



## **Threat to democracy**

The impact of 'better regulation' in the UK



## **New Economics Foundation (NEF)**

is an independent think-and-do tank that inspires and demonstrates real economic wellbeing.

We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environmental and social issues. We work in partnership and put people and the planet first.

# Contents

Summary	4
1. Introduction	6
2. Why 'better regulation' is bad for the economy	10
3. Why 'better regulation' is bad for society and the environment	21
4. Why 'better regulation' is bad for our democracy	27
5. Why 'better regulation' is bad for the European Union	36
6. Conclusion and recommendations	39
End Notes	41

## Summary

‘Better regulation’ is a little-known but powerful initiative that affects us all: our safety, our environment, our health, our rights at work and our democracy. The term sounds innocuous, but in fact it has little to do with the quality of policy-making. The story of ‘better regulation’ is, first and foremost, a story of corporate capture.

---

In the name of ‘better regulation’, a large and unaccountable bureaucracy has been created with the express purpose of making it more difficult for government departments to pass laws which impose costs on businesses. This includes:

- **One in, two out:** a rule that prevents government departments from implementing new laws that impose £1 of cost to business unless they also repeal £2 from elsewhere, regardless of social or environmental benefits.
- **The Regulatory Policy Committee:** a panel composed mainly of business representatives that ‘validates’ departments’ estimates of the costs of new regulation, providing official opinions with the power to delay the introduction of new rules.
- **Impact assessments:** the requirement for civil service economists to complete a detailed appraisal of proposed policy changes and, where possible, express all impacts in terms of monetary values.
- **The Red Tape Challenge:** a crowd-sourcing initiative in which the government invites the public to propose existing laws that should be scrapped.

The combined effect has been profound. Important social protections have been watered down, such as workers’ protection from unfair dismissal and speed limits for heavy goods vehicles (HGVs). Perhaps more significantly, the space for new initiatives has been dramatically curtailed, both by creating a deliberate chilling effect in the civil service and by delaying or blocking proposals that do surface.

All of this is justified by a narrative that incorrectly equates regulation with unnecessary red tape, and tells us that scrapping this pointless bureaucracy will be good for business, good for the economy, and good for us all. But this is deeply misleading.

At its heart, ‘better regulation’ is not about form-filling: it is about reducing all costs of regulation to the regulated. Almost any regulation worth having will carry such costs: for example, the minimum wage imposes costs on businesses by preventing unscrupulous employers from exploiting their workers through poverty pay.

The purpose of most regulation is to curtail private interests when they do not coincide with the public interest. ‘better regulation’ fundamentally undermines this purpose.

In this report, we show how:

- **‘Better regulation’ is bad for the economy.** The UK is already one of the least regulated economies in the developed world, and there is little evidence that regulation hurts the economy: on the contrary, good regulation (for example, high environmental standards) can drive innovation and create new markets. Many enlightened businesses recognise that regulation is essential to tackle economic threats such as climate change. Protecting the profits of the regulated is not the same thing as protecting our economy.
- **‘Better regulation’ is bad for society and the environment.** By reorienting the policy machine around the goal of driving down costs to business, it explicitly prioritises the interests of business – and the most short-term, socially irresponsible businesses at that – over those of workers, consumers and the environment.
- **‘Better regulation’ is bad for our democracy.** With little or no scrutiny or democratic debate, the policy-making process has been brought under an unprecedented level of control by private economic interests. Debates about lobbying transparency have little meaning when corporations are simultaneously being invited to write their own rules.

‘Better regulation’ has passed under the radar for far too long. It is time for civil society to hold it to account. We recommend that:

- The arbitrary and illogical ‘one in, two out’ rule should be immediately scrapped.
- The Regulatory Policy Committee’s remit and membership should be given a radical overhaul.
- Government should prioritise the development of new forms of policy appraisal which correct the flaws and biases inherent in the impact assessment process.

Finally, we note that UK businesses and policy-makers have been instrumental in replicating this privatisation of policy-making at the EU level. But it is not too late for Europe to avoid repeating the UK’s worst mistakes. We hope that this report will act as a warning against following the UK example.

# 1. Introduction

*The aim of this paper is to expose and explain a little-known agenda that goes by the misleading name of 'better regulation'. It affects all the issues most of us care about: safety, environment, health, rights, and democracy.*

---

## 1.1 What is 'better regulation'?

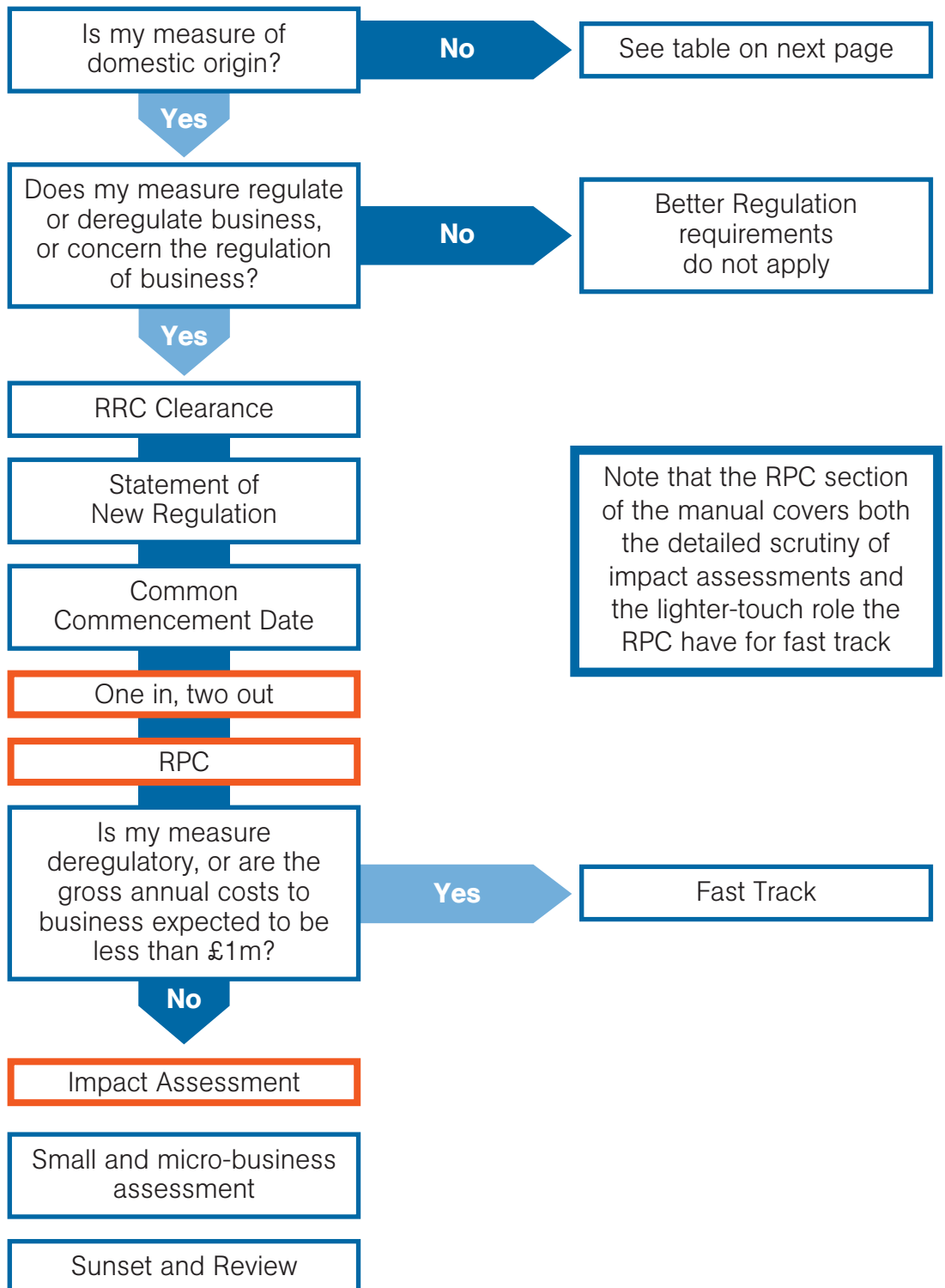
'Better regulation' is a slogan that will be familiar to policy wonks and civil servants, yet alien to the rest of us. It's a phrase that seems blandly positive and technocratic, revealing little of its impact; something you may safely assume is a good thing and can be left to the experts.

The truth is quite the opposite. A large and powerful bureaucracy has been constructed in the name of 'better regulation' with the express purpose of disempowering government departments, stripping away existing laws and preventing new legislation from being passed. In public, government ministers have professed their faith that this bureaucracy will deliver an avalanche of liberating deregulation, finally ridding businesses of pesky rules that prevent the full expression of the free market.

The 'better regulation' institutions that we focus on in this paper are:

- **Impact assessment (IA):** the requirement for civil service economists to complete a detailed appraisal of proposed policy changes and, where possible, express all impacts in terms of monetary values.
- **One in, two out (OITO):** the rule that prevents government departments from implementing new laws that impose £1 of cost to business unless they also repeal £2 from elsewhere, regardless of social or environmental benefits.
- **The Regulatory Policy Committee (RPC):** a panel composed mainly of business representatives that receives completed impact assessments and assesses their quality, providing official opinions that must be taken into account by departments.
- **The Red Tape Challenge (RTC):** a crowdsourcing initiative in which the government invites the public to propose existing laws that should be scrapped.

Figure 1. Flowchart from guidance on better regulation for civil servants, indicating different stages of the policy-making process.<sup>1</sup>



This agenda and the institutions used to deliver 'better regulation' are portrayed to the public as part of a positive process of liberation from unnecessary and frustrating red tape, disguising the fact that they weaken and prevent effective laws for the protection of society and the environment.

While deregulation is part of the story, it is not the whole of it. The ultimate effect of this 'better regulation' agenda is to put the policy-making process increasingly into the hands of the private sector by privileging their interests in policy appraisal, inviting them to adjudicate civil service processes, and providing unprecedented opportunities for them to express their opinions and preferences. This is the ultimate privatisation – that of law-making itself.

In this paper we assess the available evidence concerning the impacts of the 'better regulation' framework. In summary, we find:

- A number of significant policies have been removed or weakened as a result, such as protection from unfair dismissal and heavy goods vehicle (HGV) speed limits.
- New legislative initiatives have been impeded, both by creating a culture of inaction in the civil service and by delaying or blocking proposals that do surface.
- The policy-making process has been brought under an unprecedented level of control by private economic interests.
- UK businesses and policymakers have been instrumental in replicating this privatisation of policy-making at the EU level.

## **1.2 Where did 'better regulation' come from?**

“... the three pillars of the neoliberal age - privatisation of the public sphere, deregulation of the corporate sector, and lowering of income and corporate taxes, paid for with cuts to public spending’.”

**Naomi Klein<sup>2</sup>**

The drive to deregulate our economy is not a rational response to an objective assessment of the merits of regulation; it is an integral component of an economic and political ideology commonly termed 'neoliberalism'. This is the belief that the private sector should be favoured over the public sector and that 'free' markets are the only effective route to universal prosperity and individual liberation. Neoliberal government started in the UK in the 1980s under Margaret Thatcher's government, and so did the deregulation agenda.

In 1986, the Enterprise and Deregulation Unit was created – a civil service body tasked with overseeing efforts to deregulate the economy. It gradually evolved in both name and remit, morphing into simply the Deregulation Unit and then the Deregulation Task Force and acquiring a panel of business

experts. Finally, Tony Blair's government undertook a rebranding, giving it the title of the Better Regulation Task Force (BRTF).

The then Prime Minister asked the BRTF, still dominated by business representatives, to consider whether the UK should have deregulatory targets, as in the Netherlands, and a 'one in, one out' (OIOO) system for new regulations. Predictably, the group made a very clear recommendation that these measures should indeed be adopted.<sup>3</sup> The present-day focus on cutting red tape and our contemporary regulatory institutions are merely the latest and most severe incarnation of decades of cooperation between successive governments and businesses.

It was under the coalition government of 2010-2015 that the agenda became publicly and explicitly an attempt to put businesses in the driving seat of public policy-making. Concern about the so-called burden of regulation is very old indeed. What was new under the coalition government was the deliberate attempt to not just do something in the interest and on behalf of businesses, but to actually give businesses greater control over the policy-making process.

## 2. Why ‘better regulation’ is bad for the economy

The UK economy is already highly deregulated. Further attempts to remove constraints on markets will not benefit our economy, but merely favour the powerful over the vulnerable.

---

### 2.1 The economic case for good regulation

Almost any mainstream economist will agree that some level of regulation is highly desirable: an economy without regulation would be fundamentally chaotic and unworkable, not to mention devastating for the vulnerable among us.<sup>4</sup> The function of regulation is to constrain or shape activity in the economy so that it drives us towards public objectives that we share – prosperity, equality, freedom, etc.

Even if the sole objective of public policy was to achieve narrowly defined economic success, there is little evidence that regulation in general is associated with weaker economic performance. The relationship between changes in regulation at the margin and simplistic economic indicators, such as GDP growth, is at best complex, depending on the type of regulation and the particular market.<sup>5,6</sup> For example, research has found that environmental regulations can be associated with increased productivity and innovation, while having no detectable impact on competitiveness.<sup>7,8</sup> The claims typically made by politicians and business leaders that deregulation is necessary for economic success are based on subjective opinion surveys of businesses, which the Organisation for Economic Co-operation and Development (OECD) has questioned as a reliable indicator.<sup>9</sup>

Clear and effective regulation can drive business growth by encouraging innovation to meet specified standards, such as fuel efficiency requirements or safety expectations for household appliances. It ensures that less powerful businesses are able to compete on a level playing field, preventing the extraction of rent by dominant companies. It gives businesses the long-term confidence to make investments in skills, infrastructure, and research, thereby expanding production possibilities and productivity. Regulation prevents economic inefficiency by ensuring costs are dealt with at source, for example requiring polluters to bear the cost of pollution rather than the health service paying for the treatment of its effects. Regulation can create and enable markets just as much as it can constrain them.

## 2.2 The UK economy is not over-regulated

The UK is already one of the most deregulated economies in the world. An OECD study estimated that only the USA and the Netherlands had a more lightly regulated product market in 2008,<sup>10</sup> and only the USA and Canada have a lower level of employment protection.<sup>11</sup> In rankings of 'ease of doing business'<sup>12</sup> across countries, the UK consistently lies in the top ten.

As such, regardless of its desirability, this suggests that any further substantial opportunities for deregulation will be much harder to come by. We observe that, while the coalition government did make some very serious changes in the name of 'better regulation', much of the sheer volume of 'deregulatory' activity has been symbolic rather than substantive.<sup>13</sup> A great deal of energy has gone into creating the appearance of unprecedented deregulation, regardless of the actual scale of change. Therefore, the prevention of new regulatory initiatives, as opposed to the removal of existing ones, may be the most significant impact of 'better regulation'.

The public themselves seem unable to find regulatory fat to trim. When the government sought to crowdsource opportunities for deregulation from the public through the Red Tape Challenge (RTC), there was little apparent enthusiasm. An independent analysis found that '[m]ost of the comments [from the RTC website] generally indicated that more regulation was needed, rather than the hoped-for calls for eliminating red tape.'<sup>14</sup> Unfortunately, the same review found that 'the quality and quantity of crowdsourced comments proved to be of little importance to the actual deliberations.' It seems that deregulation, in the abstract, is an attractive idea, but when confronted with specific protections, most people quickly recognise how important good regulation is to the quality of their lives. It's also clear that tokenistic consultation measures are sufficiently flexible to allow this inconvenient discovery to be ignored.<sup>15</sup>

Referring to the current assumption that regulation is inherently 'bad', the prominent economist Dieter Helm argues that:

**"The policy positioning is largely devoid of convincing empirical support - as if it were so obvious as to need no justification. It is hard to think of any other area of government policy where the gap between public policy assertions and an evidence base is wider."**<sup>16</sup>

The evidence we have consistently points towards large economic benefits from our existing regulation. For example, the Department for Environment, Food, and Rural Affairs (Defra) has estimated that the benefits of its regulations are 2.4 times greater than their costs in monetary terms.

Even if there were a consensus that the total volume of UK regulation is above an optimal level, the appropriate response would be to individually identify harmful regulations and remove or improve them, recognising that at some point it will be optimal to stop that process. In contrast, the UK's Better Regulation Framework amounts to a permanent set of rules and institutions that acknowledge no optimal limit.

### Policy case study 1: mandatory greenhouse gas emissions reporting

Climate change is a prime example of a long-term economic problem that requires strong regulation. It is market failure on a grand scale, and the market left to its own devices will clearly not give private actors the incentive to achieve the rapid reductions in carbon emissions we need. Yet the economic case for intervention has not been enough to save it from the vagaries of the ‘better regulation’ agenda.

For example, the Climate Change Act 2008 included a requirement that the government should introduce regulations requiring companies to report on their greenhouse gas emissions by April 2012, or explain why they had not done so.<sup>17</sup> This four-year grace period – and the decision to opt for reporting requirements rather than actually requiring companies to cut their emissions – was already a compromise position informed by the mantra of ‘light-touch’ regulation. The economic rationale for the legislation was clear: as the Stern Review established, the economic benefits of reducing our carbon emissions far outweigh the costs. For this reason, emissions reporting enjoyed broad support from business organisations including the Confederation of British Industry,<sup>18,19</sup> and the Aldersgate Group,<sup>20</sup> as well as major investors such as Aviva who argued that this information was vital for them to assess company prospects.<sup>21</sup>

But with the introduction of OIOO, the policy was jeopardised by new pressures on Defra to demonstrate that the costs to business were justified, as well as finding some existing environmental regulation to cut. A particular problem was how to quantify the long-term economic and environmental benefits of the policy (we discuss how such problems skew the impact assessment process on page 23). After a protracted period of reviews, consultations, and impact assessments, regulations eventually came into force in October 2013.<sup>22</sup> In other words, it took more than six years to pass a very modest regulation, with broad support from enlightened businesses, designed to address one of the most urgent economic challenges we face. At the time of writing, it was rumoured that HM Treasury is now considering whether to scrap the requirements – after less than two years in force – in a fresh deregulatory review. Seven years after the Climate Change Act, we could find ourselves back where we started.

When vast organisational changes to our health and welfare systems can be achieved in a matter of months, it’s hard to interpret these results as anything less than the intended effect of ‘better regulation’ – to continually place obstacles in front of new and existing regulations, regardless of their wider economic benefits.

## 2.3 Examining the ‘better regulation’ narrative

Despite the weight of theory and evidence to the contrary, the story told about ‘better regulation’ has manufactured consent for the agenda by perpetuating three false assumptions.

### 1. ‘Regulation and red tape are essentially the same thing’

They are not. There is a deliberate attempt to conflate trivial administrative requirements with substantial social and environmental protection, often employing whimsical examples. For example, former Business Minister Michael Fallon implies that the Better Regulation Framework only applies to stereotypically irritating bureaucracy, rather than a huge swathe of government legislation:

“There’s far too much existing regulation: pointless annual checks, box-ticking that small firms have to pay consultants for, repetitive checking of certificates, and more.”<sup>23</sup>

Prime Minister David Cameron has regularly singled out apparently absurd regulations regarding ice cream vans as typical of the kind of harmful rules he would eliminate.<sup>23</sup> It’s a tactic that has now been taken up at the EU level, with First Vice-President of the European Commission Frans Timmermans bemoaning an attempt to regulate olive oil jugs.<sup>25</sup>

Such comments resonate with people’s experience with and resentment towards unnecessary bureaucracy. But ‘better regulation’ is far from confined to the realm of form-filling, box-ticking and comical legislation – it also applies to hard-won rights and protection many take for granted, such as the right to protection from unfair dismissal at work (case study p22).

## 2. ‘If businesses want deregulation, then it must be good for all of us’

It is not. The former CEO of General Motors famously implied that ‘What’s good for GM is good for America.’ While these remarks were taken out of context, it is nevertheless representative of how people have been encouraged to think about the economy. In this narrative, businesses are the economy, and the economy is everything we ought to really care about.

The most pervasive example of this fallacy is the repeated exhortation that deregulation is a necessary prerequisite for businesses to deliver jobs and growth. While it’s true to some degree that healthy businesses are good for people, it is even more clearly true that healthy people are good for businesses, both as customers and employees. A sustainable economic recovery has to be based on the decent living standards that underpin consumer demand, and the healthy environment that underpins those living standards into the future. Moreover, the reason we care about the economy is precisely because we care about these outcomes – not the other way around. For these reasons, regulations that protect workers’ rights, public health, and the environment are more directly associated with the public interest than the secondary link between business interests and the public good.

Examples of the narrative equating business interests with economic success (and thus the public good) are countless. The current Business Secretary, Sajid Javid, is a typical proponent of this view:

“The government’s pledge to cut £10 billion in red tape over the course of this parliament will help create more jobs for working people, boost productivity and keep our economy growing.”<sup>26</sup>

“Only the private sector can produce sustainable growth, create long-term jobs and make the economy as productive as it can be.”<sup>27</sup>

“The real hero is British business... It was business that did the hard work... business that delivered for Britain...business that changed millions of lives for the better in every corner of the country.”<sup>28</sup>

### 3. 'Businesses want nothing but deregulation'

They do not. There is no blanket preference on the part of businesses for simple deregulation. At times, businesses may support regulation because they recognise their enlightened self-interest in a healthy environment and workforce. Regulation can also protect socially responsible businesses from being undercut by less scrupulous competitors; for example, minimum wage legislation benefits those who already pay decent wages by stopping unfair competition from employers more willing to exploit their workforce. But these motivations are not recognised by the neoliberal narrative.

In other words, 'better regulation' doesn't just favour businesses in general, but rather it especially favours those businesses that want low environmental, labour, or safety standards: in other words, the least socially and environmentally responsible. 'Better regulation' assumes that businesses all favour the lowest common denominator and tends to steer the regulatory system towards it.

Although the 'better regulation' rhetoric focuses overwhelmingly on small business, it is just as likely to benefit big companies at the expense of small ones. After all, regulation often exists to protect the powerless from the actions of the powerful. The government itself recognises that small businesses can often benefit from protection against unfair treatment by those with more power. For example, in the months before the most recent election, the coalition published proposals for what it described as 'tough new laws' - with no mention of red tape - to tackle late payments and other unfair treatment of suppliers, usually small businesses, by larger firms.<sup>29</sup>

However, the constraints of 'better regulation' were visible in the detail of the package: most of the measures were voluntary, with the key exception being a new requirement for listed companies to report on their payment practices.<sup>30</sup> Even this was strikingly similar to an existing requirement, which had been scrapped during a deregulatory review of company reporting just two years earlier<sup>31</sup> - with the government then claiming that the information was 'not considered useful for either creditors or shareholders'. The likely effectiveness of this package in protecting small suppliers from abuse of market power is questionable. In other words, although regulation requested by small businesses is clearly looked on more favourably than regulation to protect workers or the environment, the Better Regulation Framework still limits the government's toolbox when it comes to actually introducing measures that bite.

## Policy case study 2: relaxing the speed limit for HGVs

In 2012, a proposal was brought under the RTC to increase the speed limit for heavy goods vehicles (HGVs) travelling on single carriageway roads from 40mph to 50mph. The stated motivation was to reduce congestion and transit costs for companies, with further dubious reasoning offered by the Department for Transport (DfT):

“The intention is also to level the playing field for businesses, as HGVs which are travelling above the maximum speed limit currently have a competitive advantage over those that are adhering to the maximum 40 mph speed limit.”<sup>32</sup>

In other words, breaking the law is profitable, so why not let all businesses compete for those profits? According to the reasoning of ‘better regulation’, we would revert to the practices of the least responsible businesses in the interest of creating a level playing field.

Of course, the other way of levelling the playing field would be to tighten up enforcement of the law – but the entire ‘better regulation’ apparatus has been designed to make this option more difficult. As well as short-changing those whom the law exists to protect, this sends a message that it is in businesses’ interests to ignore the law: far from being punished for it, they are likely to see the offending laws scrapped.

A majority of consultation respondents rejected the proposal. But the impact assessment still found a way to overcome this inconvenient result:

“Nearly three-quarters of responses said ‘no’ to raising the national speed limit for HGVs >7.5t to 50 mph. 77% of logistics sector respondents supported an increase while 78% of private individuals (206 responses) were not in favour. Logistics sector respondents were made up of a few responses from haulage companies and responses from four associations – whose membership ranges from 300 to 14,000 members. In terms of the number of people represented, the majority were in favour of an increase in the limit.”<sup>33</sup>

This logic – that the opinion of industry bodies counts for more because they represent large numbers – is inherently biased. One response from a large corporation or trade association will always overwhelm responses from citizens, who rarely find out about these consultations or have the time or incentive to respond.

But where does this logic end? The government acknowledges that the responses in favour were largely from industry – i.e., those who would derive direct financial benefit from the change. Presumably they would support scrapping speed limits altogether – but that doesn’t mean we should pursue such a policy.

DfT’s impact assessment estimates that ‘an additional 1.7 to 3.5 fatal accidents and 4.2 to 8.5 serious accidents might occur each year as a result of the speed limit increase’, which is a 14% increase on average; businesses are expected to benefit by around £12 million each year.<sup>33</sup> Whether this decision was right or wrong, it is clear that this is not simply red tape, as the narrative of ‘better regulation’ would have you believe. Despite additional warnings from road safety charities that the change could result in more deaths<sup>35</sup> and the clear opposition of public opinion, the move was approved, qualifying DfT for an ‘OUT’ for OITO to the value of £11.83 million.<sup>36</sup> This is another example of political decisions made in the interest of businesses and justified through the impenetrable bureaucracy of ‘better regulation’.

## 2.4 'Better regulation' creates true red tape

Proponents of 'better regulation' insist it will do away with red tape, not popular social and environmental protections. But the truth is precisely the opposite.

As we have already seen, when 'better regulation' advocates talk about reducing the 'cost' of regulation, they are not just talking about compliance overheads but about all costs to the regulated, including the intended effects of the policy. This means it is not necessarily the case that 'better regulation' will produce lower compliance costs for more public benefit – in fact, the reverse may be true. By making strong and straightforward regulations almost unthinkable, this agenda may in fact directly lead to increased bureaucracy, as policymakers seek 'lighter touch' ways of achieving their objectives: for instance, requiring companies to report on socially or environmentally damaging activity rather than simply banning it. The following case study illustrates this point.

### Policy case study 3: financial regulation

Financial regulation highlights each of the three fallacies behind 'better regulation'. Indeed, regulations to tackle systemic financial risk were exempted from the original OIOO policy – perhaps because public memories of the 2008 financial crisis were too fresh for the idea of deregulating banks to be politically saleable. It was obvious at the time that when it came to regulating banks, the interests of business were emphatically not the same as the public interest: the news agenda was for months dominated by the privatisation of gains and socialisation of losses from banks' excessively risky activities. It was also painfully obvious that regulation to restrain the short-term economic interests of individual firms was essential to protect the long-term stability of the economy as a whole.

A recent history of financial regulation also shows that the conflation of hard-hitting regulation with red tape is deeply misleading: in fact, excessively complex requirements can often be the result of business successfully taking off the table a simpler solution that threatens their interests.

For instance, after the Wall Street Crash of 1929, the banking reforms introduced by the US government – including the complete separation of retail from investment banking – ran to 37 pages.<sup>37</sup> These provisions were repealed in 1999 at the behest of large banks<sup>38</sup> – a development which some suggest was a contributing factor in the financial crisis. The next wave of legislative reforms, introduced in the aftermath of the 2008 crisis, was less hard-hitting but much more complex, running to 848 pages.<sup>39</sup> This complexity is not evidence of the failure of bank lobbying, but rather a direct result of its success: it comes from loopholes, exemptions, and the sheer effort of trying to police existing business models, rather than passing the more straightforward regulations which would ban or change those business models.

It has been a similar story in Europe, where bank lobbying has consistently increased the complexity of post-crisis regulation, while banks have opposed simpler, clearer measures which have been shown to be potentially more effective at preventing future crises.<sup>40</sup> Most recently, the Liikanen proposal for limited separation of retail from investment banking<sup>41</sup> has been gradually watered down<sup>42</sup> to the point where much of the original intention of the reforms has been lost. Paradoxically, what remains after this hollowing out is genuine red tape – a series of compromise requirements with no real bite which still impose

### Policy case study 3: financial regulation continued

burdens on banks and regulators, but which campaigners say will be largely ineffective at making the system safer.

While it may seem counterintuitive that industry would lobby against effective regulation even if it produces more red tape, in fact it is hardly surprising. Large banks have huge compliance teams: the costs of implementing complex regulation are well worth it if it allows them to maintain the correspondingly complex business models which have made them so profitable. The losers are the smaller, more specialised banks who did little to cause the crisis, but now complain they are struggling to navigate the new rules.

This highlights a bigger flaw in the 'better regulation' narrative. In practice, businesses are often happy to lobby in favour of complex new bureaucracy if it wards off simpler requirements that would genuinely threaten their business models, or sets back their competitors. Of course, they are equally happy to point to the resulting regulatory complexity as evidence of over-regulation.

### Institution case study 1: 'one in, two out'

The basic theory of regulation rests on an understanding that it is desirable to impose constraints or costs on the actions of certain groups for the overall benefit of everyone. The Better Regulation Framework could not be more at odds with this understanding. In particular, the rule known as 'one in, two out' (OITO) flies in the face of conventional economic analysis.

#### What is it?

- When a government department wishes to implement a policy that causes £1 of cost to businesses, it must at the same time repeal £2 of business costs elsewhere.
- OITO is, therefore, deliberately deregulatory in nature.
- The rule was originally introduced as 'one in, one out' in 2010, but was increased to two out in 2013.
- The rule has no regard for costs or benefits other than costs to business.

#### Good regulations can be forced out

OITO applies only to business costs – all other aspects of the policy are disregarded. The procedure does not, therefore, necessarily work in the interest of society overall, whereas it does necessarily work in the interest of business.

Since it pays no heed to social costs, OITO flies in the face of the principles of cost-benefit analysis (CBA), the analytical framework through which it claims legitimacy. CBA, at least in theory, considers all costs and benefits to be equally legitimate. It is a further degree of illogic to require OITO to balance at the departmental level, which is still more restrictive.

Regulations should not generally be passed into law unless society is expected to be better off as a result, i.e., the net social benefit is positive. If it were the case that all regulations had been accurately appraised, then the constraint imposed by OITO would be such that in order to impose a new socially beneficial regulation, the government must

### Institution case study 1: 'one in, two out' continued

repeal another socially beneficial regulation, with the result that the net benefit to society could fall.

The core case of the 'better regulation' agenda is that not all existing regulations are beneficial to society overall, either because they have been incompetently designed or because they are a result of lobbying.<sup>43</sup> In cases where certain existing regulations actually create a net loss to society repealing these regulations may be socially constructive. However, this does not justify the procedure of OITO. It is clearly not necessary to attach the repeal of these harmful regulations to the entry of new regulations – repealing them is advantageous regardless of any new regulations and OITO is therefore unnecessary in this respect. If regulations exist that are harmful to our society then we should reconsider them; but we should not need biased, illogical and arbitrary rules in order to make that happen.

It follows, therefore, that the OITO rule is both unnecessary to achieve gains to society overall, and may have perverse outcomes by forcing the repeal of socially advantageous regulations. Ultimately, most regulation worth having will incur costs to the regulated, since the whole point of regulation is to protect the public interest when it does not coincide with particular private interests, or to protect vulnerable groups from exploitation by those with more power. It is one thing to say that the costs to these private parties should be reasonable and proportionate to the social benefit created. It is quite another – and from a social and economic point of view, entirely nonsensical – to say that the costs to these parties should be the sole basis for whether or not departments are allowed to regulate. To do this is to explicitly put private interests ahead of the public interest: it undermines the whole purpose of regulation.

[This is a transfer of power from government more widely to a smaller central core](#)

The rule is widely understood to be 'designed to change the culture of government',<sup>44</sup> a thinly veiled way of saying it makes government more business-friendly by weakening participation by departments in the process of governance. Within the civil service all kinds of tactics are employed to effectively let departments know that ostentatious acts of deregulation will be rewarded and proactive efforts to regulate will not. For example, a league table of departments' performance on OITO is regularly published, emotively coloured in green for good and red for bad (Figure 2) – a well-recognised method for encouraging productive rivalry.

### Institution case study 1: 'one in, two out' continued

Figure 2. Departmental regulation from January 2011 to July 2015. Source: Better Regulation Executive<sup>44</sup>

Ranking	Department	Net regulation
1	Department for Work & Pensions / Health and Safety Executive	-£803.26m
2	Department Energy & Climate Change	-£719.28m
3	Department for Business, Innovation & Skills	-£428.38
4	Department for Communities & Local Government	-£201.52m
5	Department for Environment, Food & Rural Affairs	-£167.71m
6	Department for Transport	-£108.99m
7	Department for Culture, Media & Sport / Government Equalities Office	-£34.50m
8	Department for Education	-£10.74m
9	Cabinet Office	-£4.13m
10	Food Standards Agency	-£0.80m
11	Ministry of Justice	£13.73m
12	Department of Health	£34.03m
13	Home Office	£94.34m
14	HM Treasury	£112.31m

Within the logic of 'better regulation', the non-economic goals of government departments are irrelevant. Defra is not evaluated on its ability to protect the environment; DfT is not evaluated on its success in making transport safe; rather, what matters is whether these departments are making life easier or harder for businesses. Their inability to commit to their proper areas of interest (environment, safety, health, etc.) leaves them impotent and left to justify their existence based on contributions to the private sector. Defra provides a salient example: a recent report entitled 'Defra better for business'<sup>46</sup> uses the word 'burden' 69 times in relation to regulations and makes no mention of their benefits.

As one journalist noted:

"The real effect of one in, one out is felt by officials. They know what their political masters want and so this slogan-based government has a chilling effect on the policies and solutions they propose."<sup>47</sup>

**Institution case study 1: 'one in, two out' continued**

Similarly, former Business Minister Michael Fallon boasted:

"From January 2013, I tightened the screw with the 'one in, two out' rule. Now departments must find £2 of saving for every £1 of extra cost imposed. It is now much harder for ministers to regulate!"<sup>48</sup>

The effect is essentially to concentrate the right to legislate among the small central core of government, as departments' autonomy is constrained by increasingly controlling and elaborate procedures. Anecdotally, we know that the Treasury exercised more power than ever under the coalition government.<sup>49</sup> This is a classic precondition for corrupt and arbitrary abuse of power. In other words, it undermines the checks and balances essential to a functioning democracy. If Defra is not safeguarding our environment from business interests, then who is?

### 3. Why ‘better regulation’ is bad for society and the environment

The function of regulation is to protect people and planet from exploitation. By deliberately ignoring and undermining this purpose the ‘better regulation’ agenda endangers many of the things that we value – our health, good jobs, safety and nature.

---

#### 3.1 Social and environmental concerns are routinely discounted

The role of regulation is to achieve some economic, social, or environmental good that wouldn’t arise naturally due to the tendency of market forces to pursue profit opportunities that are not always aligned with the public good. The ‘better regulation’ agenda, by explicitly privileging business interests over any other, deliberately undermines this role.

Since 2011, government estimates suggest that the ‘better regulation’ initiative has created a benefit to businesses that is now equivalent to £2.2 billion annually.<sup>50</sup> This is an enormous amount of money – roughly equivalent to the entire annual budget of Defra and all of its agencies.<sup>51</sup> To suggest that this was essentially ‘free money’, which was available due to the sheer regulatory incompetence of previous governments, is hugely unrealistic. To the extent that this sum represents removals of some regulations designed to protect people and the planet, some of which are documented in the case studies in this report, then some part of it represents a transfer of benefits away from society and the environment and towards businesses.

For example, reducing vehicle emissions standards designed to limit air pollution might cut costs for car manufacturers, but increase costs for the NHS through a rise in related illnesses – not to mention the increased human misery caused by these illnesses. Air pollution creates social costs whether we regulate to address it or not: the question is how to balance the level of regulation so that the overall costs are minimised, keeping in mind the crucial question of who bears these costs in practice. But this is not even considered by the OITO rule, which asks only, ‘How much will scrapping these standards save the car manufacturers?’

Conversely, any decision about whether to introduce new emissions standards will ultimately come down to the questions ‘How much will this cost car manufacturers? Can this department repeal some unrelated regulations worth twice that amount?’ If the answer to the second is ‘no’, the standards cannot be introduced under this system, regardless of how many lives they might save, or how much money they might save the NHS. These wider impacts, despite being the core social purpose of having the regulation in the first

place, simply do not enter the equation. The interests of citizens and the health service are not just undervalued but deliberately and systematically ignored. The outcome of such a process may benefit car manufacturers, but that clearly does not mean that it will benefit society as a whole.

As can be seen in Figure 2, some of the heaviest deregulators have been departments responsible for climate change, the environment, communities, and culture. It is also clear that new regulations designed to achieve social and environmental benefits will be particularly disadvantaged by the OITO rule, which does not take these benefits into account in determining when and what departments can regulate.

#### Policy case study 4: unfair dismissal

By former Business Secretary Vince Cable's own admission, the UK already has 'one of the most ... lightly regulated labour markets among developed economies', which others have analogously described as 'one of the weakest employment protection regimes in Europe'.<sup>52</sup> Yet businesses apparently continue to complain about the number of rules they must comply with – a willingness on their part 'to speak truth to power',<sup>53</sup> according to Cable. The government consequently accommodated these pleas – through the 'better regulation' initiative by

- introducing new fees for employees who want to bring a case to an employment tribunal.
- doubling the period before employees are protected from unfair dismissal from one to two years.
- halving the minimum consultation period before collective redundancies (100 people or more) can be made from 90 to 45 days.

The Business Secretary continued to assert a principle of neutral, evidence-based policy:

"What we need to do is balance our support for job creators to grow their businesses with the need to provide job security in these uncertain times. And that's why we are doubling the qualifying period for the right to claim unfair dismissal from one year to two years.

"The aim of increasing the qualifying period is to give greater confidence to employers in recruiting new employees, without undermining workers' sense of job security at a time when consumer confidence is low."<sup>54</sup>

But the Minister offered no explanation of why weakening the claim to unfair dismissal maintains a sense of job security, or 'balances' the needs of employers and employees. To the contrary, employment experts and trade unions argued that weakening protection from unfair dismissal could simply lead to more volatile employment levels by 'reinforcing a hire and fire culture in UK workplaces'.<sup>55</sup>

While the government did implement certain policies that could be considered costly to businesses (e.g. strengthening rules around flexible working) changes to employment legislation were overwhelmingly motivated by the interests of business, a fact that Ministers openly admitted:

#### Policy case study 4: unfair dismissal continued

“Many employers still feel that employment law is a barrier to growing their business. We’re knocking down that barrier today – getting the state out of the way, making it easier for businesses to take on staff and improving the process for when staff have to be let go.”<sup>56</sup>

The diverging reactions of business groups and trade unions reveal the interests that these reforms really represent.<sup>57</sup>

#### Institution case study 2: impact assessment

##### What is it?

- An impact assessment (IA) is a document that summarises the expected costs and benefits of a proposed policy. It was first adopted by government in 1999.
- The first step of an IA is always to provide the rationale for government intervention based on a theory of market failure.
- The IA must consider a range of policy options, one of which must always be ‘Do nothing’.
- Assessment of deregulatory measures is more light-touch and is fast-tracked for approval.

##### Methodological concerns

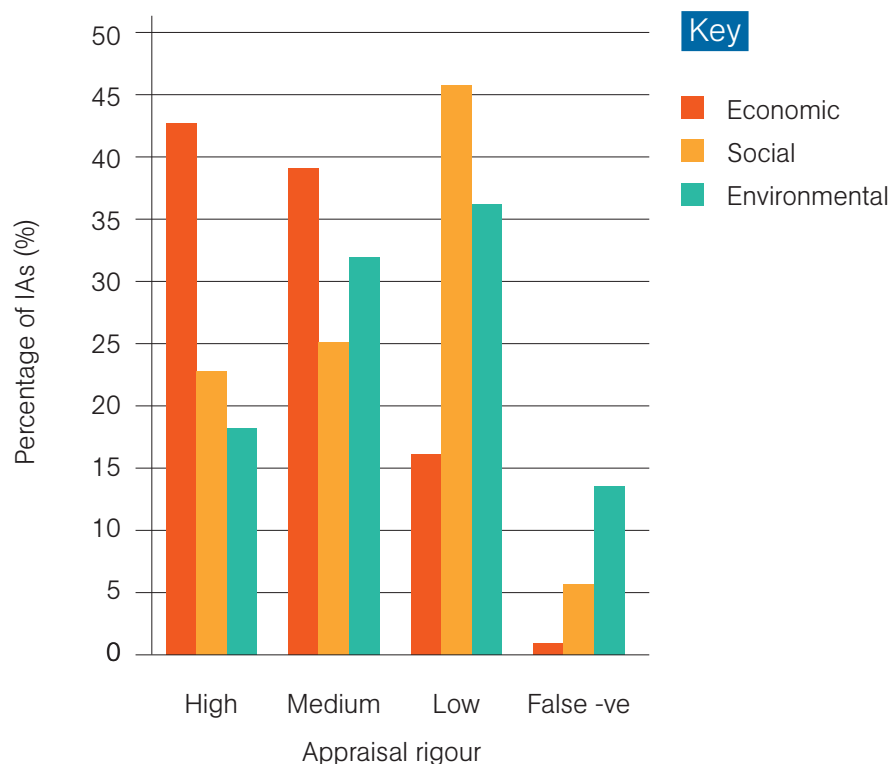
The sentiment behind impact assessments is noble: to adopt a consistent, universal, and transparent method of comparing potential policy options. The reality is quite different.

Over time it has become expected that policy proposals will be accompanied by an assessment that is quantitative wherever possible, seemingly because this is perceived as being more objective. However, the quantitative methods of assessment used, generally referred to as CBA, are inherently biased. In recent years, they have come under increasing criticism, with the OECD,<sup>58</sup> the Treasury,<sup>59</sup> and former Cabinet Secretary Gus O’Donnell<sup>60</sup> all calling traditional CBA into question.

First, CBA systematically undervalues intangible social and environmental benefits. It relies on being able to convert all possible impacts of policy into money values based on market prices: for non-market goods where real market prices do not exist, hypothetical ones are estimated, for instance by conducting surveys of how much people would be willing to pay for a certain good (such as protection of an area of outstanding natural beauty). This methodology is a highly contested means of assessing the value of public goods such as health or environmental stability – yet these are the very things regulation exists to protect. Indeed, according to conventional economic theory, the whole purpose of regulation is to correct ‘market failures’ – i.e., to safeguard outcomes which are not currently reflected in market prices, and which markets are failing to provide. A study commissioned by Defra clearly found that economic impacts tended to be appraised with high rigour,<sup>61</sup> while social and environmental impacts were much more likely to be appraised with low rigour. There’s a clear need for tools that can treat equally valid impacts with equal importance.

## Institution case study 2: impact assessment continued

Figure 3. Appraisal rigour for different types of impact. Source: Tinch et al (2014).<sup>62</sup>



Second, even in the case of economic impacts there are a range of criticisms that cast doubt on the legitimacy of CBA, as Sir Gus O'Donnell – former Head of the Civil Service under three successive Prime Ministers, and previously Permanent Secretary to the Treasury – has recently argued.<sup>63</sup> It largely ignores inequalities: 'cost benefit analysis that uses market prices effectively endorses the status quo distribution of income.' And, as behavioural economists have demonstrated, it 'does a poor job of describing the way that people actually behave'<sup>64</sup>. For example, experimental research has shown that, unlike the abstract world of CBA, real people treat gains and losses of equal economic value very differently – that is, losing something you already have is a disproportionately negative experience compared to receiving something new of equal value.<sup>65</sup> Why then do we treat them equally in policy appraisal? O'Donnell concludes that we are currently assessing policies by 'evaluating something that is not going to happen, using assumptions about motives and behaviour that bear little relationship to reality, and valuations that are plucked out of thin air'.<sup>66</sup> The rhetoric of evidence-based policy-making simply does not match the reality.

Finally, there is a legitimate concern about the impression that such assessments give to those who read them. Despite the universal use of 'reasonable assumptions', which are frequently no more than guesswork, the numerical results of an IA create a false sense of accuracy, with headline figures being repeated and reproduced as though they were hard facts. This numerical presentation also has the effect of shutting many stakeholders out of the debate entirely by shrouding value judgements in the appearance of objectivity.

## Institution case study 2: impact assessment continued

### Crowding out other forms of appraisal

IAs are the realm of the economist, and their dominance reflects the wider dominance of economics in the social sciences. Many have analysed and criticised the undue influence that economics, as a discipline, enjoys compared to other fields such as sociology, geography, and psychology.<sup>67, 68, 69</sup> Office for National Statistics (ONS) data shows that there are twice as many economists employed in the civil service as there are other social researchers.<sup>70</sup>

### Predetermined outcomes

'That the RIA [Impact Assessment] offers nothing to policy analysis is, in fact, precisely the point; in other words, the point is to protect the rulemaking, not to open it up to attack.'<sup>71</sup>

IAs are based on easily manipulated, subjective techniques defended by an air of objectivity and are very effective at closing off challenges or input of any kind from other sources. Others have recognised that IAs may more accurately be recognised as 'propaganda documents rather than self-critical policy analyses'.<sup>72</sup> In other words, political decisions are made, and IAs are subsequently employed as a pre-emptive defence mechanism for decision-makers. The reality is sometimes referred to as 'policy-based evidence', in contrast to the theory of 'evidence-based policy'. The problem here is not that subjective decisions are made – i.e., unavoidable – but that they are disguised as the objectively optimal course of action, and the democratic right to understand and challenge those decisions is weakened.

## Policy case study 5: Site Waste Management Plans

In 2008, the UK government announced plans to implement a new regulation that would require construction and demolition projects to complete a Site Waste Management Plan (SWMP). Under this regulation the site operator is required to compile a document detailing certain information, including a description of the waste type to be produced and the action proposed for each waste type.<sup>73</sup>

There is both an economic and environmental rationale for this regulation: excessive construction waste is both expensive to manage and an environmental blight. Even the minimal information required by an SWMP was expected to encourage construction site managers to identify better waste practices. An extensive impact assessment was conducted in 2008 by Defra;<sup>74</sup> for every type of eligible project (those with value greater than £300,000) this IA expected the regulation to result in net financial savings to businesses. Accordingly, the regulations were passed into law.

The SWMP regulations were in force for five years, during which period an evaluation study by the Waste and Resource Action Programme (WRAP) found that 'using an SWMP is beneficial to the majority of organisations and most achieve significant cost savings through implementing them.'<sup>75</sup> A Defra consultation process found that many businesses themselves were strongly in favour of the regulations and those that were not in favour typically complained that lack of enforcement and insufficient coverage made them pointless (i.e., the regulation wasn't strong enough): 73% of businesses indicated that they would continue using SWMPs even if the government repealed the regulation.<sup>76</sup>

**Policy case study 5: site waste management plans continued**

Despite all available evidence suggesting that SWMPs had been a success and, if anything, didn't go far enough, the government decided to repeal them as part of the Red Tape Challenge. A second impact assessment claimed that repealing the regulation would be a net financial benefit to businesses, thereby qualifying the move as an OUT for OITO purposes.<sup>77</sup> We therefore have two IAs: one in 2008 that claims implementing the regulation would be best for business<sup>78</sup> and one in 2013 that claims repealing the regulation would be best for business.<sup>79</sup>

There is no logical way to rationalise these decisions based on objective assessment of costs and benefits. The decision to repeal flew in the face of independent evaluation of the success of SWMPs and the overall preference of businesses for the regulations to remain. If the government had taken the evidence seriously, the policy options to be appraised in an IA would have included strengthening the scope and enforcement of SWMPs. Unfortunately, OITO and the politics of deregulation required the opposite course of action.

The CBA techniques employed by civil service economists are sufficiently malleable that practically any policy option can be legitimised. In this case, conducting an IA served no useful function other than to justify political decisions that had already been made. In fact, its influence can be considered malign in that it obfuscates the genuine reasons for public policy decisions, as well as their social and environmental consequences.

## 4. Why ‘better regulation’ is bad for our democracy

In a democracy everyone is treated equally and no particular interest is systematically favoured over any other. We elect representatives to defend the best interests of the whole nation. By explicitly privileging businesses over any other, the ‘better regulation’ agenda contradicts this principle.

---

‘Better regulation’ is best understood as the reorientation of decision-making around the interests of the regulated, a fact the UK government has been open about.

In December 2012, business minister Michael Fallon boasted that ‘Whitehall is increasingly putting the needs of businesses centre stage’, promising further ‘reforms to environmental regulation, employment law and consumer law’ to save them money.<sup>80</sup> Announcing the department’s latest Red Tape Cutting initiative, Business Secretary Sajid Javid said, ‘I am determined to take the brakes off British businesses and set them free from heavy-handed regulators.’<sup>81</sup> And the government’s ‘business focus on enforcement’ initiative proudly proclaims that it ‘puts scrutiny of the way the law is enforced or implemented into the hands of business’.<sup>82</sup>

This agenda of corporate privilege is bad for the economy, for society, and for the environment. But it is also bad for our democracy.

A functioning democracy is not just about regular elections, but about a policy-making process that is transparent and accountable to its citizens. On this definition, the ‘better regulation’ agenda falls short.

‘Better regulation’ has been used to justify not only the systematic prioritisation of corporate interests, but also the institutionalisation of corporate access to the heart of the policy-making process, as more and more power is put in the hands of unelected bodies dominated by business lobbyists.

Taken together, this amounts to regulatory capture on a grand scale. Recent moves such as the introduction of a statutory register of lobbyists are little more than window-dressing when corporate lobbyists are simultaneously being given public encouragement – and public money<sup>83</sup> – to tell government and regulators what to do.

#### 4.1 A democratic deficit

The evolution of the ‘better regulation’ agenda itself reflects a democratic deficit. Because rules such as OTO and institutions such as the Regulatory Policy Committee (RPC) do not require legislation, they have tended to be introduced without parliamentary scrutiny, as well as passing largely under the radar of media and civil society debate. Indeed, we have found anecdotally that many in civil society are unaware the OTO rule even exists, despite its profound implications for policy-making across the board.

The original ‘one in, one out’ rule was introduced by the coalition government in 2010, following commitments in the Conservative<sup>84</sup> and Liberal Democrat<sup>85</sup> manifestos, and in the coalition agreement.<sup>86</sup> It was increased to ‘one in, two out’ in January 2013, with no consultation or debate; no indication of any formal process beyond an announcement by then Business Minister Michael Fallon; and no published IA or evidence base.

One of the paradoxes of the ‘better regulation’ agenda is that even the smallest changes to business regulation require increasingly elaborate consultation and IA processes, while blanket rule changes which affect the whole of government pass with no consultation at all.

#### Institution case study 3: Regulatory Policy Committee

##### What is it?

The Regulatory Policy Committee (RPC) was set up in 2009 – following various other similar bodies such as the Better Regulation Taskforce, the Better Regulation Commission, and the Risk and Regulation Advisory Board. In 2010 it was given new powers under the coalition government and in 2012 became an independent advisory non-departmental public body (NDPB) – at the same time as many other NDPBs, such as the Sustainable Development Commission, were being cut or dismantled in the government’s ‘bonfire of the quangos’.<sup>87</sup>

All new regulatory proposals must have their impact assessments reviewed by the RPC before they can become law. The Committee has the power to effectively block or delay new regulations by forcing departments to redo impact assessments which it deems inadequate: ‘The RRC [the Reducing Regulation Committee, a Cabinet sub-committee] has made it known within government that IAs without a fit for purpose decision by the RPC (i.e., those flagged red) should not be sent for cabinet clearance until the RPC’s concerns are addressed.’ It also ‘verifies’ the government’s overall figures for net increases or reductions in burdens on business. Its role was recently put on a statutory footing.<sup>88</sup> Despite its formal role in policy-making and its immense potential influence on all government departments, the RPC is not subject to the Freedom of Information Act.

##### Who is represented?

The RPC is presented as a neutral, independent body of experts that exists to improve the evidence base for regulation, and has been heavily promoted as a model for better policy-making at European level and in other countries. For example, the European Commission has introduced a Regulatory Scrutiny Board modelled explicitly on the UK system. But who sits on this unelected body that wields such power over government departments?

One might expect a committee with a remit to independently assess evidence to be

### Institution case study 3: Regulatory Policy Committee continued

staffed by technocrats. Yet, although the RPC does have a secretariat, the committee itself is disproportionately made up of business representatives (notwithstanding a welcome rebalancing following recent departures and new appointments). Of the eight members of the committee, only one has a trade union or civil society background; three others could perhaps reasonably be regarded as independent experts on regulatory assessment and evaluation.

The remaining four members of the committee are all representatives of business with current, remunerated business interests, many in national trade associations. These include Jeremy Mayhew, a councilman of the City of London Corporation and Senior Advisor at PwC;<sup>89</sup> Alexander Ehmann, now Head of UK Public Affairs for TATA Ltd, and previously deputy chief lobbyist at the Institute of Directors;<sup>90</sup> and Chairman Michael Gibbons, whose paid interests in the energy industry include two company directorships and chairmanship of the Carbon Capture and Storage Association.<sup>91</sup>

The RPC's conflicts of interest register<sup>92</sup> states that 'members with a direct conflict in relation to the particular area affected by a proposal will not be involved in any of the scrutiny stages for that proposal', but there is no indication of what might constitute a direct conflict, nor is there any published record of how this procedure has been applied. In practice, there are several current and former members of the committee who represent business interests across a range of sectors, where it is not clear how the presence of a direct conflict would be defined or identified. This goes to the heart of the matter: many RPC members appear to have been selected not for their 'independence' but precisely because they represent the regulated.

#### Evolution of the RPC's remit: a 'brake' on government

The RPC itself describes its role as being to 'rate the quality of evidence and analysis supporting new regulatory and deregulatory proposals'.<sup>93</sup> However, in practice its remit is increasingly focused on defending the interests of business in reducing the cost of regulation – a very different function. It differs in this respect from other regulatory oversight bodies – for example, those in the USA and the EU, which can ask agencies to consider new regulations as well as scrutinising their existing proposals.<sup>3</sup> This reflects the deregulatory, business-focused nature of the UK agenda that gave rise to the RPC.

For example, since July 2012, the RPC has been required to issue its opinion 'based simply on the accuracy of the department's OITO figure'.<sup>94</sup> In other words, at the final stage, its rating is based solely on the assessment of net cost to business, rather than the overall quality of the impact assessment.<sup>39</sup> Chairman Michael Gibbons confirms in a recent academic paper that this is the Committee's core role – and that its underlying purpose is to make it more difficult for departments to regulate. He notes that by beating down (by an estimated £500 million per year)<sup>95</sup> departments' estimates of the savings to business from deregulation, 'the RPC's scrutiny substantially reduced the scope for new regulations to be brought in by departments in the future'.<sup>13</sup> The committee's most recent annual report boasts that it has provided 'an effective brake on new, costly, regulation'.<sup>96</sup>

#### Institutionalising corporate capture

Our analysis of the minutes of the RPC's meetings from September 2013 to June 2015<sup>97</sup> provides further evidence of the privileged voice of business in this supposedly neutral and independent forum. Virtually all of the external (i.e., non-government) stakeholders invited into committee meetings during this period were from business organisations

### Institution case study 3: Regulatory Policy Committee continued

(see box) – or, in one case, academics presenting a study sponsored by a business organisation, making the case for further deregulatory reform to the policy process. The Chairman of the RPC has justified ‘better regulation’ on the basis that ‘regulation may be the product of lobbying by special interest groups’<sup>98</sup> – but appears not to acknowledge that the same is equally, and perhaps more, true of deregulation. Nearly all of the specific methodological issues mentioned in the minutes relate to the quantification of costs to business.

Encouragingly, at least some members of the RPC do appear to recognise that this is a problem for its position as an independent arbiter of evidence-based policy: in discussions about a recent review of the Better Regulation Framework, they note that ‘the focus of the Committee has increasingly been driven towards “one in, two out” by the existing methodology’,<sup>99</sup> and that ‘a revised Framework should really look at the overall quality of regulation and not just costs to business’.<sup>100</sup> The minutes do not indicate who expressed these views or how far they represent the view of the committee as a whole.

Figure 4. External guests at Regulatory Policy Committee meetings, Sept 2013 – June 2015

Date	Organisation	Focus of discussion
Sept 2013	Federation of Small Businesses (FSB)	The work, membership and current focus of the FSB; minutes note that it supports ‘a strengthening of the RPC’s role or an expansion in remit’.
Dec 2013	Engineering Employers’ Federation (EEF)	The EEF ‘presented to the Committee those issues that were of concern to their members’, in particular the costs of being required to offer pensions to its workforce (‘auto-enrolment’) and its view that these were understated in the impact assessment.
May 2014	Forum of Private Business (FPB)	The work of the FPB and ‘how they see their role interacting with that of the Committee’.
June 2014	Professors Chris Hodges and Chris Decker	Presenting research sponsored by the British Retail Consortium on the costs to business of government-sponsored voluntary regulation (e.g. non-binding codes of practice or pledge schemes). NB. Six months later, the government enacted the researchers’ recommendation that these voluntary initiatives should be subject to the same impact assessment process as mandatory rules.
Feb 2015	British Retail Consortium (BRC)	The BRC’s work, ‘general recommendations’, and ‘ideal outcomes for the next parliament’, including ‘a more powerful RPC with the ability to block regulation’.
May 2015	UK Accreditation Service (UKAS)	Role of UKAS and potential of industry-owned accreditation schemes (i.e., kitemarks such as the Red Tractor scheme) as an alternative to regulation.

### Institution case study 3: Regulatory Policy Committee continued

The conflation of independent evidence-based policy with defending the interests of business, and/or with an ideological commitment to reducing the cost of regulation, is the biggest problem with the 'better regulation' agenda. Either the RPC is an independent, technocratic body with a mandate to improve the quality of evidence in policy, or it is a stakeholder body with a mandate to represent business interests in reducing the cost of regulation. It cannot be both.

### Policy case study 6: marine conservation zones

Marine conservation zones (MCZs) are areas designated for the protection of marine wildlife, habitats and geology. As previous NEF research has argued, protecting marine ecosystems can contribute to healthy local economies.<sup>101, 102</sup>

In 2012, the RPC gave the 'red light' to a Defra IA on the designation of new MCZs, in part on the basis that 'it is not apparent why the industry assessment of additional annual cost of £2,909 million appears to have been discounted whereas the views of Natural England and JNCC [the Joint Nature Conservation Committee] appear to have been accepted.'<sup>103</sup> The JNCC is the government's own expert advisory body on nature conservation. It is hard to avoid the impression that the RPC is instructing Defra to ignore its own expert advisors in favour of corporate lobbyists: hardly a model of 'evidence-based policy-making'.

#### Evidence-based policy or corporate capture?

The OITO rule creates a clear incentive for businesses to provide inflated cost estimates in order to ward off unwanted regulation. Indeed, this dynamic has long been a feature of the IA process: in 2009 the Aldersgate Group of businesses noted that 'cost assessments [for new environmental regulations] ... are routinely based on exaggerated figures from industry - in the past trade organisations have systematically inflated cost estimates to combat new regulations.'<sup>104</sup> They cite the example of the European Commission's impact assessment for EU car efficiency targets, in which the initial estimate of supplementary costs per vehicle (€577) was inflated by over six times following heavy lobbying by the car industry, a change which they say 'profoundly influenced the European Commission's decision to water down its original proposals'.<sup>105</sup>

As this example illustrates, it is all too easy for the rhetoric of evidence-based policy to disguise a reality of corporate capture. After all, IAs by their very nature are not dealing with objectively verifiable facts, but predictions of what the effects of an (as-yet non-existent) policy might be. Those with power and resources have ample opportunity to manipulate the outcome of impact assessments by influencing these assumptions about the future. Indeed, one academic paper notes that 'the tobacco industry successfully lobbied for the introduction of impact assessments in Europe... because it felt that this system would work to its advantage and make it harder for public health policies to be implemented.'<sup>106, 107</sup> The existence of the RPC takes this logic a step further, by creating a body whose primary function now appears to be defending the interests of industry through the IA process.

The RPC accepts direct submissions from affected stakeholders wishing to challenge departments' estimates of the costs and benefits of regulation, providing an additional route for lobbyists seeking to delay, block, or weaken new rules. Although its website says that 'in the interests of transparency, the Committee reserves the right to publish any

### Policy case study 6: marine conservation zones continued

submissions it receives,<sup>108</sup> they are not published as a matter of course (unlike responses to government consultations), nor are the minutes of external meetings held by RPC members or staff. This makes it impossible to judge how far a given RPC opinion may have been informed by industry lobbying.

This is particularly pertinent to the current debate about 'better regulation' in Europe, where civil society organisations are concerned that the proliferation of new IA processes will multiply opportunities for lobbyists to water down protections – while civil society lacks the resources to keep up.

## 4.2 Privatised policy-making

The RPC is not the only place where corporate lobbyists are being invited into the policy-making process in the name of 'better regulation'. The same pattern is being replicated across government. For example, an initiative called Business Focus on Enforcement 'allows trade associations and representative business groups – instead of civil servants – to bid to review how enforcement operates in their business area. Successful bidders have the chance to run a review and present their findings and the case for change, directly to relevant regulators and Ministers'.<sup>109</sup> Recent projects of the Focus on Enforcement initiative include a review of livestock farm inspections led by the National Farmers' Union,<sup>110</sup> and a review of imports of fresh produce led by the Fresh Produce Consortium.<sup>111</sup> In this way, trade associations which exist to lobby on behalf of their members' special interests become an integral part of public policy-making.

This kind of privileged access to the regulatory process is not afforded to any other groups affected by laws and regulations – for example, charities, trade unions, or benefit claimants. Indeed, Chancellor George Osborne made clear his attitudes to lobbying by these groups in a 2011 speech to the Institute of Directors:

"Delivering this will not be easy. The forces of stagnation will try to stand in the way of the forces of enterprise. For every line item of public spending, there will be a union defending it. For every regulation on business, a pressure group to defend it. Your voice, the voice of business, needs to go on being heard in the battle."<sup>112</sup>

In other words, lobbying by businesses to defend their own interests is something to be actively encouraged, while those representing other stakeholders, or the public interest, are deemed 'pressure groups' whose influence must be minimised. This attitude is also reflected in the RPC's approach, which appears to force departments to accept cost estimates provided by business lobbyists over those of independent experts or NGOs (see case study on MCZs) – despite the clear incentives under OITO for lobbyists to exaggerate these estimates.

One might expect an independent IA process to be sceptical of the claims of those with a clear and direct financial interest in the outcome. The current system explicitly and deliberately puts such vested interests at the heart of

policy-making. Precisely because of their vested interest in the outcome, their perspective is deemed to be inherently more valid: after all, they are the ones who have to deal with the costs of regulation, who know better than Whitehall bureaucrats what will make their lives easier.

But it is not the government's sole function to make companies' lives easier. That is the job of corporate lobbyists. The job of government is to act impartially and protect the public interest. Both the rhetoric and the reality of 'better regulation' deliberately blurs the distinction between these two roles.

#### **Policy case study 7: food and nutrition – the Public Health Responsibility Deal**

In 2010, the coalition government stripped the Food Standards Agency (FSA), set up after the BSE crisis to restore public trust, of its regulatory responsibilities in relation to food safety, nutrition, and public health. These were transferred to Defra and the Department of Health.

In 2011, the government launched a voluntary self-regulation scheme covering these areas known as the Public Health Responsibility Deal.<sup>113</sup> This attracted public criticism after health groups walked away from the initiative, complaining that industry was being allowed to write its own rules and that the 'pledges' which companies had agreed to sign up to were far too weak.<sup>114</sup> The initiative was overseen by a plenary group made up mostly of senior figures from industry – including supermarkets such as Tesco, ASDA, and Sainsbury's, food and drink manufacturers such as Mars and Diageo, and trade bodies such as the British Retail Consortium and the Advertising Association.<sup>115</sup>

The FSA had been unpopular with industry, having led EU-wide attempts to introduce mandatory 'traffic-light' nutritional labelling on food, shown to be popular with consumers and effective at helping people to make healthier choices. The industry spent an estimated £830 million lobbying against the proposals,<sup>116</sup> and ultimately succeeded in securing support for a rival scheme based on 'guideline daily amounts', which FSA research showed consumers found harder to understand.<sup>117</sup> This is significant, since the rhetoric surrounding the deregulation of food emphasises consumer freedom: see for example Andrew Lansley's assertion that he was not in favour of 'lecturing, nannying people or constantly legislating or taxing people'.<sup>118</sup> This presents consumers as the victims of food regulation, rather than the people it exists to help and protect. Under the Responsibility Deal, the government agreed a voluntary traffic-light labelling scheme with industry<sup>119</sup> (which, ironically, is now being challenged under EU law). It also ruled out new legal limits on fat, salt, and sugar content in food.

The Department of Health claimed that voluntary deals with industry had allowed government to go further and faster than slow-moving and costly regulation.<sup>120</sup> But a recent academic paper notes that the new voluntary targets do not have the backing of key companies such as Unilever, McDonald's, and Kellogg's, and that 'the food industry does not think they or their competitors need to comply as there is no enforcement or proper monitoring of the programme.'<sup>121</sup> Consumer group Which? came to similar conclusions,<sup>122</sup> while studies suggest that the voluntary pledges on alcohol are also unlikely to be effective,<sup>123</sup> with little evidence of firms acting differently as a result.<sup>124</sup>

Emerging evidence also suggests that targets for calorie reduction are likely to be missed, while action to tackle in-store promotion of unhealthy foods was vetoed altogether by industry representatives, who 'found it difficult to reach a consensus on such a

### Policy case study 7: food and nutrition – the Public Health Responsibility Deal continued

commercially sensitive topic'.<sup>125</sup> Specific targets for reducing sugar have also been vetoed<sup>126</sup> despite growing evidence that it is a major factor in the obesity epidemic which costs an estimated £47 billion a year, including £6 billion in direct costs to the NHS.<sup>127</sup> The privatisation of nutrition policy has effectively surrendered the tools for dealing with this problem to those who have the most to lose.

The conflict of interest inherent in letting the food industry set its own voluntary standards, and the threat this poses to effectively protecting the public interest, could not be clearer. As one professor of public health puts it, 'These large corporations, whether they sell tobacco, food or alcohol, are legally obliged to maximise shareholder returns. They therefore have to oppose any policies that could reduce sales and profitability – in other words, the most effective policies.'<sup>128</sup> Comparisons have been made with the tobacco industry, where voluntary schemes promoted by the industry were shown to be ineffective, but numbers of smokers began to fall sharply once legislation was introduced. In other words, when a company's products are contributing to public harm, it is unsurprising that they will advocate voluntary measures to address this – not because they are more effective than regulation, but precisely because they are less effective.

#### 4.3 Double standards? Comparing and contrasting the treatment of businesses, the public sector and charities

While 'better regulation' gives corporate lobbyists ever more opportunities to influence the design of policy which affects them, other sectors affected by laws and regulation – such as the public sector, charities, and trade unions – have seen major regulatory changes imposed on them against their will and with minimal consultation. Indeed, some of these changes appear expressly designed to reduce these parties' influence on the political process – in line with the attitude spelt out in George Osborne's Institute of Directors speech.

For example, the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act was passed in 2014 despite major concerns from the charity and voluntary sector both about the direct costs of compliance and about the likely 'chilling effect' on their right to campaign. At the same time, business lobbyists were being actively encouraged into the policy-making process elsewhere in government.

The Health and Social Care Act, which fundamentally reorganised the NHS, went from conception into law in around 20 months, again despite huge opposition from health workers, and despite not having been in the coalition agreement; only after a massive public outcry and a motion at Liberal Democrat conference rejecting the reforms was the Bill's passage through parliament paused for a three-month 'listening exercise'.<sup>129</sup> Most recently, the new government is proposing to introduce significant new restrictions on trade unions in relation to the right to strike.

Meanwhile, even very modest regulatory interventions affecting the private sector, such as greenhouse gas emissions reporting (page 12), were held up for years in the consultation and impact assessment phase. Anything resembling a 'burden' for businesses has been actively avoided or eliminated.

It is clear that the push for deregulation does not extend equally to all sectors, and it is those most likely to represent the public interest – such as healthcare and education – which seem least likely to be involved in the design of policy which affects them.

Finally, it is worth considering the impact of ‘better regulation’ on the civil servants charged with implementing this agenda. It is no small irony that this has involved the creation of new, and complicated layers of bureaucracy in the name of reducing bureaucracy.

This in itself may act as a constraint on civil servants’ ability to regulate effectively: at the same time as departmental budgets are being squeezed and the number of staff being cut, the IA process is adding to the workload of already overstretched officials. In the last parliament, this was compounded by the enormous amount of time and energy expended in reappraising existing regulations as part of the Red Tape Challenge. This burden will only increase in the future given the introduction of ‘sunset clauses’, whereby all new regulations automatically expire after a set period of time, and must be reappraised and reintroduced if they are still deemed necessary.

The stakes are high. As Giles Wilkes, former special advisor to then Business Secretary Vince Cable, has put it, ‘Only the determination of hardy officials saved the public from the return of flammable sofas.’<sup>130</sup>

## 5. Why ‘better regulation’ is bad for the European Union

Having gone largely unchallenged in the UK, the ‘better regulation’ agenda has now taken root at the EU level as well, as a result of lobbying by British businesses and policymakers.

---

‘Better regulation’ has had a hugely detrimental impact on the UK’s economy, society, environment, and democracy. But there are signs that the agenda is now making headway in the EU.

The current UK Better Regulation Framework, in particular OITO, exempts policies that come from Brussels, recognising that Westminster has limited control over changes to this legislation. Instead of incorporating an uncontrollable element into the Westminster bureaucracy then, it was necessary to tackle the perceived problem at source – Brussels. A concerted effort has therefore been underway by British businesses and policymakers to force the EU to adopt a version of ‘better regulation’ for itself.

### 5.1 A European campaign of conquest

In October 2013, the UK’s Business Taskforce surveyed a number of businesses and published a report with a set of recommendations for EU-level reforms, signed by British executives from businesses including alcohol multinational Diageo, commercial healthcare company BTG, and grocery chain Marks & Spencer.<sup>131</sup>

The objective of this report is explicit: ‘to ensure that the EU regulatory framework is, and remains, competitive in the global market place’. In this context, ‘competitive’ can be taken to mean ‘imposing the minimum burden on business’. At the foot of each page is the social media hashtag ‘#cutEUredtape’, maintaining the pretence that the solution requires sacrificing trivial red tape rather than popular protections. Similar tactics are employed here as in relation to UK regulation: we hear much from politicians and the media about interfering Brussels bureaucrats and bendy bananas,<sup>132</sup> and very little about our rights to maternity leave or safe food.

The Business Taskforce’s recommendations included:

- Establish a ‘one in, one out’ rule.
- Assess and publish the net cost to business of all proposals.
- Create an advisory board to deliver an opinion on impact assessments.

The Taskforce essentially recommended that Brussels should adopt a copy of Westminster's 'better regulation' bureaucracy – OIOO, impact assessments, RPC, as well as other similarities.

In the persistent context of doubts about the UK's commitment to the European project, these 'recommendations' carry somewhat more significance and have been interpreted by some as amounting to the conditions attached to Britain's continued membership of the EU.<sup>133, 134</sup>

Meanwhile in Brussels, a body named the High Level Group on Administrative Burdens, which was formed in 2007, had the mandate to advise the European Commission on how to reduce the administrative costs of regulation to businesses.<sup>135</sup> The final report of this group was published in July 2014 and recommended, among other things, the equivalent of an OITO system, more comprehensive requirements for IAs, and a new RPC-type institution.

The influence of UK businesses and policymakers on this report was obvious. The Chair of the group, Edmund Stoiber, publicly praised suggestions made by Prime Minister David Cameron and alluded to the proposals in the group's report as an attempt to placate a UK public that has been encouraged to feel hostility towards Brussels red tape.<sup>136</sup> One of the business representatives on the High Level Group was Michael Gibbons, also the Chair of the UK's RPC. There were reports that Gibbons was particularly influential in developing the group's proposals.<sup>137</sup>

However, it emerged that the report and its recommendations only truly reflected the views of the business representatives in that group – representatives from civil society groups advocating for health, workers' rights, and the environment were forced to publish an official dissenting opinion, which complained that '[a] number of recommendations in the Final Report of the Group ... have a clear deregulatory purpose, which we oppose.'<sup>138</sup> In particular, they opposed an OIOO rule, an RPC-type institution, and elements of the proposals around IAs.

## **5.2 Fears for the future of the EU**

The dangers to the wider European public of 'better regulation', especially in the context of intense British lobbying, are clear and present.

On appointment in late 2014, the new European Commission announced a firm commitment to 'better regulation' principles and immediately moved to scrap new regulatory measures, including directives on waste and air quality, though they misjudged the level of backlash from civil society, which forced a concession to 'amend' rather than 'scrap' the proposals.<sup>139</sup> The minutes of the UK's RPC reveal that Chairman Michael Gibbons met with Vice President Timmermans, the EU official responsible for 'better regulation', very quickly after his appointment. The minutes note that 'such an early meeting on the subject of 'better regulation' was a significant achievement, with the Vice President showing interest in a number of key issues such as net targets for regulatory burdens.'<sup>140</sup>

In May 2015 the Commission published its Better Regulation Package, which included details of a new RPC-type body, called the Regulatory Scrutiny Board,<sup>141</sup>

and proposals for more stringent requirements on IAs.<sup>142</sup> In the coming months and years there will be a specific review of three existing laws: Safety and Health at Work; Protection of Birds and Habitats (Natura 2000); and the General Food Law. Many civil society organisations fear this is only the beginning of a general erosion of social and environmental protections at Brussels.<sup>143</sup>

There is no obvious reason why the impact of 'better regulation' might be positive in Europe where it has been negative in the UK. The same perverse consequences for the European economy, society, environment, and democracy, which we have documented in the UK, are likely to prevail. In both cases the rhetoric is carefully designed to hide the reality. And in both cases we surrender yet more power to those who have much already.

## 6. Conclusion and recommendations

The ‘better regulation’ agenda is a systemic threat for efforts to protect people and planet from exploitation. We must reform the process of policy-making so that it works for the many and not just for the few.

---

The purpose of this report has been to put the spotlight on an agenda that tends to pass under the radar. Anyone who cares about the protection of consumers, workers and the environment should be concerned by the wide-ranging impacts and possibilities of ‘better regulation’. The very ability of government to make policy in the interests of society as a whole, rather than one particular part of it, is under threat. We must first recognise this, and then adopt strategies to push back.

In this report we have argued that:

- A set of governmental processes and institutions (primarily IAs, OITO, and the RPC) have been gradually established over previous years in the name of ‘better regulation’. These fundamentally and deliberately alter the way in which policy-making occurs, in a way that systematically favours business interests over any other.
- A narrative has developed around this agenda that attempts to construe its effects as liberating people and businesses from inconsequential red tape while leaving popular social and environmental protections unharmed. The reality is, in fact, the opposite of this rhetoric: substantive protections have been removed or prevented while new systems of ‘better regulation’ bureaucracy have developed.
- The UK has pioneered both the substance and rhetoric of this far-reaching campaign for corporate privilege. UK businesses and policymakers have been instrumental in bringing the same agenda to Brussels institutions, where current reforms are mimicking the British example.

We recommend that this damaging trajectory should be reversed. In particular:

- The OITO rule should be immediately scrapped and replaced with case-by-case assessment of new regulatory proposals.
- The RPC should be given a radical overhaul, with a much more balanced public interest remit (including more focus on how environmental and social impacts of policy are assessed) and a membership which reflects this. The RPC should be subject to the same standards of transparency as government departments.

- Government should accept the limited usefulness of traditional CBA and should prioritise the development of new appraisal tools which can better capture distributional effects ('winners and losers') and the synergies and trade-offs between economic, social, and environmental impacts.

What makes this agenda so difficult to oppose is that it is not issue-specific. Defending the ability of governmental institutions to make public policy in the interest of our whole society transcends the sectoral concerns of many organisations and commentators.

This report is an appeal to all of those concerned with the protection of people and the planet, from consumer rights organisations, to faith groups, to individual environmental activists.

We recommend:

- Individuals and organisations that advocate for regulatory protections of any sort should be familiar with initiatives such as OITO that are set against them, and should make challenging these institutions part of their strategy where possible.
- Common ideas and language should be developed around how we expect government to regulate in the interest of the whole of society. The narrative premised on characterising all regulations as irritating red tape should be rejected outright. Civil society should challenge the claims of 'better regulation' to be promoting evidence-based policy or cutting unnecessary costs, and should instead focus on the question: In whose interests is policy being made?

# End Notes

## Stand First

1. BIS. (2015). Better Regulation Framework Manual: Practical Guidance for UK Government Officials. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/421078/bis-13-1038-Better-regulation-framework-manual.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/421078/bis-13-1038-Better-regulation-framework-manual.pdf)
2. Klein, N. (2014). This Changes Everything: Capitalism vs. the Climate. New York: Simon & Schuster.
3. Better Regulation Taskforce. (2005). Regulation - Less is More: Reducing Burdens, Improving Outcomes. Retrieved from [http://www.regulation.org.uk/library/2005\\_less\\_is\\_more.pdf](http://www.regulation.org.uk/library/2005_less_is_more.pdf)
4. Helm, D. (2006). Regulatory reform, capture, and the regulatory burden. Oxford Review of Economic Policy, 22(2), 169–185. Retrieved from <http://doi.org/10.1093/oxrep/grj011>
5. Nicoletti, G., & Scarpetta, S. (2005). Product Market Reforms and Productivity in the OECD (No. 460).
6. Frontier Economics. (2012). The impact of regulation on growth. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32107/12-821-impact-of-regulation-on-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32107/12-821-impact-of-regulation-on-growth.pdf)
7. Dechezleprêtre, A., & Sato, M. (2014). The Impacts of Environmental Regulations on Competitiveness. Retrieved from [http://personal.lse.ac.uk/dechezle/Impacts\\_of\\_Environmental\\_Regulations.pdf](http://personal.lse.ac.uk/dechezle/Impacts_of_Environmental_Regulations.pdf)
8. Botta, E., & Kozluk, T. (2014). Measuring Environmental Policy Stringency in OECD Countries. A Composite Index Approach (No. 1177). Retrieved from <http://dx.doi.org/10.1787/5jxjnc45gvg-en>
9. OECD. (2012). Measuring Regulatory Performance: A Practitioner's Guide to Perception Surveys. OECD Publishing.
10. Koske, I., Wanner, I., Bitetti, R., & Barbiero, O. (2015). The 2013 update of the OECD's database on product market regulation: Policy insights for OECD and non-OECD countries (No. 1200). Retrieved from <http://dx.doi.org/10.1787/5js3f5d3n2vl-en>
11. Venn, D. (2009). Legislation, Collective Bargaining and Enforcement. OECD Social, Employment and Migration Working Papers, (89). Retrieved from <http://doi.org/10.1787/223334316804>
12. 'A high ease of doing business ranking means the regulatory environment is more conducive to the starting and operation of a local firm.' Retrieved from <http://www.doingbusiness.org/rankings>
13. Wilkes, G. (2015, May 22). Steve Hilton: the Tory guru out of step with political realities. Financial Times. Retrieved from <http://www.ft.com/cms/s/0/94ba1a62-ffcb-11e4-bc30-00144feabdc0.html#axzz3edN1iXd2>
14. Lodge, M., & Wegrich, K. (2014). Crowdsourcing and regulatory reviews: A new way of challenging red tape in British government? Regulation and Governance, (November 2013). Retrieved from <http://doi.org/10.1111/rego.12048>
15. Defra. (2011). The Costs and Benefits of Defra's Regulatory Stock: Emerging Findings From Defra's Regulation Assessment. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/69226/pb13623-costs-benefits-defra-regulatory-stock110816.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69226/pb13623-costs-benefits-defra-regulatory-stock110816.pdf)
16. Helm, D. (2006). Regulatory reform, capture, and the regulatory burden. Oxford Review of Economic Policy, 22(2), 169–185. <http://doi.org/10.1093/oxrep/grj011>
17. Section 85, Climate Change Act 2008
18. Confederation of British Industry. (2011). Consultation on measuring and reporting of GHG emissions by UK companies. Retrieved from [http://www.cbi.org.uk/media/528822/066710BA25ABDD68802578C40050EE10\\_CBI%20GHG%20Submission%20July%202011.pdf](http://www.cbi.org.uk/media/528822/066710BA25ABDD68802578C40050EE10_CBI%20GHG%20Submission%20July%202011.pdf)
19. Confederation of British Industry. (2009). All together now: A common approach to greenhouse gas emissions reporting. London: CBI.
20. Aldersgate Group. (October 2012). Consultation response on greenhouse gas emissions reporting draft regulations for quoted companies. Retrieved from <http://www.aldersgategroup.org.uk/asset/download/866/1210%20AG%20GHG%20consultation%20response.pdf>
21. Defra. (June 2012). Measuring and reporting of greenhouse gas emissions by UK companies: Summary of consultation responses. London: TSO.
22. The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.
23. Hennessy, P. (2012, September 9). Michael Fallon: 'We salute those who risk their own money to create jobs.' The Telegraph. Retrieved from <http://www.telegraph.co.uk/news/politics/conservative/9530117/Michael-Fallon-We-salute-those-who-risk-their-own-money-to-create-jobs.html>

24. Prime Minister's Office. (2011). Letter from the Prime Minister on cutting red tape. Retrieved from <https://www.gov.uk/government/news/letter-from-the-prime-minister-on-cutting-red-tape>
25. The Economist. (2015, February 14). When less is more. The Economist. Retrieved from <http://www.economist.com/news/europe/21643199-frans-timmermans-takes-brussels-blob-when-less-more>
26. BIS. (2015). Javid launches new drive to cut red tape. Retrieved from <https://www.gov.uk/government/news/javid-launches-new-drive-to-cut-red-tape>
27. Javid, S. (2015). Fixing the foundations: boosting Britain's productivity. Retrieved from <https://www.gov.uk/government/speeches/fixing-the-foundations-boosting-britains-productivity>
28. Javid, S. (2015). A European Union that works for British business - speech to the Confederation of British Industry. Retrieved from <https://www.gov.uk/government/speeches/a-european-union-that-works-for-british-business>
29. Department for Business, Innovation and Skills. (2015, February 3.) New powers for business groups to tackle late payment. Retrieved from <https://www.gov.uk/government/news/new-powers-for-business-groups-to-tackle-late-payment>
30. Clause 3, Small Business, Enterprise and Employment Act 2015. NB: This did not in itself create new obligations on listed companies, but rather a power to introduce these obligations via new secondary legislation, which at the time of writing had not yet been passed into law.
31. Paragraph 7, The Companies Act 2006 (Strategic Report & Directors' Report) Regulations 2013, which repealed Schedule 7, paragraph 12 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.
32. Department for Transport. (2012). Examining the speed limit for HGVs over 7.5 tonnes on single carriageway roads. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/9322/impact-assessment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9322/impact-assessment.pdf)
33. Department for Transport. (2014). Raising the national speed limit for HGVs > 7.5t on single carriageway roads in England and Wales. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336315/hgv-single\\_carriageway-impact-assessment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336315/hgv-single_carriageway-impact-assessment.pdf)
34. Department for Transport. (2014). Raising the national speed limit for HGVs > 7.5t on single carriageway roads in England and Wales. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336315/hgv-single\\_carriageway-impact-assessment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336315/hgv-single_carriageway-impact-assessment.pdf)
35. Gani, A. (2015, April 5). New higher speed limits for heavy goods vehicles criticised. The Guardian. Retrieved from <http://www.theguardian.com/world/2015/apr/05/new-higher-speed-limits-for-heavy-goods-vehicles-criticised>
36. Department for Transport. (2014). Raising the national speed limit for HGVs > 7.5t on single carriageway roads in England and Wales. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/336315/hgv-single\\_carriageway-impact-assessment.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336315/hgv-single_carriageway-impact-assessment.pdf)
37. US Banking Act 1933 (the 'Glass Steagall Act')
38. US Financial Services Modernisation Act 1999 (the 'Gramm-Leach-Bliley Act').
39. US Wall Street Reform and Consumer Protection Act 2010 (the 'Dodd Frank Act').
40. For example, rules governing the amount of capital banks must have to protect them in case loans turn bad have become ever more complex as banks lobby for adjustments to the amount of capital required to be held against various different types of assets. Meanwhile, bank lobbyists opposed the introduction of a simple leverage ratio which has been shown to be a more effective predictor of crisis.
41. Liikanen, E. (2012, October 2.) High level expert group on reforming the structure of the EU banking sector: Final Report. Brussels: European Commission. Retrieved from [http://ec.europa.eu/internal\\_market/bank/docs/high-level\\_expert\\_group/report\\_en.pdf](http://ec.europa.eu/internal_market/bank/docs/high-level_expert_group/report_en.pdf)
42. Finance Watch. (2015, January 8.) Draft ECON report would make bank structure reform ineffective, says Finance Watch. Retrieved from <http://www.finance-watch.org/press/press-releases/1009>
43. Gibbons, M., & Parker, D. (2012). Impact assessments and better regulation: the role of the UK's Regulatory Policy Committee. *Public Money & Management*, 32(4), 257–264. Retrieved from <http://doi.org/10.1080/09540962.2012.691302>
44. National Audit Office. (2010). The NAO's work on regulatory reform. Retrieved from [http://www.nao.org.uk/wp-content/uploads/2010/10/Regulatory\\_Reform.pdf](http://www.nao.org.uk/wp-content/uploads/2010/10/Regulatory_Reform.pdf)
45. Better Regulation Executive. (2014). The Ninth Statement of New Regulation. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/397237/bis-14-p96b-ninth-statement-of-new-regulations-better-regulation-executive.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397237/bis-14-p96b-ninth-statement-of-new-regulations-better-regulation-executive.pdf)
46. Defra. (2014). Defra better for business: A Strategic Reform Plan for Defra's Regulations. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/302112/pb14166-defra-better-for-business.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302112/pb14166-defra-better-for-business.pdf)
47. Williams, M. (2011, September 2). "One-in-one-out" idea is a red tape gimmick. The Guardian. Retrieved from <http://www.theguardian.com/environment/blog/2011/sep/02/one-in-one-out-gimmick>
48. Fallon, M. (2013). Deregulation and economic growth: priorities for government reform.

- Retrieved August 6, 2015, from <https://www.gov.uk/government/speeches/deregulation-and-economic-growth-priorities-for-government-reform>
49. Friends of the Earth. (n.d.). Transforming the Treasury. Retrieved July 14, 2015, from <https://www.foe.co.uk/page/transforming-the-treasury>
  50. Better Regulation Executive. (2014). The Ninth Statement of New Regulation. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/397237/bis-14-p96b-ninth-statement-of-new-regulations-better-regulation-executive.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/397237/bis-14-p96b-ninth-statement-of-new-regulations-better-regulation-executive.pdf)
  51. Ehrenberg, B., & Scott, S. (2015). Budget 2015 interactive: How much does each government department spend? Retrieved from <http://www.cityam.com/211879/budget-2015-interactive-how-much-does-each-government-department-spend>
  52. Botsford, P. (2013). Why government reforms on employment law make little sense. Retrieved from <http://www.lawgazette.co.uk/analysis/why-government-reforms-on-employment-law-make-little-sense/69149.fullarticle>
  53. Cable, V. (2011). Oral statement to Parliament: Reforming employment relations. Retrieved from <https://www.gov.uk/government/speeches/reforming-employment-relations>
  54. Cable, V. (2011). Oral statement to Parliament: Reforming employment relations. Retrieved from <https://www.gov.uk/government/speeches/reforming-employment-relations>
  55. Chartered Institute of Personnel and Development. (2011). The Economic Rights and Wrongs of Employment Regulation. Retrieved from [http://www.cipd.co.uk/binaries/the-economic-rights-and-wrongs-of-employment-regulation\\_2011.pdf](http://www.cipd.co.uk/binaries/the-economic-rights-and-wrongs-of-employment-regulation_2011.pdf)
  56. HM Government. (2011). Radical reforms to the employment law system. Retrieved from <https://www.redtapechallenge.cabinetoffice.gov.uk/2011/11/employment-announcement/>
  57. Osborne, H. (2012, April 6). Unfair dismissal reform divides government and unions. The Guardian. Retrieved from <http://www.theguardian.com/money/2012/apr/06/unfair-dismissal-reform-government-unions>
  58. OECD. (2013). OECD Guidelines on Measuring Subjective Well-being. Paris. Retrieved from [http://www.oecd.org/statistics/Guidelines\\_on\\_Measuring\\_Subjective\\_Well-being.pdf](http://www.oecd.org/statistics/Guidelines_on_Measuring_Subjective_Well-being.pdf)
  59. Fujiwara, D., & Campbell, R. (2011). Valuation Techniques for Social Cost-Benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-Being Approaches. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/209107/greenbook\\_valuationtechniques.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209107/greenbook_valuationtechniques.pdf)
  60. O'Donnell, G., Deaton, A., Durand, M., Halpern, D., & Layard, R. (2014). Wellbeing and Policy. Retrieved from <http://lii.com/docs/default-source/commission-on-wellbeing-and-policy/commission-on-wellbeing-and-policy-report---march-2014-pdf.pdf>
  61. Tinch, R., Cryle, P., Mathieu, L., Rudd, T., Fredenham, E., Corbelli, D., & Newhill, L. (2014). Baseline Evaluation of Environmental Appraisal and Sustainable Development Guidance Across Government.
  62. Ibid.
  63. O'Donnell, G., Deaton, A., Durand, M., Halpern, D., & Layard, R. (2014). Wellbeing and Policy. Retrieved from <http://lii.com/docs/default-source/commission-on-wellbeing-and-policy/commission-on-wellbeing-and-policy-report---march-2014-pdf.pdf>
  64. [INSERT REFERENCE]
  65. Kahneman, D., Knetsch, J. L., & Thaler, R. H. (1990). Experimental Tests of the Endowment Effect and the Coase Theorem. *Journal of Political Economy*, 98(6), 1325. Retrieved from <http://doi.org/10.1086/261737>
  66. O'Donnell, G., Deaton, A., Durand, M., Halpern, D., & Layard, R. (2014). Wellbeing and Policy. Retrieved from <http://lii.com/docs/default-source/commission-on-wellbeing-and-policy/commission-on-wellbeing-and-policy-report---march-2014-pdf.pdf>
  67. Keen, S. (2004). *Debunking Economics: The Naked Emperor of the Social Sciences*. London: Zed Books.
  68. Fourcade, M., Ollion, E., & Algan, Y. (2014). The Superiority of Economists. Retrieved from [http://www.maxpo.eu/pub/maxpo\\_dp/maxpodp14-3.pdf](http://www.maxpo.eu/pub/maxpo_dp/maxpodp14-3.pdf)
  69. Wolfers, J. (2015, January 23). How Economists Came to Dominate the Conversation. *New York Times*. Retrieved from [http://www.nytimes.com/2015/01/24/upshot/how-economists-came-to-dominate-the-conversation.html?\\_r=1&abt=0002&abg=1](http://www.nytimes.com/2015/01/24/upshot/how-economists-came-to-dominate-the-conversation.html?_r=1&abt=0002&abg=1)
  70. Office for National Statistics. (2014). Civil Service Statistics, 2014. Retrieved June 24, 2015, from <http://www.ons.gov.uk/ons/rel/pse/civil-service-statistics/2014/index.html>
  71. Harrington, W., Heinzerling, L., & Morgenstern, R. D. (2009). Reforming Regulatory Impact Analysis. Retrieved from [http://www.rff.org/RFF/Documents/RFF.RIA.V4.low\\_res.pdf](http://www.rff.org/RFF/Documents/RFF.RIA.V4.low_res.pdf)
  72. Ibid.
  73. Defra. (2008). A cost benefit analysis of the introduction of site waste management plans for the construction and demolition industry. Retrieved from <http://webarchive.nationalarchives.gov.uk/20081230184727/http://www.defra.gov.uk/environment/waste/topics/construction/pdf/swmp-cost-benefits.pdf>
  74. Ibid.
  75. Trufil-Fulcher, G., Reeves, S., Myers, D., Reid, M., Tong, R., & Ferris, C. (2009). Site Waste Management Plans

- impacts survey 2009. Retrieved from [http://www.wrap.org.uk/sites/files/wrap/SWMP\\_Impacts\\_Survey\\_Final\\_Report.pdf](http://www.wrap.org.uk/sites/files/wrap/SWMP_Impacts_Survey_Final_Report.pdf)
76. Defra. (2013). Defra Public Consultations: Proposed repeal of construction Site Waste Management Plan Regulations (2008).
  77. Defra. (2013). Impact Assessment: Review of Site Waste Management Plans Regulations 2008. Retrieved from [http://www.legislation.gov.uk/ukia/2013/180/pdfs/ukia\\_20130180\\_en.pdf](http://www.legislation.gov.uk/ukia/2013/180/pdfs/ukia_20130180_en.pdf)
  78. Defra. (2008). A cost benefit analysis of the introduction of site waste management plans for the construction and demolition industry. Retrieved from <http://webarchive.nationalarchives.gov.uk/20081230184727/http://www.defra.gov.uk/environment/waste/topics/construction/pdf/swmp-cost-benefits.pdf>
  79. Defra. (2013). Impact Assessment: Review of Site Waste Management Plans Regulations 2008. Retrieved from [http://www.legislation.gov.uk/ukia/2013/180/pdfs/ukia\\_20130180\\_en.pdf](http://www.legislation.gov.uk/ukia/2013/180/pdfs/ukia_20130180_en.pdf)
  80. BIS. (2012). Press Release: New figures show government is winning war on red tape. Retrieved September 10, 2015, from <https://www.gov.uk/government/news/new-figures-show-government-is-winning-war-on-red-tape>
  81. BIS. (2015). Javid launches new drive to cut red tape. Retrieved from <https://www.gov.uk/government/news/javid-launches-new-drive-to-cut-red-tape>
  82. BIS. (n.d.). Focus on Enforcement. Retrieved from <http://discuss.bis.gov.uk/focusonenforcement/business-focus-on-enforcement-2/>
  83. Business Focus on Enforcement reviews are part-funded with public money via the Ministerial Contestable Policy Fund. More information is available at <https://www.gov.uk/government/news/business-and-government-join-forces-to-cut-red-tape>
  84. Conservative Party. (2010). Invitation to join the government of Britain: The Conservative Manifesto 2010. p20: 'A Conservative government will introduce regulatory budgets: forcing any government body wanting to introduce a new regulation to reduce regulation elsewhere by a greater amount.'
  85. Liberal Democrats. (2010). Liberal Democrat Manifesto 2010. p25: 'Reduce the burden of unnecessary red tape by properly assessing the cost and effectiveness of regulations before and after they are introduced, using 'sunset clauses' to ensure the need for a regulation is regularly reviewed, and working towards the principle of 'one in, one out' for new rules.'
  86. HM Government. (2010). The Coalition: Our Programme for Government. London: TSO. 'We will cut red tape by introducing a "one-in, one-out" rule whereby no new regulation is brought in without other regulation being cut by a greater amount.'
  87. Defra. (2010). Defra announces changes to arm's length bodies. Retrieved September 10, 2015, from <https://www.gov.uk/government/news/defra-announces-changes-to-arm-s-length-bodies>
  88. Regulatory Policy Committee. (2015). Regulatory Policy Committee appointed as the independent body verifying the costs and savings of changes in law. Retrieved from <https://www.gov.uk/government/news/regulatory-policy-committee-appointed-as-the-independent-body-verifying-the-costs-and-savings-of-changes-in-law>
  89. Regulatory Policy Committee. (n.d.) Biography of Jeremy Mayhew. Retrieved from <https://www.gov.uk/government/people/jeremy-mayhew>
  90. Regulatory Policy Committee. (n.d.) Biography of Alexander Ehmann. Retrieved from <https://www.gov.uk/government/people/alexander-ehmann>
  91. Regulatory Policy Committee. (n.d.) Biography of Michael Gibbons. Retrieved from <https://www.gov.uk/government/people/michael-gibbons>
  92. Regulatory Policy Committee. (2014). MEMBERS REGISTER OF INTERESTS - 2015. Retrieved September 10, 2015, from <https://www.gov.uk/government/publications/regulatory-policy-committee-members-register-of-interests-2014/members-register-of-interests-2015>
  93. Regulatory Policy Committee. (n.d.). Regulatory Policy Committee: About us. Retrieved September 10, 2015, from <https://www.gov.uk/government/organisations/regulatory-policy-committee/about>
  94. Gibbons, M., & Parker, D. (2013). New development: Recent changes to the UK's regulatory process. Public Money & Management, 33(6). <http://doi.org/10.1080/09540962.2013.836008>
  95. Regulatory Policy Committee. (March 2015). Securing the evidence base for regulation: RPC scrutiny during the 2010 to 2015 parliament.
  96. Ibid.
  97. The period for which minutes were available at the time of writing on the Committee's website.
  98. Gibbons, M., & Parker, D. (2012). Impact assessments and better regulation: the role of the UK's Regulatory Policy Committee. Public Money & Management, 32(4), 257–264. Retrieved from <http://doi.org/10.1080/09540962.2012.691302>
  99. Regulatory Policy Committee. (2014.) Minutes of the July 2014 RPC meeting. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/352550/1\\_1\\_July\\_14\\_Committee\\_meeting\\_minutes\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/352550/1_1_July_14_Committee_meeting_minutes_final.pdf)
  100. Regulatory Policy Committee. (2014.) Minutes of the October 2014 RPC meeting. Retrieved from

- [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/378008/1.1\\_October\\_Committee\\_meeting\\_minutes.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/378008/1.1_October_Committee_meeting_minutes.pdf)
101. Balata, F. (2015). Blue New Deal: Good jobs for coastal communities through healthy seas. Retrieved from [http://b.3cdn.net/nefoundation/2ec4a9d52360c8dd5a\\_a7m6yt6ik.pdf](http://b.3cdn.net/nefoundation/2ec4a9d52360c8dd5a_a7m6yt6ik.pdf)
  102. Esteban, A., & Wood, R. (2013). Sustainable fisheries make economic sense: A summary of NEF fisheries research. Retrieved from [http://b.3cdn.net/nefoundation/ffa729c7a39db19e84\\_3jm6bhdj1.pdf](http://b.3cdn.net/nefoundation/ffa729c7a39db19e84_3jm6bhdj1.pdf)
  103. Regulatory Policy Committee. (2012). Impact Assessment Opinion, Designation of Marine Conservation Zones in English Inshore Waters and English and Welsh Offshore Waters. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/251415/2012-12-03-RPC12-DEFRA-1604-Designation-of-Marine-Conservation-Zones-final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251415/2012-12-03-RPC12-DEFRA-1604-Designation-of-Marine-Conservation-Zones-final.pdf)
  104. Aldersgate Group. (October 2009.) Memorandum from the Aldersgate Group: Themes and trends in regulatory reform. Retrieved from [http://www.publications.parliament.uk/pa/cm200809/cmselect/cmdereg/memos/trends/ucm0702.htm#\\_ftn9](http://www.publications.parliament.uk/pa/cm200809/cmselect/cmdereg/memos/trends/ucm0702.htm#_ftn9)
  105. Ibid.
  106. Savell, E., Gilmore, A. B., & Fooks, G. (2014). How does the tobacco industry attempt to influence marketing regulations? A systematic review. *PloS one*, 9(2), e87389.
  107. Smith, K.E. et al. (2015). Corporate coalitions and policy making in the European Union: How and why British American Tobacco promoted 'Better Regulation'. *Journal of Health Politics, Policy and Law*, 40(2), 325-372.
  108. RPC. (2014). Submitting additional evidence to the Regulatory Policy Committee. Retrieved from <https://www.gov.uk/submitting-additional-evidence-to-the-regulatory-policy-committee>
  109. BIS. (n.d.). Focus on Enforcement. Retrieved September 10, 2015, from <http://discuss.bis.gov.uk/focusonenforcement/business-focus-on-enforcement-2/>
  110. BIS. (n.d.). National Farmers' Union's BfOE Review. Retrieved September 10, 2015, from <http://discuss.bis.gov.uk/focusonenforcement/business-focus-on-enforcement-2/business-focus-on-enforcement-national-farmers-unions-review/>
  111. BIS. (n.d.). Fresh Produce Consortium's BfOE Review. Retrieved September 10, 2015, from <http://discuss.bis.gov.uk/focusonenforcement/business-focus-on-enforcement-2/business-focus-on-enforcement-fresh-produce-consortiums-review/>
  112. Martin, D. (2011). George Osborne's Institute of Directors speech in full. Retrieved September 10, 2015, from <http://www.businesszone.co.uk/deep-dive/future/george-osbornes-institute-of-directors-speech-in-full>
  113. Department of Health. (n.d.). Public Health Responsibility Deal (webpage). <https://responsibilitydeal.dh.gov.uk/>
  114. Sarah Boseley, (2010, March 14). New drink code shunned by six key health bodies. *The Guardian*. Retrieved from <http://www.theguardian.com/society/2011/mar/14/drink-code-shunned-health-bodies>
  115. Department of Health. (2013). Public Health Responsibility Deal - Plenary Group Members. Retrieved September 10, 2015, from <https://responsibilitydeal.dh.gov.uk/plenary-group-members/>
  116. Ramesh, R. (2010, July 12). Food Standards Agency to be abolished by health secretary. *The Guardian*. Retrieved from <http://www.theguardian.com/politics/2010/jul/11/food-standards-agency-abolished-health-secretary>
  117. Malam, S., Clegg, S., Kirwan, S., & McGinigal, S. (2009). Comprehension and use of UK nutrition signpost labelling schemes. Retrieved from <http://www.food.gov.uk/multimedia/pdfs/pmpreport.pdf>
  118. Ramesh, R. (2010, July 12). Food Standards Agency to be abolished by health secretary. *The Guardian*. Retrieved from <http://www.theguardian.com/politics/2010/jul/11/food-standards-agency-abolished-health-secretary>
  119. Department of Health. (2013). Final design of consistent nutritional labelling system given green light. Retrieved September 10, 2015, from <https://www.gov.uk/government/news/final-design-of-consistent-nutritional-labelling-system-given-green-light>
  120. Campbell, D. (2011, November 2). MPs deride Lansley's 'nudging' deal with food and drink firms. *The Guardian*. Retrieved from <http://www.theguardian.com/politics/2011/nov/02/mps-deride-lansley-food-and-drink-firms>
  121. MacGregor, G. A., He, F. J., & Pombo-Rodrigues, S. (2015). Food and the responsibility deal: how the salt reduction strategy was derailed. *BMJ*, 350. Retrieved from <http://doi.org/10.1136/bmj.h1936>
  122. Which? (2012). A taste for change? Food companies assessed for action to enable healthier choices. Retrieved from <http://www.which.co.uk/documents/pdf/a-taste-for-change---which-briefing---responsibility-deal-305379.pdf>
  123. Knai, C. et al. (August 2015.) Are the Public Health Responsibility Deal alcohol pledges likely to improve public health? An evidence synthesis. *Addiction* 110(8), 1232-1246.
  124. Ibid.
  125. Gornall, J. (2015). Sugar's web of influence 3: Why the responsibility deal is a 'dead duck' for sugar reduction. *BMJ*, 350. Retrieved from <http://doi.org/10.1136/bmj.h219>
  126. Ibid.
  127. Dobbs, R., Sawers, C., Thompson, F., Manyika, J., Woetzel, J., Child, P., ... Spatharou, A. (2014). Overcoming

- obesity: An initial economic analysis. Retrieved from [http://www.mckinsey.com/~media/McKinsey/dotcom/Insights/EconomicStudies/How\\_the\\_world\\_could\\_better\\_fight\\_obesity/MGI\\_Overcoming\\_obesity\\_Full\\_report.ashx](http://www.mckinsey.com/~media/McKinsey/dotcom/Insights/EconomicStudies/How_the_world_could_better_fight_obesity/MGI_Overcoming_obesity_Full_report.ashx)
128. Hughes, D. (2011, March 20). Can the government's 'responsibility deal' work? BBC. Retrieved from <http://www.bbc.co.uk/news/health-12776161>
  129. BBC News website. (2012, February 1.) Government offers NHS Bill concessions. Retrieved from <http://www.bbc.co.uk/news/uk-politics-16811056>
  130. Wilkes, G. (2015, May 22). Steve Hilton: The Tory guru out of step with political realities. Financial Times. Downloadable from <http://www.ft.com/cms/s/0/94ba1a62-ffc3-11e4-bc30-00144feabdc0.html#axzz3ioIXQOXG>
  131. Business Taskforce. (2013). Cut EU red tape-- Report from the Business Taskforce, (October), 1–60. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/249969/TaskForce-report-15-October.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/249969/TaskForce-report-15-October.pdf)
  132. BBC. (2007, March 23). Guide to the best euomyths. BBC. Retrieved from <http://news.bbc.co.uk/1/hi/world/europe/6481969.stm>
  133. Traynor, I., & Neslen, A. (2014, October 12). Bonfire of red tape proposed in "bid to keep Britain in EU." The Guardian. Retrieved from <http://www.theguardian.com/world/2014/oct/12/eu-business-deregulation-concern-worker-rights>
  134. Barker, A. (2014, October 14). Stoiber moots plan to exempt micro-businesses from EU rules. Financial Times. Retrieved from <http://www.ft.com/cms/s/0/f18632ce-53a2-11e4-929b-00144feab7de.html?siteedition=uk#axzz3j4x9EpKo>
  135. European Commission. (2007). COMMISSION DECISION of 31 August 2007 setting up the High Level Group of Independent Stakeholders on Administrative Burdens. Retrieved from [http://ec.europa.eu/smart-regulation/refit/admin\\_burden/docs/enterprise/files/hlg2007\\_ab\\_en.pdf](http://ec.europa.eu/smart-regulation/refit/admin_burden/docs/enterprise/files/hlg2007_ab_en.pdf)
  136. Barker, A. (2014, October 14). Stoiber moots plan to exempt micro-businesses from EU rules. Financial Times. Retrieved from <http://www.ft.com/cms/s/0/f18632ce-53a2-11e4-929b-00144feab7de.html?siteedition=uk#axzz3j4x9EpKo>
  137. Traynor, I., & Neslen, A. (2014, October 12). Bonfire of red tape proposed in "bid to keep Britain in EU." The Guardian. Retrieved from <http://www.theguardian.com/world/2014/oct/12/eu-business-deregulation-concern-worker-rights>
  138. Kosinska, M., Murray, J., Møller, H. R., & Renshaw, N. (2014). Dissenting Opinion to Final Report of High Level Group on Administrative Burdens. Retrieved from [http://ec.europa.eu/smart-regulation/refit/admin\\_burden/docs/annex\\_12\\_en\\_hlg\\_ab\\_dissenting\\_opinion.pdf](http://ec.europa.eu/smart-regulation/refit/admin_burden/docs/annex_12_en_hlg_ab_dissenting_opinion.pdf)
  139. Neslen, A. (2014, December 16). EU backs down on plans to axe waste and air quality directives. The Guardian. Retrieved from <http://www.theguardian.com/environment/2014/dec/16/eu-backs-down-on-plans-to-axe-waste-and-air-quality-directives>
  140. Regulatory Policy Committee. (2015.) Minutes of February 2015 RPC meeting. Retrieved from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/414018/February\\_2015\\_Committee\\_meeting\\_minutes.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414018/February_2015_Committee_meeting_minutes.pdf)
  141. European Commission. (2015). Decision Of The President Of The European Commission on the establishment of an independent Regulatory Scrutiny Board. Retrieved from [http://ec.europa.eu/smart-regulation/better\\_regulation/documents/c\\_2015\\_3263\\_en.pdf](http://ec.europa.eu/smart-regulation/better_regulation/documents/c_2015_3263_en.pdf)
  142. European Commission. (2015). Better regulation for better results - An EU agenda. Retrieved from [http://ec.europa.eu/smart-regulation/better\\_regulation/documents/com\\_2015\\_215\\_en.pdf](http://ec.europa.eu/smart-regulation/better_regulation/documents/com_2015_215_en.pdf)
  143. Better Regulation Watchdog. (2015). Better Regulation Watchdog: Founding Statement. Retrieved from [http://www.betterregwatch.eu/BRWN\\_Founding\\_Statement\\_and\\_Members.pdf](http://www.betterregwatch.eu/BRWN_Founding_Statement_and_Members.pdf)



Thanks to: Gabriel Bristow, Pieter Depous, Lisa Duvar, Greg Ford, Jannat Hossein, Robin McAlpine, Donal McCarthy and Joost Mulder, Annie Quick and Chris Williams.

**Written by:** Christine Berry and Stephen Devlin

**Edited by:** Mary Murphy

**Designed by:** Tom Fincham

**Cover image:** UK Parliament via Flickr

**New Economics Foundation**

[www.neweconomics.org](http://www.neweconomics.org)

[info@neweconomics.org](mailto:info@neweconomics.org)

+44 (0)20 7820 6300

@NEF



Registered charity number 1055254

© October 2015 New Economics Foundation

ISBN - 978-1-908506-91-7



This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Unported License.  
To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/3.0/> and [www.neweconomics.org/publications](http://www.neweconomics.org/publications)