



Directors and Experts of
Better Regulation Meeting,
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Ministerie van Economische Zaken

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Why is it important to fight regulatory burden?

Companies tell us:

- It costs us money
- It's time consuming
- It's annoying



Furthermore:

- It gives a bad image to the government:
"We are not supported by our public services"!



Why is it important to fight regulatory burden?

From an economic policy point of view:

- Reduction of costs for business = stimulating economic growth and strengthening the competitiveness.
- *The Netherlands Bureau for economic policy analysis (CPB) estimates: 25% less regulatory burden = economic growth of 1,3%.*





Program regulatory burden for businesses 2012-2017

- 1. Structural net reduction of regulatory burden € 2,5 billion for businesses, citizens and professionals**
2. Together with stakeholders in at least 15 heavily regulated sectors we will examine perceived problems and find specific solutions to lower company costs and improve competitiveness
3. More use of IT solutions
4. Reform on inspections – joint effort with municipalities – reduction of inspection costs



Reduction of regulatory burden by € 2,5 billion

- Current state of implementation:
 - € 2,2 billion in portfolio; € 1,5 for businesses; € 0,7 for citizens and professionals; new measures expected Q4 2014
 - € 0,8 billion realised by 1/4/2014
 - large reductions (mostly administrative burdens):
 - simplification of income tax (190 mln)
 - environmental legislation (43 mln)
 - public procurement (39 mln)
 - standard business reporting (30 mln)
 - health and safety legislation (22 mln)



Customized approach on domains which are important for the economy

- Government, businesses and stakeholders cooperate to find solutions concerning the reduction of regulatory burden.
- The customized approach implies the use of all available instruments to reduce regulatory burden, to simplify inspections and public services and to remove impediments to growth and innovation.
- Areas:
Banks,
chemistry sector,
logistics,
agriculture & food,
life sciences,
construction and
health sector.



Prevent new regulatory burden

Role Ministry of Economic Affairs and other Ministries

- The reduction of regulatory costs by € 2,5 billion is a net target.
- The Ministry of Economic Affairs checks the regulatory effects on businesses before discussion in the council of ministers.
- If needed, intervention, before files are put on the agenda of the council of ministers.
- Increase of regulatory burden has to be compensated by the ministry concerned.
- The implementation of new measures in practice can be a risk for achieving the targets of the coalition agreement (for example financial sector).



Prevent new regulatory burden

“Integrated Assessment Framework for policy and legislation”

- Comprehensive compulsory impact assessment has to be carried out for each regulatory proposal with significant consequences
- Business Effects Test (BET) is obligated for each legislative and policy proposal which has impact on businesses.
- Internet consultation is needed for new legislation and policy proposals with significant consequences
- Last but not least:
An independent and external advisory body (ACTAL) has the competency to scrutinise proposed legislation ex-ante on all forms of regulatory costs for firms, citizens, and professionals.



The importance of taking action at the EU level

- The EU is a very important (and growing) source of regulation.
- Dutch advisory board on regulatory burden estimates that 50% of regulation is EU regulation.
- Especially countries like the Netherlands with an “open” and international economy are relatively more affected by differences in legislation between the EU countries and by regulatory burdens.





The importance of taking action at the EU level

- In order to deal with global competition, our companies who are internationally active on the EU market; want regulation to be: transparent and uniform (no surprises from one EU country to another) and without unnecessary or excessive regulatory burden.
- Harmonisation is often in the interest of companies; working on smarter EU regulation and reducing regulatory burden does not automatically mean less EU regulation or “less EU”!



Main elements of Dutch approach of EU regulatory burden

- 1) Simplifying existing EU legislation
- 2) Strengthening the "Smart regulation technique" and the policy of the Commission (REFIT) to avoid future administrative burdens
- 3) Stimulating the use of digital solutions
- 4) Transposing directives into national legislation without "goldplating".



Simplifying existing EU legislation

- “Subsidiarity and proportionality exercise (2013)
- Letter of our Minister Kamp (January 2014) to mr. Barroso with suggestions (directives et regulations) for the REFIT working agenda.
- Some examples:
 - -*Marketing standards for eggs.*
 - -*Data protection Directive (privacy),*
 - -*Regulation on working hours,*
 - -*Statistics on the trade between EU-countries,*
 - -*Marketing of construction products,*
 - -*Health and security at work (small SME’s),*
 - -*Consumer information on the origin of primary ingredients in food.*



Strengthening the "Smart regulation technique" and the policy of the Commission (REFIT)

- Better taking account of all costs related to regulatory burden by using the CAR-method (Cost driven approach to regulatory burden) to calculate the compliance costs. Not only administrative burdens
- Introduction/strengthening of the concept "competitiveness proofing" in impact assessments
- Strengthening the quality of impact assessments: timely shared with stakeholders, understandable, clear on quantitative effects and checked by an independent advisory group on Impact Assessments.
- "Think small first" principle; SME's are particularly vulnerable.



Stimulating the use of digital solutions

- Legislation giving the right to companies to communicate and interact with the public service enterily through the internet.
- "Ondernemingsdossier" (company file) providing information on your business only once to the different public services. Facilitates also inspections. <https://www.youtube.com/watch?v=NIVjuS8fqM4>
- "Ondernemersplein" ("Company court"): On one single website all relevant information from public services for doing business. <http://www.ondernemersplein.nl/over-ondernemersplein>





Two big challenges

- Getting clear, precise and convincing information from industry and other stakeholders. With suggestions for improvements too!
- The cooperation with other ministeries: working together on shared common goals to reduce unnecessary burdens without making concessions to for example the right level of consumer protection.



International conference on May 7th

- International conference on Smart regulation on May 7th in the Hague, with the participation of (among others) Mr. Barroso, Mr. Stoiber, Mr. Kamp (Minister of Economic Affairs) and prime Minister Mr. Rutte, Ms Klingbeil (EU-Commission), and Mr. Wientjes (Confederation of Dutch Industry).





Main outcome of the conference

- The Dutch government, mr. Stoiber and industry are pleading for:
- A single European Impact assessment watchdog for all EU institutions to avoid regulatory burden
- An overall net quantitative target for EU regulatory burden reduction (like we have in the Netherlands: € 2,5 billion in 2012-2017)
- Working more on compliance costs (CAR methodology) to get a picture of the real total costs of regulatory burden.



Hopes for the new EU Commission

- A strong position for the new Better Regulation Commissioner: in relation to the Commission staff working on REFIT and the Commission's IA Board, but also vis à vis his co-Commissioners!
- A single independent Impact Assessment Advisory group for all EU institutions: to improve quality of IA's and to stimulate cooperation on Better Regulation between the institutions. This Advisory group could also replace the former Stoiber group and perform the tasks of the Stoiber group too.
- An overall net quantitative target for EU regulatory burden reduction.
- Take account of compliance costs (CAR methodology) to get a picture of the real total costs of regulatory burden.



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