

Policy tools



Command and control regulation as defined by Michael Raegan(1987) is " a process or activity in which government requires or prescribes certain activities or behavior on the part of individuals or institutions, mostly private but sometimes public, and does so through a continuing administrative process, generally through specially designated regulatory agencies".

There is a history of command and control regulation as a policy instrument of the government in Trinidad and Tobago as evidenced by its placement in 2013 and 2014 budget in relation to the gaming industry. The gaming industry in Trinidad and Tobago is an illegal one, which operates without government regulation. As stated in the 2013 budget Minister Howai " Mr. Speaker we intend to bring the gaming industry under more effective control and capture more fully the revenue that can accrue to the Treasury. The Gaming Industry offers a legitimate form of entertainment if it is properly regulated. It was proposed that effective May 2013 a series of regulations would be put into place to manage the industry until the comprehensive framework and control body was established. In the 2014 budget Minister Howai acknowledged that previous stated policy had not been fully implemented but that vital steps were underway, which included extensive consultations with various stakeholder bodies. According to Finance Minister, the Honorable Larry Howai, a comprehensive governance structure for the industry was developed over the last year.

It will entail the establishment of a Regulatory Commission with the power to license premises, operators, suppliers and key employees. The new legislation will control the operations of what will be referred to as registered casinos. The primary advantage of command and control regulation towards

the gaming industry in Trinidad and Tobago is that being an illegal practice (aside from pool betting halls), government has the legislative upper hand to determine what is to be regulated and how.

Mitnick (1980) explains that a government need not know in advance its subjects preferences as in the case of voluntary instruments and little information is needed to establish the regulation as a result. Government can simply establish a standard and expect compliance (Howlett and Ramesh 2009) making it a highly cost and time efficient tool. Secondly regulation in itself allows for better co-ordination of government efforts and planning because of the predictability it entails (Howlett and Ramesh 2009).

This is tied to the directness and specificity of the nature of command and control regulation. This predictability and directness of the regulation makes it easier and more suitable of an instrument in times of crisis or when an immediate response is needed, as noted by the Minister that the gaming industry is substantial and growing industry with the high prevalence to criminal activity and social ills thus immediate action needs to be taken to arrest the issue before it spirals, while reaping the benefits of increasing revenue at the same time.

Command and control regulation is also more cost efficient than other instruments as well as publicly and politically appealing government's part" (Howlett and Ramesh 2009) Although command and control regulation is cost effective especially when compared to other instruments it is still quite costly, as the cost of enforcement by regulatory bodies may be high due to

further costs of information, investigation and prosecution which make the policy legalistic and adversarial(Hahn and Hind 1991).

Another issue with command and control in the context of the gaming industry in Trinidad and Tobago is that the very nature of the industry is problematic. Private members' clubs, slot machines etcetera which constitute the industry are all illegal activities that have been allowed to flourish without regulation, thus the administration of the regulatory framework is problematic as it needs to gain legitimacy and acceptance by an illegitimate structure.

There has to be total co-operation on the part of all members of the gaming industry in order for regulation to be effective and adhered to. Dyerson and Mueller (1993) also state that regulation is often inflexible and does not offer consideration for individual circumstances, thus a one size fits all regulation of casinos, private members clubs etc does not take into account the size and profitability or extent of gambling taking place.

This may lead to incompliance with the regulatory structure and undermining of the very framework government is trying to cement. A mixed approach to regulation could be used, a good example of which is self regulation, which would be more cost effective as government would not have to foot the cost of " creation, administration and renewal of standards" (Howlett and Ramesh).

However there is a tossup as to how effective and favorable alternative methods really are when one considers the social costs of ineffective or inefficient administration of voluntary standards, especially those related to <https://assignbuster.com/policy-tools/>

non-compliance (Gibson 1994 and Karamanos 2001) The overall usefulness of this policy tool cannot be fully assessed as it has not been fully implemented and remains largely at the drawing board. This perhaps is a sign of its ineffectiveness and inability to meet the goals of the government.