

## SF 33: Elimination of barriers for attracting skilled personnel, investors and businesses

Fr	B	C	NY	S	T	Total
3	7	4	4	10	8	36

### Example:

In **Tokyo**, there is support for administrative activities for firms, international schools, signs in simple English, and the „Tokyo Business Entry Point“ provides advice relating to applications for licences or the support offered by public institutions and also provides assistance with various practical matters such as medical care or finding a place to live ({Tokyo Business Entry Point # 35}).

In **Singapore**, there are likewise incentives for foreign migrants, as they are responsible for the city's growth. Foreign investors also pay an effective tax rate of only 17.3% on direct foreign investments ({ZEW 2010 #36}).

The Business Location Centre in **Berlin** gives companies and investors first-hand support by providing them with multimedia processed information ({Berlin Business Location Centre 2013 # 38}).

### 1. Differentiated description of the key field

As cities want to attract both businesses and investors from their own country as well as foreign investors and companies, besides setting financial incentives, barriers for professionals, investors and companies should also be eliminated. Many foreign companies complain about administrative barriers in particular.

Besides reducing bureaucracy, advisory or support services for administrative activities are conceivable, so that companies can, for example, submit applications and processes can also be accelerated.

In addition, the regulations are a financial burden on the company: in 2006, 9,200 disclosure requirements cost companies up to €50 billion a year ({Economic Forum 2012 # 39}).

Relief measures have so far been adopted only on the federal level. Efforts, however, are also being made by municipalities to impose efficient standards themselves: standard testing laws are one example of this (Thuringian Parliament 2012). Model communities such as that in Emsland are another example. In five municipalities there, and for a trial period, certain regional regulations apply only in a modified form or have been completely suspended in order to accelerate administrative procedures and shorten numerous deadlines. Different jurisdictional rules, for example, can be agreed on between the administrative district and the cities and local authorities (Emsland 2006).

What would be conceivable is continuing the application of

the standard cost model (SCM) by means of some companies located in the city. The SCM was developed to measure and reduce the administrative burden placed on the economy through so-called disclosure requirements. The aim is to relieve the economy of unnecessary administrative requirements as much as possible. Then, according to the SCM, the administrative burden on business can be reduced.

### 2. Reference to sustainability:

Reducing administrative barriers not only creates a better working climate, making it more likely that commercial enterprises will settle there, but it also saves vital paper resources and time.

#### Risks if ignored:

If current bureaucracy persists and causes foreign companies in particular enormous problems with the administration and management of administrative activities, investors will be reluctant to invest in bureaucratic municipalities. Foreign companies and skilled workers from outside the area will no longer settle there. This will have an impact on the image of the area as being a good place for business.

**On the whole, the lowering of administrative barriers is associated with economic and ecological advantages.**

### 3. Relevance to industrial sectors?

Mobility:	Medium
Energy:	Low
Production & logistics:	Medium
Security:	Medium
ICT:	Medium
Water infrastructure:	Low
Buildings:	Low
Governance:	Medium

### 4. Impact:

- Pleasant environment for businesses and professionals
- Possible acceleration of the work processes within the administration
- Cost savings through staff reductions, reduction in the number of documents

### 5. Implementation measures:

The following steps are recommended to reduce the administrative barriers:

- 1) Taking stock of existing administrative barriers and possibly a potential or SWOT analysis of the administrative bodies concerned

- 2) Suggestions for reducing barriers (maybe after advice from external companies or an exchange of views with the business sphere so that people become aware of the urgent need to reduce them)
- 3) Feedback after implementing the measures
- 4) Maybe generally better marketing of the administration and the linking of the administration and business if not yet optimal

## **6. *Actors: Who can shape things? With whom?***

City administration: This specifies and controls where savings are to be made (which documents, processes, possibly also personnel).

Businesses should support and help push forward the urgent need to reduce bureaucracy.

## **7. *Prerequisites:***

No specific prerequisites necessary.

## **8. *Obstacles/barriers:***

- Breaking up existing bureaucratic structures may be difficult
- Risk of favouring foreign professionals or companies

## **9. *Indicators:***

- Is there potential for any reduction in the administration (y/n)?
- Can foreign investors or companies assist in reducing bureaucracy (y/n)?

Further indicators:

Inquire about or identify the proportion of foreign companies as well as the needs of enterprises

## **10. *Special features/remarks:***

There are laws for reducing red tape at the federal level, not only in the administration but also in the economy itself: ({Bundesrat #40}, {Wirtschaftsforum 2012 #39}, {IHK Berlin 2011 #37}).