



# Administrative Simplification in Denmark – Lessons learned

Regional High Level Capacity- Building Seminar: “Review of the Existing legislation”, Cairo, March 11-12, 2009

Kristoffer Rudkjær, kru@eogs.dk

The Division for Better Business Regulation, Danish Commerce and Companies Agency  
Ministry of Economic and Business Affairs, Denmark

[www.betterregulation.dk](http://www.betterregulation.dk)



# Content of presentation

## BR in Denmark

- History, key objectives and drivers of BR for business program
- Organization of Better Regulation (BR) in Denmark
- Simplification of existing regulation

Lessons learned – Reviewing existing rules

Lessons learned – Streamlining existing rules

Lessons learned – Role of central unit



# History, main objectives and drivers

## History:

- Systematic effort on reducing administrative burdens for businesses since late 1990s
- SCM baseline measurement in 2004 – with yearly updates

## Objectives:

- Reduction of administrative costs for business by up to 25 pct. by 2010
- Most effective business regulation in EU
- Significant reduction of “irritation costs” (business perception of burdens)

## Drivers:

- Improving competitiveness of Danish companies
  - We cannot compete on salaries so we must limit expenses
  - → Cost effective regulation one of the tools
  - Will increase employment and create growth. A study in DK shows that 1 m. DKK reduced burdens will give 1,4 m. growth.
- To a smaller degree a political project of cutting size of public sector
- Programme has been supported by parties across the political spectrum



# Governmental organisation of Better Regulation

BR responsibilities in Denmark:

- Ministry of Finance: overall responsible for BR including BR towards citizens, Regulation Inside Government (RIG), the Regulatory Impact assessment system (RIA), and the Digital Strategy
- Ministry of Economic and Business Affairs: Better regulation for business (in cooperation with Ministry of Finance) - Daily work is mainly carried out by Danish Commerce and Companies Agency (Division for Better Business Regulation And Division for the Business Portal, Virk.dk)
- Ministry of Justice: “Traditional” law quality

This presentation will focus on better regulation for business.



## Organization of better regulation for business

Reduction of administrative burdens by 25 pct. by 2010

Simplification  
of existing  
Regulation

Better new  
regulation

Better  
regulation in  
the EU

Better  
communication  
to stake  
holders and  
target groups

Digitalisation,  
Virk.dk



# Simplification of existing regulation

- Action plans for simplification
  - individual ministries responsible for preparing action plans
  - Focus on ministries with most business regulation
  - → government action plan for 25 pct. burden reduction by 2010
  - SCM measurements used to focus action plans
  - Yearly SCM updates of progress
- Initiatives in action plans include wide range of simplification tools
  - Simplification of rules
  - Reduced frequencies
  - Administrative simplification – reuse of data
  - E-government / digital solutions
  - Better communication and service
  - More effective and targeted enforcement – risk based control



# Coordination of government action plan

- Ministry of Finance and Ministry of Economic and Business Affairs coordinates in cooperation: Simplification and administrative reductions (FAL)
- Coordinated the preparation of the government action plan
- All ministries contribute
  - Ministries with administrative cost over 500 m. DKK: Systematic action plans of ten most burdensome regulations.
  - Other ministries: action plan of most burdensome regulation
- FAL oversees progress and report to the Governmental Coordination Committee twice a year
  - Recently decided to strengthen these reports (perceived burdens, EU, digitalisation)
  - Reports are merged to show overall progress.

# Status on 25 pct. target

Ministry	Administrative costs 2001	Administrative costs 2007	Change in administrative costs 2001 – 2007	
	Mill. DKK	Mill. DKK	Mill. DKK	Pct.
Economic and Business Affairs	11,702	10,763	-938	-8.0
Taxation	9,131	7,219	-1,912	-20.9
Employment	3,932	3,863	-70	-1.8
Food, Agriculture and Fisheries	3,819	3,547	-272	-7.1
Environment	967	922	-45	-4.7
Justice	561	619	57	10.2
Science, Technology and Development	318	319	0,8	0.3
Health and Prevention	313	297	-16	-5.0
Transport	64	64	0	0.0
Welfare	45	45	0	0.0
Climate and Energy	44	83	39	89.0
Defence	18	20	2	13.8
Other ministries <sup>[1]</sup>	17.4	39.9	22.5	129.3
<b>Total</b>	<b>30,932</b>	<b>27,802</b>	<b>-3,130</b>	<b>-10.1</b>

[1] Ministries of Education, Culture and Finance.



## Lessons learned - Reviewing existing rules



## **Lessons learned - Streamlining existing rules**



# Lessons learned - role of central unit



## Relevant websites

**[www.amvab.dk](http://www.amvab.dk)**: Information about the Danish SCM measurements, "Burden barometer", baseline and updating reports, SCM Manual etc.

**[www.administrative-burdens.com](http://www.administrative-burdens.com)**: Information about the International SCM Network, information about SCM measurements and simplification initiatives in member countries etc.

**[www.regelforenkling.dk](http://www.regelforenkling.dk)**: Information concerning the Danish Action Plan for simplification and tools to simplify regulation.

**[www.lovprocesguide.dk](http://www.lovprocesguide.dk)**: Danish electronic guide to the lawmaking process.