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The Implementation of Administrative Burden Reduction Policy: Mechanisms and Contexts in the Study of Europeanization

ABSTRACT

The article analyzes how Administrative Burden Reduction has been implemented in Germany, France, Italy and Spain. Using an institutional processualist approach we show how this policy instrument has been implemented differently in these countries depending on the concatenation of mechanisms activated by the interplay between agency and structure. The article thus contributes both to the Europeanization literature and to the institutional processualist approach, which has so far only been applied to single country cases.

Introduction

The literature on Europeanization, namely on the potential impact of European integration on domestic ‘policies, politics and polities’ (Börzel and Risse 2003, 58) has in recent years made significant progress, in particular with regard to defining the domestic conditions that mediate the impact of the European Union (EU) and the mechanisms through which this impact occurs (Exadaktylos and Radaelli 2012; Graziano and Vink 2007).

However, a number of questions remain open, with regard to implementation, the actual operation of the Europeanization mechanisms, and the relationship between different (international and transnational) sources of domestic change. Moreover, new issues are raised by the shift at the EU level from binding to non-binding (“new modes of governance,” NMG) policy instruments. In this article we tackle all these issues with reference to the adoption of Administrative Burden Reduction (ABR), a key element of the European Commission’s better regulation agenda, in Germany, France, Italy and Spain.

A first issue is policy implementation and outputs. The literature has privileged the question of the correct and timely transposition of European legislation, to the detriment of actual implementation, let alone policy outputs (with a few exceptions, e.g. Falkner and Treib 2008). The question is important for all EU’ policy modes, as it impinges on the very foundation of the EU’s legitimacy as the provider of solution to policy problems that cannot be solved by individual countries (Zahariadis 2008). It is especially topical with regard to the more recent governance wave in EU policy-making, with its emphasis on networks and non-binding policy tools (“soft law”), as the question arises whether these more flexible, non-binding instruments actually do change the behavior of national actors (Cini and Rhodes 2007). This

article contributes to the small literature on the domestic impact of NMG (e.g. Jacquot 2010; Tholoniati 2010) by asking how ABR has been implemented under different national conditions and what the implications of these conditions, including political ones, have been on the effectiveness of ABR.

Specifically, we address the implementation question by analyzing the interaction of mechanisms and national contexts (Falletti and Lynch 2009). While the literature has emphasized a number of mechanisms through which the EU can affect the domestic level, it still lacks a systematic treatment with regard to the scope conditions for their operation (Radaelli 2012). Our key research question is then how similar mechanisms or concatenations of mechanisms can produce different results when they unfold in different institutional contexts. We address this question with regard to ABR, a meta- or procedure-based instrument (Radaelli and Meuwese 2010) which has been taken up across the Member States. The mechanisms involved in the adoption of ABR have already been analyzed (Coletti 2013), and we move the debate forward by elucidating how they interact with national contexts and what this interaction implies for actual implementation and for policy outputs.

We follow an institutional processualist approach (Barzelay 2001; Pettigrew 1997). This approach is sensitive to the interaction between actors' choices and the changing contexts in which actors operate. However, this approach has so far only been used longitudinally rather than to also compare different national contexts. Beside contributing to the Europeanization literature we therefore also contribute to institutional processualism by adopting it for comparing a single policy across different national contexts.

Institutional processualism is also useful to tackle a further question raised by the Europeanization literature, namely that of multiple sources of influence on domestic actors. This question is especially relevant with regard to soft law, in that non-binding policy instruments often come down from the EU to the domestic level after having being pioneered by individual countries within or outside of the EU. It then becomes necessary to trace the horizontal impact of diffusion or transfer across countries alongside the uploading (from specific Member States to the EU) and downloading (from the EU to all the Member States). By offering a methodology to address changes in the various contemporaneous contexts in which domestic policy implementation occurs, institutional processualism provides a framework to include both European and horizontal influences. In section 1 we introduce our institutional processualist framework. In section 2 we motivate the case selection, describe the explananda and introduce the sources used. Section 3 presents the empirical evidence. Section 4 discusses the findings and concludes.

Theoretical Background

Since the 1990s the new institutionalism research agenda has been one of the most influential paradigm in comparative politics and public policy analysis (Hall and Taylor 1996). However, most of new institutionalist research tends to fall into institutional determinism. This pitfall is avoided by the historical variant of institutionalism whose theoretical foundations offer the potential to overturn the structuralist orientation of new institutionalist research (Hay and Wincott 1998).

Against this background, the recent institutional processualism research program has contributed to historical institutionalism by taking into account that change is spurred by the relationship between actors and their context (Barzelay and Gallego 2006). As with historical institutionalism, institutional processualism is especially attentive to institutional environments and the unfolding of sequences over time. Within this context, however, institutional processualism, drawing on processual analysis (Pettigrew 1997), assumes that actors and structures are mutually constitutive and thus aims to account for the evolving relationship between actors' strategies and institutional environments. It therefore calls for an approach which is sensitive to how actors appropriate a structured institutional context which can shape and constrain their choices but is itself also the outcome of strategic action.

Institutional processualism is inspired by comparative analysis in historical sociology (McAdam, Tarrow, and Tilly 2001; Mahoney and Rueschemeyer 2003), as it seeks to explain specific outcomes by attributing them to the temporal intersection of multiple factors rather than seeking to identify the separate effects of individual factors. This form of explanation requires employing a narrative structure, which orders case evidence by focusing on the trajectory of events directly and intimately related to the outcome of interest as they are influenced by other events taking place in the surrounding context.

In its theoretically more ambitious version it aims at middle-range generalizations by using mechanisms as the key conceptual resource for causal generalization of recurrent processes (Gerring 2008). However, there is little consensus in the social sciences about what causal mechanisms are. As it is now employed in institutional processualism analysis (Barzelay 2007), the concept of mechanism draws on the research tradition interpreting it as an explanatory link between actors' behavior and social outcomes (Hedstrom and Swedberg 1998).

This definition implies that mechanisms, as “portable concepts distinct from the variables attached to particular cases” (Falleti and Lynch 2009, 1147), interact with the different contexts in which they operate. Thus, given an initial set of conditions, the same mechanism operating in different contexts may lead to different outcomes. First, institutional structures affect the outcomes as they can support or hinder the activation of a mechanism. Second, the temporal context is also relevant for explaining outcomes since social processes are concatenation of mechanisms (Gambetta 1998) as “sometimes, these mechanisms counteract one another, and sometimes they work together” (Hedstrom and Swedberg 1998, 21).

The expanding institutional processualist literature has so far omitted to investigate social processes concerning the implementation process of the same policy in different contexts. We address this gap of research by analyzing how the distinctive subset of mechanisms, so-called “agency mechanisms” utilized by the institutional processualist research (Barzelay and Gallego 2006) have operated in four different cases (see Figure 1).

Figure 1: Inventory of Agency Mechanisms

Actor certification: the validation of actors, their performance and their claims by external authorities (McAdam et al. 2001; Barzelay and Shvets 2006)

Attribution of opportunity/threat: the mobilization of previously inert actor in response to reform efforts when they perceive the opportunity to bring about change or the need to protect their interests (McAdam et al. 2001; Barzelay and Shvets 2006)

Performance feedback: the production, handling, and interpretation of information about effort outcomes in the light of previously established goals (McAdam et al. 2001; Barzelay 2007)

Focusing event: linkages between highly newsworthy occurrences and the agenda-setting process (Kingdon 1984)

Spillover: Developments in neighboring policy domains that influence reform efforts (Kingdon 1984; Gallego 2003)

In the institutional processualist approach agency mechanisms are activated by a mix of “process design features” and “process context factors” (Barzelay 2007). Process design features refer to the elements of the reform which are shaped by actors’ choice such as guiding ideas and governance arrangements for the implementation of the policy under

examination. Process context factors include the political, institutional and policy factors that present opportunities and constraints for making use of design features.

Research Design

In choosing the policy to be investigated in comparative perspective, we focus on the Administrative Burden Reduction (ABR) policy which has marked a return to deregulation in the Better Regulation agenda (Radaelli 2007). It has been adopted by all EU Member States in a few years thanks to the development of the Standard Cost Model (SCM) methodology for reducing regulatory costs, leading some observers to speak in this regard of a veritable “policy boom” (Wegrich 2009).

In the 1990s the Netherlands pioneered the SCM as a system for measuring and reducing the administrative burdens imposed on firms to fulfill the information requirements set by public bodies (Torriti 2007). A ‘baseline measurement’ of all information obligations at some point in time allows for the setting of quantitative targets to reduce administrative burdens and track progress over a predefined period of time. The Dutch government, which held the EU presidency in 2004, used this opportunity to advocate the use of the SCM at the EU level, although at this time the SCM did not catch on in the European Commission. From the mid-2000s the Netherlands and the early adopters (United Kingdom, Denmark, and Sweden) developed international policy networks facilitating horizontal exchange of good practice among senior officials interested in the approach. In the context of these exchanges, these forerunners involved the European Commission, which launched in 2007 an Action Program for the reduction of administrative burdens at both the European and national level (see also next section).

The SCM has been deemed a simplistic tool as it includes neither the whole of administrative costs nor the social and economic benefits associated with regulation (Helm 2006). However, the pragmatic experience-based learning model embedded in this tool has facilitated its wide diffusion across European countries (Coletti and Radaelli 2013). For countries with low administrative capacity and often frustrated with the skills requirement imposed by a regulatory policy instrument such as the Regulatory Impact Analysis (RIA), the SCM provided a way to implement the better regulation agenda since the flexibility of its learning model enabled actors to shape its design in accordance with their perception of the structured context.

However, given its focus on the measurement of information obligations, SCM is only an initial step towards more comprehensive ABR policies which seek to assess either overall compliance costs or regulatory costs from the perspective of regulatees (Lodge and Wegrich 2009). Thus, the nature and comprehensiveness of implementation of the ABR policy triggered by the diffusion of the SCM has varied across the Member States.

We address the need of more-fine grained research on SCM implementation across countries pointed out by Coletti and Radaelli by applying the institutional processualist framework. As already highlighted by Coletti (2013), the flexibility of the SCM design makes the ABR policy particularly suitable for the institutional processual analysis. However, we go further than Coletti since our research takes into account another key feature of the ABR policy, namely the support offered to its diffusion by an international network of adopters and by the European Union's dedicated structures.

We base our research design on the bottom-up approach proposed by Radaelli and Pasquier(2007)whichstarts from the domestic level and follows the choices of domestic actors in order to assess the relative impact of domestic and European-level factors. This approach is especially sensitive to historical trajectories as it revolves around the empirical observation of temporal sequences to assess if and how any of the main components of the domestic system of interaction has encountered Europe as a contextual factor.

We analyze temporal causal sequence at the domestic level in accordance with the narrative structure proposed by Barzelay (2003). This implies understanding the role of the European program for burdenreduction as a key process context factor for the implementation of the ABR policy at the domestic level. Specifically, in our research the European program is one of the related policy developments affecting the implementation of the ABR policy which also include the participation in international horizontal network for SCM diffusion, the implementation of previous administration simplification policies and the broader public management reform agenda. Process context factors also include the factors of the political stream (e.g. government alternation) and institutional factors (such as the coordination capacities of the executive and the distribution of power across levels of government).

Context factors present constraints and opportunities to shape process design features, namely to implement a more or less differentiated policy from the standard Dutch SCM template. The interplay of design features and context factors accounts for the outputs of the policy, i.e. the concrete reduction of administrative costs.

As for process design features, we identify eight features affecting the ABR policy implementation and which map onto the eight core aspects of the original Dutch SMC template. These include:

- 1) Scope of the measurement, ranging from a full baseline measurement of regulations in place focused on all areas of regulation to no baseline measurement with the measurement of selected areas as the halfway point;
- 2) Ex ante measurement, ensuring that new legislation do not impose excessive burdens and ranging from all or none areas of regulation along the line of the baseline measurement;
- 3) Scope of the reduction target, encompassing all or none areas of regulation along the lines of the baseline measurement;
- 4) Type of regulatory costs addressed, ranging from only information obligations to more substantive compliance costs (OECD 2014);
- 5) Type of addressees, which can include businesses, citizens, and public authorities;
- 6) Oversight mechanism, required to manage the implementation of the policy across departments and embodied in an external watchdog or a dedicated ministerial unit;
- 7) Consultation practices, which can be centralized on entrenched stakeholders or decentralized via perception surveys and crowdsourcing exercises (Lodge and Wegrich 2014; OEC 2010);
- 8) Guiding ideas concerning the administrative burden reduction policy, which can be framed as a technocratic exercise ensuring rigorous quantitative measurement and reduction of costs or as a populist campaign against the most irritating regulations aimed at making the simplification effort noticeable by regulatees.

In choosing the cases, we excluded the frontrunners of the SCM (Netherlands, UK, Denmark, Sweden), as they developed their domestic policy well before the launch of the European policy. We included countries that have been affected by both the horizontal policy diffusion process and the EU program (Germany, France and Italy) and by the EU program only (Spain). Our case selection also provides significant variation along the two fundamental dimensions of domestic policy coordination: the extent of policy coordination exercised by the executive and the unitary-federal organisation of the state. Horizontal coordination across ministries is especially important for the implementation of better regulation policies. In terms of coordination powers core executives are strong in France, weaker in Germany and weakest in Italy and Spain ((Dahlstrom et al. 2011; Sotiropoulos 2004). As for the territorial organisation of the state, coordination should become more difficult as the powers of

subnational governments increase. In terms of territorial distribution of power Germany, Italy and Spain can be contrasted with unitary France. Further nuance along this dimension is given by the fact that, among the first three country cases, according to the regional authority index of Hooghe et al. (2010), power is more fully distributed to the subnational level in Germany than in Spain and Italy, and more in Spain than in Italy.

The empirical analysis in the next sections is based on secondary literature, analysis of official documents and an expert survey of 10 high-ranking officials and regulatory advisers knowledgeable about the ABR implementation in the EU and the four countries under study (2 experts per country). Respondents are qualified experts as they all are placed in the units that have responsibility of planning and monitoring the administrative burden reduction policy. The survey was carried out in the period March-September 2012 using a semi-structured questionnaire available from the authors. The questionnaire included three themes (timing and context of ABR implementation, leadership and governance of administrative burden reduction, outcomes), and it provided a working definition of each of its elements to clarify what the experts were to look for in the response and the evidence they needed to present. Where further information was required, the questionnaires were supplemented with telephone interviews. A follow-up survey was carried out in the period June-July 2014 to collect up to date information on the recent developments of the administrative burden reduction policy.

Empirical analysis

European Action Program as a key context factor

After the adoption of a specific EU SCM methodology close to the Dutch prototype in 2006, in March 2007 the European Commission (2007) launched the Action Program for Reducing Administrative Burdens aiming to reduce administrative burdens arising from EU legislation by 25% in 13 priority areas by 2012 and inviting Member States to set own reduction targets by October 2008 and to implement them by 2012.

The European Action Program was not supported by economic conditionality or legal coercion, but it encouraged multilevel and transnational exchanges of experiences establishing Single Points of Contact in Member States (SPOC), i.e. a group of national correspondents constituted at European level and appointed by the High Level Group of National Regulatory Experts which has the mandate of advising the Commission on the better

regulation strategy. In addition, on 31 August 2007, the Commission set up the High level Group of Independent Stakeholders on Administrative Burdens (HLG), composed of 15 experts representing consultants or European enterprises and providing advice on the implementation of the Action Program.

The EU has succeeded in promoting the burden reduction policy: while at the end of 2006 only 7 Member States had launched an SCM program, by 2011 all Member States had coherent and comparable means to measure and reduce administrative burdens. As for the burden reduction at the EU level, according to the European Commission, the target amounted to 30.8 euro billions in annual savings for businesses, representing a 25% net reduction in existing administrative burdens stemming from EU legislation (European Commission 2012).

The burden reduction policy reached a turning point in 2010 when, under the Smart Regulation label, the European Commission (2010) proposed a more cyclical vision of the regulation process and a major emphasis on multilevel partnership. This vision led in 2013 to the launch of the Regulatory Fitness and Performance Program - REFIT, based on previous experiments (fitness-checks) on a few regulation cases (European Commission 2013).

The prosecution of the burden reduction policy as a part of the REFIT (Administrative Burden Reduction – ABRPlus) addresses more explicitly the role of Member States, asking them to report on the implementation of about twelve specific items and on the extent to which they have actually reduced costs for businesses. The program addresses not only information obligations but also overall regulatory compliance costs resulting from inefficient and ineffective measures. However, the European Commission has not set a new reduction target.

France: a shift towards the populist approach

In 2003 experts and officials involved in the management of simplification policy since the early 1990s were gathered around a task force (Delegation for users and administrative simplification - DUSA), actively involved in the international networks dedicated to the horizontal diffusion of SCM among countries, who launched the measurement and reduction of administrative burdens project (in French MRCA) in 2004. This project performed a test run on 50 procedures. Further batches addressed a total of 150 additional procedures by the end of 2005. In 2006 the DUSA was incorporated into the directorate general for state modernization (DGME) in the Ministry of Finance. With the move to the DGME, resources

were expanded and the MRCA program was consolidated as the political leadership certified the ABR policy by adopting a target of reducing administrative burdens on business by 20% by the end of 2011. A major operation was launched in July 2006, when an external contractor identified some 10,000 information obligations out of all statutes and measured the full baseline. Based on this measurement, a program to reduce the 1.000 heaviest administrative procedures was carried out.

In this first phase the French program was thus clearly in tune with the prescriptions coming from the European level and the final reduction target was raised to 25% in December 2007, in accordance with the launch of the EU Action Program. However, since 2008 a clear shift in the French methodology has loosened the connection between national policy and the European goal of meeting a quantitative target of burden reduction by the end of 2012. With the election of the President Nicolas Sarkozy in 2007 the MRCA program became a part of the wider General Review of Public Policies (RGPP), a public management reform program coordinated by the Council on Public Policy Modernization, a body chaired by the President himself. While the new political leadership continued to support the policy (certification), it changed its direction, as the broader administrative modernization program interfered with the MRCA, which was no longer clearly aimed at business competitiveness (spillover).

Two key process design features of the previous experimentation, cost estimation and quantitative reduction target, were abandoned, placing the emphasis on the practical implementation of more selective reduction measures, so as to achieve better potential for reduction on the basis of “life events” analysis. The new qualitative approach relied on professionally conducted opinion surveys and standing stakeholder panels complemented by open consultation via the Internet with a dedicated website (*Ensemble simplifions*) to identify the most irritating administrative formalities for four categories of users (businesses, citizens, local authorities, associations) as well as their expectations regarding burden reduction. This is a clear manifestation of the political leadership’s guiding ideas on ABR as a policy essentially aimed at meeting the favor of the regulatees, rather than at reducing the heaviest bureaucratic obligations according to objective measures (Warsmann 2009).

On this basis, a first batch of 15 reduction measures was announced in the simplification plan of October 2009. In June 2010 the Council on Public Policy Modernization launched a major simplification program of the 100 most irritating administrative procedures (integrated with 20 further procedures in September 2011) to be realized by the end of 2012. For businesses only, opinion surveys conducted after a span of time measured the perceived effectiveness of

the simplification initiatives about each life event. Between 2011 and 2013, there have been perceivable improvements in some areas like public funding, starting new companies, and modification of a company statute, while a deterioration has been observed in construction or import-export procedures (Government of France 2013).

The new populist approach has benefited from a process context factor such as the central government's high capacity for coordination which supported the interdepartmental steering entrusted to the DGME. Coherently with the populist approach, detailed and regular information has been provided on the progress of the program in real-time updates on the website *Ensemble Simplifions*. Finally, follow-up reports have been periodically issued by the Council on Public Policy Modernization which revealed that at the end of 2011 the ABR policy had already delivered tangible results in 50 administrative procedures (Government of France 2011).

With the new Hollande presidency, the feedback mechanism triggered by the positive perceptions of the regulatees about the effect of the populist approach, provided further impulse for the refinement of the ABR policy along the lines of the Mandon Report (Government of France 2013). In other words, the positive feedback was strong enough to protect the policy from the potential effects of government alternation. The revision of the RGPP policy has led to the adoption of a Triennial Simplification Program providing the institution of 59 *chantiers de simplification*, to the constitution of a new oversight body named Conseil de la simplification pour les entreprises, to the realization of an open on line consultation platform (faire-simple.gouv.fr), and to set up a new organizational pivot in the Prime minister office named Mission Simplification. The new policy involves businesses in collecting simplification needs, elaborating appropriate solutions, and diffusing news about burdens reduction initiatives. Finally, at the end of 2015 a new oversight body, exclusively composed of businesses representatives, will be constituted that should assess the ex-ante costs of new legislation.

Germany: a progressive consolidation of the technocratic approach

The long-standing and politically high-profile efforts to reduce administrative burdens since the early 1980s constituted a key context factor leading to the launch of the ABR policy. Since the previous simplification initiatives had been hampered by the lack of systematic evidence on the size of the actual burdens, a number of bilateral meetings with Dutch

officials were held to share experience with the SCM. The use of this tool was further backed by the European level acting as an influent context factor which certified it as a solution for the long standing problem of burden reduction. In April 2006 the Federal government launched a major program for “Bureaucracy reduction and better regulation”, certifying the SCM as the obligatory method to measure administrative costs resulting from the information requirements of federal legislation.

This led in September 2006 to the introduction of an independent external watchdog (NKR-*Normenkontrollrat* – Regulatory Control Council). In addition to the *ex-ante* advice and monitoring of administrative burdens arising from new regulations, the Regulatory Control Council has also provided methodological support for the measurement of existing burdens and the identification of reduction potential (NKR 2013). The starting point for the measurement of burdens was the mapping by sectoral departments of the information obligations for businesses under the federal laws and the transmission of the results to the Federal Statistics, which quantified the information costs in cooperation with associations, enterprises and consultancy firms. The Federal Statistics Office also developed the WebSKM, an online database which has been the basis for reporting by the Federal Government.

The leading role played by advisory bodies such as the National Regulatory Council and the Federal Statistics Office reveals a technocratic approach to the identification of administrative burdens framed by the guiding idea that it has to provide decision-makers and entrenched stakeholders with maximum and rigorous transparency of costs rather than communicating the simplification efforts to regulatees.

In February 2007 the Federal Government set the reduction target to 25 percent of administrative costs by 2011. The 25% target was to be regarded as a “net target” to avoid burden creep from new regulation. Given the euro 47.6 billion in annual bureaucracy costs for the business sector stemming from around 9,200 information obligations, a reduction of some 12 billion was required (Government of Germany 2012). Even though the Federal Government has not relied on department-specific targets in support of the overall target, two arrangements were introduced to counteract the negative effect of the center of government’s modest capacity for coordination which had hindered the implementation of previous simplification initiatives. First, the reduction of administrative burdens was brought closer to the center of government with the creation of a Better Regulation Unit in the federal Chancellery in charge of coordinating the program at working level. Second, the Better

Regulation Unit, as an effect of the certification mechanism, has been politically supported by a Steering Committee composed by the line ministries' permanent secretaries responsible for administrative burden reduction and chaired by the Minister of State from the Chancellery.

As a result, the ABR program met the 25% target. This result activated the positive feedback mechanism which encouraged the Federal government to substantially expand the program since January 2010 so as to address the entire measurable compliance costs of federal law which have been covered by the WebSKM database since 2012 (Government of Germany 2014). In order to keep the database updated, two years after a regulation enters into force the Federal Statistical Office reviews the data in the light of subsequent practice.

A main driver for the punctual implementation of the program was the interest of national elites in persuading the European Commission to implement the reduction of EU laws that caused a large share of domestic administrative costs. Furthermore, the Federal government decided to tackle compliance costs incurred by businesses but also by citizens and public authorities. Given the contextual factor of the decentralized nature of the political system, the quest for burden reduction has also to deal with multiple tiers of government estimating the costs imposed by new European regulations and activating individual projects of cooperation with Länder and local authorities to identify and reduce compliance costs.

Special attention has been focused on the trends of costs with the view to keep them at the same level as 2012. The slight increase of the compliance costs in the period 2012-2013 reveals that the objective has been achieved. However, as recommended by the NKR (2013), there is room for reduction to be pursued by setting new targets.

Italy: a mix of technocracy and populism in a fragmented context

The introduction of the ABR policy has been influenced by the previous development of the administrative simplification policy which began in 1993, when Sabino Cassese and Franco Bassanini, both Ministers of Public Administration, launched an ambitious rolling program of administrative simplification (OECD (2001)). The long standing simplification policy constituted a key context factor along with the exposure to horizontal networks for the SCM diffusion, which in 2005 paved the way to the experimental application of the Dutch SCM template to tackle administrative burdens, which were estimated to cost around 4.6 percent of GDP, namely about 70 billion euros (European Commission 2006).

However, a comprehensive program of burden measurement and reduction was only launched in 2007, when the certification mechanism was activated as the Italian government committed to meeting the national target of 25% burden reduction proposed by the EU Action Program. The Italian program was launched in a unfavorable context marked by the executive's low capacity for interdepartmental steering, highlighted by the dispersion of coordination competences across five different units in the Cabinet Office (the Simplification and Quality of Regulation Unit, the Department of Public Administration, the Unit of Normative Simplification, the Department of Legislative Affairs and the Department of Regional and Local Affairs).

The lack of effective formal channels for executive coordination was exacerbated by the traditional fragmentation of coalition governments. However, some process design features of the Italian policy proved to be effective in counteracting the fragmentation of the institutional setup (Government of Italy 2013). First, the production of cost estimates was entrusted to the National Institute of Statistics. Second, there has been the intense involvement in all the activities (selection of the intervention areas, evaluation of costs, monitoring of reduction) of the business community gathered around the network of experts who sustained the credibility of the ABR as a policy for economic growth. Since 2012 the stakeholders' direct involvement, likewise France, was complemented by a tool for online consultation (*Burocraziamoci un taglio!*) allowing businesses and citizens to report cases of red tape and propose solutions to lessen it as well as sustaining the communication campaign which ensured the visibility of the results (Government of Italy 2014). Finally, Italian policy makers adopted a selective approach to measurement focusing on the most critical areas rather than mapping all information obligations, and subsequent waves of governmental decrees defined the key priority areas to be addressed (Salvi 2011).

The selective approach enabled the extensive adoption of two fast-track packages issued by law-decrees to overcome institutional fragmentation. These remarkable results activated the positive feedback mechanisms sustaining the further steps towards reducing burdens enacted by the Monti and Letta governments, which continued the selective approach with the adoption of further fast-track packages. The implementation of the adopted measures was estimated to reduce information obligations by 9 euro billions in annual savings for businesses (a 29% reduction).

In 2014, the positive feedback of the ABR policy sustained the refinement of the program by the new Renzi government which addressed not only information obligations but also

substantive compliance costs as well as enlarging the range of addressees (businesses, citizens and public administrations). Further, public online consultation has been strengthened and a number of particularly burdensome administrative procedures have been identified via a perception survey (Government of Italy 2014). Finally, attention has been dedicated to the ex ante measurement, introducing law n. 180/2011 (not implemented yet) mandating that a specific section of the impact analysis should highlight the administrative burdens created by new regulations.

The ABR policy has overcome all contextual constraints but the decentralized nature of the political system. In 2007 a formal agreement extended to the subnational governments the commitment made with the European level to respect the final target. In doing so, the government offered methodological support to regions and local authorities by financing two pilot projects. A further attempt to encourage multi-level coordination was the introduction in 2011 of a methodological committee bringing together representatives from all levels of government. However, only 2 out of 20 regions have launched their own ABR programs.

Spain: an ineffective selective approach driven by exogenous impulses

In May 2007 a major program for “Better Regulation and Administrative Burden Reduction” was launched by the Spanish government as a response to the European Commission’s invitation to set a reduction target at the national level (Government of Spain 2008). The certification activated by the European program led to the implementation of the ABR policy in a country marked by an unfavorable contextual setting.

Administrative simplification, which only started in the late 1990s, had lagged behind as the Spanish system provided little institutional support for steering simplification policies, reflecting the tradition of autonomous ministries acting as individual actors in regulatory management. Further, Spain has not been involved in the horizontal networks for the diffusion of the SCM promoted by forerunner countries before the launch of the EU program. Consequently, its simplification initiatives were fragmented, incomplete, and thus incapable of reducing administrative burdens on businesses, which were estimated to be above the international average (OECD 2000).

In a country where political commitment to administrative simplification had struggled to take hold, the EU Action Program encouraged a greater awareness of ABR as a key priority of the government’s agenda, as shown by the ambitious Action Plan on Administrative

Burdens issued in June 2008 which set the reduction for all levels of government at 30% of burdens on business by 2012 (from a baseline of May 2007, which amounts to around 14.3 billion euro).

The Spanish Action Plan followed the European Commission's approach of targeting priority areas rather than screening all the regulatory stock, based on those information obligations that generate the highest cost for businesses. However, just six out of the thirteen areas identified by the European Commission (Company Law, Tax Legislation, Statistics, Public Procurement, Environment, and Working Environment-Employment Relations) were addressed by the Spanish Action Plan. Coupled with the application of a simplified version of the EU SCM methodology, the structured arrangements for consultation with key stakeholder representative of the business community backed up by formal agreements have been a key process design feature of the Spanish policy.

The commitment to implement the ABR policy also implied the introduction of some innovative institutional arrangements as process design features aimed at counteracting the institutional fragmentation. First, the government created a High-Level Group (*Grupo de Alto Nivel, GAN*) tasked with preparing an Action Plan on Administrative Burdens which was meant to ensure leadership from the center as it was chaired by the Ministry of the Presidency which is responsible for the coordination of the overall policy activity of the Spanish executive. Second, a Better Regulation unit was created in the Ministry of the Presidency as a support structure to assist line ministries.

However, weak certification (only stemming from the EU level), the entrenched informal nature of inter-ministerial coordination, and the lack of experience with simplification policies and SCM, prevented the consolidation of the GAN, and it was disbanded after the release of the Action Plan. This implied the lack of formal monitoring devices, thus reducing the incentives of line ministries to take action, as revealed by the cost reduction implemented via autonomous initiatives of line ministries which amounted to just around 3.5 billion euros in the 2008-2013 period.

Although the negative feedback effects resulting from the lack of inter-ministerial coordination prevented ABR policy expansions, the Spanish government in the 2008-2013 period adopted seven successive fast-track packages of fast-track measures, the only type of reduction available in such a fragmented institutional context, for a total of 346

initiatives, which implied a cost reduction of around 6.3 billion euros principally directed at businesses (4 euro billions) and citizens.

However, even after the adoption of fast track packages the Spanish program was not on track as the reduction achieved until 2013 amounted to around 65% of the national target for businesses by 2012. Although the specific voluntary agreements with most of autonomous communities and municipalities promoted by the Ministry of Presidency, since 30% of the overall burden was estimated to be due to sub-national regulation, the small reduction achieved by local authorities (around 1.4 euro billions) reveals the reluctance of sub-national authorities to contribute to the national program.

The negative feedback of the ABR policy implementation and the urgency instilled by the economic crisis led the Spanish government to cut red tape via broader programs for digitalization implemented since October 2012 by the sub-commission for administrative simplification within the newly instituted Commission for the Reform of Public Administration-CORA (Government of Spain 2014). The shift to broader programs of administrative simplification effectively meant the wholesale abandonment of any measurement effort, whether quantitative or qualitative.

Discussion and Conclusions

Two open issues in the European literature are the extent to which EU policies are implemented domestically and how the interaction of causal mechanisms and national contexts shapes implementation. This article has addressed them with regard to the ABR, one of the EU's "new" policy instruments.

As for the implementation of EU policies at the domestic level, this issue is particularly relevant for the study of "Better Regulation" as a domain characterized by the plurality of views regarding the inherent purposes of policy tools (Lodge and Wegrich 2009). This holds true for the ABR policy as shown by the different design features introduced in the four countries under study (Table 1). Having traced the patterns of ABR implementation by identifying eight core aspects of the policy in our research design, we have extended the analysis of previous works focusing on the SCM diffusion (Coletti and Radaelli 2013; Wegrich 2009) by showing that the SCM is only one of the approaches to burden reduction as highlighted by the shift to selective and qualitative approaches in France, Italy and Spain.

[Table 1 here]

It has been precisely the flexibility of the ABR policy design which contributed to the success of its implementation even in an unfavorable context such as Italy since policy makers could shape the approach to burden reduction in accordance to the contextual settings in which they operate. However, in a case such as Spain the design of policy features could not overcome the constraints imposed by those contextual factors (lack of longstanding experience with the broader administrative simplification policy and the SCM) impinging on the capacity of policy makers to manage burden measurement.

As for the interaction between mechanisms and national contexts in implementation processes, we have contributed to the Europeanization literature, where the role and scope conditions of causal mechanisms still needs to be systematized (Exadaktylos and Radaelli 2012), by applying an institutional processualist approach (Barzelay and Gallego 2006) which has here been applied for the first time to a cross-national comparison for a single policy.

First, our findings reveal that not all the agency mechanisms that we have hypothesized have operated in practice. Specifically, we do not find cases where focusing events or attribution of opportunity have contributed to the causal processes, probably because ABR is a relatively technical area which is likely not arouse strong popular interest.

Second, our empirical analysis shows how mechanisms can be organized in different concatenations (i.e., causal processes) and produce different implementation results when they interact with different national contexts (Falleti and Lynch 2009). More specifically, certification has operated in all cases, providing impetus for the implementation of the SCM tool. The EU has been a process context factor that has provided a reputational incentive activating (in the laggard Spain) or reinforcing (in the other three cases) positive certification. Feedback has also been found in all four cases. However, it has operated in a positive or negative direction depending on the presence of two context factors: whether the country had pre-existing experiences with simplification and whether it was part of pre-existing international networks. In particular, these two factors explains the difference direction (respectively positive and negative) of the feedback mechanism in Italy and Spain, two countries with otherwise similar unfavorable contexts.

The nature of the positive feedback effects in Germany, France and Italy has been in accordance with the policy orientation of political elites, which in turn has been shaped by

political considerations. In Germany the political goal of influencing the European Commission has meant that the latest initiative triggered by positive feedback effects has aimed to reduce all compliance costs along the lines of the quantitative technocratic deregulatory approach pursued by the Dutch government (Lodge and Wegrich 2009). In France and Italy political considerations have led to the shift to qualitative techniques either to complement existing quantitative ones (Italy) or to replace them (France).

The case of France also supports the argument recently advanced by Sabine Saurugger (2012) that, contrary to standard arguments in the compliance literature, good administrative capacities can actually allow Member States to modify and even subvert the objectives of European soft law. In fact, France is the one case where spillover occurred because of a combination of government alternation and a broad reform program. Where either of two elements are missing (government alternation in the case of Germany, a broad reform program in Italy and Spain) the spillover mechanism is not activated.

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Table 1: Processes of ABR implementation

| Case | Concatenation of Mechanisms | Process Context Factors | Process Design Features | Outputs |
|---------|--|--|--|--|
| France | <p>Certification</p> <p>Spillover</p> <p>Positive Feedback</p> | <p><i>Political Stream:</i> Alternation in government</p> <p><i>Institutional factors:</i> Centre of government's high capacity for coordination; Centralized nature of the political system</p> <p><i>Related policy developments:</i> Long standing simplification policy; Participation to SCM international networks; Launch of the EU Action Program; Launch of the General Review of Public Policies</p> | <p>Qualitative measurement</p> <p>No target</p> <p>Wide range of addresses</p> <p>Substantive compliance costs</p> <p>Ex ante measurement introduced but no implemented</p> <p>Specific coordination tools</p> <p>Consultation and crowdsourcing</p> <p>Populist approach</p> | <p>"Tangible results" in 50 procedures</p> <p>Improvements in the companies' perception of administrative burdens about some Life Events</p> |
| Germany | <p>Certification</p> <p>Positive Feedback</p> | <p><i>Political Stream:</i> Innovative thrust and stability of Executive Leadership</p> <p><i>Institutional Factors:</i> Centre of government's modest capacity for coordination; Decentralized nature of the political system</p> <p><i>Related policy developments:</i> Long-standing simplification policy; Participation to SCM international networks;</p> | <p>Full baseline quantitative measurement</p> <p>Target</p> <p>Wide range of addressees</p> <p>Ex ante measurement implemented</p> <p>Substantive compliance costs</p> <p>External watchdog and specific coordination tools</p> <p>Consultation</p> <p>Technocratic approach</p> | <p>25% reduction of information obligations on businesses met</p> <p>Compliance costs kept at the same level as of 2012</p> |

| | | | | |
|-------|--|---|--|---|
| | | Launch of the EU Action Program | | |
| Italy | Certification Positive feedback | <p><i>Political Stream:</i> Fragmentation and alternation of the executive leadership</p> <p><i>Institutional factors:</i> Centre of government's low capacity for policy coordination; Decentralized nature of the political system</p> <p><i>Related policy developments:</i> Long standing simplification policy; Participation to SCM international networks; Launch of the EU Action Program</p> | <p>Selected areas quantitative measurement Target</p> <p>Wide range of addressees</p> <p>Ex ante measurement introduced but no implemented</p> <p>Substantive compliance costs</p> <p>Fragmentation of coordination tools</p> <p>Consultation and crowdsourcing</p> <p>A mix of technocratic and populist approach</p> | <p>9 euro billions in annual savings for businesses (29% reduction)</p> <p>Episodic local level reductions</p> |
| Spain | Certification Negative Feedback | <p><i>Political Stream:</i> Alternation in government</p> <p><i>Institutional Factors:</i> Centre of government's low capacity for coordination; Decentralized nature of the political system</p> <p><i>Related policy developments:</i> Late simplification policy; Launch of the EU Action Program</p> | <p>Selected areas quantitative measurement (finally abandoned) Target</p> <p>Wide range of addressees</p> <p>No ex ante measurement</p> <p>Only information obligations</p> <p>Lack of oversight</p> <p>Consultation</p> <p>Weak technocratic approach</p> | <p>30% reduction of information obligations on businesses not met</p> <p>Lack of significant contribution by subnational levels of government</p> |

