

# Government-Sponsored Voluntary Regulation

Recommendations made by Dr. Chris Decker and Professor Christopher Hodges about legislation surrounding Government-Sponsored Voluntary Regulation (GSVR) have been adopted by the government, as announced in the Autumn Statement on the 3<sup>rd</sup> December 2014.



Government-Sponsored Voluntary Regulation (GSVR) has grown significantly in recent years and seems to have had an important economic impact on businesses. GSVR is often referred to as ‘pledges’ made between businesses and the government. Examples include reducing fat content or salt levels in food and reducing the use of plastic bags. Other policy areas where GSVR has been introduced include in relation to: the environment and sustainability; public health; employment and skills; pricing, trading policy and social policy. Some businesses’ reputations may be affected by media comments about their compliance or non-compliance with GSVR even though GSVR pledges are non-legal rules.

In 2014 Dr Chris Decker and Professor Christopher Hodges were contracted by the British Retail Consortium to carry out a study on GSVR given their research expertise in this area. In their report, Dr Decker and Professor Hodges recommended that the process for introducing GSVR

should be evaluated in the same way as formal legislative regulation. This might include formal measures such as Impact Assessment, and the consideration of any proposals by the Regulatory Policy Committee (the RPC). Decker and Hodges discussed this issue with the Better Regulation Executive and were asked to present their report to the Regulatory Policy Committee. Dr Decker also recently presented their findings at the London School of Economics. They are currently in the process of writing an article on the topic.

On the 3<sup>rd</sup> of December 2014, the Chancellor delivered his Autumn Statement which announced that GSVR will now be subject to the regulatory impact process. Dr Decker and Professor Hodges’ key recommendation to evaluate Government-Sponsored Voluntary Regulation in the same way as other types of regulation has basically been adopted by the government with considerable speed. This has a significant potential impact both on businesses and the economy.

You can read Dr Decker and Professor Hodges report and the British Retail Consortium’s paper about GSVR here: [http://www.brc.org.uk/brc\\_policy\\_master.asp?id=707&spolicy=VOLUNTARY+REGULATION](http://www.brc.org.uk/brc_policy_master.asp?id=707&spolicy=VOLUNTARY+REGULATION)