



PENN PROGRAM ON REGULATION

Planning for Excellence: Insights from an International Review of Regulators' Strategic Plans

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Executive Summary

What constitutes regulatory excellence? Answering this question is an indispensable first step toward emulating, measuring, and, ultimately, achieving regulatory excellence. One useful way to answer the question would be to draw on the broader literature on regulatory design, enforcement, and management. But perhaps a more authentic way would be to look at how regulators themselves define excellence. In fact, we know remarkably little about how the regulatory officials who are actually immersed in the task of regulation conceive of success, yet their viewpoints certainly merit consideration as well when seeking to define regulatory excellence.

In this paper, we investigate regulators' definitions of regulatory excellence by drawing on a unique source of data that provides an important window on regulators' own aspirations: their strategic plans. Strategic plans have been required or voluntarily undertaken for the past decade or longer by regulators around the globe. In these plans, regulators offer mission statements, strategic goals, and measurable and achievable outcomes, all of which provide indicia of what regulators value and what they are striving to become. Occasionally, they even state explicitly where they have fallen short of "world-class" status and how they intend to improve. To date, a voluminous literature exists examining agency practices in strategic planning, but we are aware of no study that tries to glean from the substance of a sizeable number of plans how regulators themselves construe regulatory excellence. The main task of this paper is making just this effort.

In selecting plans, we deliberately aimed for a degree of diversity on a variety of dimensions, including the country of origin, regulatory structure, and the subject

matter. We emphasized diversity because a broad sample of plans promised the richest exploration of regulatory excellence and avoided the danger of extracting parochial conceptions of regulatory excellence. By examining a broad range of plans, we could also be more confident that core features of regulatory excellence were not overlooked entirely. To this end, the paper draws on 20 plans from different regulators in nine countries. Most, but not all, of these plans are in the English language, and most, but not all, are focused on energy regulation, broadly construed.

From this sample of 20 plans, we grouped statements made by the agencies and themes implicit in their plans, eventually uncovering 7 major categories of attributes of excellence, with a total of 24 distinct attributes within them. We found most generally that *excellent regulators are ones that are more (1) efficient, (2) educative, (3) multiplicative, (4) proportional, (5) vital, (6) just, and (7) honest.*

Statements fitting these categories of attributes and sub-attributes were generally found in at least several, and, in some cases, nearly all plans. For example, most agencies identified honesty as a key component of excellence—and they further defined it as embodying clarity (transparency and comprehensibility of rules, guidance, citation/penalty documents, etc.), independence (avoiding capture by special interests), and forthrightness (commitment to explaining the evidentiary and political bases for its decisions).

In addition to the seven shared categories of attributes, our reading of the plans also revealed seven other “unusual” attributes that only one or two agencies mentioned, but which we thought might be worth considering or emulating. For instance, we found that a small number of plans emphasized safeguarding information and data, empowering others to make smarter choices, and engaging the next generation in regulatory policy through outreach and education.

Beyond merely cataloguing the attributes identified by agencies, the paper also discusses commonalities (and differences) between plan structures, emphases, and framings. We found that the plans differed widely in features such as the specificity of their mission statements, the extent to which they emphasized actions over outcomes (or vice versa), or the extent to which commitments were organized along organizational fiefdoms or cross-cutting lines. Although the main purpose of the analysis was to glean agencies’ notions of regulatory excellence from the substance of their strategic plans, we found it helpful to consider these characteristics of the plans themselves to help interpret, process, and understand the main findings in the paper.

We urge future scholarship to explore alternative methods of text mining, and to study strategic plans over time, within agencies, to track how agencies’ notions of regulatory excellence respond to changes in the regulatory context and the larger circumstances within which agencies operate, as well as how agencies handle quantitative goals that are either met or that prove to be unattainable.