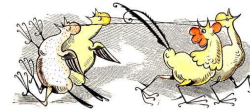


Underpinning 'Better regulation' for Sustainability:

Standards, regulation and innovation*

Tineke M. Egyedi (DIRoS)

*Egyedi & Widlak, *OFA-publication*, forthcoming



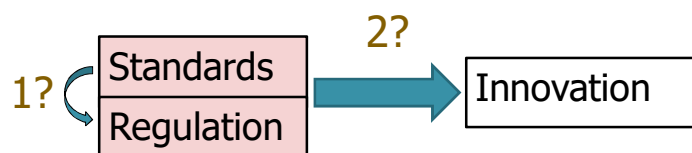
UNECE WP.6, START-ED, Geneva, 21 November 2019

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'Better regulation'

- Choice of innovation policy tool for sustainable behavior
- Weak scientific underpinning



1. No distinction standards & regulation (Hawkins & Blind, 2017)
2. Mechanisms black-boxed (no diff. direct & indirect effects; Swann & Lambert, 2017)

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Approach

How do the characteristic differences between standards and regulation impact innovation?

- Functional: inner workings and direct effects (Egyedi & Ortt, 2017)
- Institutional: setting and rationalities (Vatn, 2005)

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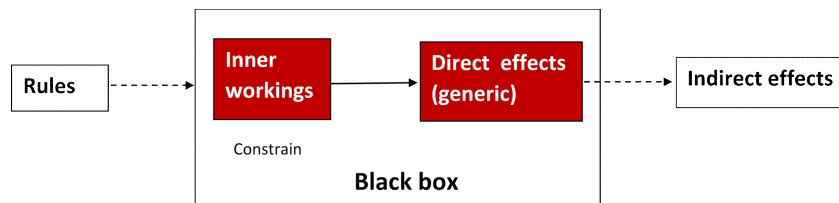
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All rules initially constrain ...

But differently

Rules	Problem addressed	Coordinative solution
Standards	Complexity	Agreement
Regulation	Conflict	Arbitration and sanctioning

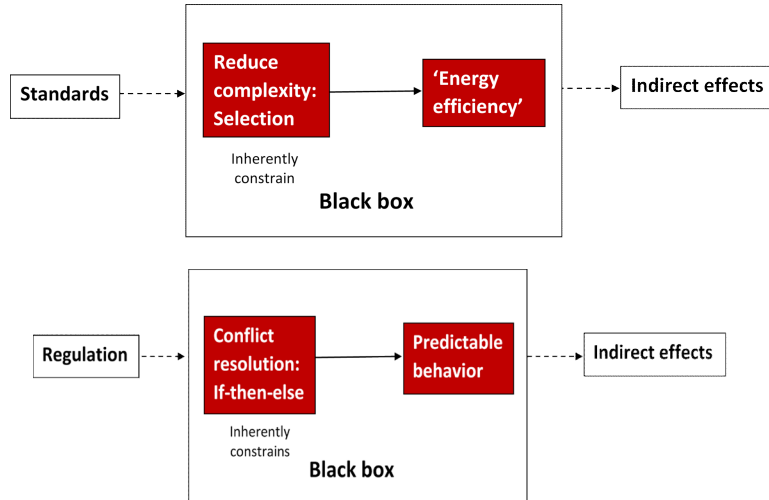
Mechanisms: How?



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Rule-specific mechanisms



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Rules as institutions (Vatn, 2005)

- Development settings
- Rationalities, legitimate accepted way of reasoning

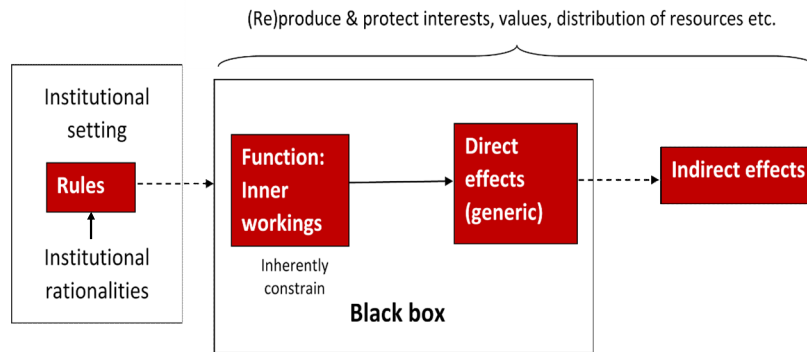
Examples

- Market (individual): maximizing individual utility
- State (social): norms and shared beliefs

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Integrated framework of functional and substantive effects



Which rationality, whose interests, whose efficiency is embedded? > Substantive effect

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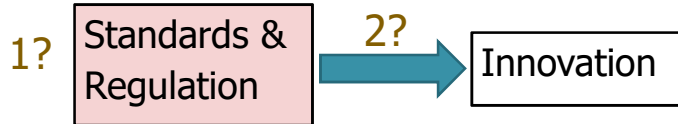
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Summary

Institutions	Standard	Regulation
Characteristics		
Function	Complexity reduction	Conflict resolution
Inner working	Selection	If-then-else
Direct effects: Functional	'Energy efficiency'	Predictable behavior
Indirect effects: Functional	Frees innov. resources	Stable innov. environment
Institutional rationality dominant	Individual <ul style="list-style-type: none"> • Max. individual profit 	Social <ul style="list-style-type: none"> • Reciprocity, Norms and shared beliefs
(In)direct effects: Substantive		
• (Re-)produces and protects	Private / collective interests	Public interests

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Discussion: Underpinning 'Better regulation' for a sustainable future



- Different characteristics of rules, functional mechanisms (how, what), institutional rationalities (what: rule content)
- Standards preferred policy tool (less intrusive)? But
 - Institutional setting >> individual rationality, short term
 - No inherent sustainability incentive private actors in standardis.
- Solutions?
 - Non-delegated regulatory standards... gov. representation in stand. ...Sustainability or longer term incentives for private actors? ... Cultural change st. bodies (less industry-client, more coordination)

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Questions?

- Thank you for your attention

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