

PRESS RELEASE

Accelerate bureaucracy reduction, modernise administration

- Germany has not yet achieved any lasting success in reducing bureaucratic costs. The approach has been too selective.
- Information and approval requirements, which affect many companies, should be systematically simplified and digitised.
- Already at the stage of legislation, attention should be paid to effectiveness, user-friendliness and enforceability in order to prevent a renewed increase in bureaucratic costs.
- The administration should be modernised and accelerated. Competition between municipalities, districts and federal states could contribute to a cultural change in the administration.

Berlin, 21.05.2025 – Bureaucracy reduction must finally gain momentum in Germany. Despite numerous political initiatives, the burden of red tape on companies has not decreased noticeably. In order to make progress, information and approval requirements should be simplified and digitised and the administration should be modernised. “What has been done so far aimed at the right direction, but it was often too selective and targeted only a small part of the overall bureaucratic costs. We can only achieve a noticeable effect on economic growth with effective reforms,” explains Martin Werding, council member.

In order to reduce inefficient bureaucracy and prevent new regulations from causing it to grow again, systematic adjustments are needed to relieve the burden on companies across the board. To this end, various processes should be initiated simultaneously: Reduction and automation of information requirements, acceleration of application and approval procedures, digitisation of the public administration and the establishment of a uniform nationwide e-government portal. For a comprehensive reduction in bureaucracy, it is crucial not only to lower existing bureaucratic costs, but also to prevent them from rising again in the future. “Laws must be scrutinised whenever it is unclear whether they achieve their goals and whenever they entail high costs. Abolishing the Supply Chain Due Diligence Act as planned by the coalition of CDU, CSU and SPD will lead to a noticeable reduction in bureaucracy for the affected companies,” says Martin Werding.

Digitisation of existing processes

Bureaucratic costs could be reduced by automating information requirements to a greater extent. Digital interfaces between companies and the administration and pre-filled forms are suitable for this. Centralised data retrieval by authorities can eliminate unnecessary information requirements. Fragmented administrative and authorisation processes should be bundled and simplified. For example, a one-stop shop for setting up a company could be integrated into a standardised national e-government portal.

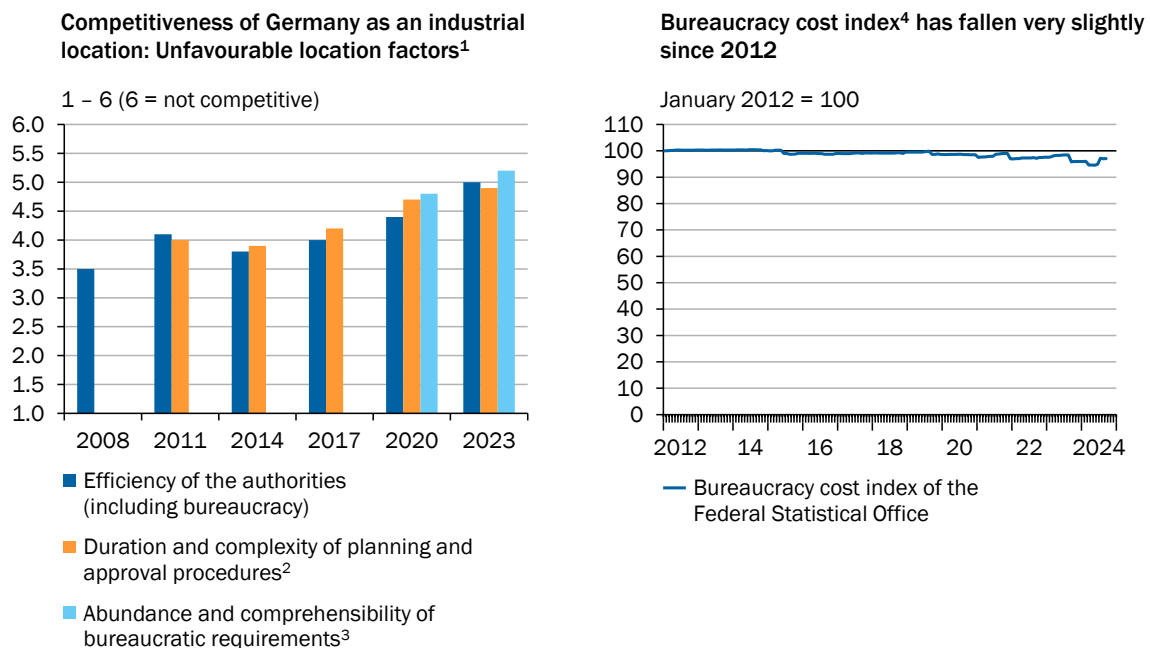
Designing and implementing new laws efficiently

In the future, the bureaucratic burden of all new laws must be contained already during the process of legislation. Good laws are effective, user-friendly and enforceable. When drafting laws, particular care should be taken to ensure that the specifications and processes can be digitised. Controlling the quality of new rules according to these criteria could be integrated into the mandate of the National Regulatory Control Council. Addressees of a norm without strong organised representation, such as individuals and small companies, have hardly been involved in legislative processes to date. They could share their practical experiences on an open digital platform and thus help reduce bureaucracy.

Modernising administration

More competition between municipalities, districts and federal states could create incentives for output-orientated rather than process-orientated administration. Administrative performance could be measured and managed using a system of key performance indicators. In order to promote competition, the key figures of single administrations could be published – for example on a digital dashboard. The culture of the administration could be modernised through a targeted recruitment of career changers from the private sector. Administrative performance could also be improved through performance-related salaries for administrative staff whenever suitable.

No noticeable reduction in bureaucracy for companies so far



1 – Triennial DIHK surveys in the Industry Network regarding the question: "With regard to the competitiveness of Germany as an industrial location, how would you rate the following location factors in an international comparison on a scale of 1 (clear competitive advantage) to 6 (not competitive)?" 2 – Data only available from 2011 onwards. 3 – Data only available from 2020 onwards. 4 – Changes to burdens always take effect in the bureaucracy cost index at the time a regulatory proposal is approved by the Federal Cabinet, not just when the regulation comes into force.

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Press contact:

Nadine Winkelhaus

Senior media and public relations officer

Phone: +49 611 75-3110

presse@svr-wirtschaft.de