

## Chart in focus

### Transparency of business regulation around the world

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On a global comparison, business regulation in the EU is quite transparent. Looking at four basic areas that affect firms' operations, i.e. fees for starting a business, transferring property, construction permits and getting access to electricity, it is easy to access information on these fees. While there are some differences across the four categories – finding out about fees to start a business is easiest while checking on charges to obtain building permits can be trickier – the overall level of transparency is quite high. This means that information relevant to businesses is mostly public, either available via public notices or that it can be accessed online and there is no need to individually request it from officials.[1] Of course ease of access to information about fees in these particular areas is but one way to look at regulatory transparency. Nevertheless, it can provide some indication about the different environments in which businesses operate across the globe.

Greater transparency is good news for firms because it generally means lower costs for collecting information and facilitates business planning. For the economy at large, transparency should help to reduce barriers to market entry, foster competition and promote more efficient use of resources. In addition, it can also help to induce greater compliance with rules.

Information about business regulation is generally better in high income countries, also reflecting the greater capacity of their administrative systems, even though there are some notable exceptions of countries that score high on business regulation transparency despite lower per capita income, such as Tanzania or Georgia. Also, countries' domestic institutions are linked with the levels of public information provision on business regulation, i.e. democracies tend to be more transparent. Recent research finds similar patterns for (economic) data dissemination in general. Finally, some evidence suggests that greater fee disclosure tends to go hand in hand with better regulation.[2]

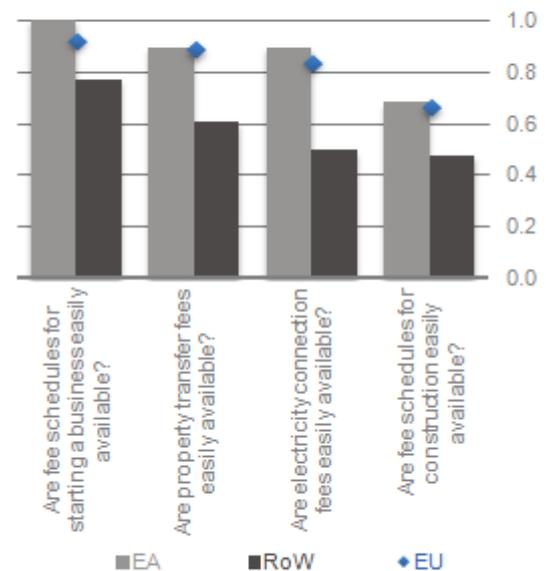
For further information on the quality of business regulation in the euro area see Research Briefing "The business environment in the eurozone: Why it is worth paying attention to the details"

[1] The World Bank assessed the transparency of public bodies that implement business regulation. It considered information to be easily accessible if it can be obtained online or via public notices. Information is considered not easily available if it can only be obtained by meeting with an official. Data on the accessibility of regulatory information was collected Jan. – Aug. 2012. For further information see <http://www.doingbusiness.org/data/transparency>

[2] See World Bank (2013): "How transparent is business regulation around the world? as well as Hollyer, Vreeland and Rosendorff on institutions and transparency: HRV transparency project <http://0001c70.wcomhost.com/wp2/>

#### Transparency of business regulation around the world

Share of countries with easily available information. High values indicate easier access.



RoW = 156 countries, not including EU

Sources: World Bank, Deutsche Bank Research



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