

Administrative Simplification: a Policy Tool for Economic Efficiency

5th Meeting of Working Group 2
on E-Government and Administrative
Simplification

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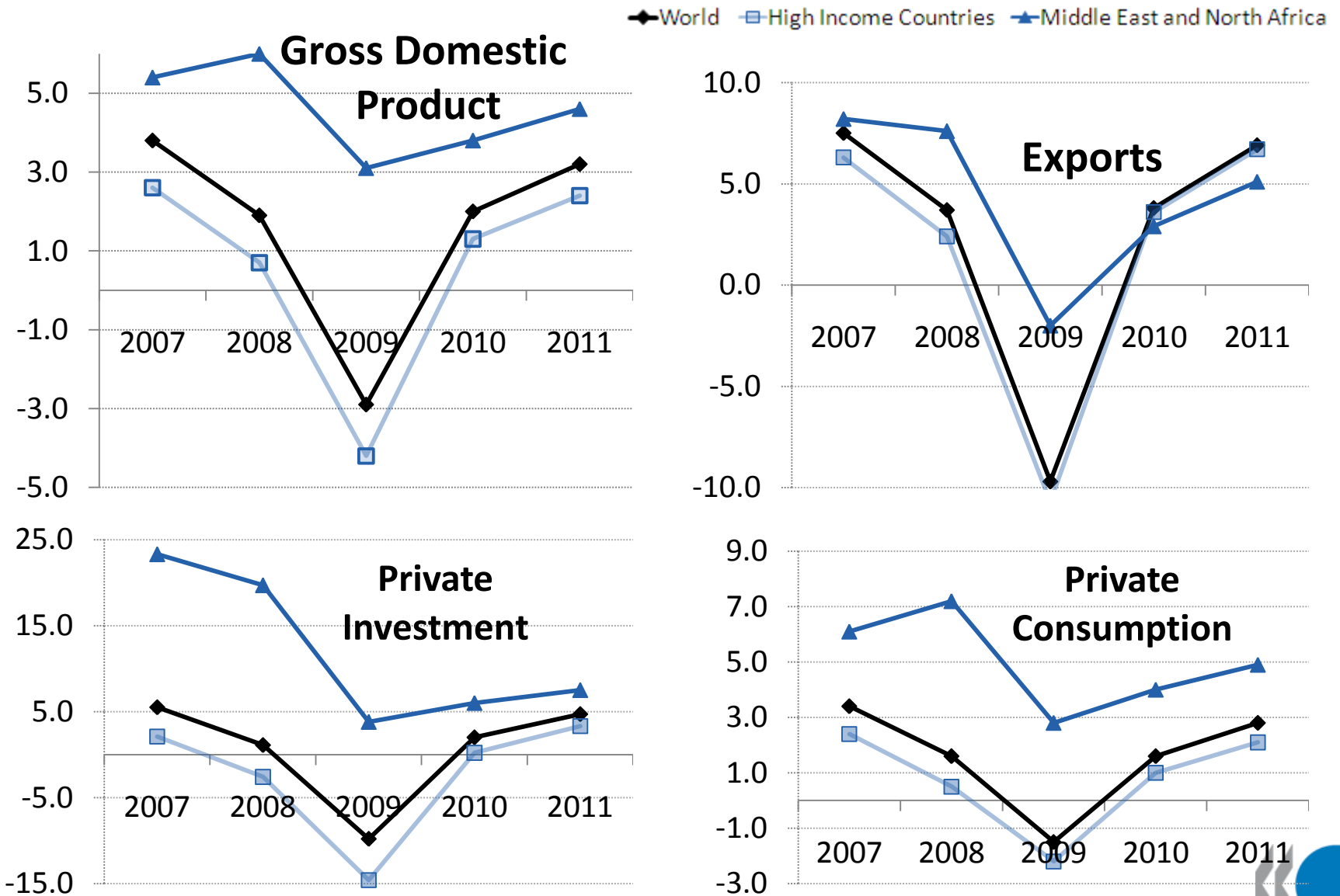
Regulatory Policy Division

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Presentation outline

1. A period of global crisis
2. Public Management in Action: Administrative Simplification as an Expansionary Policy
3. Enhancing efficiency: reducing administrative burdens
4. How to cut red tape?
5. Obstacles in our way
6. Some solutions to overcome those obstacles

1. A period of global crisis



Data in Annual Growth. Source: World Bank.



2. Public Management in Action

The role of the government

- Secure against systemic risk
- Reverse the economic downturn

Public Management Tools

- Expansionary policies: fiscal policies and other incentives
- Economic restructuring
- Regulatory reform, in particular in the financial sector

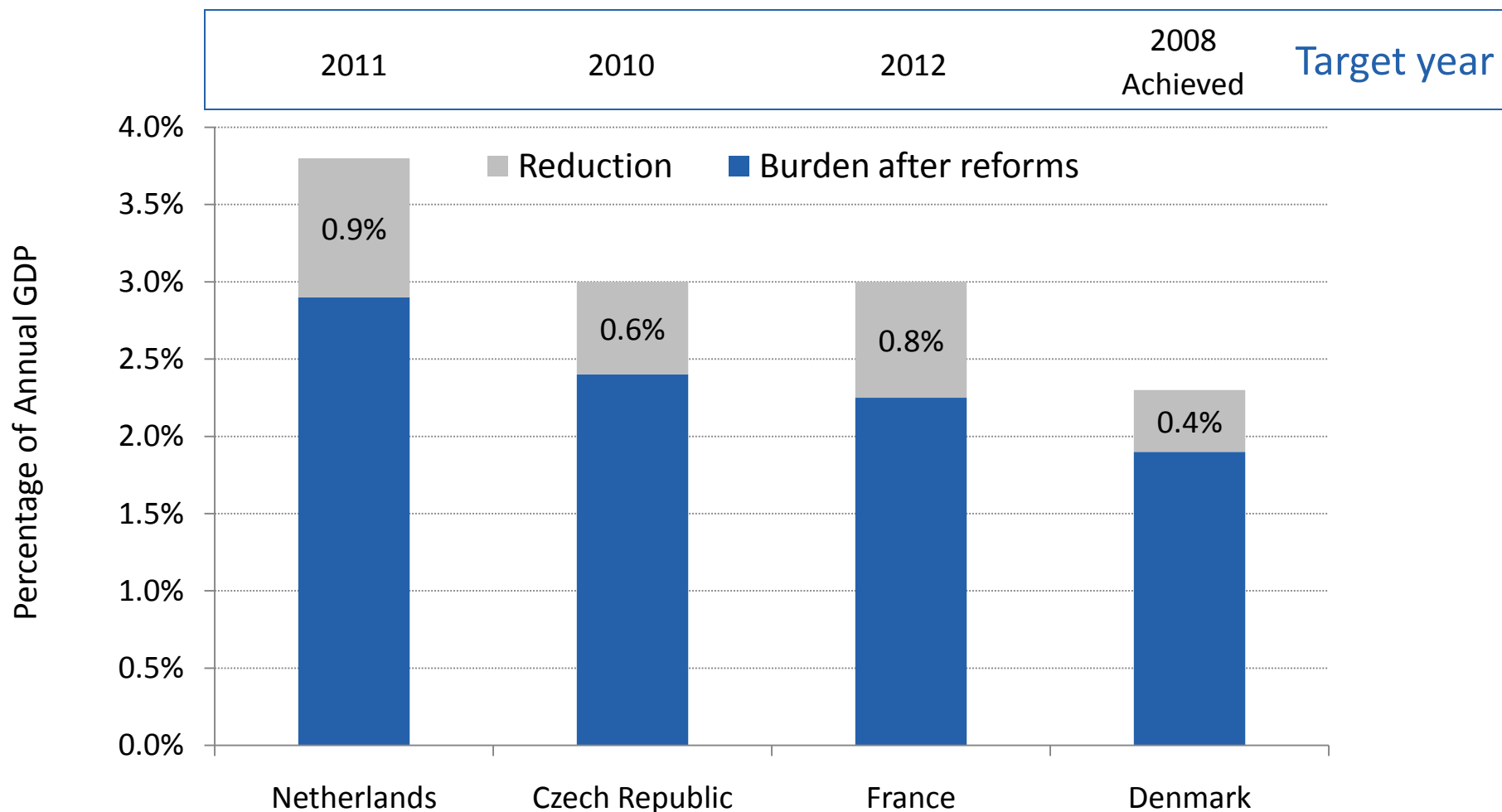
[...]

- **Administrative Simplification**: producing savings for the economy

Efficiency savings to be used in productive activities

how much money are we talking about?

3. Enhancing efficiency: reducing administrative burdens

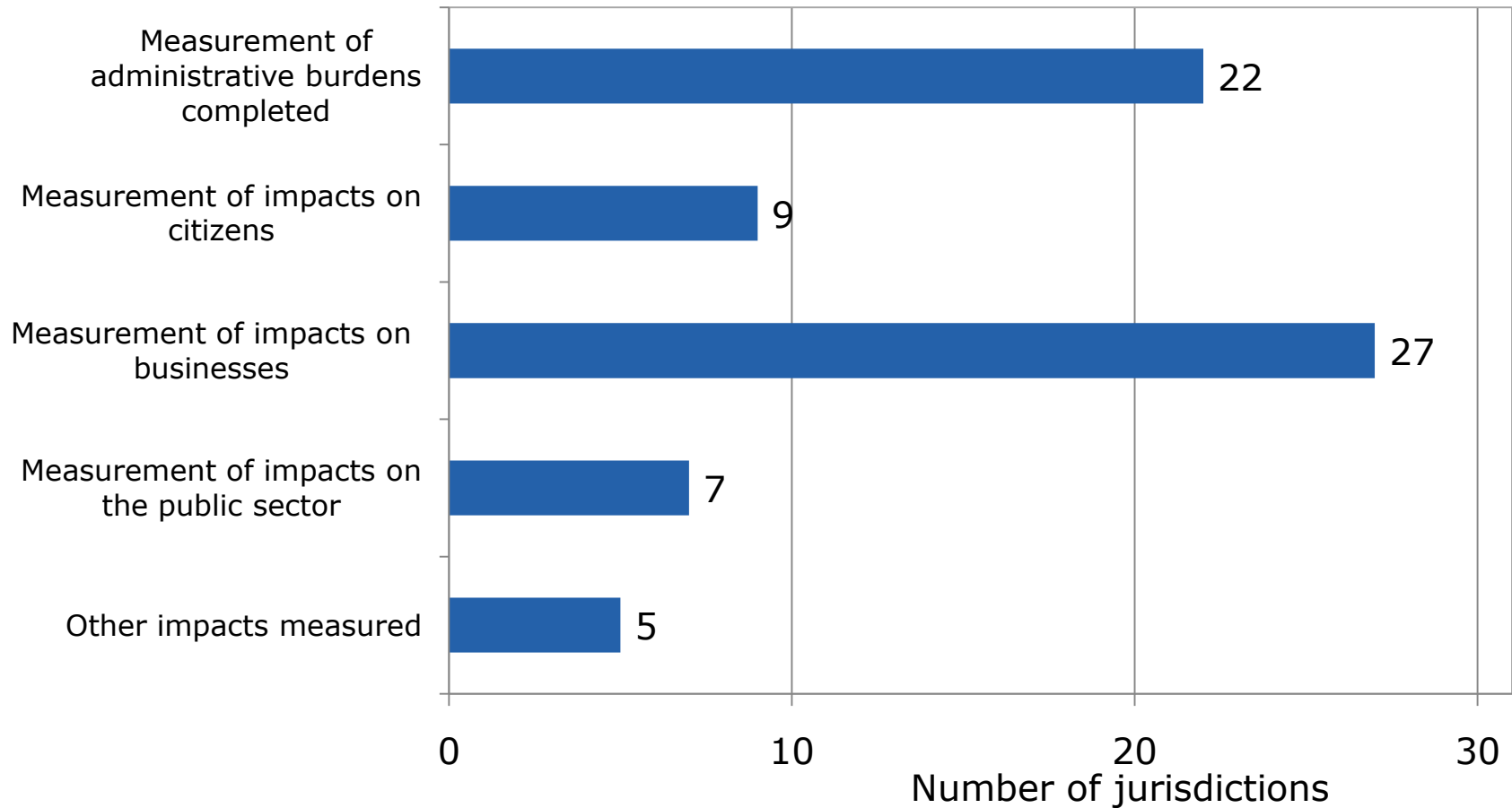


Note: **These Estimations use different methodologies.** Data is not comparable between countries.

Sources: Government of France, Government of Czech Republic, OECD and the World Bank.



Focus of Administrative Burden Measurement

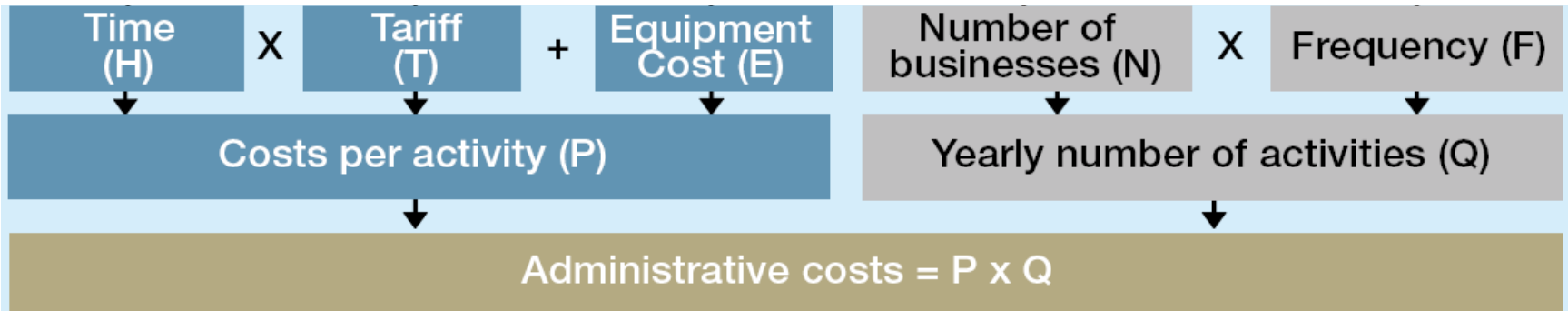


2008 data Source: OECD (2009) Regulatory Management Systems' Indicators Survey. Preliminary Data. **(not for quotation)**



The methodology for burden measurement

The Standard Cost Model



Differentiate by Sector and Ministry

Identifying irritation

	Sector A	Sector Z
Ministry A	\$\$		\$\$\$\$\$
.	\$		\$
.	\$		
.	\$\$		\$\$
Ministry Z	\$\$\$\$\$		\$

Key issues

- Different methodologies
- Not everything is taken into account
- Does not differentiate 'low hanging fruits'
- **Targets can be engines for action:**

Targets by department and monitoring mechanism promotes competition across departments

4. How to cut red tape?

5 elements for administrative simplification implementation

1. Better regulation
2. Process reengineering
3. Use of ICT
4. Better information: accessibility to administrative requirements
5. Time coordination of administrative requirements

5. Obstacles in our way

Strategic barriers

1. Lack of high political support
2. Resistance to change
3. Lack of co-ordination
4. Lack of a comprehensive administrative simplification strategy
5. Limited resource availability

Technical barriers

6. Legal complexity
7. Lack of human skills and capacities.
8. Lack of understanding administrative simplification
9. Lack of information and data.
10. The digital divide
11. Lack of standardisation of procedures
12. Lack of measurement and evaluation mechanisms

6. Some solutions to overcome those obstacles

Matrix on Overcoming barriers to administrative simplification

Barriers	Statements/approaches																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1) Lack of high political support	X		X		X								X	X	X							
2) Resistance to change	X	X	X		X	X	X	X			X				X		X		X	X		X
3) Lack of co-ordination	X	X								X	X		X	X	X							X
4) Lack of a comprehensive administrative simplification strategy	X	X	X	X						X			X			X						
5) Limited resource availability	X		X	X	X										X							
6) Legal complexity									X	X	X		X			X	X	X	X	X		
7) Lack of human skills and capacities									X	X	X		X									X
8) Lack of understanding administrative simplification				X	X					X	X		X		X				X	X		X
9) Lack of information and data					X												X	X			X	
10) The digital divide												X										X
11) Lack of standardisation of procedures	X	X				X				X			X			X	X	X	X			
12) Lack of measurement and evaluation mechanisms																	X	X			X	X

6. Some solutions to overcome those obstacles

Strategic and policy approaches

1. Establish a comprehensive programme on administrative simplification and maintain broad policy priorities.
2. Define clear objectives-targets and make institutions accountable for them.
3. Use success stories: start small but thinking big.

Institutional design

4. Promote the work of ambassadors and champions for the simplification programme.

Supporting tools

5. Quantify costs and benefits, both ex ante and ex post.
6. Prioritise based on evidence.

Summarising

1. Global crisis needs combined solutions
2. Administrative simplification can help enhancing economic activity
3. Measurement experiences provide an idea of potential savings and support the targeting of reform
4. Many barriers impede cutting red tape
5. Results of the work of WG II provide some solutions

Overcoming Barriers to Administrative Simplification Strategies

GUIDANCE FOR POLICY MAKERS

