivering on SDG’s. The OECD addresses the multi-dimensional nature of SDG’s through a variety of horizontal projects and international initiatives.
 - Latest report: ‘
 - [OECD Recommendation on Policy Coherence for Sustainable Development](#)- Published in December 2019
- **Digital Government:** GOV focuses on analysing how governments can benefit from the digital transformation. The Directorate explores ways to unlock the potential of open government data and explores the implications for the public sector of disruptive technologies such as artificial intelligence and blockchain.
 - Latest report:
 - [OECD Digital Government Index \(DGI\)](#) - Published in October 2020

- **Public Procurement:** GOV provides countries with evidence-based policy options covering the entire procurement cycle. It supports the interaction between the public and private sectors to avoid risks related to mismanagement and corruption.
 - Latest reports:
 - [Reforming Public Procurement Progress in Implementing the 2015 OECD Recommendation](#) - Published in October 2019.
 - [OECD Recommendation on Public Procurement](#) – Adopted by the Council in 2015

- **Sound Public Finances:** The Directorate supports governments in achieving sound and sustainable fiscal management through objective analysis of policies and data. It promotes greater budget transparency. It also cooperates with the OECD Network of Parliamentary Budget Officials and Independent Financial Institutions.
 - Latest report: [OECD Journal on Budgeting](#) – Published in April 2021

- **Governance of Infrastructure and PPPs:** In this area, GOV seeks to find solutions to address the gap between infrastructure needs and levels of investments. The OECD suggests that this partly because it is not attractive for the private sector to invest in certain types of assets and in certain regions. Hence, GOV seeks to promote Public Private Partnerships (PPPs) as a means to promote private sector investment that can be a cost-efficient way to deliver public sector services and meet infrastructure demands.
 - Latest report:
 - [Recommendation on the Governance of Infrastructure](#) - Adopted by the Council in July 2020.

- **Women in Government:** In this area, GOV seeks to identify good practices, build databases and provide opportunities for policy dialogue on women in government at a global and regional level.
 - Latest report:
 - [OECD Recommendation of the Council on Gender Equality and Public Life](#) – Published in January 2015

- **Managing Risk:** GOV brings together senior national policy makers to examine a broad range of potential hazards including financial crises, pandemics, natural disasters, terrorism and cyber-attacks. It also analyzes how these factors can destroy local economies by reducing business revenues. The Directorate, works with the OECD's Insurance and Private Pension Committee and the G20 on disaster risk management, including risk assessment and financing strategies.
 - Latest report:
 - [Common Ground Between the Paris Agreement and the Sendai Framework - Climate Change Adaptation and Disaster Risk Reduction](#) – published in April 2020.

Why it matters for *Business at OECD (BIAC)*

- Opportunity to shape the OECD GOV agenda:
 - Businesses have a significant opportunity to shape this work and share their expertise with OECD leadership and governments through our *Business at OECD Governance and Regulatory Policy Committee*.
 - Our Committee contributes to the OECD's work on good public governance and regulation, with a view to improving policy making processes across sectors and increasing the quality of existing regulations. It advocates pro-competitive, transparent, predictable and quality regulatory frameworks that support business, entrepreneurship and innovation with minimum administrative burden.

Cross-sector topics that matter for businesses

- Businesses are increasingly exposed to GOV issues since weak governance practices can significantly hinder their business operations. In particular, GOV seeks to provide analysis, insights, and advice to promote transparency and an open market approach that can foster private sector investment.
- Finally, GOV is also a very innovative Directorate since it provides cutting-edge analysis on issues that are relevant for businesses. It is at the forefront on topics such as the **impact of technology on society** (with a particular focus on countering online disinformation, and the impact of artificial intelligence and blockchain on governments and societies), the **implementation of Sustainable Development Goals (SDG's)**, or the **promotion of Public Private Partnerships** to finance infrastructure projects.

If you wish to know more about the Governance and Regulatory Policy Committee of Business at OECD (BIAC), do not hesitate to contact [Jacobo Ramos Folch](#) and [Hiroki Tamura](#).