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PS 322

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25 March 2020

Enforcement Strategy Essay

Regulation is a very complex, detailed, and sensitive task to complete because every target is different and attempting to achieve different goals or tasks. If I were asked to give 5 key ideas on inspecting plans, I would give the targets performance standards that they should implement, set up areas for detection, enforce these standards through means of deterrence, asses compliance, and modify the inspecting plan.

For standards, I would implement performance standards first. The least amount of standards necessary to check level of compliance will be used in order to better measure compliance because as found in one study, "The transformations we advocate involve: (a) opting for standards that are simple and few in number" (J Braithwaite and V Braithwaite 336). These standards should be made clear and able to understand in the eyes of the targets. The target can assess themselves first and report this information to the regulators that will later inspect levels of compliance themselves. This is known as self-regulation as defined by Coglianese and Mendelson as "when the regulator issues command that apply to itself…we can describe the regulatory approach as one of self-regulation" (Coglianese and Mendelson 7).

Next, I would set up areas for detection. These would include audits, call centers, fire alarms, watch towers, etc. Inspections and other areas of detection will help confirm the accuracy of self-reported data, establishing the relationship between compliance and attainment of agency goals. Inspections would be done with high levels of intensity in areas that are known to have

low levels of compliance and with low levels of intensity in areas that are known to have high levels of compliance. Inspections will be regularly conducted periodically and also conducted "for cause".

These standards will better encourage compliance if they are enforced. These standards would be enforced through means of deterrence. As explained in Impact, "scholarship divides the factors that influence impact into three general categories. The first is rewards and punishments… Punishments deter, or are supposed to deter" (Friedman 5). This book further explains that the threat of punishment itself is what deters wrong behavior more. Additionally, ensuring that the target is aware of these standards generally results in a higher level of compliance.

Once standards are set up and enforced to the targets, compliance will be assessed. Using the standards, regulators inspect the target. Areas that the standards are set up to regulate will again be inspected according to how likely they are to be followed. The standards that the target fails to comply with, will be reported to the target. Those that are less severe will be given a warning or small fine whereas more severe or dangerous forms of non-compliance will be given heavier fines or will result in licenses being removed. In inspecting the target, it is important to attempt to build as much trust between the regulator and target in order to more accurately measure compliance. Cooperation in auditing practices "reveals several social factors that influence auditors' decisions" (Short et al. 1894). This phenomenon is examined in a study of the bullwhip effect: "affective trust also influences the development of the technical company's competence" (Kaibara de Almeida et al. 510). Findings from these inspections can be shared with other institutions within the supply chain in order to lessen the information gap for third parties and better induce compliance in the future through smart regulation.

Based on how much compliance the target achieves, the standards and ways in which compliance is assessed will be modified, the last step. If multiple performance standards were observed over a period of time of a target being regulated, levels of compliance for different performance standards will be reviewed and those with the highest levels of compliance, if consistently reached, will become a design standard used in the future. Levels of intensity for inspection will change according to trends in how much compliance there is with different standards. Additionally, if certain standards are not complied with but can be prevented by installing or implementing some sort of pre-emptive measure, this will be made known to the target. This is a sort of meta-regulation in that "ways that outside regulators deliberately…seek to induce targets to develop their own internal, self-regulatory responses to public problems" (Coglianese and Mendelson 7).

Overall, there are multiple variations in how regulators can go about inspecting a business. Above, I have laid out what I would choose to be my five step inspection plan: implementing performance standards, setting up areas for detection, enforcing these standards by means of deterrence, assessing levels of compliance, and finally modifying this process to encourage higher levels of compliance in the future.

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