



# *Regulatory Reform Group*

## **Perception Monitor of Regulatory Reform for businesses in the Netherlands**

## **Principles, application, findings**

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*Better regulation, better business*



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## **Principles of the approach of the RRG**

- A problem oriented approach
- Measurable targets / quantifiable objectives
- Focus on existing as well as on new legislation
- **3 x 4 principle of: Less, Simpler, Tangible**

### **Using**

- Broad political backing
- An external watchdog
- Link to the budget cycle
- **Stakeholder involvement**



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## Government's Objectives:

- Both the Cabinet and the Parliament want to know how the RRG's programme influences regulatory burdens
- For this purpose, every spring the Cabinet measures to what extent businesses are irritated by regulatory burden

## Quality of Service

The Cabinet also wants to see businesses give 7 out of 10 points to the quality of services provided by both municipalities and implementing organisations

## The goal of the perception monitor is twofold:

- Way to determine whether companies notice our efforts, what they think about it, and to point out our areas that need extra attention
- Also a means to monitor one's own progress



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The foregoing broad objectives have been translated into the concrete “3 x 4 objectives” in the table below

	Aspect	Objective 2011
<b>TANGIBLE</b>	<b>Predictability</b>	<b>15% more businesses say they are not irritated by continually changing legislation and rules</b>
	<b>Information obligations</b>	<b>25% more businesses say they have very little irritation from unnecessary information obligations</b>
	<b>Supervision</b>	<b>15% more businesses say they have very little irritation from strict requirements of supervisory bodies</b>
	<b>Lower costs to comply with regulations</b>	<b>25% more businesses say they have very little irritation from high costs to comply with rules.</b>



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## Approach:

In the perception monitor, several statements about regulatory burden are presented to businesses

Main focus: Perception of regulatory burdens & Quality of service of municipalities and government institutions in the past year

- Representative survey
- Distinction between company size, industry and Life cycle (starters)
- Telephone interviews with 1211 entrepreneurs (40 questions, 17 minutes interview)

A number of these statements are closely related to priorities of the programme:

- |  |  |
|--|--|
| -unnecessary information obligations           | -costs of observing laws and regulations             |
| -continuous amendments to laws and regulations | -strict controls by regulators and inspection boards |
| -time perception                               | -the perception of total regulatory burden           |



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## Pilot 'Micro perception monitor'

- Does our (macro-) image of regulatory reduction match the perception of the individual entrepreneur?
- How do individual entrepreneurs appreciate the development in regulatory reform and why?
- Interview with 12 businesses within 6 business sectors (selected by business organisations)
  - first scan: interview by telephone
  - in depth: face-to-face interview
- Not representative for whole population!
- Gives new insights in daily practice
- Works like a funnel: ever closer look into problem area
- Preliminary results:
  - Big difference in perception amongst entrepreneurs
  - Majority of reductions sort no effect in their specific perception
  - Reductions with effect scores are a little more negative then positive
  - Tangibility even of generic reductions is diffuse
- Survey will be repeated in 2010 en 2011



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## **Findings both 2008 and 2009**

- Regulatory burden is perceived very differently in different lines of business
- Life cycle and size of companies is very determinative for the perception of regulatory burden
- Regulatory issues remain the same over time (time, costs, etc)
- Monitor gives specific insights and perspectives of businesses' problems and needs (quantity vs. quality, administrative burdens vs. compliance)
- The more companies have been in contact with the communication campaign, the greater their confidence in the reduction programme is.



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Perception Monitor is the feedback mechanism of the policy cycle:



- Gives insights in accomplished objectives
- Gives new input for RRG's programme
- Uncovers 'white areas'
- Uncovers pinch points and new areas of focus
- Gives input for specific communication efforts

**Are we doing the right things, and are we doing the things right?**



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