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Breakout Session C1: International Regulatory Co-operation

Comment as moderator:

The speakers highlighted "standards" as a significant area of international regulatory co-operation. Cross-border work on standards dates from early in the 19th century as part of an agenda to improve safety at sea through universal adoption of a standard of longitude (eventually, Greenwich) and a standard of measurement (the meter). This enterprise also focused on how to collect statistics in uniform ways. Already at the time, risk reduction, transparency and trade facilitation – to use our contemporary terminology – were drivers. Underlying this effort was a belief in the universal applicability of science as an objective and neutral way to provide solutions to practical problems, and the assumption that trade reduces conflict. Perhaps for historical reasons, more progress has been made toward harmonised standards for maritime trade (the high seas being international; the cost of and public sensitivity to shipwrecks; the role of insurance; etc.)., and by implication for aviation, than for land transport (the cross-border movement of which remains hugely complex from a regulatory burdens point of view).

There are different national and sectoral approaches to how standards are developed, as the above examples from transport reveal, and as everyday life confirms when using an electrical appliance in the UK, on the continent, in the US, or in Australia. Decisions taken early on concerning a technological option can generate path-dependency and lock-in, emphasizing the critical need to address standards early, before the costs of adjustment become significant. The cost of converting existing systems may still be reasonable in the long run, as the example of Sweden's conversion from right to left-hand driving shows.

Small jurisdictions may have stronger incentives to harmonise than large ones with big internal markets. How small and large states negotiate on standards and other regulatory issues remains largely un-studied. At the very least, there needs to be a common language.

Three questions for discussion and further analysis:

1) How to assure compliance and monitoring behind borders;
2) How to handle systemic risk through international regulatory co-operation for health (infectious disease), intellectual property rights (counterfeighting), and
3) How to unleash innovation for green growth.