

# IMPROVING RISK REGULATION: FROM CRISIS RESPONSE TO LEARNING AND INNOVATION

International Conference · 13 - 14 October 2014 · Paris

This conference will identify, evaluate and discuss the relevance and effectiveness of regulatory instruments for improving risk governance, both as they result from responding to and learning from crises, and as deliberate innovations in how regulatory power is exercised and shared.

## Day 1 - Mon, 13 October

### Recalibrating risk: Crises, perceptions and regulatory change

The first day of the conference – organised by the Duke University program on Rethinking Regulation, and its project on “Recalibrating Risk: Crises, Perceptions and Regulatory Change” – will examine how crisis events spur diverse types of regulatory responses, including tightening standards, reorganising government bodies, delegating to non-state actors, and others. Examining a number of case studies from oil spills, nuclear accidents and financial crashes, presentations will consider changes in perceptions, culture, regulatory institutions, innovation, and the characteristics of effective (or ineffective) regulation.

#### ORGANISERS

- **IRGC**, International Risk Governance Council  
[www.irgc.org](http://www.irgc.org)
- **OECD**, Public Governance and Territorial Development Directorate, Regulatory Policy Division  
[www.oecd.org/regreform/regulatory-policy/](http://www.oecd.org/regreform/regulatory-policy/)
- **Rethinking Regulation program** at The Kenan Institute for Ethics, Duke University; Project Recalibrating Risk  
<http://kenan.ethics.duke.edu/regulation/>

#### CONTACT

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## Day 2 - Tue, 14 October

### Innovation in risk regulation: Improving regulatory relevance and effectiveness for better risk governance

The second day will focus on the contribution of new forms of regulatory instruments that can improve regulation of risk governance. It will discuss:

- Insights from behavioural science to inform better risk policies and regulation
- Managing uncertainty over the life cycle of drug development and use: Introducing adaptability and flexibility in pharmaceuticals regulation
- The role of non-government actors in regulating risk (e.g. via co-regulation, self-regulation, standard setting) across different sectors

#### AUDIENCE

Practitioners of risk governance and regulation from private, public and academic organisations interested in sharing knowledge and enhancing their understanding of crisis and new forms of risk regulation.

#### VENUE

OECD Conference Centre, Paris, France

#### MORE INFORMATION AND REGISTRATION

[www.irgc.org/event/annual-conference-2014/](http://www.irgc.org/event/annual-conference-2014/)

## PROGRAMME OVERVIEW

### Day 1 – Monday, 13 October

#### Recalibrating Risk: Crises, Perceptions and Regulatory Change

The first day of the conference – organised by the Duke University program on Rethinking Regulation, and its project on “Recalibrating Risk: Crises, Perceptions and Regulatory Change” – will examine how crisis events spur diverse types of regulatory responses, including tightening standards, reorganising government bodies, delegating to non-state actors, and others. Examining a number of case studies from oil spills, nuclear accidents and financial crashes, presentations will consider changes in perceptions, culture, regulatory institutions, innovation, and the characteristics of effective (or ineffective) regulation.

08:00 – 09:00 **Registration**

*Please note: Arrive early; allow for at least 30 minutes for the OECD accreditation procedure.*

#### Session 1.1

09:00 - 09:30 **Welcome and Introduction**

This session will introduce the overall Recalibrating Risk project to study how crises influence subsequent regulatory change, and how regulatory systems can be designed to learn and respond better to crises.

- (tbc) Luiz de Mello, OECD, Directorate on Public Governance and Territorial Development
- Jose-Mariano Gago, IST and IRGC Foundation Board
- Jonathan Wiener, Duke University and IRGC Scientific and Technical Council

#### Session 1.2

09:30 - 11:00 **Crises and regulatory change: Conceptual frameworks**

This session will address the key questions of the Recalibrating Risk research project, including: How do events become framed and understood as crises? When are incidents perceived as ordinary; or as unusual but just unlucky; or as marking a new state of the world that demands action? How do crises influence public and expert perceptions? How do crises influence regulatory change – both its likelihood and its type (e.g. tighter standards, higher penalties, splitting up regulatory bodies, combining regulatory bodies, delegating to non-state actors, etc.)? Why do different types of regulatory change arise after different crises? How (un)successful are regulatory changes arising from crises (including regarding effectiveness, cost, and side effects)? How can regulatory systems be better designed to learn from crises and adopt more successful responses in the future?

Moderator: Jonathan Wiener, Duke University and IRGC Scientific and Technical Council

Speakers:

- Edward Balleisen, Duke University
- Elke Weber, Columbia University
- Lori Bennear, Duke University
- Donald Macrae, Independent policy and regulation consultant

11:00 - 11:30 **Coffee break**

### Session 1.3

#### 11:30 - 13:00 **Crisis case studies: Energy crises – oil spills and nuclear accidents**

This session will examine key case studies of crisis events and regulatory change in the energy sector: Oil spills in Europe and the USA from the 1970s to the present (including Amoco Cadiz, Exxon Valdez, and BP Deepwater Horizon); and nuclear power accidents in Europe, the USA and Japan from the 1970s to the present (including Three Mile Island 1979, Chernobyl 1986, and Fukushima 2011).

Moderator: Lori Bennear, Duke University

Speakers:

- Ortwin Renn, University of Stuttgart and IRGC Scientific and Technical Council
- Elisabeth Paté-Cornell, Stanford University
- Marc Eisner, Wesleyan University
- (tbc) Thierry Dujardin, OECD Nuclear Energy Agency

13:00 - 14:30 **Lunch**

### Session 1.4

#### 14:30 - 16:00 **Crisis case studies: Financial crashes**

This session will examine key case studies of crisis events and regulatory change in financial markets, from the Great Depression of the 1930s to the global financial crisis since 2008.

Moderator: Kimberly Krawiec, Duke University

Speakers:

- Kimberly Krawiec, Duke University
- Youssef Cassis, European University Institute
- Adrian Blundell-Wignall, OECD, Directorate for Financial and Enterprise Affairs
- Michel Maila, Global Risk Institute

16:00 - 16:30 **Coffee break**

### Session 1.5

#### 16:30 - 18:00 **Crises, regulatory change, and learning to improve regulation**

This session will be a roundtable that brings together key findings, themes and insights from the preceding sessions. How do crises influence the types of regulatory change? How successful are these regulatory responses? How can we improve the design of regulatory systems to make them more successful at learning from crises and at developing better regulatory responses? Are there specific institutional mechanisms that can be studied and borrowed across issue areas and across countries (e.g., independent inquiry commissions)?

Moderator: Edward Balleisen, Duke University

Speakers:

- (tbc) Tjibbe Joustra, Dutch Safety Board
- Stephane Jacobzone, OECD High Level Risk Forum

Panellists:

- Nick Malyshev, OECD, Regulatory Policy Division
- Lori Bennear, Duke University
- Kimberly Krawiec, Duke University
- Jonathan Wiener, Duke University and IRGC Scientific and Technical Council

Discussion with the audience

This session will be followed by a cocktail reception for all participants.

## Day 2 – Tuesday, 14 October

### **Innovation in risk regulation: Improving regulatory design for more relevant and effective risk governance**

The second day will focus on the contribution of new forms of regulatory instruments that can improve regulation of risk governance. It will discuss: (1) Insights from behavioural science to inform better risk policies and regulation, (2) Managing uncertainty over the life cycle of drug development and use: Introducing adaptability and flexibility in pharmaceuticals regulation, and (3) The role of non-government actors in regulating risk (e.g. via co-regulation, self-regulation, standard setting) across different sectors.

#### **Session 2.1**

##### **8:30 - 9:00 Introduction**

- Welcome  
Nick Malyshev, OECD, Regulatory Policy Division  
Philippe Gillet, EPFL and IRGC
- Colin Scott, University College Dublin

#### **Session 2.2**

##### **9:00 - 10:30 How behavioural economics and science can provide insights and inform better risk policies and regulation**

Insights from behavioural economics are nowadays at the forefront of regulatory policy and governance, for improving the design of regulation and providing more effective outcome. The key is in working to understand how people behave in reality, without simply assuming that they behave according to pre-established economic and political theories. This session will explore how behavioral sciences can inform the design of more robust risk regulation and policies. It will elaborate from experiences in the health sector, but focus in particular on consumer behaviour in the context of energy transition in Europe.

Moderator: Faisal Naru, OECD, Regulatory Policy Division

Speakers:

- Faisal Naru, OECD, Regulatory Policy Division
- (tbc) Paul Hodson, European Commission, DG Energy
- Andrew Burgess, OFGEM (UK)
- Wandí Bruine de Bruin, Leeds University

##### **10:30 - 11:00 Coffee break**

#### **Session 2.3**

##### **11:00 - 12:30 Managing uncertainty over the life cycle of drug development and use: Introducing adaptability and flexibility in regulation of pharmaceuticals**

This session will speak to the topic of risk regulation in sectors marked by rapidly evolving and emerging technologies. In these sectors, regulation is intended to ensure that only safe (for users and the environment) and effective products and technologies of appropriate quality are brought to market or deployed on large scale. But risk regulation must be achieved in a proportionate and balanced way to allow society gain the benefits of innovation. The case of adaptive and flexible risk regulation will be discussed for pharmaceuticals.

Moderator: Ken Oye, MIT and IRGC Scientific and Technical Council

Introduction: Mark Pearson, OECD, Health Division, Directorate for Employment, Labour and Social Affairs

Speakers:

- Hans-Georg Eichler, European Medicines Agency
- Theresa Mullin, US FDA
- Tony Hoos, GlaxoSmithKline, European Affairs
- Ken Oye, MIT and IRGC Scientific and Technical Council

12:30 - 13:30 **Lunch**

#### **Session 2.4**

13:30 - 15:00 **What is and can be the role of non-government actors in regulating risk (e.g. via co-regulation, self-regulation, standard setting) across different sectors (e.g. chemical industry, energy efficiency, drug licensing)**

Non-governmental actors, especially those affiliated—whether directly or indirectly—with the business community, can be involved in delivering or fostering positive regulatory outcomes in risk regulation. There is a variety of economic and civil society actors that contribute to the information gathering and voluntary standard setting, and thus act to modify the behaviour of specific economic actors, in complementarity to or sometimes in place of government regulation. For example, some sectors have found that self-regulation (as the decision of an individual firm, industry or market to set its own standards and enforce them) is useful to control their own activity. Public-private regulatory governance includes rule-making and oversight mechanisms.

Moderator: Nick Malyshev, OECD, Regulatory Policy Division

Speakers:

- Fabrizio Cafaggi, European University Institute
- Terry F. Yosie, World Environment Center
- Kevin McKinley, ISO
- (tbc) William Magwood, OECD Nuclear Energy Agency

15:00 - 15:15 **Coffee break**

#### **Session 2.5**

15:15 - 16:30 **Risk regulation to support technological innovation**

This policy session will debate about how to improve regulation of risk in order that innovation is enhanced. In the field of new technologies for example, it is essential to address potential emerging risks without discouraging healthy risk taking and stifling innovative activities. There are effective ways to manage risk without constraining innovation that this session will discuss, including prevention and mitigation of attendant risks, liability issues, provision of appropriate incentives and development of regulatory environments that provide stability as well as flexibility and adaptability.

Moderator: Granger Morgan, CMU and IRGC Scientific and Technical Council

Introduction: Granger Morgan, CMU and IRGC Scientific and Technical Council

Panellists:

- Richard Meads, European Risk Forum
- (tbc) OECD, Directorate for Science, Technology and Industry

Discussion with the audience