

Chapter 5

The management and rationalisation of existing regulations

This chapter covers two areas of regulatory policy. The first is simplification of regulations. The large stock of regulations and administrative formalities accumulated over time needs regular review and updating to remove obsolete or inefficient material. Approaches vary from consolidation, codification, recasting, repeal, *ad hoc* reviews of the regulations covering specific sectors, and sun setting mechanisms for the automatic review or cancellation of regulations past a certain date.

The second area concerns the reduction of administrative burdens and has gained considerable momentum over the last few years. Government formalities are important tools to support public policies, and can help businesses by setting a level playing field for commercial activity. But they may also represent an administrative burden as well as an irritation factor for business and citizens, and one which tends to grow over time. Difficult areas include employment regulations, environmental standards, tax regulations, and planning regulations. Permits and licences can also be a major potential burden on businesses, especially SMEs. A lack of clear information about the sources of and extent of administrative burdens is the first issue for most countries. Burden measurement has been improved with the application by a growing number of countries of variants on the standard cost model (SCM) analysis to information obligations imposed by laws, which also helps to sustain political momentum for regulatory reform by quantifying the burden.¹

A number of governments have started to consider the issue of administrative burdens inside government, with the aim of improving the quality and efficiency of internal regulation in order to reduce costs and free up resources for improved public service delivery. Regulation inside government refers to the regulations imposed by the state on its own administrators and public service providers (for example, government agencies or local government service providers). Fiscal restraints may preclude the allocation of increased resources to the bureaucracy, and a better approach is to improve the efficiency and effectiveness of the regulations imposed on administrators and public service providers.

The effective deployment of e-Government is of increasing importance as a tool for reducing the costs and burdens of regulation on businesses and citizens, as well as inside government.

Assessment and recommendations

Simplification of regulations

There is no systematic effort to consolidate or simplify the regulatory stock. As in other countries with well developed burden reduction programmes, simplification² is mainly a “derivative product” of the efforts to reduce administrative burdens (as for example in the review of regulatory clusters or related laws). As complexity accumulates over time in all areas of regulation, there is a need for more systematic “spring cleaning” at regular intervals. The OECD review team was told that the business community would welcome a “clean-up” of the existing law.

Administrative burden reduction for businesses³

Achievements have already been considerable by international standards, and the Netherlands’ 2003- 2007 policy identified the main elements of a successful model which has been replicated elsewhere. The 2003-07 cabinet had a 25% net burden reduction target allocated across ministries, based on a carefully quantified baseline measurement, which it broadly achieved. As already recorded in the 2007 OECD/World Bank report, the Dutch model has been an inspiration to other countries, and the considerable investment made by successive Dutch governments since the 1990s has largely paid off. The success factors, as listed in that report, have been a combination of measurement (the SCM method for the measurement and mapping of burdens); setting a time bound quantitative target (divided among ministries); a strong inter-ministerial co-ordinating unit at the centre of government (the RRG and its predecessor, IPAL); independent monitoring via the watchdog, ACTAL; link to the budget cycle; and not least, political support, helped by the narrow focus of the programme on administrative burdens which helped to avoid controversy. It is fair to note that the Netherlands may have had further to go than some other countries, in terms of the relative weight of administrative burdens as a proportion of GDP.⁴ But this also means that the Netherlands was probably right to put particular emphasis in the last few years on this part of its Better Regulation strategy.

*A new phase has opened up, with the establishment of an ambitious, broad- and well-designed new policy. This builds on key elements of the previous policy which have proved their worth (not least a reinforced institutional structure), as well as adding new aspects. The current cabinet has set a further 25% reduction target, based on a (largely) new baseline measurement. The current action plan captures a number of important new issues, as well as addressing weaknesses in the original methodology. This reflects the price paid for being a first mover with no role model to follow, but is also testimony to the fact that the Netherlands is remarkably open to learning from its own and others’ experiences, as well as taking advice from independent experts, which it calls in regularly. Among the issues which are being vigorously addressed in this new phase are the extension of the programme to cover burdens at the subnational levels of government (still very unusual in OECD countries); addressing the burdens raised by enforcement; a renewed attack on the issue of licences; the development of an *ex post* evaluation framework; the establishment of common commencement dates for new regulations; and not least, the development of the SCM methodology to cover qualitative as well as quantitative aspects and to broaden the definition to cover all compliance costs.*

A substantial update and broadening of the programme was necessary, in order to sustain progress towards a new target, but this also raises new challenges. The programme has until recently enjoyed broad support, politically, within ministries, as well as from

outside stakeholders. This now looks more vulnerable. As already noted in the 2007 OECD/World Bank report, a politically neutral programme is no longer an option. Proposals for further reform, if they are based on a broader definition of compliance costs, are likely to be politically more sensitive and engage more vested interests. The report also underlined the importance at this stage of having clear goals.

Box 5.1. Comments from the 2007 OECD/World Bank report

The 2007 OECD/World Bank report recommended that the programme be broadened to include a broader definition of compliance costs (among other issues), in order to sustain momentum. But it also drew attention to the need for a “very clear formulation of definitions and goals”, including a “balance between protection and dynamism”, and that it “may be necessary to re-evaluate the principle of political neutrality”, as the price to pay for a broader approach on compliance costs. It further noted that “societal and/or economic optimal solutions can be contrary to special interests and ambitious simplification projects may at times have to disregard explicit opposition from stronger stakeholders”.

The key stakeholders that matter for progress: Business, implementing ministries, and the parliament. Business is frustrated at what it considers to be slow progress and the failure to tackle issues that really matter from its perspective. The OECD peer review team also heard that there was discouragement, even resistance, within ministries with regard to the new target, based on a worry that it will not be easy to achieve, as many of the “low-hanging fruit” have been cleared off the trees. Even some of the remaining low-hanging fruit can raise unexpected problems.⁵ The parliament for its part, whilst it takes a keen interest through the regular reports on general progress by the RRG, does not always seem prepared to turn this into specific backing for proposals that require legislative action, without which the new target will not be met.

Addressing business concerns: The government is taking the right direction with its expanded definition of compliance costs, and a new communication strategy which is well conceived. For a number of reasons, which are broadly shared with other countries at advanced stages in the deployment of burden reduction programmes, the Netherlands has been confronted with negative business reactions despite evident progress on a number of fronts. The reasons for this include time lags before promised results are delivered⁶; frustration at the scrapping of rules that were not complied with in the first place; and slowness in identifying and addressing key issues for business such as licences delivered by the local level.⁷ The situation has not been helped by the redefinition of the baseline for the new target, which calculates that burdens are now only some EUR 10 billion compared with some EUR 16 billion in 2003 (the main reason being that information obligations to third parties are no longer part of the baseline). ACTAL underlined to the OECD peer review team that irritants as well as substantive regulatory changes must be addressed at this stage, as businesses do not readily distinguish between administrative burdens and other compliance costs. In short, it strongly supports a broader approach.

The government has reacted comprehensively to the concerns expressed by the business community. As well as the ongoing work to expand the scope of the programme with a methodology that includes irritants and broader compliance costs, and the quality of services, its new highly proactive communications strategy targets needs as identified by business rather than civil servants. This includes the establishment of the *Wientjes* Commission to be the voice of business (which seems to meet with general approval), and a wide range of tailored mechanisms to capture business interests as well as to communicate meaningful achievements (what the recipient wants to know, rather than what the civil servant thinks is

interesting). The RRG’s communication handbook underlines that concrete results must have been achieved before they are communicated. As the RRG put it, the strategy seeks to integrate communication into the actual process of regulatory management, rather than as a disconnected “add on” to explain what government is doing. It is too soon to give a view on the effectiveness of the strategy and regular evaluation will be important – as the government plans to do. The government needs to show results from the new approach fairly quickly if a positive business attitude is to be restored.

Recommendation 5.1. The government should evaluate regularly the effectiveness and results of its action plan and communication strategy (as it plans to do).

Encouraging ministries to deliver on the more demanding new target. Despite a strong underlying institutional structure, spearheaded by the RRG and ACTAL, there is a need for further support and strengthening of the framework in order to encourage ministries to deliver. The need for enhanced co-operation with “delivery” ministries and further culture change is acknowledged by the RRG. As in other countries, a judicious mix of carrots and sticks is needed. A priority should be to allocate each Ministry its own target. This will encourage real ownership of the programme where it is needed: within ministries rather than with the RRG. Carrots are important – ministries experiencing fatigue from years of efforts need encouragement. So are sticks, for which sanctions must be credible. The Netherlands has gone further than most other countries in linking achievements to the budget cycle. The reporting structure to the parliament is linked to the reporting cycle for the budget (with key documents to the parliament in September and May). This means that the round of budget negotiations with respective ministers is preceded by a round of bilateral talks about progress on their respective regulatory burden reduction programmes, allowing this –if necessary- to be discussed further in the budget talks. Consideration should also be given to making a link between achievements and performance appraisals (which would have both a carrot and stick effect). At the same time, ministries need to feel supported in their efforts to push through controversial proposals. This implies some hard choices and trade-offs, for which political support is required. The cabinet and the Steering Group for Better Regulation chaired by the Prime Minister have an important role to play in this regard.

Recommendation 5.2. The government should ensure that budgetary and performance sanctions (or rewards) are in place and are credible, to encourage meeting of targets. The Steering Group for Better Regulation needs to play a strong role in dealing with the more controversial proposals that will arise, settling trade-offs and providing collective political support under the aegis of the Prime Minister for the adoption of such proposals.

Extending the dialogue with the parliament to cover specific decisions that will require its approval. The parliament is already heavily engaged in the programme at a strategic level, with the regular reports that it gets from the cabinet via the RRG. There is a need to strengthen and clarify the link between these reports and the specific measures that come to the parliament for approval under the programme. Since the easier targets have been achieved, much of the new work, especially if it is based on an extended interpretation of compliance costs, may need to go through the parliament in order for regulations to be changed or adopted. Skilful piloting will be required. At the same time, although regular updates are essential to sustain parliamentary interest and general support, quarterly reports

(even if two of these are short updates) seem excessive, detracting the RRG (which prepares the reports) from getting on with the substantive work of developing the programme.

Recommendation 5.3. The government should reduce the number of reports made to the parliament on the programme, from quarterly to half yearly, without reducing their substantive content. It should balance reporting with a consideration of how to strengthen the dialogue with key parliamentary committees in order to encourage a positive attitude to proposals for change under the programme. The RRG should also, as far as possible, encourage ministries to link related proposals into packages before they are put to the parliament, drawing attention to their contribution (where appropriate) to the main strategic objectives of the programme.

Administrative burden reduction for citizens, professionals in the public sector and inter-governmental administrative burdens

This is a well-designed policy which has been carefully developed and adapted to take account of experience in the first phase. The Ministry of Interior has developed a programme based on a careful review of what actually matters for citizens. As with the programme for the reduction of burdens on business, from which it was inspired, this project seeks to learn from previous experience (the first phase was acknowledged to be unsatisfactory), to identify the challenges that still need to be met. It makes extensive use of external experts in moving forward. Such openness and willingness to learn is an extremely positive aspect of the Netherlands' general approach to Better Regulation. Among a number of positive features of the project, the local level is engaged in the programme, and extensive use is made of ITC. Efforts are made to cover important aspects in the Netherlands geographical context, such as the needs of cross border workers. Considerable effort goes into promoting an EU level approach to the issues.

It is not, however, clear how real progress will be evaluated and measured under an approach which does not set any clear quantitative baseline and reduction target. Without this, it is likely to prove difficult to demonstrate that there have been improvements.

Recommendation 5.4. The government should consider how it can best give shape to a concrete target or targets, linked to a clear baseline that would enable stakeholders to assess progress.

There are considerable and possibly unexploited synergies, between the citizen, professionals and inter-governmental programme, and the business burden reduction programme. In a broad sense, the Ministry of Interior has learnt from the much longer standing business programme in developing the citizen programme. An element of friendly competition between programmes is also no bad thing. That said, there are numerous points of convergence. It is not clear how much co-operation exists already. These include an overlap in coverage, communication strategy, the use of ICT, a shared independent watchdog (ACTAL), and also the development of new qualitative as well as quantitative methodologies, some of which might have a shared interest for the two programmes.

Recommendation 5.5. The government should consider whether it would be helpful to reinforce links between the different programmes, and ensure that areas of common interest are addressed jointly.

Regulation inside government is already part of the programme of the Interior ministry but could be expanded. Part of this programme addresses regulation inside the administration, notably for professionals working in public services such as hospitals and schools. The aim is to free up time spent on administration so that services to citizens can be enhanced. Greater emphasis on addressing regulation inside government was already recommended by the 2007 OECD/World Bank report. With a planned cut of 25% in the civil service, development of this part of the programme could help to release resources as well as making a contribution to better service quality.

Recommendation 5.6. Consideration should be given to expanding the elements of the project that address regulation inside government.

Background

Simplification of regulations

Simplification is tackled mainly *ad hoc*, through the programme for the reduction of administrative burdens. In the 2003-07 programme, there was a substantial cleaning up of the Annual Accounts Act, as well as reviews of entire regulatory complexes (see below). The current programme includes “fundamental surveys”, some of which will be based on a sector, issue or area of legislation.

Administrative burden reduction for businesses

Policy on administrative burden reduction for businesses

Pioneering work on a new approach⁸

The Netherlands were pioneers in the development of a measurement system for administrative burdens, originally labelled MISTRAL,⁹ which gave rise to an international brand (the Standard Cost Model – SCM), that has been adopted by a growing number of countries in recent years. The roots of today’s programme can be traced back to 1994, with the establishment of the *MDW (Marktwerking, Deregulering en Wetgevingskwaliteit)* programme which targeted the better functioning of markets, deregulation and legislative quality. A main aim of the *MDW* programme was the reduction of administrative burdens, to streamline regulations in order to return to “what is strictly necessary”. The report of the *Slechte* Committee in 1999 confirmed the direction, proposing that progress was best made and politicisation avoided by giving the administrative burden reduction programme a relatively narrow focus. The establishment of ACTAL, the independent external watchdog for the programme, in 2001 marked an institutional milestone.

The 2003-07 programme

The period following the 2003 election saw a strengthening of this approach, with the establishment of a quantified baseline and reduction target, a link to the budget cycle, and a strengthened institutional support structure. Administrative burdens were defined as “the costs to business of complying with the information obligations resulting from government imposed regulations”. The government set the objective of reducing burdens by 25% by the end of its term, relative to a 2003 baseline measurement of EUR 16.4 billion (3.6% of GDP). Overall, ministries met their targets.

Current policy (RRG, 2007)

Following the 2007 elections, an updated action plan has been put in place, based on the recommendations of the joint review conducted by the OECD and the World Bank in 2007. The current cabinet (2007-11) has expressed its goals for this period in the following terms:

“To reduce regulatory burdens perceptibly for business, the cabinet wants to see *less* annoyance for businesses from things that irritate them. The cabinet also aims to make things *simpler* for business – for instance, with faster and better service. Ultimately, by decreasing regulatory burden and making it easier for businesses to comply with the obligations imposed by government, there will be less regulatory burden in the *perception* of business.”

The new strategy strengthens previous policies and adds some important new aspects. Specific targets have been set, to be achieved by the end of the current cabinet term in 2011:

- *A new target for the reduction of administrative burdens on business.* Administrative burdens will be reduced by a further 25% net by 2011, based on a (largely) new baseline measurement.
- *Lower compliance costs.* The SCM methodology is being developed to broaden the definition of compliance costs. Compliance costs of regulations will be reduced in those cases where the identified costs turn out to be disproportionately high for businesses in relation to the public interest served by these regulations.
- *Lower supervisory costs, via streamlined supervision and enforcement.* The aim is to reduce state supervision, with the participation of the national inspectorates, and in consultation with business representatives. The latter were consulted in the selection of a number of supervisory domains, for which the aim will be to reduce state supervision by an average of 25% per domain. A new measure, closely related to SCM, will be developed (the Measurement Model Supervisory Burden) to cover both the burden in itself, and the burden as it is experienced (perception).
- *Lower costs in relation to subsidies.* Many companies find this complex. The aim is to ensure that all existing national government subsidies have low management and implementation costs, whilst safeguarding their legitimacy.
- *Better service.* The objectives are more professional, client-oriented and faster provision of services to businesses, addressing inconsistencies in the interpretation of rules, lack of expertise, time delays, a digital counter for business, and agreements with local/regional authorities for service improvement.
- *Greater transparency.* Information provision to business will be improved. The aim is to convey as much business information as possible through a single channel. This includes the introduction of common commencement dates, and readable, comprehensible forms.
- *Ex post evaluation.* Development of a “clearing house for the evaluation of legislation” which will consolidate previous disaggregated efforts at evaluation in order to achieve a more systematic approach.
- *Simplification of permits.* Acceleration of the procedure for granting permits by combining licences and, where possible, by a broader application of the *lex silencio positivo* principle (see below).¹⁰

- *Addressing burdens linked to local and regional authorities, and EU-origin regulations.* The programme has been extended to cover burdens generated at local level, and there will be enhanced emphasis on dialogue with the EU (and other member states) to promote burden reduction at EU level. Central government and the local levels have agreed that there will be a local contribution to the 25% reduction target. A baseline “zero” measurement is currently being made of local burdens, based on a sample of 25 municipalities.

Institutional framework, guidance and support

A dual approach has been in place for some time and is a cornerstone of Dutch policy on administrative burden reduction. It consists of a dedicated unit of officials at the centre of government to support, monitor, and steer the process (the RRG, previously IPAL), and an independent advisory body (ACTAL). An overarching pillar is the overall responsibility of two core ministries for delivery of the programme. The RRG reports to the state secretaries for Finance and Economic Affairs and through them, to the cabinet via the Ministerial Steering Group for Better Regulation. The parliament is also directly engaged in the programme, at least at a strategic level, through the quarterly progress reports submitted to it by the RRG.

As in other OECD countries with burden reduction programmes, individual ministries are responsible for delivering their share of the overall target. RRG account managers keep in regular touch with each ministry over progress and to offer advice. ACTAL also offers technical advice and support. Ministries must follow detailed instructions on how and when to report on progress, linked to the budget cycle and their budget reports. This means that reporting to the parliament is linked to the reporting cycle of the budget (with key documents to the parliament in September and May). It also means that the round of budget negotiations with respective ministers is preceded by a round of bilateral talks about the progress on their respective regulatory burden reduction programmes, allowing this – if necessary – to be discussed further in the budget talks. The budget instructions contain specific obligations to report on administrative burden reductions.¹¹ Ministries are threatened with budget cuts if they fail to achieve their targets (though this has apparently not yet happened). Beyond the obvious disciplinary effect, the OECD peer review team were told that this clear link to the budget cycle has the advantage of encouraging decisions over how to finance burden reduction projects such as ICT investments.

Part of the current cabinet’s new strategy has been to boost external institutional structures. There is a renewed emphasis on the role of ACTAL as watchdog and adviser. ACTAL will continue, as before, to monitor the quality of assessments, and it will boost its strategic advice to government. It will report back on progress to the cabinet in 2011. The *Wientjes* Commission (Box 5.2) is another significant development. This has been set up as a channel for businesses to communicate to government on the issues that matter to them, so as to focus the programme on the problems important to business itself (rather than those identified by civil servants). The work programme will be developed on an ongoing basis to meet this objective, incorporating suggestions from businesses. The *Wientjes* Commission has a strong ambassadorial function. This ambassadorial function of the group focuses on keeping the reduction of regulatory burdens high on the agenda, both at the government level and within the business community.

Box 5.2. The Business Regulatory Burdens Commission (*Commissie Regeldruk Bedrijven - Wientjes*)

This Commission (chaired by Bernard *Wientjes* who is also president of the Confederation of the Netherlands Industry and Employers (VNO-NCW), the largest employers' organisation in the Netherlands) was recently established to be the voice of business. The commission was set up for three years until mid 2011 as part of the government's efforts to ensure that the policy to tackle administrative burdens meets their needs. Its formal mission is defined thus: to ensure that the business community has the opportunity to put suggestions and ideas to the government, and to ensure that burden reductions are noticeable for business. The board is made up of nine officials from the business community, one mayor, the Secretary General of the Economic Affairs Ministry, the chairman of the Board of Inspections, and the chairman of the Social Insurance Board. It is supported by the RRG which provides the secretariat, as well as representatives from the business organisations. It has the following specific tasks:

- Assess government plans. Do they cover the right areas? Will measures have enough impact? This work is supported by business panels.
- Put fundamental issues on the agenda. Identify broader connections. Members can suggest themes, and then adopt one each. This might be supported by workshops or research, in co-operation with the RRG or others.
- Act as ambassador for administrative burden reduction. It can table issues both to the government and to the business community, and promote priorities. Supported by the RRG, it can show what the government has done, and invite new proposals.
- It is currently pursuing projects under the general banner of "from mistrust to trust": trust and permits, trust and supervision, societal risks, and the dynamics of legislation.

Methodology and process

The methodology is going through a substantial update:

- *New baseline measurement for administrative burdens.* This is based on a selective analysis of the 2003 baseline.¹² Forty-five percent of the original baseline was measured again, and the remaining 55% was updated with the GDP index. Definitions were adapted: information to third parties was excluded as this is now covered in the reduction of substantive compliance costs, and business-as-usual costs (very significant) were removed. The new baseline shows EUR 9.2 billion burdens compared with EUR 16.46 billion in 2003. It should be noted that the figures are not directly comparable as the definitions have changed, and the removal of information obligations to third parties in the new baseline accounts for a major part of the difference.
- *Broader definition of compliance costs.* A new definition and methodology has been developed. The definition includes information obligations to "third parties".¹³ A selection of regulations with disproportionately high-compliance costs (as identified by business) will be measured against the new definition. Thirty priority areas have been identified by working groups of officials and businesses. Seven pilot projects to test the new measurement have been completed, and have confirmed that the measurement method is practicable. The remaining pilots will shortly be completed. Concrete reduction proposals will be identified in spring 2009, and will form the basis for a percentage reduction in compliance costs in the 30 priority areas.

- *Direct interaction with business to build up the picture.* Interviews by the RRG will be used to collect information on burdens as they are experienced by business in practice, including irritants.¹⁴ The perception monitor is a policy instrument that measures the noticeable changes in regulatory burdens, experienced by all entrepreneurs (macro level) and by individual entrepreneurs (micro level). Both levels will be monitored over a period and the changes in experience will be analysed and explained in progress reports.
- *“Fundamental surveys”.* These will be based on a sector, issue, stage of a company’s existence (for example start up), annoyance factor, or area of legislation. The “baseline” situation will be considered: what are the issues of public interest? What instruments (regulations, permits) are needed to safeguard these interests whilst minimising the burden?
- *Use of risk analysis* as a management tool in order to assess and reduce the risk of delays or failure of individual initiatives.
- *EU aspects.* The new baseline is split into three categories: burdens that arise entirely out of prescriptive (no room for differences) EU-origin regulations; those that arise from non-prescriptive EU-origin regulation; and those that are linked entirely to national regulations.

The zero base measurement was delivered in September 2008 in reports per ministry, along with supplements and a range of Excel tables. In addition, two calculation tools have been developed to support policy makers in their calculations and decisions on rules and regulations. The databases and tools will be used for proposals that must be submitted to ACTAL for review.

For monitoring progress, a low-tech distributed database was developed, built and implemented at the relevant ministries. A “universal fact sheet” captures all relevant facts and figures, which are registered and exchanged between the relevant ministries and the RRG. This distributed database is used for calculations on plans and results of the programme, and for reports on specific measures. Further integration with other aspects of regulation and use for communication purposes are under consideration. An “integrated review framework” is under development as part of a more comprehensive and streamlined approach to evaluation.

Public consultation and communication

A communication strategy for the programme was established by the RRG in 2007¹⁵ drawing on recommendations of the World Bank (World Bank, 2007). This is part of the cabinet’s new overall strategy for addressing regulatory burdens on business.

Despite considerable progress in the removal of unnecessary administrative burdens, the business community remained dissatisfied, and the government identified the need for better communication as one of the steps that needed to be taken to resolve the problem. The RRG Communication Plan explains that “the success of the programme will depend in part on the manner in which results are communicated to the business community. Only those companies and individual entrepreneurs who are aware of a positive change will be able to adapt their business processes accordingly and appreciate the differences in the longer term. The visibility of the changes can be enhanced by effective communication”.

The RRG Communication Plan and associated handbook has an initial budget of EUR 1 million. It includes internal communication efforts to ensure that the RRG itself presents a consistent view to the outside world. It is based on one primary and several secondary target groups. The business community is the primary target, with special attention to SMEs. Different strategies have been elaborated to take account of the different sectors of the business community. The aim is to answer the question for businesses (“what is in it for me?”) by presenting case studies, the challenge being to translate general results from the programme into concrete cases for the individual entrepreneur.

Secondary targets are:

- *The “intermediary” system.* This comprises sector organisations and federations, representative bodies, professional organisations, chambers of commerce, financial and legal advisers. The aim is, through these groups, to reach companies which are hard to contact directly.
- *Local authorities.* Municipalities are recognised to play an important part in reducing regulatory burdens and improving the level of service to the business community. The 31 largest municipalities and the 100 “trailblazers” are the subject of particular attention.¹⁶ Provincial authorities and water boards are not considered so relevant at this stage.
- *The parliament, ministries and the international network.* Individual ministries are responsible for communicating their own results (as well as providing this material for RRG central communications). The handbook underlines that concrete results must have been achieved before communication, and that each message must consider what the recipient wants to know, rather than being “sender focused” as in the past (for example giving total burden reductions when the company is only interested in what it means for them).

The plan provides for a range of communication channels to capture business views directly, and to communicate results:

- One central website has been set up by the RRG to be the hub of all communications for the business community.¹⁷ All the results of the programme are published here (including for example the regular RRG reports to the parliament). A contact point (*meldpunt regelgeving*) has also been established on the site, where businesses can submit their complaints regarding regulation (including nuisance factors). The back office is done for the RRG by *Antwoord voor Bedrijven* (answer for businesses), who pass on the issue to the relevant ministry, who must report back within four weeks on what has been done. An analysis of the results is done by the RRG as an input for their programmes. To satisfy the common commencement date principle of timely and clear provision of information, relevant websites provide companies and institutions with timely information about prospective relevant regulations.
- Regular discussions are held with representative organisations.¹⁸
- The compliance costs monitor and the perception monitor, which are carried out by the RRG, provide the programme with new concrete issues.

- The Minister and State Secretary of the Ministry of Economic Affairs have each “adopted” companies with the goal of better understanding the day to day problems of companies. Contacts are made twice a year.
- There are campaign with radio spots on business news radio, advertisements in business magazines, and online advertisement (banners) on other websites.
- Brochures, fact sheets on specific subjects have been produced for intermediaries such as accountants.
- Newsletters, news feeds are put on the website *www.minez.nl*.
- “Regulatory Navigators” (*branchewijzer*) provide business with information on all the regulatory obligations for their sector.

In 2008 an advertising campaign was held, with ads in magazines, brochures and radio spots, drawing attention to noticeable burden reductions. The campaign continues in 2009. The RRG have reported the following encouraging results:

- Four out of ten businesses reached.
- Two out of ten businesses remember hearing or seeing the campaign.
- Seven out of ten SMEs have absorbed the campaign message that the burden reduction programme is producing effective results, based on the fact that it helps to have better knowledge of government actions.

Achievements so far

Achievements from the 2003-07 programme¹⁹

The 2003-07 cabinet achieved 23% of the 25% net burden reduction target which it had set itself at the start of its term, including the following actions:

- *Annual Accounts Act* (the single most burdensome act accounting for over 15% of the total burden). Three simplification initiatives were aimed at this Act and other regulations related to accounting, including harmonising interrelated regulations, increasing thresholds and use of ICT. The total burden reduction from these initiatives was estimated at more than EUR 800 million per year.
- *Environmental regulation*. As different permits were issued by different authorities and at different levels of government, obtaining permits was time-consuming and confusing to companies. Several initiatives were aimed at reducing complexity in this area, including the single environmental permit, which replaces a number of former permits.
- *Harmonisation of wage concepts* and merger of related reports.
- *Flexibility in compliance with occupational health and safety standards*, in order to reduce burdens, by removing redundant procedures and overly formalised processes. More responsibility has been given to the social partners to take this forward.

- *Risk-oriented approach to manure legislation.* A blanket approach that applied uniformly to all farmers has been replaced with a more flexible policy.
- *Review of entire regulatory complexes.* Purple Crocodile: simplification in the wage and social security domain.

Work in progress on the 2007-11 programme

The RRG made a report to the parliament on progress with the action plan in November 2008.²⁰ It notes in the report that the parliament itself has a responsibility for helping to take forward the agenda, via proposals that are put to it. The report underlines that there is some way to go still. The “quick and easy” solutions no longer exist. There is a need to take EU decision-making more explicitly into account, in order to avoid a “deluge” of new regulations. The report notes that EU aspects will be given greater attention, linking the work programme to the EU regulations prioritised within the European action plan for the reduction of administrative burdens.

It also reports on work in progress to bring in the local levels of government. Pioneering local authorities are currently developing a “business effects assessment model” for summer 2008. An administrative agreement was set up in June 2007 between the central government and the local authorities. The Association of Netherlands Municipalities (VNG) is monitoring progress in achieving the local contribution to the target of 25% reduction in burdens. A baseline “zero” measurement is currently being made of local burdens, based on a sample of 25 municipalities. The baseline will be made up of two parts: burdens arising from municipalities’ own regulations, and burdens linked to the implementation and enforcement of national regulations. The study was completed in June 2008 and the burdens at this level have been calculated to be EUR 125 million (100 million for the business community, 23 million for citizens and 10.5 millions “hours”).

The report restates the white paper goal of achieving noticeable reductions for business. These will focus on the following areas: payroll taxes and social insurance premiums; reporting and corporate structure; environment; safety and risk management; health, youth and welfare services and child care; and service provision.

The 2007-11 work programme resets a target of 25% for the reduction of administrative burdens, which have been divided up between ministries. The total amounts to EUR 2.2 billion. Individual ministries have set out their reduction plans. As the zero base measurement shows considerable variants in the administrative burdens attached to different regulations, the reductions will not be in a “straight line” (Table 5.1).

Table 5.1. Distribution of reductions, 2007-11

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------|------|------|------|------|------|
| min | 425 | 789 | 1050 | 1559 | 2221 |
| % | 4.8 | 9.0 | 11.9 | 17.7 | 25.2 |

Source: Regulatory Reform Group, Dutch government.

Specific progress is reported on (among other issues) supervisory burdens and substantive compliance costs. For the former, a survey of 16 domains has now been completed, with 3 remaining. This includes the irritation caused by the working methods of

inspectories (overlap, inconsistency) and the attitude of individual inspectors (inflexible and not always sufficiently knowledgeable). The work on substantive compliance costs (see above) is also progressing.

The Netherlands Court of Audit (NCA) has carried out two evaluations of the programme, in 2006 and again in 2008. The 2006 report noted that there is an effective steering mechanism, with the cabinet behind the programme, a uniform and well-designed policy to measure burdens within a clear timeframe, but that the effects on companies have not been as anticipated. Issues linked to this included regulations that people do not comply with (the classic SCM methodology assumes 100% but it is much less); businesses have their own self-imposed burdens, which means that they will continue with a process even if it is no longer compulsory, or even reinvent a process; the cost of licences weighs especially heavily on companies. The NCA recommended that companies should have a larger input in the programme, and that the government should step up its communication on the programme. Its 2008 report said it was too early to make complete comments on the (then) new action plan, but that the programme had been redirected to take more account of company views, and that there should be an expanded definition of compliance costs.

Other simplification measures for businesses

Review of business licences generated by the national level

The Ministry of Economic Affairs set up a project in 2005. An inventory of licences (defined broadly to cover as many as 20 different types of government approvals) documented the existence of approximately 1 100 different licence systems with an annual flow of 2.7 million individual licences (covering both citizens and companies). Based on a scrutiny of the inventory, the number of licence systems was reduced by 22% and the number of individual licences was reduced by 42%. This was primarily obtained by use of ICT tools (re-use of data) or by scrapping obsolete or overlapping licence systems. About 80% of this operation will be completed in 2010. A substantial part will be the result of the General Provisions (Environmental Law) Act that will combine approximately 25 licensing, exemption and other permission systems used by the Ministry of Housing, Spatial Planning and Environment and other ministries and authorities into a single environmental permit.

An example of progress put forward by the government is in the environmental field. Thirty-five thousand companies already no longer require an environmental licence. Instead they have to comply with a general set of rules. In 2010 the Environmental Licensing (General Provisions) Bill will be introduced: the new licensing system will replace much of the existing legislation regulating activities which affect the physical environment. Some 25 existing systems for issuing permits, licences, exemptions will be replaced by a single environmental licence.

The Ministry of Economic Affairs has also been working on the further introduction of *lex silencio*. All nationally generated licence systems have been reviewed by an independent agency to see if this approach was suitable. First, it was determined whether it is legally technically possible to introduce *lex silencio* (for example, no conflicting EU directives, no extensive consulting procedures with third parties). In the second step, for licence systems that passed this test, the risk to society of introducing *lex silencio* was assessed. Where *lex silencio* was possible, consideration was given to whether it was possible to abolish the permit or replace it with general rules. In December 2008 the cabinet decided that the *lex silencio* will be introduced on an extra 24 licences. A study was also commissioned to establish the existence of *lex silencio* in other countries. This study was completed in the autumn of 2008.

Review of business licences generated by municipalities

The Ministry of Economic Affairs is working with a group of local councils to determine where *lex silencio* can be applied at this level. Results in the form of a report with official recommendations will be ready in April 2009.

The Association of Netherlands Municipalities has reviewed and cut back on its model licences. Forty-six percent of the models have been abolished or simplified, which could lead to an estimated 26% reduction in burdens. An estimated 70% of municipalities will introduce the new approach in 2008-09.

EU aspects

A prominent and longstanding part of the government's strategy on administrative burdens for business has been to apply pressure for action at the EU level, and encourage convergence of thinking. The 2003 baseline measurement revealed that some 40% of business burdens can be traced back to EU origin regulations. These include sizeable "complexes of administrative burdens", including VAT, company law and rules on accounting and reporting, working environment, food safety and public procurement. In 2007, ACTAL,²¹ jointly with the UK Better Regulation Commission and the German *NormenkontrollRat*, submitted a series of recommendations for burden reduction to the European Commission, and a further package was sent in mid 2008.

The policy approach is four pronged:

- *Emphasis on the economic benefits for businesses, linked to the Lisbon Strategy.* Four approaches are deployed. First, political prioritisation of the EU Better Regulation Agenda (more emphasis on administrative burdens for businesses in particular) since the 2004 Dutch EU presidency. The Netherlands consider that this has encouraged the EU programme for Better Regulation to have a stronger economic character (launch of targeted EU action programme for businesses in 2006 on the basis of the Dutch methodology and approach). Second, staff secondments to the Dutch Permanent Representation and to Secretariat General, Enterprise and Internal Market, to influence developments. Third, participation in relevant networks such as the Directors of Better Regulation and its spin-off, the Standard Cost Model Network (EU co-operation and exchange of national best practices regarding the administrative burden reduction programme for businesses). Fourth, co-operation with successive EU presidencies to promote long-term planning of priorities on Better Regulation.
- *Prevention of new EU-origin administrative burdens.* This is being pursued via a stronger focus on administrative burdens in EU regulatory impact assessments (RIAs) and through targeted and active lobbying early in the EU decision-making process with like-minded member states. Additionally, systematic attention is paid to regulatory effects on businesses in the development of the national position for negotiations. Quantified estimates of expected administrative burdens for businesses arising from proposed EU legislation in the European Commission's RIA process, on the basis of the Dutch methodology, is now a requirement for European Commission RIAs.²²
- *Tackling regulatory burdens (i.e. substantive compliance costs) in existing European regulations.* The European Commission's 2002 Action Plan for Better Regulation includes a simplification programme for existing regulation. The 2004 Dutch EU presidency organised a conference on Better Regulation and administrative burdens ("Simple is better") and co-ordinated the collection of some 300 simplification

proposals from member states to feed into the programme. This work is now being used as a platform to encourage the review of substantive compliance costs in EU regulations.

- *Input for the EU Action Programme to reduce administrative burdens on business.* The Dutch government submitted a package of 55 concrete reduction proposals, which reflect the key pillars of the European Economic Recovery Plan, stressing the need to open up new finance, cut administrative burdens and kick-start investment. According to Dutch estimates these reduction proposals could lead to an additional EUR 790 million of savings to the Dutch economy and to nearly 9% of the national reduction target, if adopted by the European Commission.

The most recent initiative follows the European Commission's invitation to member states to provide input for the EU action programme to reduce administrative burdens for businesses. The Dutch Prime Minister submitted to the President of the European Commission a package of 55 concrete reduction proposals reflecting a mix of how burdens could be reduced in 14 key areas. The proposals are in line with the key pillars of the European Economic Recovery Plan, stressing the need to open up new finance, cut administrative burdens and kick-start investment. According to Dutch estimates these proposals could lead to an additional EUR 500 million savings to the Dutch economy, and to nearly 6% of the national reduction target, if adopted by the European Commission. The package covers key areas for potentially big savings, such as the working environment, public procurement, food safety, financial services, transport and accountability for government grants. It also covers high-impact proposals aimed at tackling burdens and irritants as they are experienced by businesses, particularly in areas such as statistics, agriculture, company law, environment, cohesion policy and pharmaceutical legislation.

Administrative burden reduction for citizens, professionals in the public sector and inter-governmental administrative burdens

The first programme: 2003-07

The Netherlands has a relatively longstanding policy for tackling administrative burdens on citizens. The 2003 coalition agreement extended a policy that had originally been focused exclusively on business, and added citizens as a target group for administrative burden reduction. The then government made a commitment to reduce administrative burdens for citizens by a net 25% by the end of its term of office, compared with the situation in 2002. The citizen programme was called PAL (*Programma Administratieve Lastenverlichting – Administrative Burden Reduction Scheme for Citizens*).

An early decision was to adapt the SCM methodology used for the business administrative burden reduction programme. Instead of carrying out a full-baseline measurement, the Pareto principle was used, and attention was focused on the 20% of regulations that cause 80% of the burdens. This 20% of most burdensome legislation was identified by using the list of all government services. Citizens were asked how often they used these services, and how they experienced the burdens related to these services. Eight ministries were selected for measurement and the other levels of government were also included. Only the criminal law was excluded from review. Individual ministries reviewed their own regulations, and the Ministry of Interior measured the burdens at other levels of government. Administrative burdens for citizens were expressed in hours and in out-of-pocket expenses.²³ The burden measured in this way was found, as of December 2002, to be 112 million hours annually, plus EUR 1.3 billion in out-of-pocket expenses.

The baseline measurement helped to identify important issues:

- Certain groups are particularly disadvantaged by administrative burdens. These include the chronically ill and disabled, the elderly, benefit claimants, volunteers (the “organised” citizen) and the unemployed.
- Burdens are generated by central government, provincial and local authorities, but with the main part generated by central government, which accounts for 103 million hours and nearly all out of pocket expenses. Most of the burdens from the regional and local levels can be traced back to regulations set at the national level, but for which the local and provincial levels have some discretion as to implementation.
- The most time-consuming regulation was found to be the Income Tax Act (15.1 million hours), and the most expensive regulation (generating the largest out-of-pocket expenses) was the Netherlands Civil Code (EUR 745 million). The Civil Code regulates *inter alia* the establishment of mortgages by notarial deed and conveyance. The Road Traffic Act also scored highly, both in terms of time and expenses, as it imposes an annually recurring burden on a large number of citizens.

First results were reported in a May 2006 report, which indicated that a net reduction of EUR 25.7 million hours and EUR 326 million costs would be achieved by the end of 2007, meaning that the 25% would have been met by that date, both in terms of time and of costs. Due to the fall of the cabinet in November 2006 the target was not met by the end of 2007. However, the target will be met at the end of 2011.

Current policy: Action Plan for the Top Ten Bottlenecks, and Life Analysis

After the 2006 elections the new cabinet decided to continue the programme but in a different way, with more emphasis on a qualitative approach, via the identification of the “top ten” most irritating burdens for citizens and the development of “life analysis”. There is no new baseline measurement and a quantified reduction target is no longer promoted. Experience in the first phase of the programme had led to the conclusion that it was important for reduction measures to be noticed by citizens, but that this was a major challenge.²⁴ Research commissioned by the Ministry of Interior noted that: “Although the results (so far) appear to be favourable, citizens don’t seem to notice a lot of it yet... which raises the question whether the current efforts have the desired effect”.

The research looked “bottom up” at how citizens experienced their interaction with bureaucracy, found that the experiences were intensely individualistic and that citizens wanted freedom to manage their situation in a context (for some) of intense dependence on government.²⁵ The research came up with a roadmap concept, as well as a redefinition of what was meant by an administrative burden, and five steps to a noticeable reduction. The five steps were to describe the purpose (of the service); determine the position within the relation model (how do/will citizens perceive the service from their perception of freedom?); read out protocol and character (how does the service fit within the relationship between government and citizen); compare or design (assess the extent to which the current service design fits the relationship between government and citizen); take measures (to align the service to the desired approach).

The new approach applies four main methods to reduce burdens:²⁶

- simplification or removal of rules or procedures;
- use of ICT;
- common information infrastructure for public service providers, so that data is only provided once (data re-use); and
- general rules or frameworks, to replace licences and permits.

Top ten bottlenecks

The “top ten bottlenecks” which matter most to citizens were identified as:

- *Quick and reliable.* The goal is to assess waiting/processing times for government and municipal services, and to shorten these, not least (but not only) with the support of Internet. The emphasis is also on transparency, giving citizens the opportunity to check on the status of their application (for a building permit for example), as well as publishing overall data on processing times.
- *Simple application and justification of social security benefits.* The goal is simple electronic applications and more efficient justification of significant social security benefits. This is especially aimed at vulnerable people who face a lot of paperwork and engage with many different arms of government to claim benefits. Single integrated contact and processing points are being developed.
- *Submitting personal details only once.* The goal is to provide access to all income related regulations on one internet page.
- *Getting a travel document easily.* The goal is to enable citizens to apply for passports and ID cards at any town hall. An online travel document database will be created (this requires a change in the law).
- *Fewer permits, towards general rules.* The goal is to avoid delays by simplifying the current system of numerous individual permits, through simplification and a reduction in the number of permits, as well as access to permit information on line. The number of permits can be reduced by using general rules. Among other issues this involves the municipalities in a fundamental review of their model regulations.
- *User friendly forms.* The goal is simplified forms for change of address notifications, requests for services, etc. Incomprehensible forms are high on the list of bottlenecks.
- *More trust.* The goal is to trust people more, for example, by introducing more subsidies within health and social services that do not need to be justified.
- *Lending an ear.* The goal is to solve problems with the authorities through *ex ante* mediation, rather than legally through complaint procedures. Research shows that this results in reduced costs for the organisation and more satisfied customers and officials.

- *Give volunteers more freedom.* The goal is to treat volunteer organisations as groups of individuals instead of as a business, so that their work is less complicated. Currently they are treated as businesses.
- *Quality comes first.* The goal is a rating of at least seven out of ten for the quality of government services. A methodology has been developed to measure quality.

Life analysis

Nine life analyses were developed with “roadmaps” to show the routes that citizens had to take through the bureaucracy, from their viewpoint (benefit claimant, volunteer, disabled child, senile older person, average family, healthy older person, chronically ill, pensioner, unemployed). Three areas stood out with the highest burdens: tax declarations, obtaining/renewing a passport, and obtaining/renewing a driving licence.

Institutional framework

The programme is led by the Ministry of Interior, with a state secretary in charge and a project team (REAL: Programme Regulatory and Administrative Burdens) of around 18 staff, working in three clusters (national/international, municipalities and public sector). One contact point in the Ministry of Interior has been established for each of the ten bottlenecks. Each ministry has a nominated co-ordinator. Ministries are responsible for developing their own action plan to address the burdens. There is a standard reporting template on progress. An inter-ministerial group of officials (ICRAL – Interdepartmental Commission of Co-ordinators for the Reduction of Administrative Burdens for Citizens) provides support and networking between ministries.

ACTAL plays an important challenge role. All new government proposals with possible effects on administrative burdens on citizens or businesses must be sent to ACTAL for advice, before they can be sent to the cabinet. The advice is not binding, but weighs in the final decision as ministries can and do use it in evidence. ACTAL is also empowered to advise on existing burdens.

Municipalities are formally engaged in the programme, via a June 2007 High-Level Governing Board Agreement, and the follow up Implementation Schedule of October 2007 (which bring together VNG, and the Interior, Finance and Economic Affairs ministries). A task force of officials operates at local level, linked to “pioneer” municipalities which have agreed to develop best practice that could be adopted by others. Since April 2009 a group of regional “ambassadors” (mayors and aldermen) has been established. These ambassadors will stimulate local governments in their region to use the instruments and best practices on reducing burdens already developed by the Ministry of Interior and to (local) authorities. The Ministry of Interior supports municipalities financially to help them meet the 25% target on administrative burdens for citizens at local level, which includes the VNG’s work to simplify model regulations. There is a quality of service improvement target for this level, and an emphasis on comprehensible forms, as well as a review of model regulations. Some of this work is linked to implementation of the EU Services Directive.

Annual reports are made by the Ministry of Interior to the Ministerial Steering Group for Better Regulation chaired by the Prime Minister. There is also a progress report to the parliament once a year (the Ministry of Interior’s report on e-Government is integrated in this report).

Use of e-Government

ICT is one of the main tools for the programme, and the Ministry of Interior estimates that 40% of burden reductions for citizens are ICT related. The aim is not just process reengineering, but a change in the underlying regulations where appropriate. The ICT structure (which is partly shared with the business programme) is being developed on the basis of a number of “building blocks:

- *Electronic access.* *Mijnoverheid.nl* (*mygovernment.nl*) personalised two-way Internet exchanges for information and services with the government via Internet. *Antwoord* for citizens and *Antwoord voor Bedrijven* (answer for enterprises): telephone based one-stop shops at municipality level.
- *E-authentication.* DigiD: Electronic authentication code for access to government electronic services such as tax declaration). Six million people already use DigiD.
- *Single government number.* *Burger Service Nummer* (Citizens Service Number): The government aims to use a single number in its contacts with citizens, businesses and other government organisations.
- *Key registers.* The aim is to have one key register of information on citizens by 2010, so that the latter only have to supply it once.

Consultation and communication

Significant efforts have been made to communicate and discuss the programme, both internally and to external stakeholders, including specific citizen target groups. Communication tools are varied. They include brochures, websites, instruction manuals, newsletters, articles in national newspapers, seminars, workshops, meetings, conferences and material for television programmes. Citizens’ panels are regularly convened, and there is a specific monitor on municipalities to show developments in service delivery. The approach is adapted as needs arise or the need for extra effort is identified.

The “*Kafkabrigade*” initiative is based around a group of experts who seek to solve problems in the public sector from the perspective of citizens. There is a brief investigation into a specific problem and how it is handled by the government. Civil servants are involved in this process. An appraisal review is then carried with the authorities involved, as a result of which the *Kafkabrigade* formulates recommendations for improving the way the system works.

A “*Museum of Needless Policies*” has also been established. This is a travelling exhibition on which citizens (and the authorities) can exhibit their examples of needless policies. Any level of government can host the museum, on condition that it provides one example of its own needless policy accompanied with a piece of art. The museum seeks to foster a change of attitude toward regulations, and may spark discussions on specific regulations.

A key part of the communication policy is via the Internet. A hyperlink to the website “burdened by government”²⁷ has been placed on the websites of more than 100 municipalities. The website offers citizens an accessible means of lodging their comments and complaints. Similar websites have been developed for inter-governmental burdens²⁸ and burdens for professionals in the public sector.²⁹

The programme seeks to consult directly with citizens and their representative groups, including citizens' panels, on the development of the programme. The ten bottlenecks were identified and are being addressed in dialogue with these groups, which will also be asked to report on whether an obstacle has been resolved.

EU aspects

The Ministry of Interior has been active in encouraging the European Commission to take an interest in administrative burdens on citizens.³⁰ The state secretary responsible for the programme sent a letter to the European Commission in January 2008 drawing attention to some of the problems that could be directly traced to EU-origin regulations. The letter notes that 23% of administrative burdens on citizens in the Netherlands in time, and 15% in costs, have their origin at EU level, and cites several examples, including the costs.³¹ The letter also underlines the need for the European Commission's impact assessment system to assess and quantify social impacts more clearly, so that new EU regulation does not increase burdens. It adds that there is also a responsibility on member states to reduce burdens and that the Netherlands has established an informal European network to help this along. In addition, the Ministry of Interior initiated a common reaction on the EU consultation on the impact assessment guidelines, which called for a quantitative measurement of the administrative burdens for citizens in the impact assessment guidelines. This common reaction was submitted in co-operation with seven other European countries. In 2008 the Ministry of Interior established a "Learning Team on Administrative Burdens for Citizens" within the EUPAN framework. By the end of 2008 more than 20 European countries were participating in the Learning Team. "What a Relief" is the website that has been set up to exchange knowledge and experience in the field of administrative burden reduction for citizens between European countries that are members of this Learning Team.³² Finally, it has also developed three profiles of "mobile European citizens" on which to map their burdens, with a view to proposing practical reduction measures which could be used for benchmarking across Europe.

Administrative burden reduction inside the administration

A part of the citizen programme addresses regulation inside the administration, notably for professionals working in public services such as hospitals and schools. The aim is to free up time spent on administration so that more time can be spent on their "real jobs" and services to citizens enhanced. There are three full-time equivalent staff on this work. The Ministry of Interior report to the parliament notes that the burdens of professionals in the public sector should be reduced substantially. Specific objectives include reducing the amount of information that must be recorded, developing a single audit, standardising definitions, and streamlining the benefit system. "Registration requirements" for teachers and police will be cut back. Profiles of professionals (akin to the citizen profiles already created) have been developed. In co-operation with the professionals themselves a top five of administrative burdens per profile will be selected. The programme will work on solving these burdens. There will be surveys to check progress. Committees have been established with other ministries and professional bodies to monitor and advise on progress. Another part of the programme addresses burdens between levels of government, more specifically the burdens between central government and the local level of government. Specific objectives here include reducing the amount of information that must be recorded, developing a single audit, standardising definitions, downsizing the number of ring-fenced special purpose grants to local government and streamlining the benefit system. The project aims to reduce inter-governmental burdens by 25%.

Notes

1. Programmes to reduce administrative burdens may include the review and simplification of whole regulatory frameworks or laws, so there can be some overlap with policies aimed at simplification via consolidation, etc. There may also be some overlap with the previous chapter on the development of new regulations, as administrative burden reduction programmes are often conducted on a net basis, that is, taking account of the impact of new regulations in meeting target reductions.
2. Simplification can take different technical forms. The 2001 EU *Mandelkern* report identified several definitions which are now used by the EU institutions. Recasting brings together multiple texts that regulate a particular area into one, with or without minor changes to the substance, producing a text without legal effect but of practical benefit. Consolidation means bringing together multiple texts that regulate a particular area into one, with or without minor changes to the substance, producing a text without legal effect but of practical benefit. Codification means consolidating all the amendments made over time to a given law, which are often implemented through additional laws. Within the EU Institutions, the specific definition is repealing a set of acts in one area and replacing them with a single act containing no substantive change to those acts, thus producing a text with legal effect.
3. To note that the Netherlands programme is now called the “Regulatory Burden Reduction Programme”, reflecting a move beyond administrative burdens and towards broader compliance costs.
4. The 2007 World Bank Group report “Review of the Dutch Administrative Burden Reduction Programme” noted calculations by Kox (2005) suggesting that the 25% reduction in the Netherlands will reduce administrative burdens from 3.7% of GDP to 2.8% of GDP, which is significantly above the United Kingdom (1.5%) and Denmark (1.9%). (World Bank, 2007).
5. One example given to the team was a proposal to simplify regular technical controls on cars. It was originally planned to reduce the frequency of such controls from one to every two years. Pressure from garage owners meant an adaptation of the proposal to cover only petrol vehicles.
6. The OECD team were told, and this is not specific to the Netherlands, that business finds it hard to understand why takes so long to change a regulation. Management of expectations is important.
7. The OECD team were told that behaviour at the local level had not yet noticeably changed.
8. See Annex B for a fuller description of the programme’s evolution over time.
9. *Meet Instrument Administratieve Lastendruk.*
10. Silence is consent.
11. They must report twice a year, linked to their budget reporting cycle, including a statement of expected increases and reductions respectively over the four-year cabinet period, and explain deviations from previous reports.
12. The original baseline measurement cost about EUR 3 million, including the development of the methodology. To these external costs should be added the cost of staffing. IPAL (the RRG’s predecessor) had about 18 full-time employees and

ACTAL 12 teams (2-4 persons, who often also worked on related Better Regulation issues such as licence simplification) also worked on the measurement in each ministry. The baseline update involved 100 consultants, 44 days work and cost EUR 4.5 million, excluding ministry resources.

13. These costs were formerly considered to be administrative burdens, but cannot be accounted for as information obligations from the government, as they cover information exchange between civil parties (even though they are obligatory, *e.g.* insurance companies that deal with health insurance are obliged to report yearly to their customers about their “consumption of healthcare”.) They have therefore been redefined as compliance costs.
14. Irritants can be perverse. One especially striking example given to the team was the recycling of water for power plants to the river. This may raise the quality of the water, which then has to be reduced in order to meet a fixed quality norm. Another example given was the need for frequent measurement of puddles beside public swimming pools to check for pollution.
15. Regulatory Reform Group, “Action Plan Red Tape Reduction for Businesses in the Netherlands 2007-11, Communication Plan”.
16. Local authorities that have agreed to take part in various trial projects, following a 2006 initiative by the Ministry of Economic Affairs.
17. www.antwoordvoorbestedrijven.nl (answer for businesses).
18. For example, *VNO-NCW, MKB-Nederland*.
19. For further background, see the 2007 OECD/World Bank report.
20. One of the four regular reports that it is required to make every year, two major ones, and two shorter updates.
21. Together with its British and German counterparts.
22. More recently the Netherlands contributed to the public consultation on the European Commission's revised RIA guidelines. One of its key regulatory standpoints was that the usefulness of impact assessments as an operational instrument for European political decision making can be increased by a cover note stating the main outcomes, such as expected costs and benefits of the various options and the corresponding net effects on businesses.
23. For example, the cost of a notary to buy a house, public transport tickets, phone calls.
24. The Ministry of Interior did say to the OECD peer review team that public perceptions were of a significant improvement in waiting times, although there were still black spots.
25. “Five steps to a noticeable administrative burden reduction”, November 2006. This was followed by a novel approach: the ministry commissioned research from an industrial design bureau more accustomed to develop visions for the corporate sector that could be translated into products or services.
26. Government document on the Action Plan, January 2007.
27. www.lastvandeoverheid.nl (burdened by the government).
28. www.interbestuurlijkkelasten.nl.
29. www.mijnechtewerk.nl.

30. The Ministry of Interior report to the parliament in September 2007 noted that some 20% of administrative burdens for citizens may be linked to EU- origin regulations.
31. One example is the Energy Performance Building Directive 2002/91/EG. This is estimated to lead to an increase in burdens for Dutch citizens of 95 000 hours and EUR 28 million p.a.
32. *www.whatarelief.eu*.