Engineering the Competition Agency of the Future: Perspectives from the FTC Self-Study

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FTC at 100 Self Study: Origins

• Extraordinary Era of Institutional Innovation
  – Development of new systems
  – Reform of existing systems (feedback effect)
  – Own observations

• 31 March 2008
  – Expiry date: About 20 January 2009
  – Best-if-used-by-date: 4 November 2008

• What to Do in 10 Months? Academic Model
Policymaking Environment

• Physics Eclipses Engineering
• Incentives for Leaders: “Consume” (Sue) Rather than Invest
• Dynamism Requires Upgrades/Experiments
  – Commercial phenomena
  – State of knowledge (e.g., economics)
  – Political upheaval
  – Result: imperative for institutional improvements
Positive Trend: Increasing Emphasis on Institutional Design & Implementation

• Recognition that Institutional Arrangements Deeply Influence Substantive Policy Results

• Example: More Focus on Operational Issues in International Organizations and Seminars
  – OECD, ICN, Fordham Workshop
  – How do you actually do it?
Redefinition of What Constitutes a “Good” Competition Agency?

- Recognizes that Institutions are Conduits through which Policy Content Flows
  - Effectiveness in many ways is a function of good administrative technique
- Emphasizes Capital Investments Whose Benefits Extend Well into the Future
- Commits Itslef to Reassessment and Renewal
Overview

• Characteristics of Good Practice
• Some Implications for ICN and Other International Organizations
• Caveat: Personal Views
Clear Definition of Aims

• Defining the Agency’s Purpose: Everything Starts With Clear Statement of Aims
  – Internally (Long term view or Martin Lukes?)
  – Externally: Value of regular consultation

• Need for Continuing Restatement Light of New Conditions
  – Example: Financial crisis

• Links Between Aims, Programs, Results
Conscious Plan to Set Strategy

• Leadership Dilemma: “I Am So Busy That I Have No Time To Think, Much Less to Plan”

• Which Outlays Will Yield the Best Returns
  – For discretionary duties and mandates (reassess?)

• Portfolio Model: Risks and Returns
  – Doctrinal difficulty and resource implications
  – Accumulating and spending political capital

• Match Commitments to Capabilities
  – What cost, how long, who will do it?
From Case-Centric Orientation to Problem Solving

• Traditional Focus: Cases and Big Cases
  – Take-offs vs. landings
  – Underinvestment in long-term capability

• Emerging View: How Best to Solve Problems?
  – Strategies that use mix of enforcement, advocacy, education, guidelines, self-regulation, studies
  – Value of flexible portfolio of policy instruments
  – Teaching staff to be attentive to range of solutions
Internal Quality Control

• Independent Assessments by Different Operating Units
• Devil’s Advocates and Scrutiny Panels
Investments in Building and Retaining Knowledge

• “Research and Development” Budget
  – Data collection and studies

• External Consultations: Hearings, Workshops
  – Early identification of trends
  – Connection with major external constituencies

• Partnerships with Academic Research Centers
Acquiring/Retaining Human Capital

- Links to Academic Community
- Individual Professional Development
- Information Management
  - Institutional memory
  - Electronic data sets
  - Capital budget: Investments in technology
Networks With Other Public Bodies at Home and Abroad

• Importance of Collateral Institutions: Sources and Solutions of Problems
• Problem Solving: Minimizing conflicts
• Synergies and Productivity Enhancements
  – Absorbing knowhow and benchmarking
  – Addressing common needs: e.g., training
  – Joint work on program development
Communication and Education

• Is an Agency Effective Only When the Media and Commentators Say It Is?
• Education and Marketing
  – Traditional means
  – New media
Evaluation: Programs and Processes

• What Worked and What Did Not
• Increasing Importance of Assessing
  – Program outputs
  – Operations: e.g., measuring speed of activity
• Means
  – Internal assessment
  – Consultation with external experts
  – Peer review
Custom of Periodic Assessment

• Cumulative Nature of Policy Development
• Advantage of Superior Regulatory Design
  – Need for upgrades in statutes, organization?
• Respond to New Learning, Industry Trends
• Maintaining and Disclosing Data Sets on
  – Program activities: e.g., cases
  – Operational effectiveness

- Well-Specified, Clearly-Communicated Goals?
- Careful Attention to Setting Strategy?
- Problem Solving Orientation?
- Internal Quality Control?
- Capital Investments in Knowledge, Networks, and Physical Infrastructure?
- Evaluation, Periodic Assessment, Adaptation?
Future of ICN and Other Bodies

• More Attention to Operational Issues
• Foster Norms for Leaders
  – Positive externalities for future agency leaders
  – Self-assessment and public discussion
• Capture Know-How (e.g., Histories)
• The Competition Worth Having