

Stephen Bornstein

Director, Newfoundland and Labrador Centre for Applied Health Research

Co-Director, *SafetyNet* Research Unit

*The Economics of HSE Regulation: What does the Research Tell Us?*

What does research tell us about the impact of HSE regulatory regimes on economic performance? Are there scientific grounds for concern that stringent regulatory approaches in some countries and regions are imposing undue costs on firms and having a negative impact on national economic development? The overall answer to these questions will be a qualified 'no.'

Relatively little good research has been done on the micro- and macro-economic impacts of regulation. Most of the existing work has focused on environmental regulation rather than on health-and-safety regulation and very little of the research in either subfield has studied the oil and gas sector, let alone the offshore. The findings of the literature on environmental regulation and its impacts is largely inconclusive: some experts claim to find negative impacts, at the firm level, at the industry level, or at the level of national economies, while other researchers claim to see only very weak negative correlations or even positive ones suggesting that stringent regulation is actually good for economic development. The literature on health and safety regulations is much sparser, but its findings are roughly parallel to those on environmental regulations.

All of the work in this field of applied economics involves significant conceptual and methodological difficulties, including the challenge of constructing valid comparative measures of regulatory intensity, especially in the health and safety field. Almost all the studies examined are also weakened by a failure--sometimes acknowledged but most often simply ignored--to factor in the economic and social benefits of HSE regulations alongside their costs.

The presentation will conclude with some suggestions about how research can be better designed in order to generate useful contributions to the important policy debates that are involved.