Reducing administrative burdens to boost business activity

In the course of the finalisation of this review, the country undertook a major political transition, with likely major influences on the better regulation agenda for the country. In the last two months of 2011 and the first months of 2012, the new government led by Mario Monti embarked on wide ranging and in-depth structural reforms aimed to address the economic situation faced by the country. Better and more efficient public administration features high on the reform agenda of the new government. Several legislations with a focus on regulatory reform, or important components thereof, were proposed:

- The "Salva Italia" Decree-law of December 2011 extends liberalisation measures to the sale of pharmaceutical products, to commercial distribution (including the abolishment of opening hours restrictions), and to the organisation and operation of professions (including free choice of fees).
- The "Cresci-Italia" Decree-law of January 2012 introduces measures aimed at overcoming two major obstacles to Italian economic growth: the insufficient market competition and the inadequacy of the infrastructure.
- The "Semplifica Italia" Decree-law of January 2012, if endorsed by parliament, provides detailed and practical simplification measures with immediate effects, with a view to reducing administrative burdens on businesses and citizens (see Box 0.1).

In addition, taking into account one of the OECD recommendations, the previous fragmentation of competences for regulatory simplification were consolidated under the leadership of a broadened Ministry for Public Administration and Simplification.

While the new regulatory reforms, in particular the practical simplification initiatives of the "Semplifica Italia" Decree, are likely to have an immediate impact, the OECD recommendations emphasising the need to combine the production of rules with mechanisms that ensure effective implementation should remain important considerations for the government:

- Monitoring and evaluation capacities to check progress and results of burden reduction initiatives need to be strengthened.
- Results and impacts need to be widely communicated.
- Specific attention should be given to the implementation of the programme on measuring and reducing burdens at regional and local levels and to the strengthening of capacity for regulatory policy in sub-national administrations.

In that respect, the plans of the Minister for Public Administration and Simplification to establish an evaluation system based on performance indicators; to launch communication campaigns to engage citizens and businesses; and to strengthen the co-operation with regions and local authorities through roundtables and benchmarking of best practices are crucial accompanying undertakings.

Box 0.1. The "Semplifica Italia" Decree-Law of 27 January 2012

The Decree is in the broad framework of the administrative burden reduction programme carried out by Italy in recent years. The Decree draws from the inputs gathered through public consultation to complement the existing simplification apparatus by providing for concrete, practical and with immediate effects measures, differentiating them between general measures, measures for citizens and measures for businesses. At the time of completion of this report, savings for SMEs from the measures were estimated at some EUR 500 million per year.

The Decree addresses lengthy administrative procedures by introducing the possibility of substitutive powers at the request of private individuals to expedite administrative processes when delays are not respected. The respect of administrative deadlines becomes the direct responsibility of individual civil servants, who may be subject to sanctions. The Decree also introduces the use of regulatory budgets for each public administration to avoid that the development of new regulation tampers with the simplification efforts.

The measures for citizens aim to reduce red tape for people with disabilities, to computerise civil acts by making public administrations directly communicate electronically. Further savings should result from the shortened processing and delivery periods. Several administrative procedures are simplified, among which the issuance and renewal of driving licences and technical compliance of cars.

The measures for business involve, notably, simplification of procedures to participate in tenders through better use of electronic information in e-procurement (estimated savings for SMEs of about EUR 140 million per year), elimination of the security policy document in the privacy area (estimated savings for SMEs of around EUR 313 million a year), unique environmental permit for SMEs, elimination of obsolete regulations, co-ordination and streamlining of inspections, as well as sector specific measures (agriculture, fishing, heating installations).

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