

Towards Better Regulation – Poland's challenge

Regulatory Policy at the Crossroads: Towards a New Policy Agenda
OECD

The Chancellery of the Prime Minister of Poland
Paris, 28th October 2010

We need better regulation to...

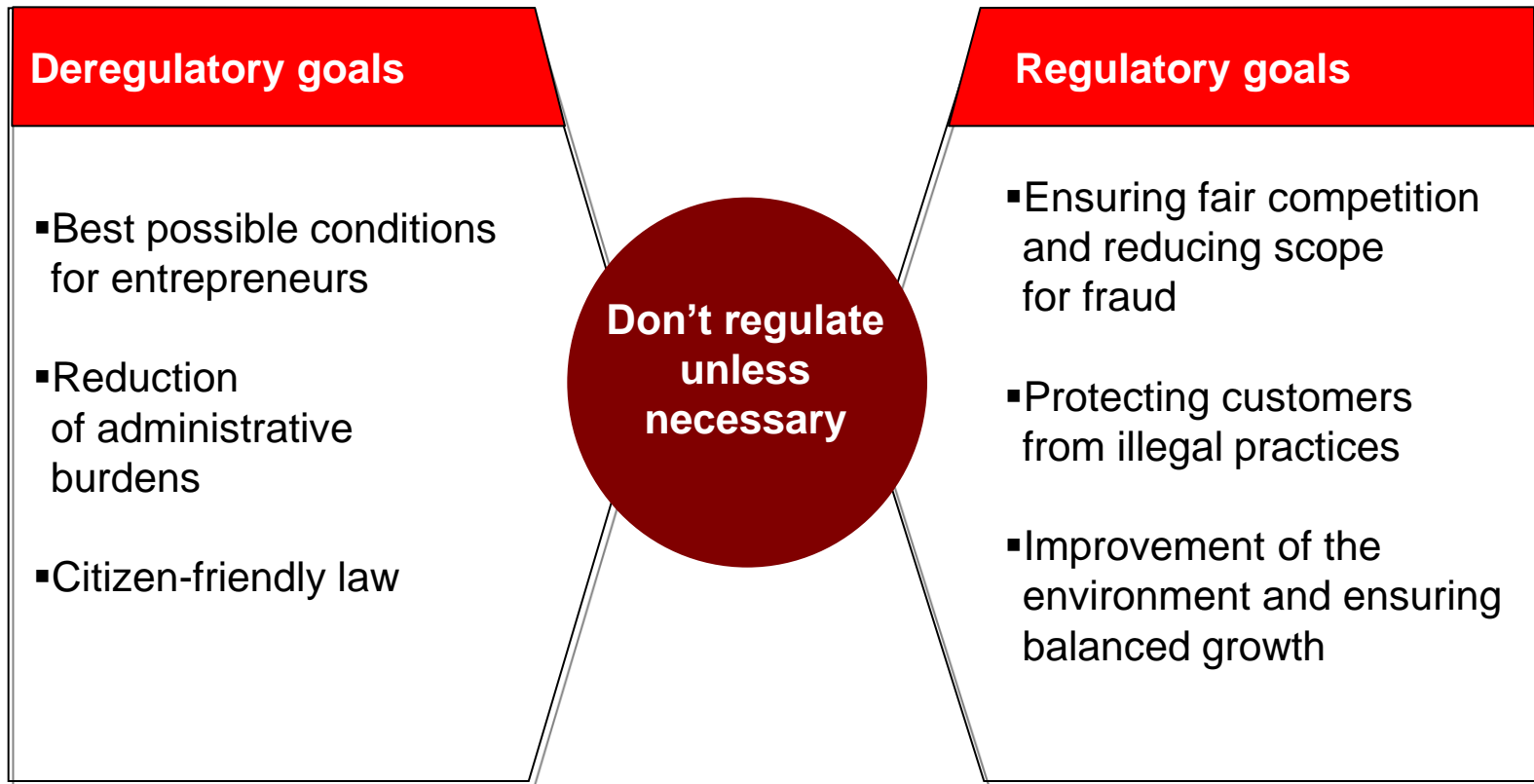


Restore economic growth

Improve competitiveness

Improve public finances by administrative cost reduction

What do we mean by better regulation?



There are 3 key areas of focus for better regulation in Poland

1

Improve the quality of new legislation

2

Review and simplify existing regulations

3

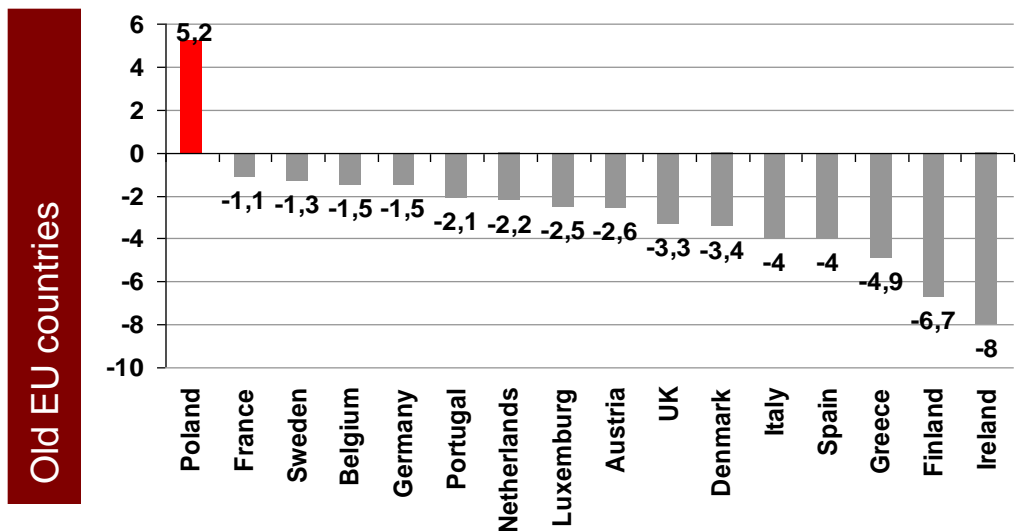
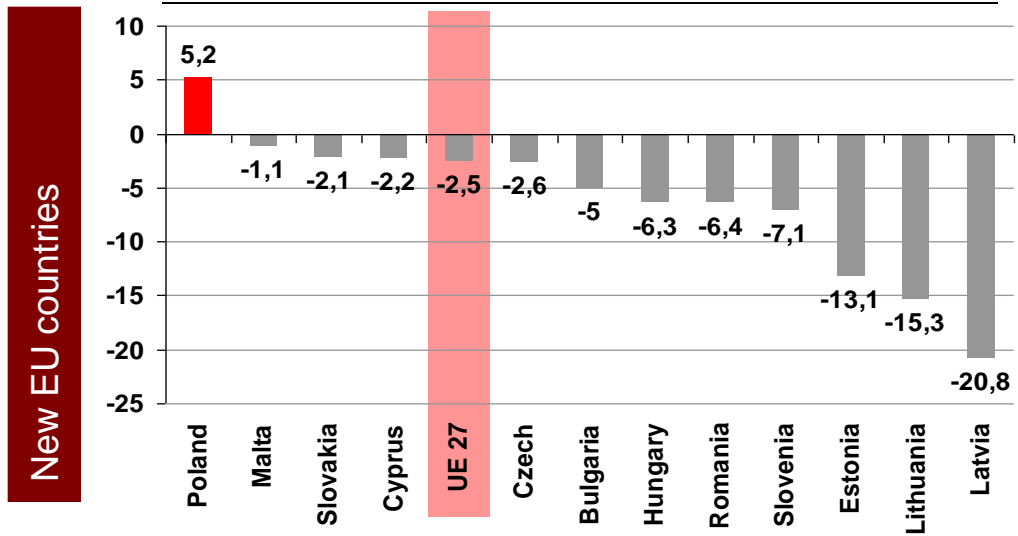
Change mindsets towards more customer-oriented law

Poland is a country of paradox – on one hand we are a country of sustained growth...

Poland outperformed other European countries during the crisis

- Rapid GDP growth in years 2008-2010 was the highest in Europe
- Strong internal market
- Efficient use of EU funds
- Conservative banking system
- Growing SME sector contributing:
 - 69% of employment
 - 56% of value added in the Polish economy

Cumulated GDP growth 2008-2010
%



... on the other hand administrative costs incurred by Polish business are estimated at EUR 20 bn per year

There are 3 key measurable components of administrative burdens

1 Direct fees

- Fees paid to the government administration by customers for various documents and procedures

2 Cost for businesses and citizens

- Cost of customers time spent on commuting to government offices, queuing, etc.

3 Cost of bureaucrats

- Cost of work and resources of government employees

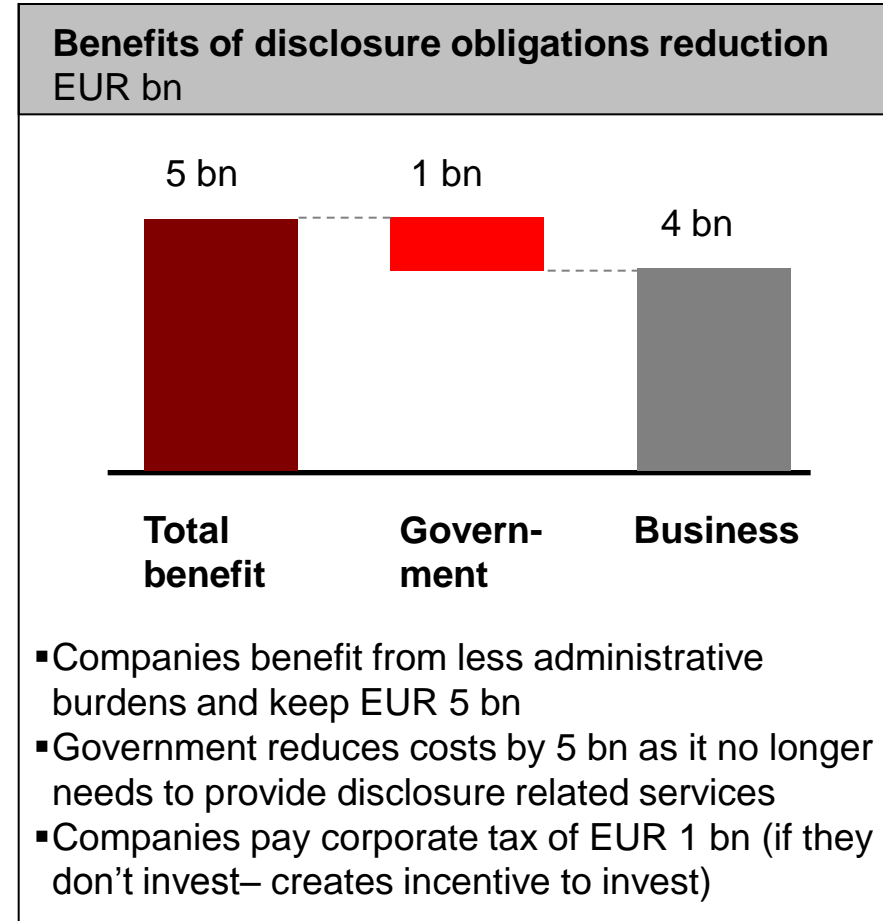
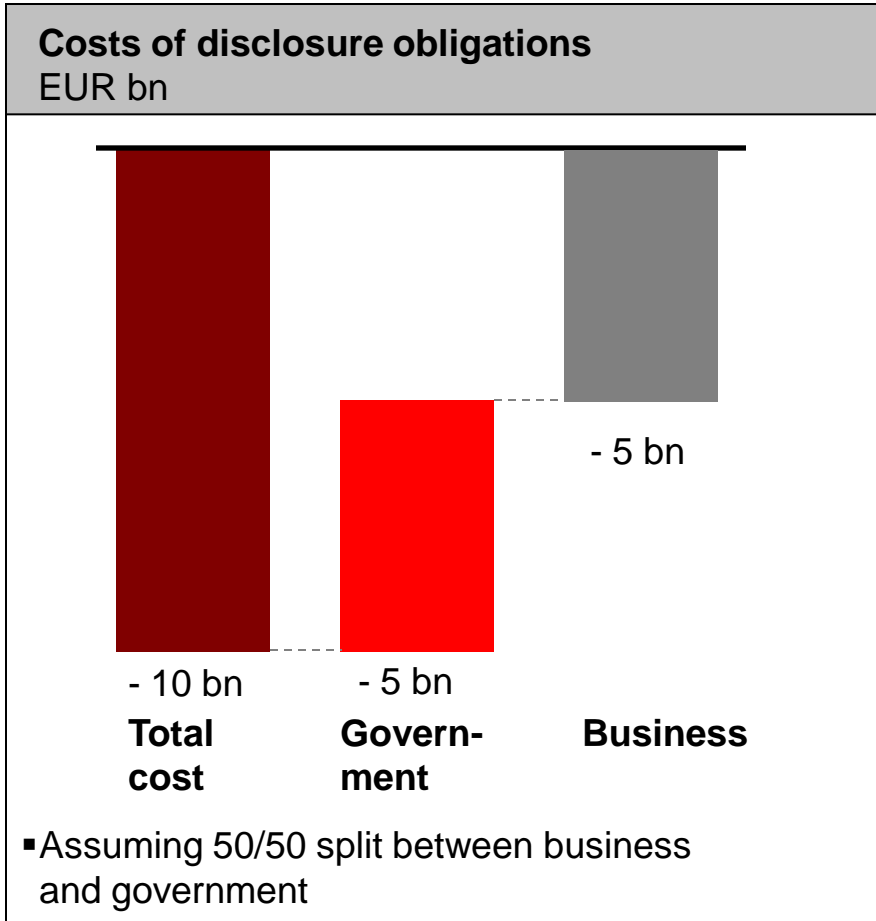
Diagnosis of current regulatory situation in Poland



- Analysis of **482 legal acts** (statutes, regulations, directives)
- The analysis has revealed **6187 disclosure obligations**
- This translates into **yearly cost of almost EUR 20 bn** incurred by businesses in Poland
- Disclosure obligations imposed on businesses constitute half of the cost

What if we managed to reduce those costs...(conceptual example)

CONCEPTUAL

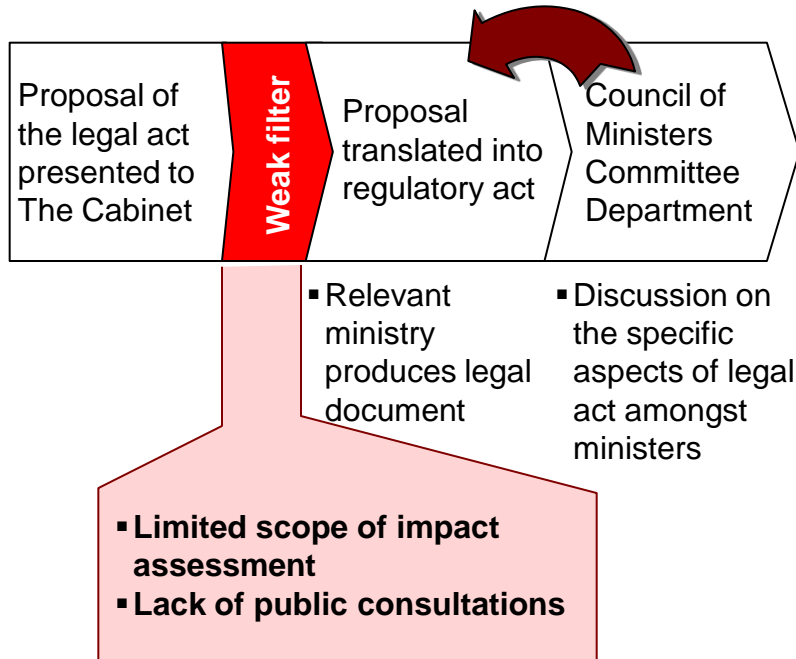


Reduction of administrative burdens benefits both – businesses and government

We aspire to improve the process of law making in Poland to ensure better quality and understanding of new regulations

From...

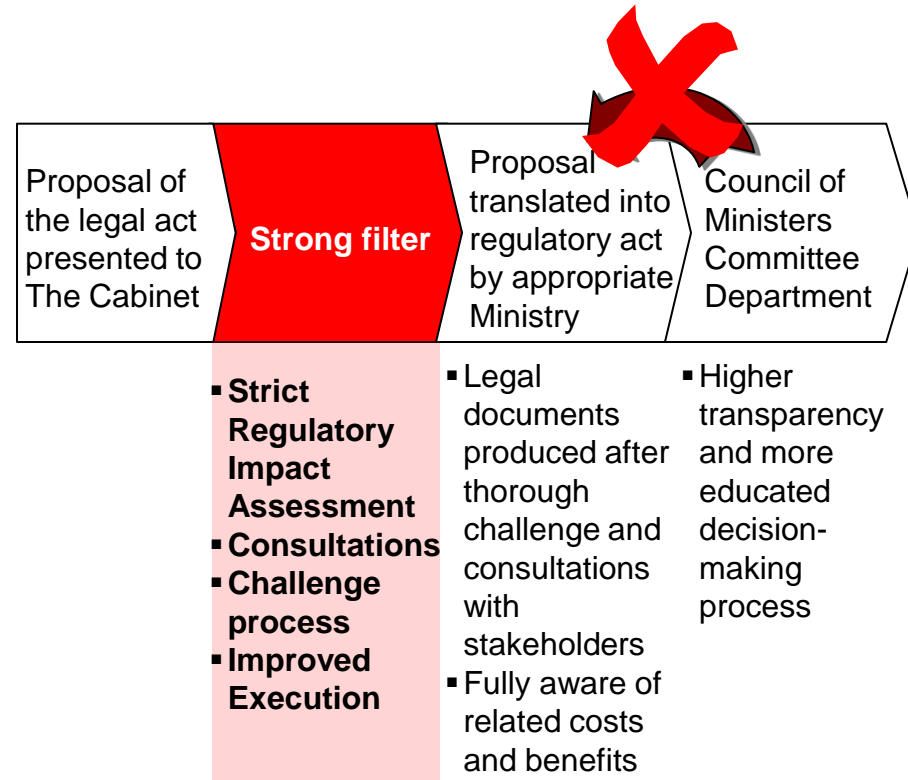
Legal acts of poor quality sent back to authors after lengthy discussions



+ Faster process of introduction of new legal acts

- Poor quality of law and limited understanding of consequences

...to



+ Better understanding of regulatory and financial consequences

+ Less redundant regulation

- Longer legislative process

We have designed a set of tools to help reduce administrative burdens

1

Regulatory Impact Assessment

- Introduction of Deregulatory Impact Assessment form focusing on:
 - quantitative **cost-benefit analysis** of new regulation
 - **length of procedures** and time to serve customers
 - number of new/reduced information obligations
 - one-in-one -out (?)

2

Better consultation process

- Wide process of consultations with key stakeholders (eg. entrepreneurs, employers, employees, external experts)
- Ministry of Economy is working on **on-line consultation** process

3

Challenge process

- **Deregulatory Workgroup** in the Prime Minister's office consisting of key ministers as well as internal and external experts
- Thorough **challenge of key legal acts** during bi-weekly meetings

4

Improved Execution

- Requirement to:
 - **quantify benefits** of administrative burdens reduction
 - present **schedule** showing when the benefits will be captured along with **clear map of accountability**

Some of our achievements to date...

1

**Reduction
of legislative
barriers for
citizens and
entrepreneurs**

- Part of an **overall effort to reduce administrative burdens by 25% until the end of 2010**
- A draft act reducing disclosure requirements ready to go to parliament
- In the area of social security payments **reduced number of certificates from businesses by 681 248 per year**

2

**Introduction of
e-solutions for
businesses and
citizens**

- Friendlier access to public registers
- Draft law introducing on-line access to Companies Register

3

**Company
registration on-
line within 24h**

- Poland is far below OECD average when it comes to forming a company with an average of 32 days vs. OECD's 13¹
- In a response to this problem we are introducing a 24-hour on-line registration of a limited liability company without any paperwork
- Cutting number of procedures by automating them and linking registers on-line

In the pipeline

Improving efficiency of judicial system

- It takes 830 days on average to settle a business case (vs. OECD average of 462 days)

Digital signature

- Simplification of digital signature to boost conversion towards e-services of public administration

E-taxes

- Encouraging more citizens and businesses to submit their tax declarations on-line via simplification of procedures

"Virtual" registration office

- Ministry of Economy is working on on-line registration for sole proprietorships

Urban Planning

- Simplification of laws & procedures (currently 30 procedures vs OECD average of 15)
- Transferring registers on-line

Thank You