



# Better Regulation UK: What do Directors Really Think?

A Presentation to the OECD Conference,  
Regulatory Policy at the Crossroads:  
Towards a New Agenda

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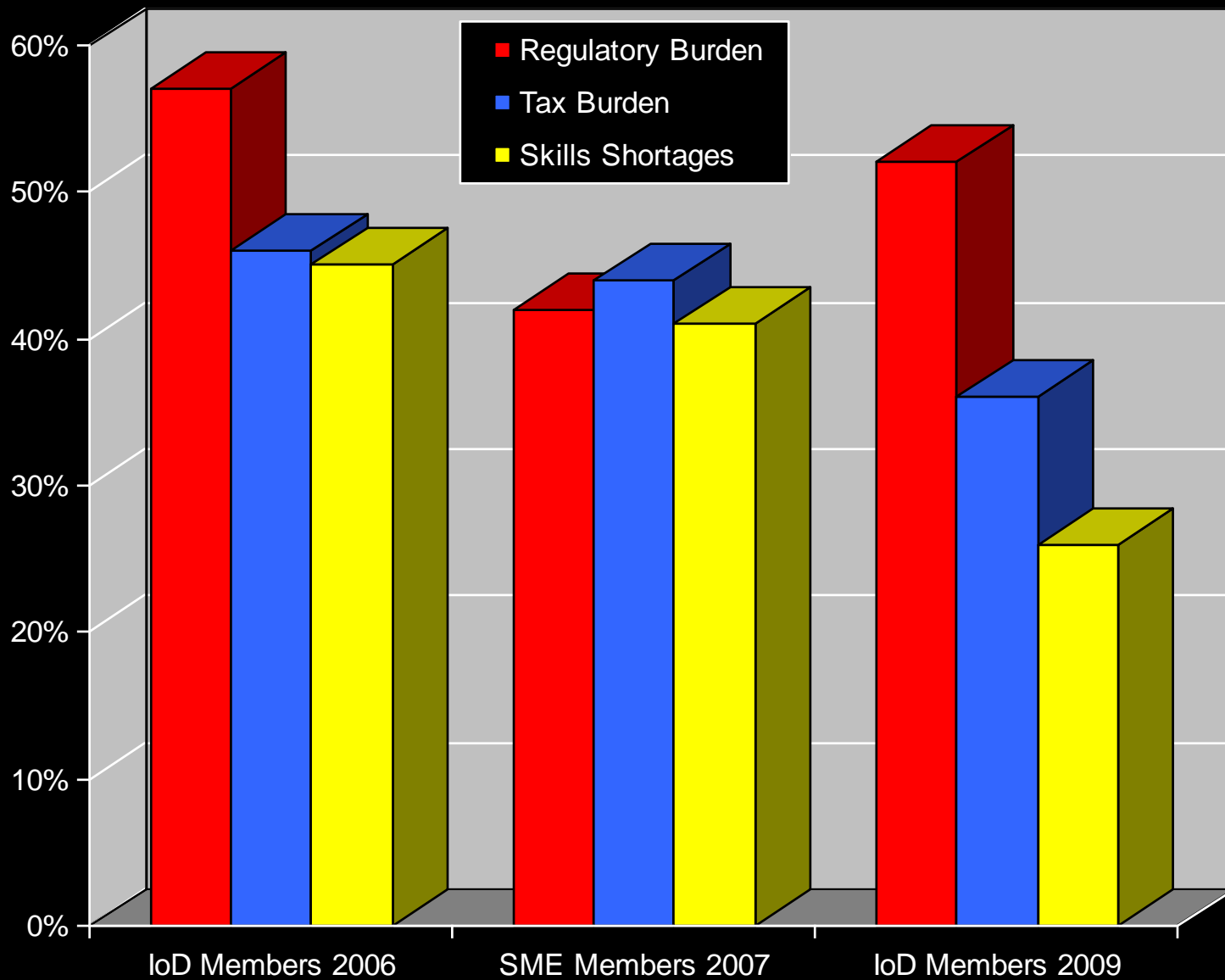
# What is the IoD?

- The Institute of Directors (IoD) is a membership body for directors, owners and senior leaders within business
- The IoD has approximately 45,000 members
- 73% of IoD members are directors of small and medium-sized businesses (SMEs)
- Regulation has always been a top three issue for IoD members





# Top 3 Issues for IoD Members





# Better Regulation and Beyond

## 2007-2010

- Administrative Burdens Mapping Exercise
- Simplification Plans (25% reductions)
- Simplification Suggestions Portal
- Improved Impact Assessments



## Post 2010 Election -

- One in One Out for Regulations
- Sunset Clauses for Regulators
- Commitment to stop Gold Plating
- Review of Health and Safety Regulation
- Commitment to Review Employment Law





# What has the IoD Been Doing?

- Estimated annual cost of admin regulation – £52bn
- Submitted 269 Regulatory Suggestions to Government direct from members
- Resubmitted 101 of these suggestions (on Employment and Health and Safety to the new Government
- Lobbied on specific issues; such as extension of flexible working, rights to request, Agency Workers Directive, Default Retirement Age





# Regulation and the Economy

- 610,000 job losses from the Public Sector by 2016 (OBR)
- Government investment in Private Sector growth reduced heavily (Removal of RDAs, Business Support, No Room for Tax Cuts)
- Private Sector needs to pick up the unemployed from Public Sector, but what levers will help assist this growth...
- Regulation, Regulation, Regulation!



# The State of the UK Problem (1)

- World Bank *Doing Business* report showed that employing workers in the UK has become harder every year since 2007
- UK labour market flexibility has slipped down the international league table from 17th in 2007, to 21st in 2008, to 28th in 2009 and now to 35th in 2010
- The UK is now behind European countries like Switzerland, Denmark, Ireland and the Czech Republic, as well as Australia, Canada, the United States on labour market flexibility

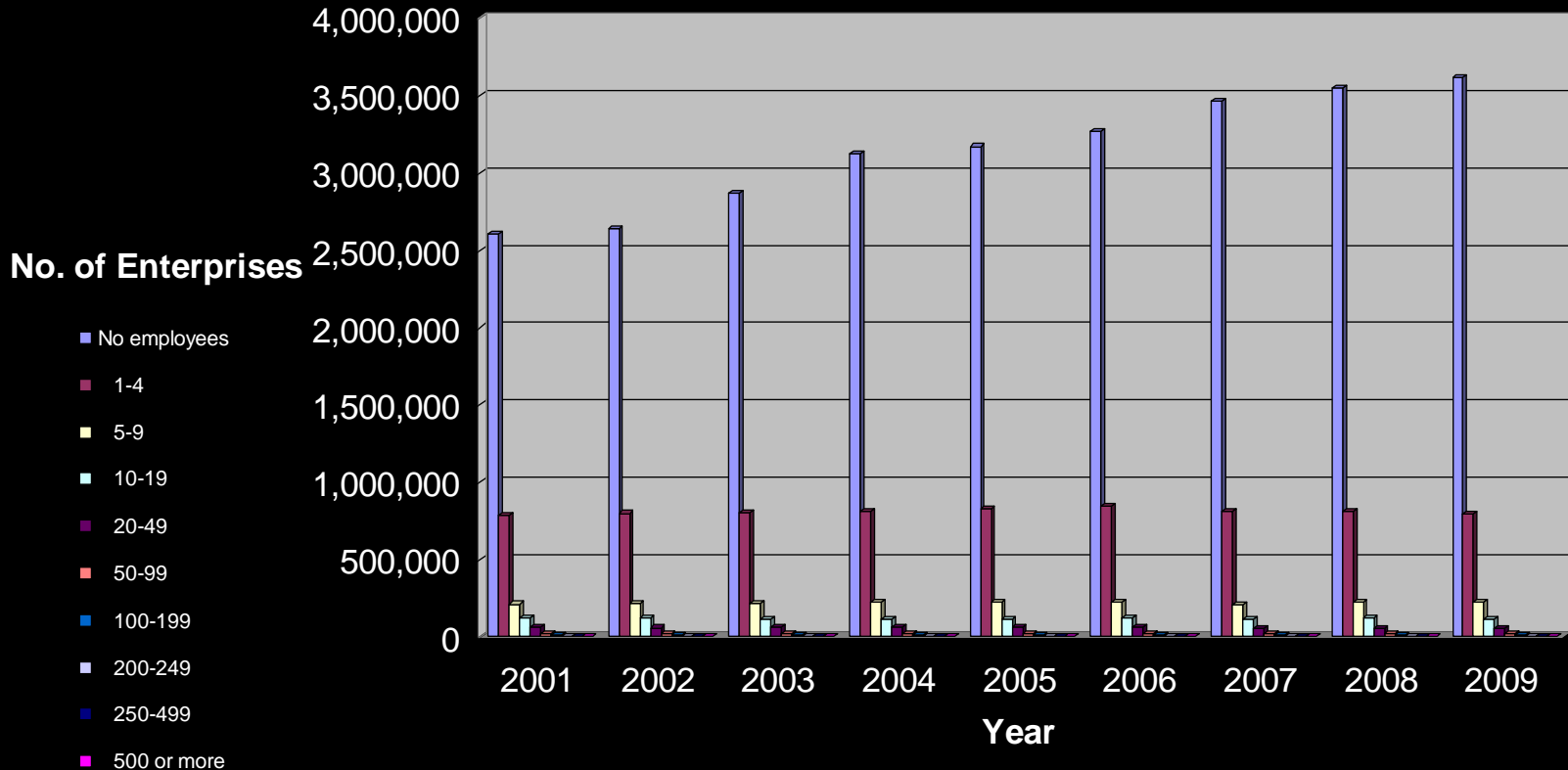




# The State of the UK Problem (2)

If protecting and developing the UK's flexible labour market is one of the Government's key economic priorities, it must halt the downward trend evidenced in the World Bank reports as well as Enterprise Data

Data Showing UK Enterprises by Size (Whole Economy 2001 - 2009)



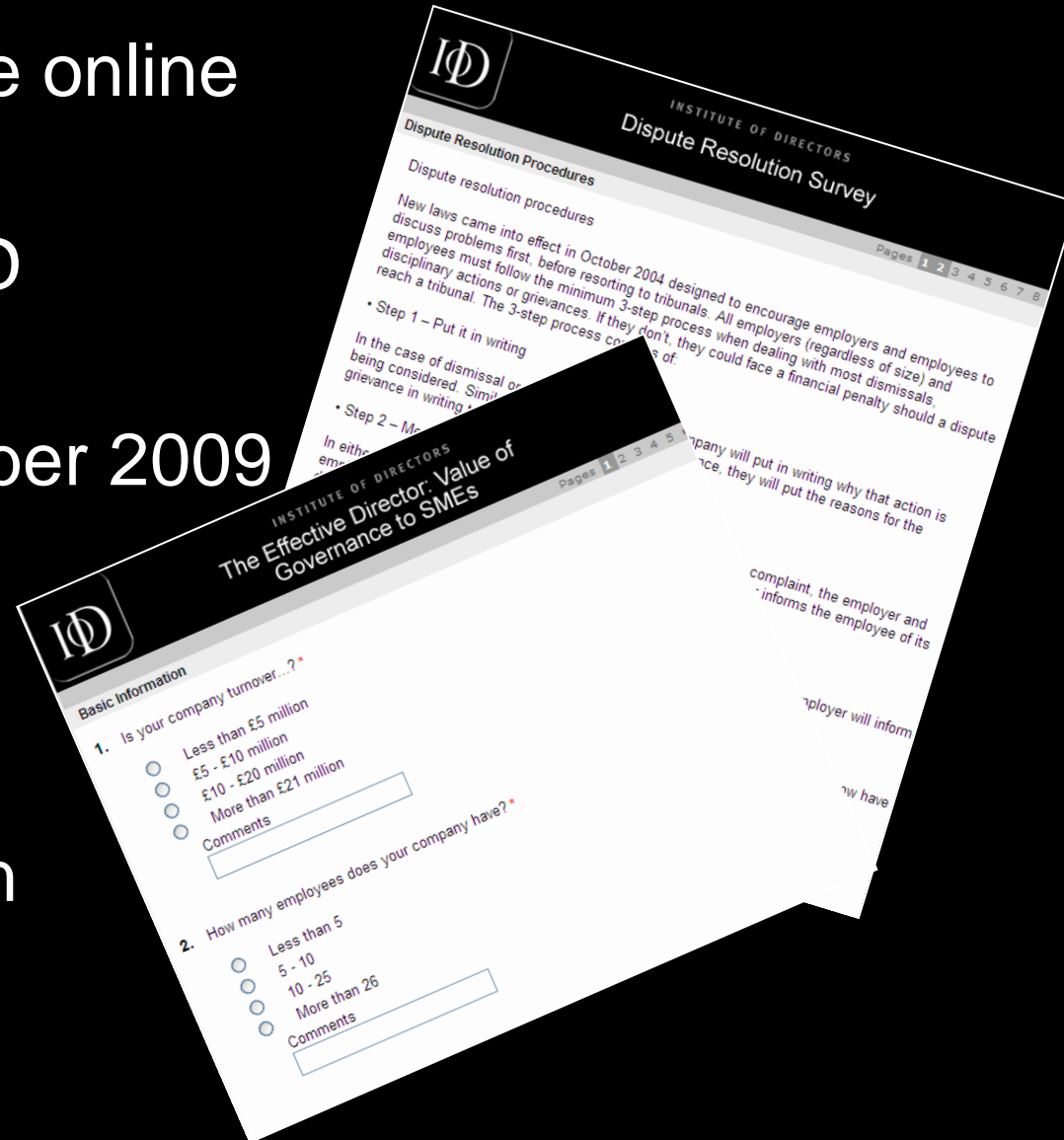
Such a move will increase the movement of people into and out of jobs and take away the perceived risk of being saddled with a poor employee





# Methodology of Research

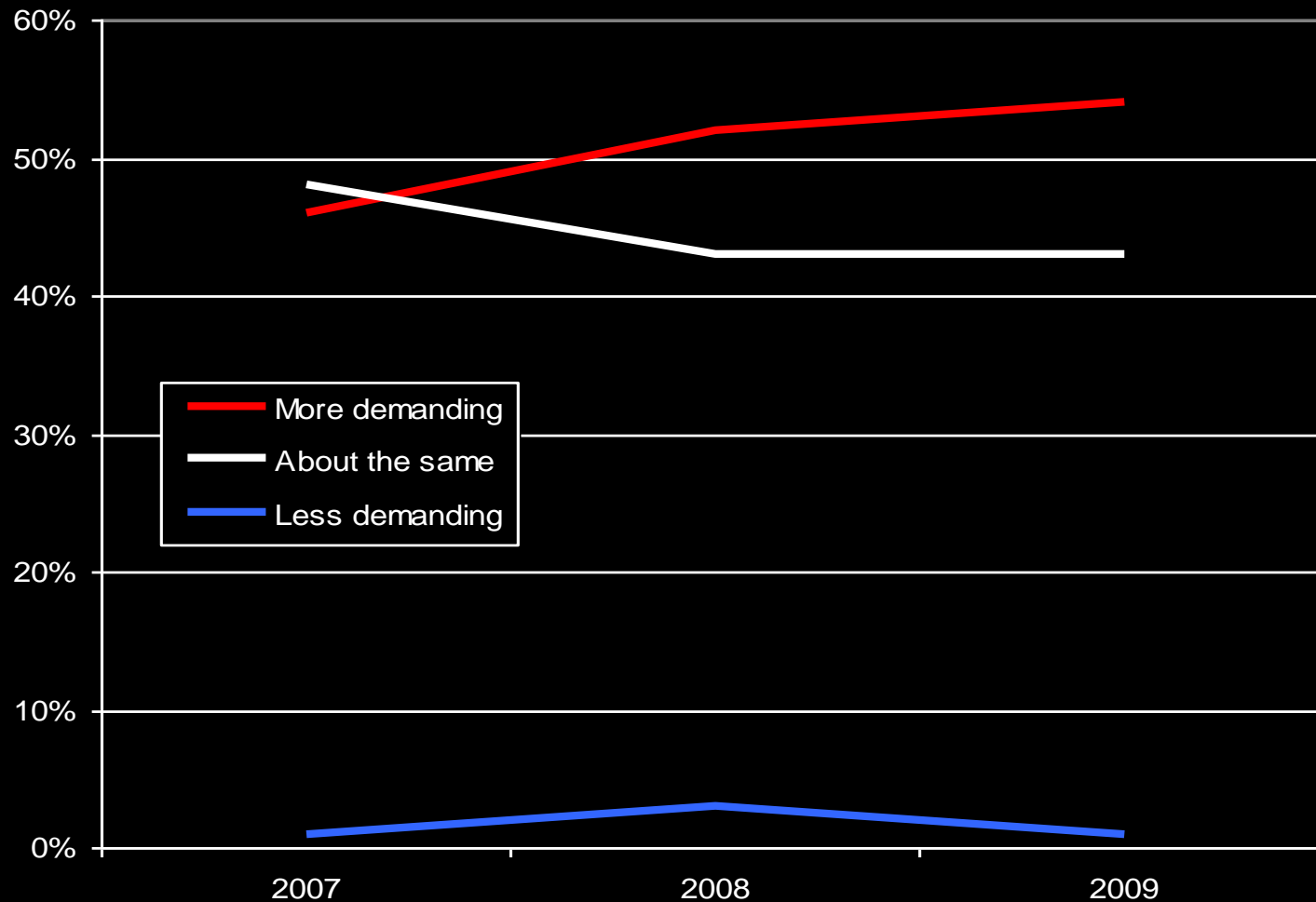
- Via the Policy Voice online panel
- Survey of 1,235 IoD directors
- Conducted in October 2009
- Follow-up on questions from 2007 and 2008
- Results will result in a full report in January 2010





# How is Regulation Perceived?

In the last 12 months in relation to the previous year, have you found government regulation affecting your organisation:







# What is Driving this Perception?

Net Awareness of  
Measure (Aware)

-100

~~Unaware/Negative~~

Net Impact of  
Measure  
(Positive) 100

-100 Net Impact  
of Measure  
(Negative)

~~Aware/Negative~~

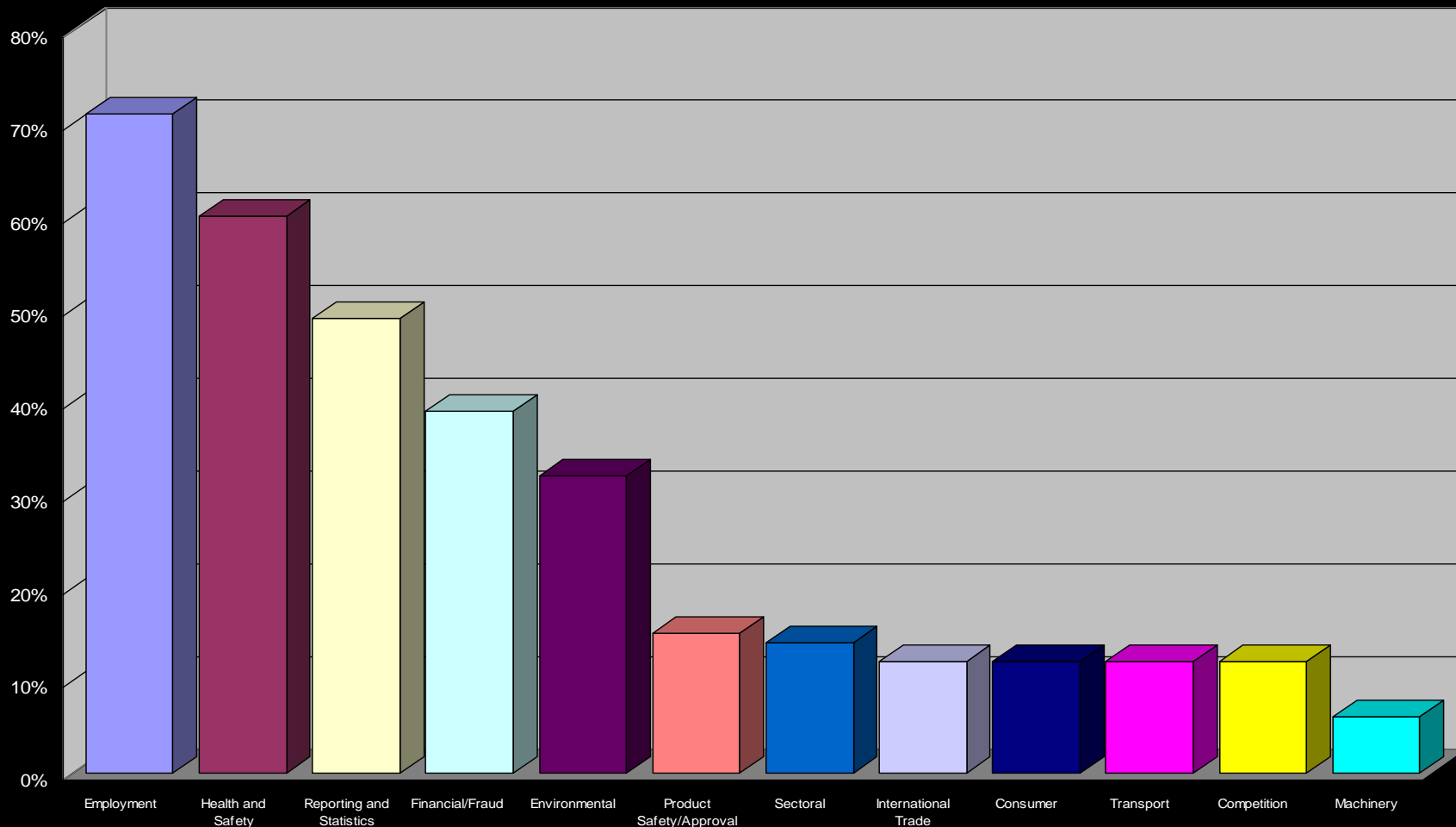
100

Net Awareness of  
Measure (Not  
Aware)



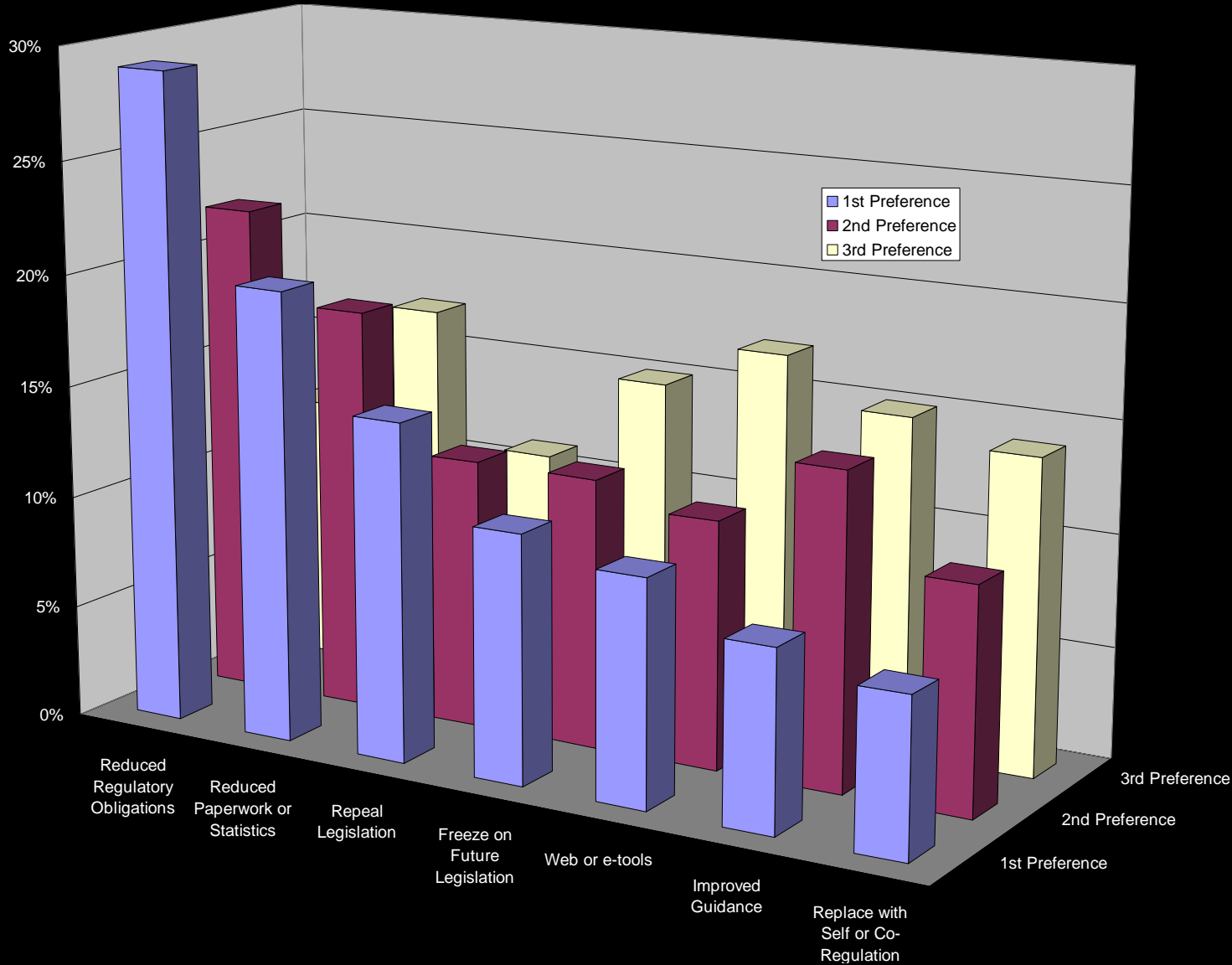
# How to fix Perceptions?

Which of the following list of regulatory areas have an adverse effect on your organisation?





# Favoured Improvements





# Conclusions

- UK Agenda must move back from ‘Better Regulation’ to ‘De-Regulation’
- All the evidence shows that only genuine de-regulation change opinions
- There is no hiding the fact that genuine change requires politically courageous decisions
- Focus on top concerns e.g. employment and health and safety legislation
- Move from e-tools and guidance improvement to reduce, repeal and freeze
- Include policy costs alongside administrative costs
- Communicate positive change much better
- Consider perception data “THE KEY” measure of success, not a factor in improvement



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