



How to Estimate Administrative Burdens?

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Programme

- Difficulties in measuring Administrative Burdens
- What is Mistral®?
- How is it applied and used?
- Basic idea
- How does it work? zero base measurement
- Main challenges and preconditions
- Recommendations



Difficulties in measuring

- To distinguish between routine business administration and government-imposed administrative activities
- To distinguish between actual administrative burdens and annoyance costs
- To clarify different types of administrative activities



What is Mistral®?

- Acronym: Measuring InSTRument Administrative Burden (Burden = Lasten in Dutch)
- Methodology accepted by Dutch Government
- Specially developed soft ware
- Registrated in most OECD-countries



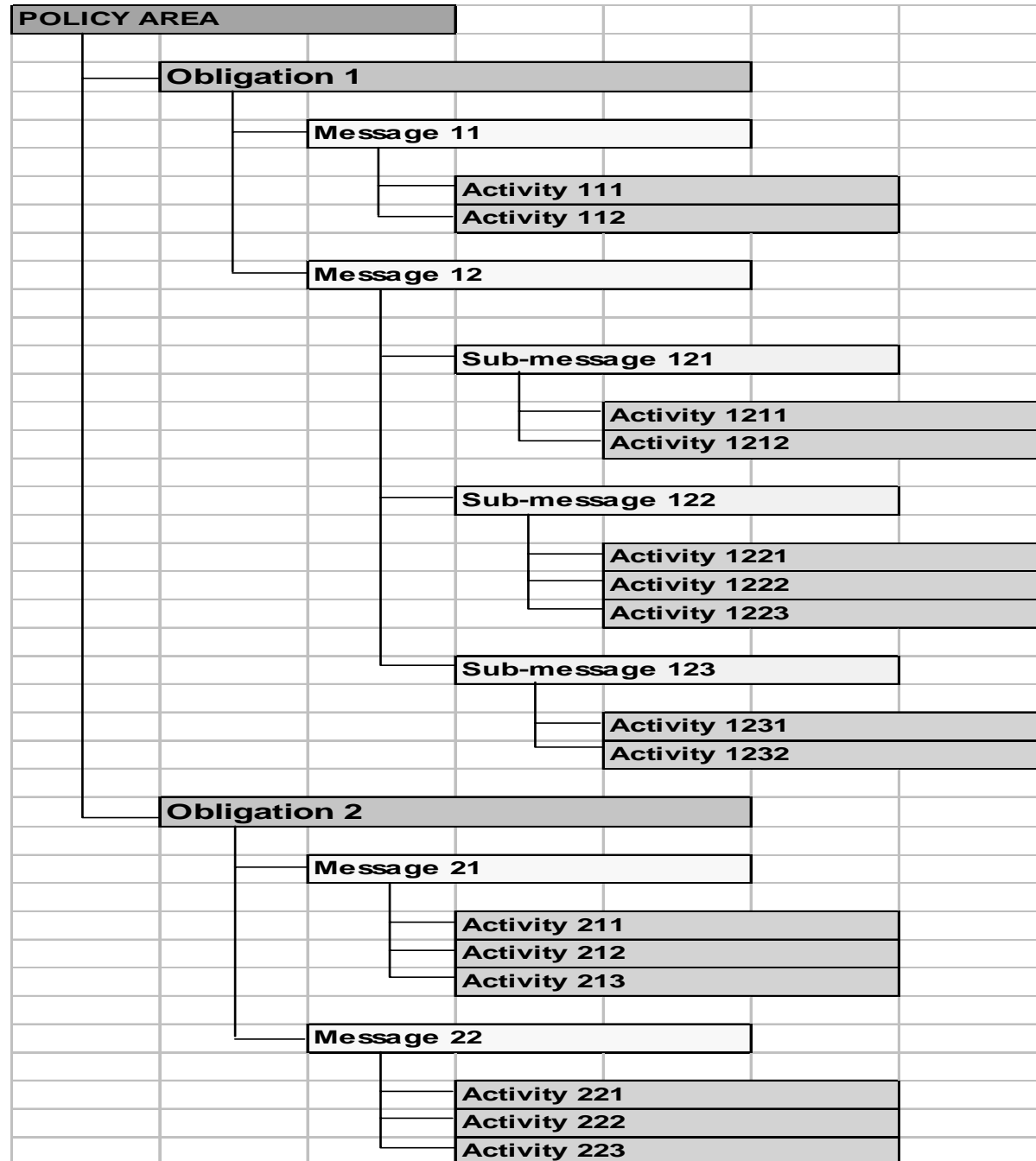
How is it applied and used?

- Zero base measurements (10 stages)
- Monitoring (changes in law and economy)
- Quick scans (7 steps)
- Advisory instrument (alternatives)
- Output zero base measurements released on CD-Rom
- Officials can calculate effects of alternatives



Basic idea

- Administrative Burdens (AB) are the costs of information transfers
- Information transfers = messages
- The number of messages = frequencies
- $AB = \text{Frequencies (Messages)} * \text{Costs of messages}$
- $\text{Costs of message} = \text{number of administrative activities} * (\text{time} * \text{wage rate})$





Zero base measurement (1)

- Defining policy area
- Inventory of all information obligations (messages) and administrative activities per article in the law
- Creation of support for the list of messages and administrative activities (countervailing powers)
- Collection of time and cost parameters in the field (face-to-face interviews)
- Collection of frequency parameters (authorities receiving messages)



Zero base measurement (2)

- Standardizing administrative activities per message, time parameters and wage rates
- Validation of standardized results per message with experts (countervailing powers: bookkeepers, accountant, officials)
- Input in Mistral®
- Running Mistral®
- Presentation results: report or CD-Rom



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Main challenges and preconditions

- Challenges are:
 - translating laws into messages
 - collecting frequencies and time parameters
- Preconditions are:
 - methodology must be accepted by Cabinet, officials and representatives of businesses
 - officials in charge of policy to reduce administrative burdens should receive more positive incentives



Recommendations

- Paradigmashift: focus on functionality of information transfers instead of one-sided discussion about the costs of information transfers
- No discussions about benefits
- No one is to blame for administrative burdens