



ADMINISTRATIVE BURDEN

POLICYMAKING BY OTHER MEANS

PAMELA HERD AND DONALD P. MOYNIHAN



Image from 9/11 Living Memorial

What are Administrative Burdens?

Defining the concept

- Learning Costs
- Compliance Costs
- Psychological costs

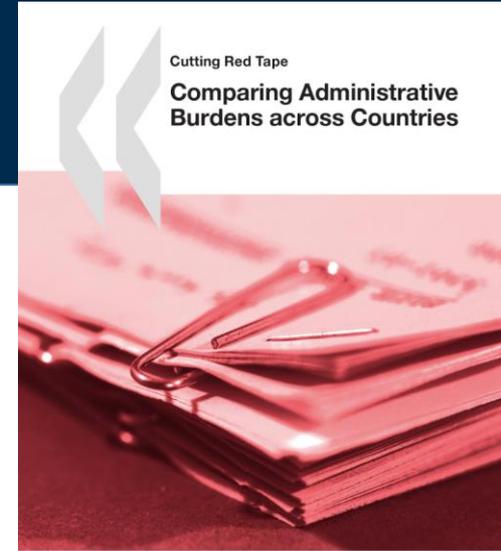
Why the term “Administrative Burden”?

- We need a language—and a clear conceptual frame—to talk about the experiences people have when they engage with government

Some parameters

Interested in:

- Burdens in the rules governing public services, not on private providers
- Effects on individuals (but could be employees)
- Look at access to public goods



Introduction

This note is a progress assessment of the Dutch government's recent regulatory reform initiatives. The assessment is carried out in light of the World Bank Group's 2007 examination of The Netherlands' 2003-2007 Administrative Burdens Reduction Programme. It is based on documentation provided by the Dutch Government's Regulatory Reform Group as well as interviews with Dutch officials in July and September 2008.

Are burdens always bad?

NO!

Learning costs

- Engaging in search processes to collect information about the rules governing public services, and how they are relevant to the individual

Compliance costs

- The costs of following administrative rules and requirements

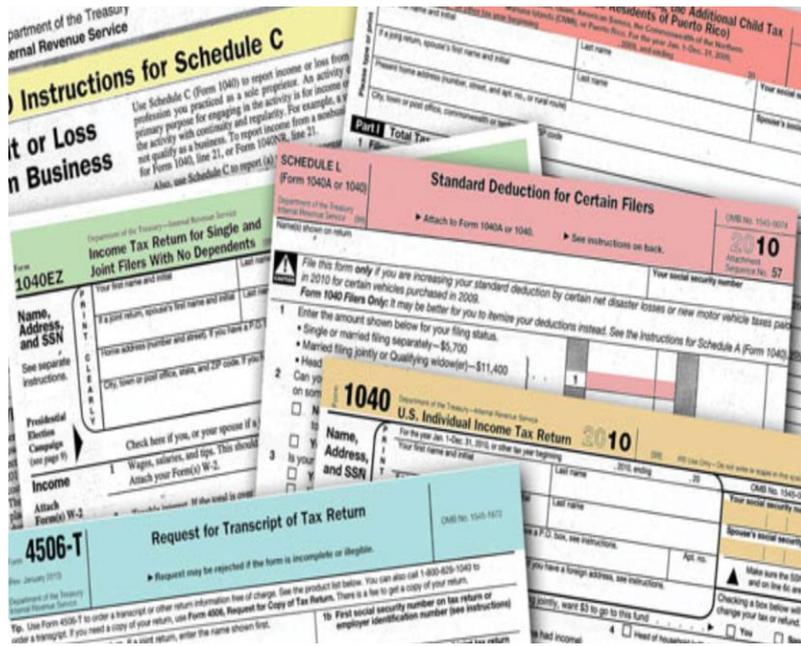
Psychological costs

- Stigma
- Loss of Autonomy
- Stress

Why burdens matter

Burdens are consequential

Burdens Take Time: Onerous Processes



US public spends 7.4 billion hours – or \$196B – each year on tax reporting

Opinion

The Coronavirus Stimulus Is Playing Hard to Get

Why do we make it so difficult for people to receive unemployment and other forms of relief?

By Pamela Herd and Donald P. Moynihan

The authors are professors of public policy at Georgetown University.

April 13, 2020



Burdens Affect Participation

BUSINESS

Florida releases unemployment data: 1.5 million claims filed but just 40,193 paid

BY LAWRENCE MOWER

HERALD/TIMES TALLAHASSEE BUREAU

APRIL 20, 2020 01:43 PM,

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**FLORIDIANS PACKED IN LONG LINES
TO GET UNEMPLOYMENT FORMS**

Burdens are distributive

Exacerbating Inequality: Targeting

- Poor more subject to means-testing, more subject to burdens

Exacerbating Inequality: Human Capital

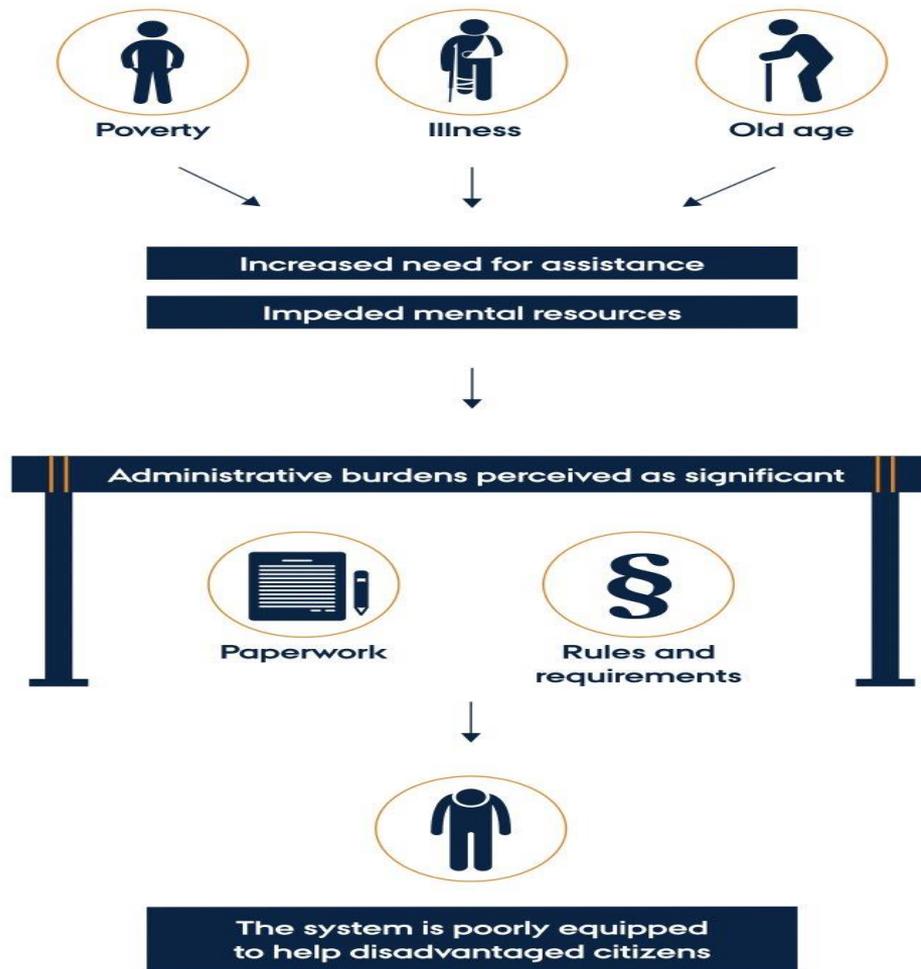
- Education, economic resources, health, language skills, time and other individual resources shape peoples' ability to navigate burdens.

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Human Capital and Administrative Burden: The Role of
Cognitive Resources in Citizen-State Interactions

Meeting
between
citizens and
the rules of
income
support



How to reduce burdens

Recognize that burdens are constructed

- Opaque nature of burdens make them attractive policy tools
- Preferences of administrators may affect the implementation of burdens
 - Nature of processes
 - How information is communicated
 - Who gets hassles/help

Deconstructing burdens: Technology

- Can both reduce and increase burdens

Deconstructing burdens: Automation

- Changing the default and otherwise automating processes – powerful type of nudge that reduces all types of costs
- Relying on ex-post rather than ex-ante checks
- Needs state capable and willing to use administrative data

Deconstructing burdens: When help is required

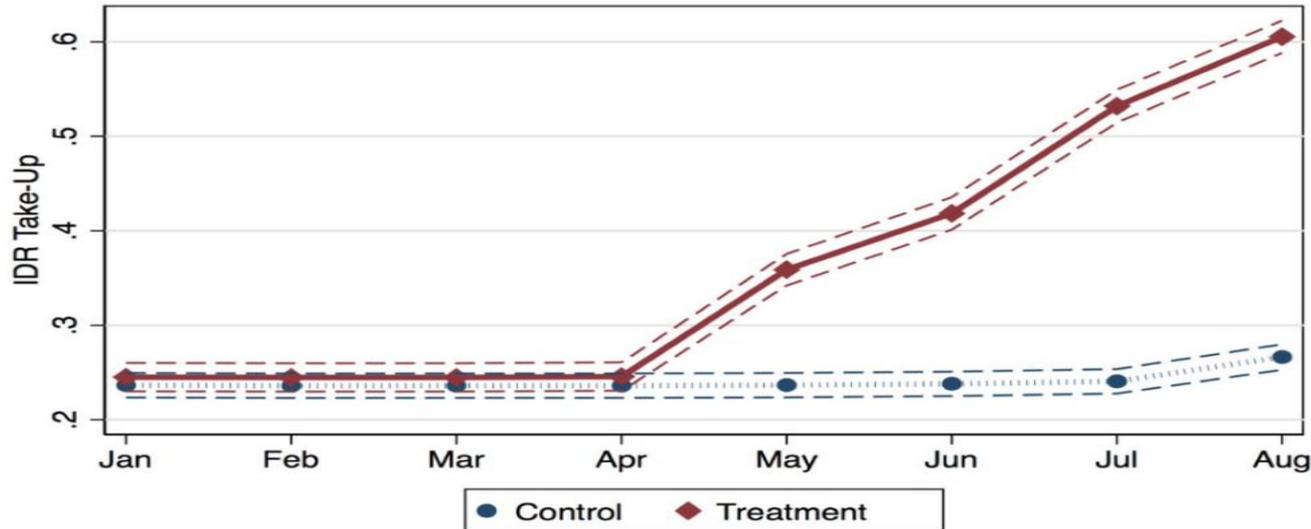
- Information does not solve compliance problems
- Individuals feel overwhelmed, lack capacity
- Third parties can help, but can reinforce inequality

When nudges are not enough: Help

- Using information technology to automate help

Figure 1
IDR Take-Up

This figure shows monthly enrollment rates in income-driven repayment (IDR) plans for control and treatment borrowers. Control and treatment borrowers are described in Section 3.2. The field experiment took place from April 12 to July 31, 2017. Dashed lines represent 95% confidence intervals.



When nudges are not enough: program design

- Social Security: “The biggest bookkeeping organization in the world”
- Complex program feels simple, strong political support
- Management principles:
 - Simple
 - Accessible
 - Respectful

A monthly check to you -

FOR THE REST OF YOUR LIFE
• • BEGINNING WHEN YOU ARE
65

GET YOUR SOCIAL SECURITY ACCOUNT NUMBER promptly

APPLICATIONS ARE BEING DISTRIBUTED AT ALL WORK PLACES

WHO IS ELIGIBLE. - EVERYBODY WORKING FOR SALARY OR WAGES (WITH ONLY A FEW EXCEPTIONS, SUCH AS AGRICULTURE, DOMESTIC SERVICE, AND GOVERNMENT WORK). APPLICATIONS FOR SOCIAL SECURITY ACCOUNTS ARE AVAILABLE THROUGH EMPLOYERS. IF YOU DO NOT GET ONE FROM YOUR EMPLOYER, ASK FOR ONE AT THE POST OFFICE.

HOW TO RETURN APPLICATION

1. HAND IT BACK TO YOUR EMPLOYER, OR
2. HAND IT TO ANY LABOR ORGANIZATION OF WHICH YOU ARE A MEMBER, OR
3. HAND IT TO YOUR LETTER CARRIER, OR
4. DELIVER IT TO LOCAL POST OFFICE, OR
5. MAIL IT IN A SEALED ENVELOPE ADDRESSED: POSTMASTER LOCAL. DO IT NOW, NO POSTAGE NEEDED.

- Social Security Board

INFORMATION MAY BE OBTAINED AT ANY POST OFFICE

That's it!

