

Administrative Burden Reduction and Better Regulation in Federal Countries

The German Experience

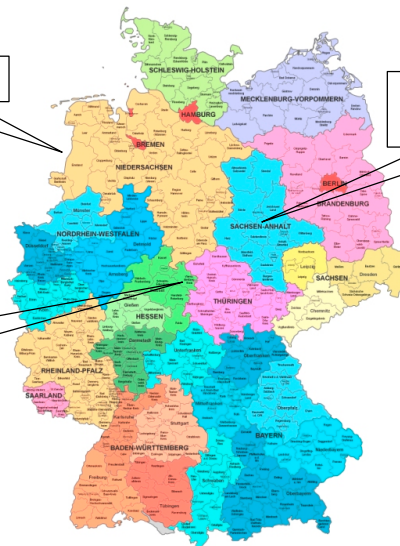
Federal Chancellery, Better Regulation Unit
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The *Federal* Republic of Germany:

1 Federal Republic

16 Federal States
(„Länder“)

~ 12.000
Municipalities



The Federal Level

- Programme of the Federal Government: “Better Regulation and Bureaucracy Reduction” (started in April 2006)
 - full baseline measurement of federal legislation (completed 2008)
 - 25 % reduction target (until end of 2011)
 - includes transposed EU law
- Ex ante: creation of the independent Regulatory Control Council in 2006
- Reduction target: All admin burden deriving from a federal provision X will be accounted for on the federal level, even if Länder legislators/administrators transpose this provision or implement this provision
- Federal level is responsible for reducing the complete admin burden by 25 %, even if its influence is limited to federal legislation

The Länder Level

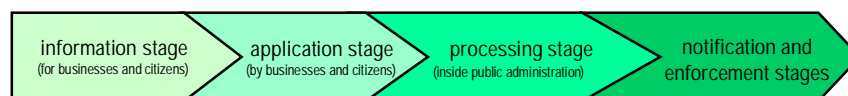
- Pilot projects in almost all Länder from 2004/2005 onwards (Federal Government: as of April 2006)
- No real baseline measurements, but: several so-called „Quick-Scans“ in 2006 (in 5 Länder)
- Result of Quick-Scans: less than 1% of overall admin burden in D is caused by Länder *legislation*
- So where's the focus on?

A Länder Example...

- ... the State of Brandenburg. It's conclusions from its early admin burden reduction activities:
- Make admin burden reduction perceptible (only 20 % of admin burdens result from legislation itself, 80 % from enforcement procedures)
- So that's where to put a focus on!
 - can be influenced more easily by the Länder
 - create reciprocal exchange between the legislative and the enforcement levels
 - dialogue with all parties involved/systematic consultation
- Make administrative procedures quicker, more simple and more cost-effective!

A Länder Example

- Concerns all stages of administrative performance:



A Länder Example

- Quick scan of the whole Brandenburg state law in October 2006
- On this basis, complete measurement of those 20 areas identified as most burdensome (until 2012)
- Development of an own methodological guideline (“SCM compact”), based on the methodology employed at the federal level – with the involvement of several other Länder
- Most notable differences: less procedural steps; expert workshops instead of direct interviews
- SCM compact can be employed by the administrative staff without external assistance (e.g. consultancy firms)
- Since 1 April 2009, SCM is part of the ex ante assessment of new legislation. Admin burdens have to be estimated if an IO is introduced or altered

A Länder Example

- Pilot projects: experimental repeal of certain standards on the local level.
 - Municipalities can (upon application and for a limited period) deviate from federal state laws
 - Objective: to try and experiment with innovative ideas for bureaucracy reduction => generate best practices
 - State of play: 45 projects ongoing, accompanied by scientific advice from the state government. Evaluation report will be published in March 2011.

The multi-level approach

- Close co-operation and exchange between the different levels of government (federal, state, municipal levels)
- Examples: regular meetings of representatives from the different levels, exchange and support on methodology
- Co-operation most visible in joint pilot projects: “An easy way to...”
 - Parental and child allowances (concluded in Sept. 2009)
 - Housing allowances (concluded in Sept. 2009)
 - Federal Training Assistance (ongoing)
- Objective: generate relief for the addressees by a voluntary and coordinated interaction of the Federation, Federal States and municipalities within the framework of their respective responsibilities.
- This does not put the allocation of tasks under the German Constitution into question.

Conclusions

- Laws are not everything!
- A lot of relevant regulation occurs in the form of by-laws, administrative regulations, even guidelines and so-called provisional instructions with high regulatory impact on local authorities and businesses.
- SCM can be used to measure these types of regulation as well, but a less complex version might be employed
- Comparable/common methodology facilitates co-operation on multi-level reduction measures
- Targeted co-operation of all levels likely to yield the maximum reduction effects, but it can be a complex process
 - sensible option: start pilot projects in specific “life events”

Thank you!