Statement by the Business and Industry Advisory Committee to the OECD

on

ALTERNATIVES TO REGULATION

November 9, 2005

BIAC welcomes the dialogue currently under way in the Working Party on Regulatory Management and Reform on Alternatives to Regulation. It was with interest that business read the document entitled “A Framework for Assessing Alternatives to Regulation: Discussion Note” (GOV/PGC/REG(2005)7) and followed the discussion at the 29-30 September 2005 meeting of the Working Party.

Business welcomes any effort to increase the dialogue on ways to improve government regulation or intervention through alternative instruments. As the Discussion Note states, it is important that regulations and other alternative instruments minimize the application of unnecessary burdens and costs. After all, excessive or poorly developed government intervention will inevitably distort functioning markets and economies, and lead to an unnecessary loss for all members of society.

As such, business welcomes the consideration of additional tools which will provide governments with increased choice when making their policy decisions. Increased choice provides the opportunity for less burdensome yet equally effective tools to accomplish objectives previously achieved solely through regulation.

With this in mind, business would like to add one point of caution as the discussion continues and a more formal report is developed. The value of certainty, consistency, equity and transparency is paramount to the proper functioning of international markets. Business increasingly enters new international markets, and a simple regulatory framework is important to ensuring that business can continue to operate in different jurisdictions. Alternatives that are developed must be simple enough to allow for certainty when business invests and provides other economic contributions to new regions.

We look forward to this continuing dialogue, and to working towards the common objectives shared by government, business and other members of civil society.