OECD Regulatory Policy Outlook 2015
Country profile

GERMANY

Access links

- Indicators of Regulatory Policy and Governance and the underlying data: www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm
- Regulatory policy in Germany: www.oecd.org/regreform/regulatory-policy/germany.htm
- OECD regulatory policy website: www.oecd.org/governance/regulatory-policy/
Overview

Germany has made significant improvements to its regulatory policy system over the last years. In 2013, the government introduced systematic ex post evaluation of regulations that create over EUR 1 million compliance costs p.a.; and in 2011, it improved its cost assessments for ex ante impact assessments which are conducted for all regulations and are subject to quality control by the independent National Regulatory Control Council with the involvement of the National Statistical Office. The Minister of State to the Federal Chancellor for Better Regulation is responsible for promoting government-wide progress on better regulation and a dedicated unit in the Chancellery co-ordinates and monitors the programme on the reduction of bureaucracy and better regulations. The Ministries of the Interior and of Justice and Consumer Protection examine whether the envisaged regulation is consistent with the existing legal system and other regulations.

The government has put a strong emphasis on the reduction of costs of regulation, recently introducing one-in one out rules, and has not yet fully exploited the potential of regulatory policy beyond administrative simplification. Germany may benefit from an independent standing capacity to regularly undertake comprehensive in-depth reviews of sectors or policy areas to inform large scale regulatory reforms. To put the data on costs of regulations into context, a requirement to assess the benefits of regulation could be introduced. Furthermore, while Germany has a well-established system to consult with social partners, experts and other representatives of affected parties, Germany could open consultations more systematically to the general public, release impact assessments for public consultation and systematically publish responses to consultation comments on-line.

Spotlight: Role of the Statistical Office in regulatory policy evaluation

The Federal Statistical Office in Germany currently runs representative surveys on how citizens and businesses perceive the quality of public administration and law regarding 30 real life events such as having a child, opening a business, paying taxes or employing staff. The surveys will be repeated regularly. Citizens and business can access information on users’ journey through the life events on the dedicated website www.amtlich-einfach.de and provide feedback on their experience with each life event. The Federal Statistical Office also monitors compliance with government set goals to reduce compliance costs and administrative burdens and checks ex post for each law and regulation whether ex ante estimates of costs were accurate, updating its database on compliance costs where necessary. Furthermore, the Federal Statistical Office supports ministries in evaluating whether the goals of regulations have been met upon request.
1. The figures display the aggregated scores from all four categories giving the total composite score for each indicator. The maximum score for each category is one and the maximum score for each aggregated indicator is four.

2. The information presented in the indicators for primary laws on RIA and stakeholder engagement only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in Germany approx. 73% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 73% of primary laws. There is no formal requirement in Germany for consultation with the general public and for conducting RIAs to inform the development of primary laws initiated by parliament. The information presented in the indicators for primary laws on ex post evaluation covers processes in place for both primary laws initiated by parliament and by the executive. The percentage of primary laws initiated by parliament is an average between the years 2011 to 2013.


Statlink: http://dx.doi.org/10.1787/888933263158
Indicators of Regulatory Policy and Governance (iREG)

The three composite indicators provide an overview of a country’s practices in the areas of stakeholder engagement, Regulatory Impact Assessment (RIA) and ex post evaluation. Each indicator comprises four equally weighted categories:

- **Systematic adoption** which records formal requirements and how often these requirements are conducted in practice.
- **Methodology** which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used.
- **Oversight and quality control** records the role of oversight bodies and publically available evaluations.
- **Transparency** records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publically available.

The composite indicators are based on the results of the *OECD 2014 Regulatory Indicators Survey*, which gathers information from all 34 OECD countries and the European Commission as of 31 December 2014. The survey focuses on regulatory policy practices as described in the 2012 *OECD Recommendation on Regulatory Policy and Governance*. The more of these practices a country has adopted, the higher its indicator score. Further information on the methodology is available online at www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Whilst the indicators provide an overview of a country’s regulatory framework, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

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**Key findings:**

- **Laws and regulations** are essential instruments, together with taxes and spending, in attaining policy objectives such as economic growth, social welfare and environmental protection. OECD countries have generally committed at the highest political level to an explicit whole-of-government policy for regulatory quality and have established a standing body charged with regulatory oversight.

- **Implementation of regulatory policy** varies greatly in scope and form across countries. While RIA has been widely adopted, few countries systematically assess whether their laws and regulations achieve their objectives. Stakeholder engagement on rule making is widespread in OECD countries, taking place mostly in the final phase of developing regulation.

- **The national executive government** has made important progress over the last decade to improve the quality of regulations. Parliaments, regulatory agencies and sub-national and international levels of government need to be more engaged to ensure that there are evidence-based and efficient laws and regulations for stimulating economic activity and promoting well-being.

- **The impact of regulatory policy** could be further improved by addressing shortcomings in the implementation and enforcement of regulations and by considering new approaches to regulatory design and delivery such as those based on behavioural economics.

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