



Ministry of the Interior and
Kingdom Relations



Supervision developments in the Netherlands

Supervision in a polder
landscape



The design

Main principle: decentralised unitary state

- 18 inspectorates at national level:
 - 10 inspectorates for checking compliance with legislation (Inspection Council)
 - 8 inspectorates for supervising the free market and the financial system (Market Supervision Council)



- 418 municipalities and a dozen interlocal shared service organisations
- 12 provinces



Basic principles

Six principles for sound supervision at national level

- Independent
- Transparent
- Professional
- Cooperative
- Selective
- Decisive





Developments in the business world

- Increase in scale
- Internationalisation
- Technological progress





Expectations

Large companies

- Guarantee of a level playing field
- Standardized treatment throughout the country
- Better trained supervisors
- Coordination of supervision
- Long-term government commitment

Small and medium enterprises

- Better planning
- Attitude
- Service





Political developments

- Reduction in supervisory burden (25%)
- Spending cuts
- Creation of a single inspectorate in the long term
- Calls for more supervision after disasters
- Enforcement paradox





Government vision of supervision

- Reduce costs
- Eliminate duplication
- Support independent problem-solving

Consequences for the business world

- Lower burden
- More responsibility





Developments in supervision

- Mergers
- Cuts in costs and staff
- Decentralisation
- From compliance to enforcement
- Development of new methods of supervision
- New role as market supervisor





Society's expectations

- Risk reduction
- Calls for better supervision after disasters
- More transparency
- Complaint committee and ombudsman





Discussions about supervision

Due to several recent incidents

- Legitimacy and authority of supervision
- Responsibility of supervision
- Relationship between supervisory boards and government supervision
- The role and limits of trust, certification and system-based supervision
- Recently, the close ties between politicians and the business world





Changes in supervision

Greater impact

- Risk-based supervision
- Emphasis on enforcement
- Professionalisation
- Impact measurement
- Better link between policymaking and supervision



Compact government

- Mergers
- More cooperation between supervisors (Inspection Council)
- New supervision methods
- Domains



Findings

- Domain-based approach facilitates coordination and information gathering. Costs of supervision have been reduced
- Broad-based risk analyses and joint inspections remain problematic
- In the Dutch system, voluntary cooperation works, coercion does not
- Experience with new inspection methods differs
- Professionalisation has been positive. Protocols should not go too far
- Need for transparency





Issues for the next few years

More impact with less money

- Expand risk-based supervision
- Better policymaking and better relations
- Cooperation with local and provincial supervisors
- Expand cooperation within domains

Better value for money

- Strengthen the authority of supervision
- Manage expectations





Conclusion

- In a polder landscape cooperation is needed to stay dry
- Cooperation is also needed in supervision
- In the Netherlands it works, though absolute perfection is unattainable. No guarantee the same approach will work elsewhere. Hope it inspires you.

