REGULATORY IMPROVEMENT INDEX

This ranking emerged in the absence of a diagnosis that would evaluate the quality in state legislation’s regulatory improvement. For that reason, CIDAC created an index that measures the adherence of Mexican state laws to the best government principles and practices in terms of regulatory improvement. Entities, depending on the degree of complexity that their normative structures present, were classified with the following range of unit values: minimum, low, medium and high.

![Ranking Table]

In order to recognise which path regulatory improvement in Mexico should follow, a battery of basic indicators was established, based on the following data:
• The seven OECD governing principles in regulatory improvement.
• OECD documents that include a series of guidelines and recommendations regarding the matter.
• The best international practices to determine the right track from recommendation to implementation (legislation of Canada, the United Kingdom and Australia was evaluated).
• Mexican Federal legislation (to ensure that what’s sought at local level is consistent with domestic laws).

Thirty indicators were generated in order to evaluate the two types of rules assessed. Twelve were made to evaluate laws and eighteen to assess secondary regulations. The 30 indicators were systematized in five main principles, which form the basic structure for the ideal legislation on the matter. The national scenario for each of the 5 principles evaluated to build the ranking is as follows:

**Adopting a regulatory improvement policy at the highest political level:**
• 21 Mexican states have a law that specialises in regulatory improvement.
• The rest of the entities govern this issue using economic regulations, agreements or handbooks.
• Three quarters of states establish laws which recognises the existence of a technical team specialised in regulatory improvement.

**Regulatory impact analysis:**
• 11 legal systems do not provide regulation reviews from the regulated entity’s perspective.
• 11 legal systems do not foresee any sort of mechanism that could be used as a cost-benefit analysis for regulation.
• No state law provides ex-post evaluations.

**Transparency and non-discrimination:**
• Only nine secondary regulations establish a consultation with potentially affected interests.
• More than half of entities (18) do not stipulate effective appeal mechanisms in their legislations.
• In just 8 states is it considered that procedural tools may allow a quick and effective appeal by all parties involved.

**Deregulation:**
• No state law foresees an obligation in carrying periodic evaluations to determine the continuity of a regulation only if its benefits exceed its cost.
• Only 5 states have stipulated in their rules and laws the need to justify deregulation using quantitative methods.
• Guerrero is the only entity which has a law that specifies the need to remove red tape whenever it links with another procedure.
Promoting effective competition:

- Aguascalientes, Guerrero and Tlaxcala are the only states that have legislations that intend to review that public policies do not inhibit economic competition.
- 25 secondary state legislations provide for the obligation to review that public policies do not inhibit economic competition.
- Sinaloa, San Luis Potosí, Durango and Chihuahua laws or regulations do not stipulate that public policies undertaken by their governments should not inhibit economic competition.

This study, in addition to analysing the regulatory framework of each state, also notes the adoption of the fundamental principles of regulatory improvement in procedures that have a fundamental impact in economic development. The analysed proceedings were transparency and information access, authorisation to carry out construction work, licitations, public registry of private property as well as trade and opening of businesses.

It has to be considered that procedure evaluation was not taken into account to determine the grades that appear in the normative ranking. Nevertheless, the administrative burden analysis will allow the reader to contrast between the norm and reality and whether or not there exists an identity.

In the report written in Spanish you can find information at state level as an overview to regulations and procedures. It also contains a basic description about the best practices and areas of opportunity of each entity.
Regarding regulation, Nuevo León was the best positioned state at national level in the law ranking. It obtained a final score of 81 out of a maximum of 100 and, at the same time, is the only state whose secondary regulation obtained the maximum score of 40.

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<td>15 de 15</td>
<td>10 de 10</td>
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<td>al nivel político más alto</td>
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<tr>
<td>2. Análisis de impacto de la regulación</td>
<td>15 de 20</td>
<td>12 de 12</td>
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<td>3. Transparencia y no discriminación</td>
<td>7 de 10</td>
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<td>4. Desregulación</td>
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On the other hand, the state of Oaxaca is at the bottom of the table in the law ranking at national level. The agreement signed with COFEMER (Commission for Regulatory Improvement) is the only specialised legal instrument in the state which deals with regulatory improvement.

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In terms of procedures, Querétaro is placed at the top of the table in the procedure ranking at national level. In this state there exists the intention to compensate legal shortcomings by a properly designed system dealing with administrative burdens.
Baja California Sur is the lowest-ranked state in procedures. It is noteworthy that it is one of the entities where it takes the longer to obtain a construction permit. One example is its capital city, which takes about 92 days to get the procedure through.

About CIDAC
Centro de Investigacion para el Desarrollo A.C. is a non-profit independent think tank devoted to the study and interpretation of Mexican reality and the presentation of viable proposals for the development of Mexico in the medium and long term. It formulates proposals that: contribute to strengthening the rule of law and creating conditions which encourage the economic and social development of Mexico; that enrich public opinion; and that contain the elements necessary to be useful in society's decision-making process.