



# Controlling regulatory expenditures: An over-arching concern for policy makers (France)

OECD Berlin, 11-12 June 2012

Charles-Henri Montin, Senior Regulatory Expert,  
Ministère de l'économie et des finances, Paris  
<http://smartregulation.net>

C.H. Montin, Berlin, OECD workshop 12 June 2012

1

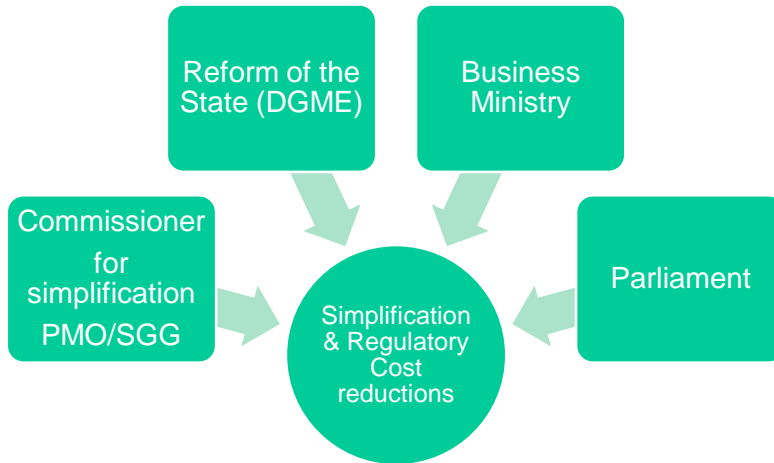
## Features of the French strategy

- **Holistic:** end-users have a broader sense of red tape than IOs and related costs : perceived complexity, irritation factor, overproduction of norms must be controlled
- **Coordinated:** all actors involved in the lawmaking process, including central and local government
- **Balanced:** scrutiny incl. benefits of legislation
- **Contextual:** Regulatory costs important but not driving principle
- **Proportional:** studies and measurements to stay reasonable

C.H. Montin, Berlin, OECD workshop 12 June 2012

2

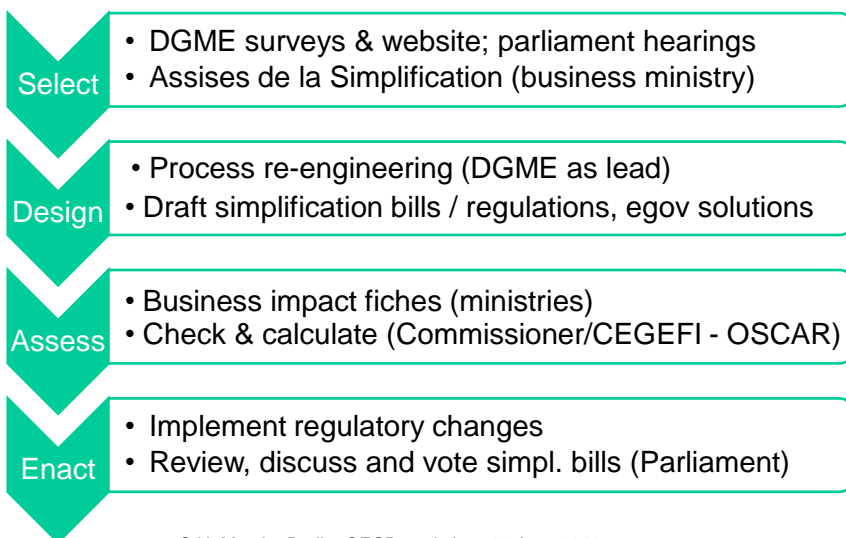
## Coordinated strategy (2011)



C.H. Montin, Berlin, OECD workshop 12 June 2012

3

## Integrated reduction process



C.H. Montin, Berlin, OECD workshop 12 June 2012

## Holistic definition of regulatory costs

- **Ex-ante:** gradual strengthening of the RIA system, leading to an effective scrutiny of regulatory costs (CBA style)
- **Appointment of the Commissioner with a special mandate for new regulation on local authorities and business**
- **Ex-post:** widening of the notion of regulatory costs after 2008 baseline measurement
  - Selection based on perception of complexity by end-users
  - Inclusion of Legal security / uncertainty concerns
  - Multi-level perspective
  - Increased concern for compliance costs of local authorities
  - Communication based on reduction measures, not baseline figures, hence cost figures less conspicuous

C.H. Montin, Berlin, OECD workshop 12 June 2012

5

## Ex post measurement techniques

- **2006-2008: the baseline measurement of regulatory costs included:**
  - Administrative costs of IO's
  - Costs for administration
  - Cost of delays
- **2008-212: red tape surveys include:**
  - First phase: consultation to identify burdens, irritants, sources of complexity
  - Second phase: re-engineering, then assessment of impact of simplification measures (including regulatory cost)

C.H. Montin, Berlin, OECD workshop 12 June 2012

6

## Ex ante techniques

- **December 2007 report by *Inspection Générale des Finances* presents a detailed regulatory cost reduction method targeting:**
  - One-off design cost of new legislation, including parliament and government time, length of texts, costs of consultations and publications
  - enactment costs, including *i.a.* training, IT changes, information of end-users (on the basis of IOs)

See also 2004 [Rapport Lasserre](#) (“RIA and regulatory costs” p. 17-23)

C.H. Montin, Berlin, OECD workshop 12 June 2012

7

## Centrally supported (OSCAR)

- = online Tool to Simulate Administrative Costs of new legislation
- Developed 2010 by DGME on basis of 2007 IGF report and baseline data; transferred to SGG 2011
- Supports business impact fiche calculations for economic, financial and fiscal impacts
- Encompasses one-off and recurring costs including enactment, enforcement, implementation (for administrations) and compliance (for business)

C.H. Montin, Berlin, OECD workshop 12 June 2012

8

## Targeting business regulatory costs

- **Commissioner's 2012 annual report presents new methodology for ex ante assessment : « business impact fiche (BIF)» with wide definition of regulatory impact:**
  - costs for business, sorted by « operationally consistent subset of measures »: compliance, information, training, etc (p. 20 of BIF guidance)
  - CBA approach and legal stability concern
  - Implementation schemes are included
  - Impact assessed for various sizes of companies

C.H. Montin, Berlin, OECD workshop 12 June 2012

9

## Targeting local authority compliance burdens

- Rapport Doligé (2011) draws on comprehensive definition of regulatory costs for LA.
- **Committee on the evaluation of norms (CCEN) assesses economic impact of new norms for LA**
- Moratorium on new burdens for local authorities and their groupings

C.H. Montin, Berlin, OECD workshop 12 June 2012

10

## Other components of the strategy

- **Simplification laws (6 in 9 years)**
- **One-in, one-out (proposed) / Moratorium on new legislation for local authorities**
- **Common commencement dates (with tables on *Légifrance*)**
- **“Smart” transposition of EU legislation**
- **Strong ex-post evaluation institutions and tools (reports on the implementation of laws, inspectorate reports, RGPP)**

C.H. Montin, Berlin, OECD workshop 12 June 2012

## Enforcing the new control mechanisms

(to avoid “gaming”)

- **Strong legal basis for controlling new legislation by RIA in the Constitution**
- **Online guidance and support; training of officials**
- **Central unit and Commissioner (PMO + MEF) to quality check cost assessments**
- **Technical capacity to coordinate e-gov solutions (DGME)**
- **Efficient arbitration by PMO in case of conflict with ministry over policy**

C.H. Montin, Berlin, OECD workshop 12 June 2012

## Communication of the strategy

- **Emphasis on involving stakeholders in the selection phase: surveys, websites, Assizes**
- **Regular policy and political government statements on containing normative inflation and reducing regulatory costs;**
- **Frequent discussion in Parliament on the occasion of the simplification laws**

C.H. Montin, Berlin, OECD workshop 12 June 2012

## Regulatory Costs: reference docs (France)

- [Rapport Lasserre 2004](#)
- [French SCM](#) including costs for admins & delays
- **Rapport IGF 2007 “coûts administratifs de la réglementation” (not published)**
- **Guidelines on RIA 2010 (not online)**
- **OSCAR methodology (not online)**
- [Rapport Warsmann 2011](#)
- **Commissioner’s [annual report 2012](#) including the Business Impact Fiche & guidance**
- [Rapport Doligé](#) and fiche on new regulations for local authorities & guidance

C.H. Montin, Berlin, OECD workshop 12 June 2012

## To continue the study...

- **This presentation is online (including hyperlinks)**
  - <http://www.montin.com/documents/berlin.ppsx>
- **Updates on current events and trends in France:**
  - <http://smartregulation.net> (blog) go to “France” category
- **Contact:**
  - [charles-henri.montin @ finances.gouv.fr](mailto:charles-henri.montin@finances.gouv.fr)



C.H. Montin, Berlin, OECD workshop 12 June 2012

15