



# **Regulatory impact analysis within the Dutch regulatory reform program**

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# Content

- The pros and cons of RIA's
- The timetable for impact analysis
- The methods and techniques
- Pitfalls
- Recommendations



# Regulatory reform in the Netherlands

‘More market by less, but better rules’

3 operations

- *MDW (now B4)*; reviews existing laws
- *Proposed regulation*; testing new rules (BIA, Environmental)
- *Reducing administrative cost*, against bureaucracy



# RIA-example: The fuel market (I)

*1997: Is fuel more expensive in the Netherlands?*

**RIA: The influence of the rules.**

*1998: Plea for restructuring the fuel market.*

**RIA:**

- **Total consumption maybe € 270 mln. cheaper**
- **There is space for 155 additional selling points**
- **Real opportunities for unmanned fuel stations**



## RIA-example: The fuel market (II)

*2000: First unmanned selling points appear*

*2002: First auction of permits to sell fuel at the highways*

### RIA:

- **Influence of newcomers on prices**
- **What is a highway permit worth**

*2006?: Evaluation of new economic structure and fuel prices*



# Pros and cons of RIA

## Pros

- technique to find information for reform based upon facts
- tool to monitor and manage reform projects
- communication strategy to get society support

## Cons

- cost of the research and evaluation

⇒ In general the pros exceed the cons.



# The timetable for impact analysis

Before

- Analysing the current economic structure

During regulatory reform

- Proposing new legislation to Parliament:  
ex ante evaluation of the new rules
- During implementation and transition:  
as a managerial tool

Afterwards: ex post evaluation



# Shop hours act (1996)

= Enlarging shopping hours  
from 6 till 10 pm

## Effects within the RIA

- Jobs created
- Economy of scale effects in retail
- Appreciation consumers
- Labour participation women
- Noise pollution
- Traffic intensities
- Ability Christian workers to attend messes



# Used RIA-methods

Collecting known facts and figures

Ex ante impact analysis of legislative proposals  
(on businesses, vindictive costs, environment)

Research

- Seeking for new facts and figures
- 'Mistral': method to quantify administrative burden
- Interviewing involved parties for opinions, remarks and criticism



# RIA as managerial tool

## Taxi transportation act (2000)

- list of checkpoints  
*(price per mile, number of taxi's, use of taxi's)*
- monitoring the transition  
*(in 1998, 2001, (2002), 2004)*
- intervention and additional legislation when needed.  
*(e.g. additional rules about presentation fares)*
- Ex post evaluation afterwards



# Pitfalls of regulatory impact analysis

- Starting too late
- Changing research techniques during the RIA's
- Other (unforeseen) developments may cloud the picture
- Jumping to conclusions



## Recommendations for an effective use of RIA

- Choose the checkpoints wisely
- Be creative and pragmatic in finding figures
- Use the RIA as a indication not as a prophesy
- Watch closely, but react slowly
- Use criticism and negative effects as valuable signals to improve your regulatory reform program
- Allow yourself to learn about RIA by doing it.