

RESEARCH SUMMARY

Census of Regulatory Restrictions

The Mercatus Center’s RegData database makes it possible not only to measure regulations within a jurisdiction but also to compare regulations between jurisdictions, both national and subnational. In “Census of Regulatory Restrictions,” Kofi Ampaabeng, Patrick McLaughlin, and Thurston Powers use RegData to compare the regulatory landscapes of the United States, Canada, and Australia, as well as their states and provinces. They address the volume of regulations, the complexity of regulations, the industries affected by regulations, and (in the case of the United States) the agencies that issue them.

ASSESSING THE REGULATORY BURDEN IN A JURISDICTION

Because the accumulation of regulations slows economic growth over time, policymakers have sought to reduce red tape in their jurisdictions. But before RegData, analysis of the regulatory burden relied on crude measures, such as page counts or the number of regulations. RegData quantifies regulatory restrictions by counting the number of restrictions within the regulatory text, providing a superior way to address such questions as

- How many regulations are there in a jurisdiction?
- What industries do they affect?
- Which agencies promulgate the most regulations?
- How easy is it to understand and comply with regulations?

COMPARISONS ACROSS JURISDICTIONS: THE UNITED STATES, CANADA, AND AUSTRALIA

RegData’s use of a common methodology to measure regulations across multiple jurisdictions makes it possible to compare regulations in an objective manner. “Census of Regulatory Restrictions” uses RegData to examine the regulatory landscapes—the broad patterns in the nature and growth of restrictions, the regulators, and the regulated industries—of the United States, Canada, and Australia.

Regulations across these three large English-speaking countries take quite different tracks:

- Within the past two decades, the United States has reduced the volume of regulations only once, in 2019. This trend compares unfavorably to trends in both Australia and Canada.
- Although Canadian restrictions fluctuate, in the United States and Australia they only increase year on year.
- In the United States, a few agencies dominate in terms of the number of restrictions issued.

- Major events such as financial crises, court rulings, and new laws that arise can cause dramatic changes in the trajectory of regulations for an industry or from an agency.
- US states impose fewer regulatory restrictions than their Canadian counterparts (provinces).
- US federal regulations are generally more complex than Australian and Canadian regulations.

THREE AREAS THAT REQUIRE FURTHER DETAILED RESEARCH

The following areas require further research:

- Digging deeper into the structure of regulatory agencies and how the structure affects the number and nature of regulations
- Exploring further the relationships between regulations and other economic indicators
- Examining the combined effects of state and federal restrictions on economic outcomes