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Legislation Office

RIA Workshop

Options – Alternatives to Legislation

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Background to Alternatives to Legislation

> **Background to Alternatives to Legislation**

> **The Alternatives**

> **Why aren't they used more widely?**

> **Overcoming Impediments**

> **Checklist for Considering Alternatives**

> **UK examples**

> **Identifying & Assessing Options**

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Background to Alternatives to Legislation

- Legislation can appear to be a solution with relatively low costs for government

- It can seem the most familiar and lowest risk option available to policy-makers to address a problem

- Reality:
  - legislation is never cost-free
  - for government or those being regulated.

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Background to Alternatives to Legislation

Legislation:

➢ Can be **ineffective** in achieving intended outcomes if its effects on the system as a whole have not been properly considered.

➢ If details of proposed implementation have not been thought through, including:

– the costs to the economy, environment and society

– the potential impact of enforcement

the burden of regulation can be much higher than necessary.

Hastily conceived legislation may be unenforceable and could be more harmful than doing nothing.

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Background to Alternatives to Legislation

> **Policy makers must identify the most effective approach to achieving a desired policy outcome by:**
>
> – ensuring alternative approaches to legislation are thoroughly explored, and
>
> – that traditional 'command and control' regulation is seen as the last, not first, resort.

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Examples of Alternatives to 'Command and Control' Regulation

- > **Self-regulation**

- > **Co-regulation**

- > **Information and Education**

- > **Economic Instruments**

- > **Behavioural Economics**

- > **No New Intervention**

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Self - Regulation

An approach initiated and undertaken by those whose behaviour is to be regulated.

For example, an industry or profession might choose to develop and adopt its own code of practice promoting ethical conduct.

Examples
· **Unilateral codes of conduct**
· **Customer charter**
· **Unilateral sector codes**
· **Negotiated codes**

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Co-regulation

Similar to self-regulation but involves some degree of explicit government involvement.

For example, an industry might work with government to develop a code of practice - usually will be enforced by the industry itself, or a professional organisation, rather than by government.

Examples
· **Recognised Codes**
· **Statutory Codes (MEL)**
· **Approved Codes**
· **Voluntary Agreements**
· **Trade Association Codes approved by Govt (OFT)**
· **Accreditation Standards**

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EXAMPLES OF PROFESSIONS CONTROLLED

- Craftsmen
- Lawyers
- Chartered Accountants
- Doctors
- Pharmacists

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Information and Education:

Can be used to empower consumers to take their own informed decisions.

Examples
· **Inform, enhance consumer choice**
· **Independent recommendation schemes**
· **Ratings systems**
· **Labelling, disclosure**

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Examples of UK alternatives

Wild Porcini mushroom and truffle filled pasta

Nutrition information
150g of uncooked pasta weighs approximately 210g when cooked

Typical values (cooked as per instructions)	Per 100g	Per 210g serving	% based on GDA for women		Women	Men	Children (5-10 years)
Energy	854 kJ 203 kcal	1793 kJ 426 kcal	21.1%		2000 kcal	2500 kcal	1800 kcal
Protein	8.0g	16.8g	37.0%		45g	55g	24g
Carbohydrate	27.0g	56.7g	25.0%		230g	300g	220g
of which sugars	2.0g	4.2g	4.6%		90g	120g	85g
of which starch	25.0g	52.5g	-		-	-	-
Fat	7.0g	14.7g	21.0%		70g	95g	70g
of which saturates	3.0g	6.3g	31.5%		20g	30g	20g
mono-unsaturates	2.1g	4.4g	-		-	-	-
polyunsaturates	1.9g	4.0g	-		-	-	-
Fibre	2.0g	4.2g	17.5%		24g	24g	15g
Salt	0.7g	1.5g	25.0%		6g	6g	4g
of which sodium	0.3g	0.6g	24.0%		2.4g	2.4g	1.4g

Guideline daily amounts

KNOW YOUR LIMITS

2.25 UK units

UK Chief Medical Officers recommend Adults do not regularly exceed:

MEN   3-4 units daily
WOMEN 2-3 units daily

Avoid alcohol if pregnant or trying to conceive
www.drinkaware.co.uk

(UK) BEER CONTAINS BARLEY

© Alamy

ABTA
The Travel Association

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Economic Instruments

Can be used to modify behaviour by adjusting the economic incentives facing businesses and citizens.

This approach allows individuals to make their own decisions, based on their estimates of whether the benefits of acting in a certain way justify the costs.

Examples
· **Taxes**
· **Subsidies**
· **Quotas and permits**
· **Vouchers**
· **Auctions**
· **Competition**

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Behavioural Economics

Behavioural change has become popular in the UK and in many other countries i.e. directly tapping in into the way in which humans make decisions and interact with each other to achieve better outcomes.
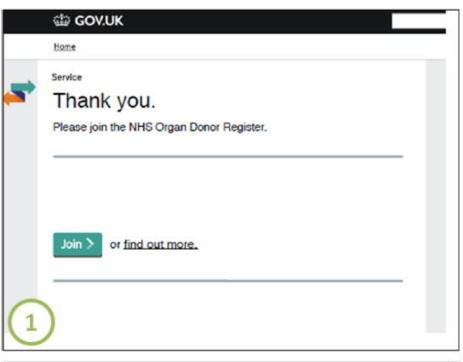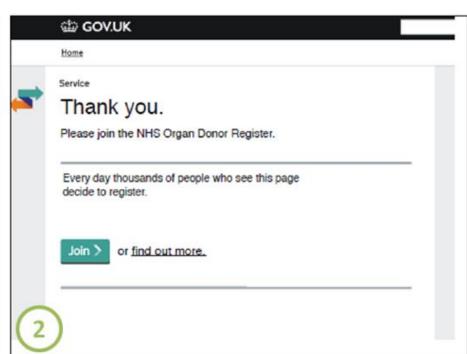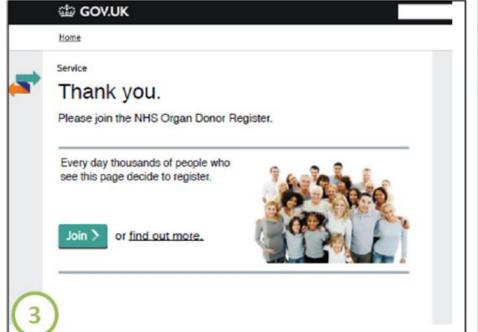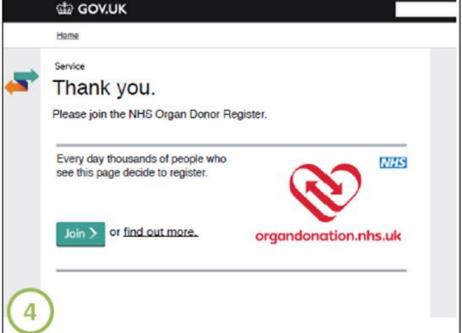
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Three people die every day because
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You could save or transform up to 9 lives
as an organ donor.

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If you needed an organ transplant
would you have one? If so please help
others.

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Thank you.

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If you support organ donation please
turn your support into action.
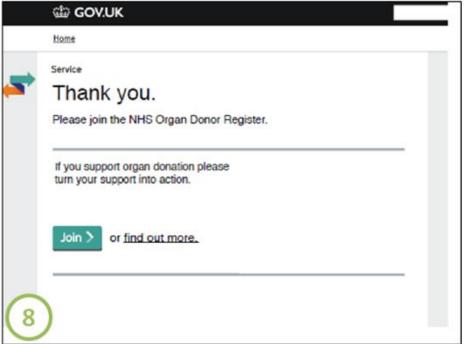
Join > or find out more.

No New Intervention

In many instances, it might not be necessary for government to initiate new action at all.

Legislation and its alternatives will almost always impose costs as well as generating benefits, so policy makers should think carefully about whether action by government is required at all.

Examples
· **Use existing legislation**
· **Simplify or clarify existing legislation**
· **Improved enforcement of existing legislation**
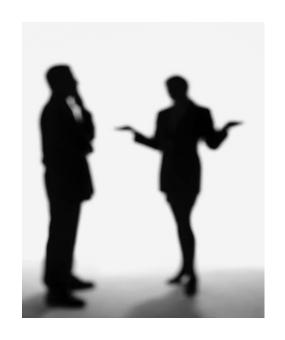· **Make legal remedies more accessible or cheaper**
· **Do nothing at all**

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So – Why aren't Alternatives used more widely?

> **Lack of knowledge of alternatives**

> **Lack of understanding how they work**

> **Fear of losing control**

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Impediments to alternatives to legislation

Lack of Knowledge in Alternatives	Incentives to Regulate	Support
• Relative lack of awareness of alternative options • Lack of awareness of successful case studies • Alternatives seen as harder and take longer	• Regulation perceived as the "best" option by public & Ministers - alternatives seen as higher risk • Regulation offers control over specification of rules & enforcement • Quick to announce • Advance civil service careers	• Lack of trigger to prompt alternatives • No easy check list of alternatives • Govt system set up to produce legislation • Scant evidence on alternatives

Uncertain benefits/outcomes of alternatives to regulation – lack of successful case studies

Regulation or Alternatives?

Ministerial / manifesto commitment

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Overcoming Impediments

> **Policy making process that is supportive and encouraging of the use of alternatives & their consideration at an early stage**

> **Asking whether regulation is the best form of government action**

> **Integration of alternative approaches in RIA**

> **Cultural change:**
>   - Process needs to be supported by information
>   - Gradually extend requirements for alternatives to be considered
>   - Ensure information is widely available & publicised

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Checklist for Considering Alternatives

1. What are the objectives the policy instrument is trying to achieve?

2. What are the incentives for those whose behaviour would be affected?

3. How much industry (or profession) specific information is required to ensure effective regulation?

4. Is the area subject to rapid change?

5. Are there likely to be significant equity or fairness concerns?

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Identifying & Assessing Options

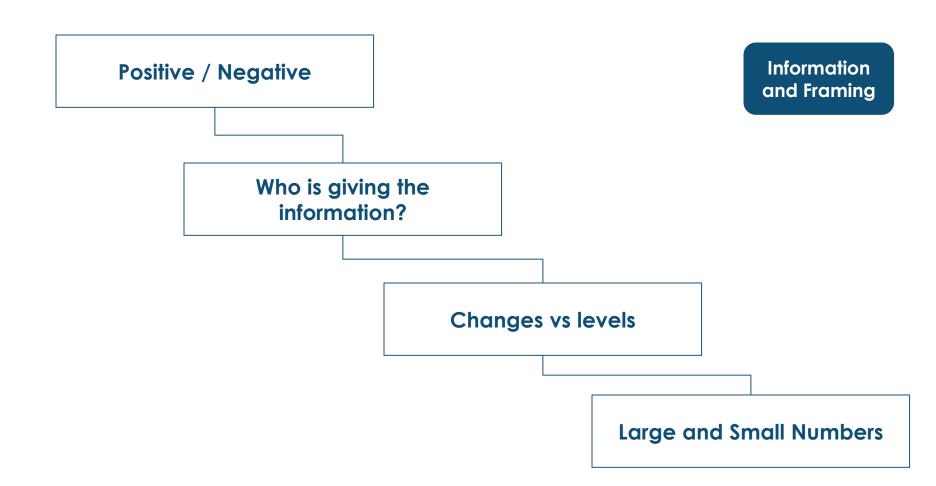**Following 'Problem Identification' & when clear Objectives have been set consider range of options using:**

> **Colleagues**

> **Other experts**

> **Other RIA**

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Influences in how people process information

Information and Framing

Positive / Negative

Who is giving the information?

Changes vs levels

Large and Small Numbers

The thoughts and actions of others can influence and guide individual behaviour

Your electricity bill

Miss R Holloway
1 Victoria Street
London

Your consumption   **600 KwH**

Consumption of neighbours
in similar houses   **1000 KwH**

Reciprocity and Social Norms

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Identifying & Assessing Options

Consider whether there is existing legislation that can be amended or built on rather than new legislation being made?

> **Alternatives to Legislation**

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It's been a long session
but its been enjoyable
THANKS – and GOODBYE

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