

# 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 Itself 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

# Suggested Agency Report Card: What Is Good Administrative Practice?

- 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