

Executive Summary

Practice checks - an effective instrument for reducing
bureaucratic burdens?

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Executive summary

Companies have been complaining about excessive bureaucratic burdens for a long time, often criticising the lack of proportionality and practicality of many regulations. To reduce these burdens, the federal government is currently trialling the use of so-called “practice checks”. Based on a literature review and expert interviews, we examine the significance of practice checks in cutting bureaucracy and the lessons that can be learned from existing applications.

Practice checks close a gap in bureaucracy reduction policies

Bureaucratic burdens arise primarily because entrepreneurial expertise and administrative implementation aspects are not sufficiently considered in the legislative process. Existing measures to reduce bureaucracy also utilise the practical knowledge of affected businesses only inadequately. The main feature of practice checks, by contrast, is the joint search for efficient solutions by companies and administrative authorities. They therefore fill a gap in bureaucracy reduction measures. The increased use of practice checks is thus highly recommended.

Key characteristics of practice checks

Practice checks are an interactive and moderated format with limited time scope that allow participants to jointly assess regulatory provisions and develop proposals for improvements. This approach leverages the practical experience of entrepreneurs and other stakeholders to implement new legislation in proportionate and unbureaucratic ways. Depending on the specific design of practice checks, factors such as the timing within the regulatory cycle, participant groups, handling of results, duration, and content may vary.

Practical implementation details are key to success

For a successful implementation, various important aspects should be considered: The effort required from participants should be kept to a minimum, e. g., by clearly defining the workshop topic and maintaining a focused discussion. The workshop should aim to harness participants' practical expertise to generate new ideas. For long-term acceptance of the instrument, an active expectation management and the provision of feedback on how the results have been used in the further legislative process are essential.

Greater commitment in handling results

Our case studies show that the institutionalisation and formal integration of practice checks into the legislative cycle enhance their acceptance and effectiveness. In the Netherlands, for example, the “SME check” is an integral part of the legislative process already since 2018. In Switzerland, the “SME forum” operates as a permanent commission, primarily composed of entrepreneurs. Germany, by contrast, is still in the early stages in this regard.

Future application possibilities on multiple levels

In Germany, practice checks currently focus on existing regulations (ex-post). It is advisable to apply them in future also to new legislative proposals (ex-ante) in order to prevent excessive bureaucratic burdens at an early stage and the need for later revisions. As a significant share of bureaucracy now stems from EU law, practice checks should increasingly be used in the development, evaluation, and implementation of EU regulations and directives.