

Consultation mechanisms: Regulatory transparency & Economic efficiency

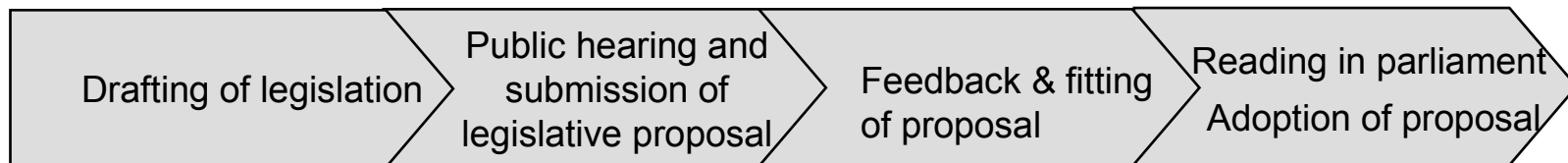
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Why consultation and when?

- Why have a consultation mechanism?
 - Highlights positive and negative consequences of legislation
 - Lawmakers must describe all consequences in new laws
 - Helps to reveal unintended consequences of draft proposal
 - Feedback enables us to make better regulation
 - Openness creates commitment to the legislative process
 - Ensures broad consensus of draft proposal
 - Good administrative practice
 - Extends the democratic process beyond Parliament
- ➔ Regulatory transparency
 - Give politicians 'full' knowledge
- ➔ Economic efficiency
 - 2005 = Saved business for 14 mio. € in administrative burdens!

Making regulation in Denmark

1. Policy area requiring change identified – input can come from politicians, special committees, citizens, etc.
2. Legislation put on annual legislative program
3. Draft legislation prepared – most often an open process involving inputs from various external parties
4. Draft legislation submitted for *public hearing* – the hearing must also be made available on the web.
5. Feedback: External comments fitted into draft legislation
6. Draft legislation presented to parliament



Barriers to consultation

- **Isn't it easier not to consult relevant parties?**
 - In the short term yes – in the long run no.
 - It's more likely that the law will meet opposition when it has not been consulted.

- **Consultation will slow down the legislative process**
 - It takes minimum 1 month - Plan for it!

- **This law is necessary – consultation won't matter!**
 - Do the benefits really justify the costs - politicians have to know!
 - Consultation may uncover ways of compliance, that carry lower costs.

- **You don't know what my law is all about, so keep off!**
 - If you can't explain it to me, then how will you explain it to the public?

More information about our work on regulation:

<http://www.eogs.dk/sw284.asp>

www.betterregulation.dk

- or please contact me: arh@eogs.dk