Challenges of Regulatory Agencies Consolidation while Reducing Administrative Burdens for Business: Case of Lithuania

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Abstract

Purpose of the article: The purpose of this article is to analyse the reform of Lithuanian regulatory agencies, as well as identify the number of such agencies in Lithuania and compare the situation to EU.

Methology/methods: Review of academic and legal literature, comparison, synthesis, case study, statistical data analysis.

Scientific aim: The aim of this article is to summarize adopted approaches on reducing administrative burdens for business as well as research regulatory agencies consolidation challenges in Lithuania. This article compares the activity of Lithuanian and EU regulatory agencies.

Findings: Case study reveal that an unified list of regulatory agencies is not in use in Lithuania and the research and other reform actions taken by supervising authorities is being performed using different sets of regulatory agencies, which lead to ineffective regulatory agencies consolidation.

Conclusions: The results of the research emphasize the importance of compiling a clear, united and unified list of regulatory agencies. Furthermore, it is important to carry on consolidation of controlling institutions and merge regulatory agencies in order to achieve a clear responsibility for controlled areas and reduce regulatory costs, as a measure for further development IT should be considered.

Keywords: structure of government, consolidation, regulatory authority, administrative burdens, IT management

JEL Classification: M15, H11, M39

Introduction

Optimising the activities of regulatory agencies is one of the focus areas of EU. The European Commission has started its active work in this field in 2002. It was aiming for better regulation with a communication of the action plan "Simplifying and improving the regulatory environment" (2002). Reorganization is carried out in two directions: firstly – reducing administrative burdens by optimisation of the processes deriving from the legislation and simplifying it for the business operators; secondly – by merging the regulatory agencies operational functions to avoid overlapping functions.

Multiple projects are currently taking place in European Union countries, with aim to improve actions taken by regulatory agencies. Many challenges are arising due to the complexity of the system, therefore, the importance of scientific research in this field is unquestionable. A lot of research has been done on reducing administrative burdens and improving the efficiency of the actions taken by regulatory agencies, both in the field of European Commission and European Union member states regulated operations (Vitkutė, 2014; Hampton, 2005; Baldwin, Black, 2007; Wiener, 2006; Schiavo, 2013), however, these researches are oriented to European Union countries problematic issue and lack systematic approach and complex evaluation of the importance of reducing administrative burdens of regulatory agencies in Lithuania. The main Lithuanian research on better regulation initiatives is rather detailed, but is focused on legal aspects observed by Vitkutė (Vitkutė, 2014). More detailed Lithuanian study is needed in the field of regulatory agencies performance optimisation.

Costs of regulatory processes are directly influenced by the number of regulatory agencies, and as example of healthcare sector shows a lot of work in optimising situation should be done. Since Lithuania has 6 institutions which activity focuses only on the health sphere (it is a surprisingly high number compared to 1 European Agency) it seems that situation in this sector should be good. However according to the data of the Euro Health Consumer Index, Lithuania is an inferior country and lower results in the health sphere might be found in only few Balkan countries (Health Consumer Powerhouse, 2015). Following this example, it is important to analyse the situation, challenges, number of Lithuanian regulatory agencies in all sectors and evaluate their possibilities of consolidation and performance improvement.

The aim of this article is to summarize adopted approaches on reducing administrative burdens for business as well as research regulatory agencies consolidation challenges in Lithuania.

The methods used in the preparation of this article are as following: review of scientific and legal literature, case study, comparison, synthesis, analysis of statistical data.

1. Literature review

Both researchers and organizations which emphasize the practical use highlights the importance of regulatory agencies optimisation and the need to reduce administrative burdens for business. Many researchers and organisations analyse the topic of regulatory agencies' supervising activity considering such regulatory aspects as e-government (Tsiavos *et al.,* 2002; Coglianese, 2003, 2004, 2012; Fountain, 2003; Lau *et al.,* 2006; Kanaan, 2009; Lance *et al.,* 2009), regulatory reforms (Benz, Eberlein, 1999; Gonzalez *et al.,* 2009; Carroll, Head, 2010; Cheng, 2014; Amin, Djankov, 2014), best regulatory practices and smart regulation implementation (Berg, 2000; HSE, 2001; Kanaan, 2009; ACCA, 2010; BEUC, 2010; BIS, 2011; Cafaggi, Renda, 2012; Frydenberg, 2014). Many researchers are analysing regulatory processes in European (Geradin, Petit, 2004; Fleischer, 2005; Ott, 2008; Timmerman, Andoura, 2008; Coen, Thatcher, 2008; Bauschke, 2010; Chance, 2012) and international aspects in a field (Coen, Thatcher, 2007).

Researchers are analysing regulatory agencies in different aspects. One of the most important observation regarding study regulatory agencies objectivity aspects was carried out by Mueller (2003) and Wilks, Bartle (2002). D. C. Mueller (2003) emphasized that regulatory agencies objectives are often different: regulators tend to maximize their budget, also increase the number of employees or improve their career\ prospects and political reputation. However Wilks, Bartle (2002) highlight that regulatory agencies were not expected to be very active in developing and implementing the policy itself, however, regulatory agencies are more active and take part in political processes.

The interpretation of traditional and regulatory economics specifics, which is being carried out by the researchers, is important for our study because it reveals the context and specifics of the environment. Kersbergen and Waarden (2004) study the differences between traditional and regulatory economics. Researchers emphasize that traditional economy defines market as spontaneous social order which works best without interruption of foreign forces.

On the other hand, controlled economy and political economy defines market differently: these theories highlights that market is not spontaneous and independent, but rather controlled and maintained by institutions. In this case, institutions are tools to supervise the compliance with rules and legislation.

The number of scientific research on reducing administrative burdens had considerably increased in 2005 when the initiator of the regulatory agencies reform and the author of the idea Hampton (2005) published the study "Reducing administrative burdens: effective inspection and enforcement". This study focuses on identifying regulatory agencies goals and its enforcement while meeting regulatory requirements and risk assessments. Risk analysis was defined as one of main ways to reduce administrative burdens while maintaining or increasing the results of inspection. On the other hand, Wiener (2006) emphasizes better regulation importance for the social well-being. He offered repealing or reducing the number of legislation and enforcing or extending the new legislation depending on the social effects of such decisions. (Better legislation very often leads to a costs decrease. However, in other cases it might lead to the adoption of the new laws or more comprehensive regulation.)

Dassler (2006) analyses regulatory agencies processes and adds his observations to Hampton (2005) conclusions on the importance of regulatory processes and rulemaking. Dassler has a clearer definition of regulatory agencies processes as the government supervised tool with a notice to legislation and other forms of supervision in controlled sector. Bauer (2005) emphasizes the importance of administrative burdens and defines it as the manner of maintaining the market both competitive and fair. He also highlights the need of rulemaking for business, ensuring that the services provided would meet the requirements and legislation and that would help to establish the coordination between regulatory agencies. Bonardi *et al.* (2006) add that the decisions of regulatory agencies have a big impact on interested parties (companies in particular) and their actions differ from the ones made by the elected political institutions. Although regulators are more often assigned than elected, they do not face the elections restrictions which often motivates politicians' behavior. This allows regulators to use the measures of regulatory burdens in order to ensure a competitive market. However, in 2006 the approach to administrative burdens had changed. Wiener (2006) proved, that improved legislation has to be related to the reduction of some legislation, meanwhile improving or broadening others. Sometimes better

legislation might mean reducing the costs, however, it also might indicate the need of new or improved legislation.

Many sources indicate the Netherlands as one of the countries that had achieved the greatest progress in EU in more effective supervision of business operators. The ministry of Housing, Spatial Planning and the Environment of the Netherlands defines the supervision of operators as the collection of information, as well as subsequent opinion formation and possible intervention as a result. This definition includes implementation of regulations as well.

Ireland is being mentioned among the countries which have put a lot of attention in economic growth and more efficient performance of regulatory agencies. EPS Consulting (2014) study "Smart Regulation. A Driver of Irish Economic Recovery" emphasizes that regulation should encourage achieving best performance in minimal costs. It also states that it is important to consider possible costs and benefits related to presence or lack of regulation and discussed regulation alternatives. The Irish example is being analysed in this research as an instance of one of the best and most developed methods to boost the economy while increasing the efficiency of regulatory agencies.

So, it can be stated that the efficiency of regulatory agencies depends not only on the ability to define the regulatory goals according to good regulation principles. There are more important aspects which include the ability to define the regulatory challenges, cooperation level between private and public entities, right strategy of regulation and fulfillment of regulatory tasks. In order to achieve regulation objectives, it is necessary to acknowledge the importance of regulation and achieve mutual trust between regulatory agencies and regulated entities.

Since 2002 the European Union pays a lot of attention to the matter of reducing administrative burdens for business. In this period, many administrative documents related to restructuring of regulative agencies were drawn up and active steps were taken. The analysis of sources on practical application provides the main measures taken by the European Commission and Lithuanian agencies in order to disclose the progress and prospects. Overview of European Commission and the Government of Republic of Lithuania actions for reducing administrative burdens is presented in Table 1.

The analysis of various sources, which summaries are presented in Table 1, allows to draw a conclusion that many actions are being carried out and many resolutions are adopted in order to reduce administrate burden. It is worth noting, that European

Table 1. The measures and results of the European Commission and the Government of the Republic of Lithuania actions to reduce administrative burdens.

Year	Measures EU	Measures LT	Results
2002	Action plan "Simplifying and improving the regulatory environment" (2002)		This plan includes the actions which set up the conditions to optimise the work of regulatory agencies for business: a set of minimal standards for consolidation activities; a well-defined internal network of the European Commission; a set of guidelines for cooperation between the agencies; fixed limits for regulatory requirements.
2005	The strategy of regulatory environment simplification (2005)		The strategy points out that small and medium-sized enterprises should have a clear requirements for the necessary regulatory actions and it must be provided in a comprehensive manner; cooperation between agencies should be increased; development and promotion of information systems should be done.
2006	The overview of simplifying regulatory environment implementation and strategy efficiency assessment (2006)	Possibilities of simplifying duties to provide information, which create administrative burdens for business, in the context of better regulation (2006)	The goal to reduce administrative burdens by 25%; priority areas have been identified at the European Union and national level. Investigation has suggested to withdraw the obligations to economic operators to present certain kind of information and to increase the efficiency of the communication using the new information technologies and to enable the provision of information online by electronic forms and messages.
2007	Action Programme for Reducing Administrative Burdens in the European Union (2007)		This programme includes the listing of general principles to reduce administrative burdens: reducing frequency of reporting; provide the information at once via a single channel; provide the information by electronic means; reduce the requirements of information provision to low-risk companies.
2008		The Programme of Better Legislation (2008)	Approved objectives: 1. To create the policy of better legislation and to disseminate the information about better legislation for the society; 2. To develop an integral policy of better legislation and to improve the quality and efficiency of the legal framework; to develop and use cross-cutting measures to ensure monitoring of the legislation; 3. To reduce administrative burden and unjustified enforcement costs.
2009		Regulation on defining the indicator in the priority areas of reducing national administrative burden for business (2009) Regulation on plan endorsement of 2009 years measures on better legislation programme implementation (2009)	The aim set in this resolution is to reduce the burden for business by 30% until 2011. It should be noticed that in 2006 the European Commission had set the goal of reducing it by 25%. Contains specific measures and deadlines to execute the mission in "The Better Regulation Programme".
2010	Smart Regulation in the European Union (2010)		Communique states that every member of the European Union has to take initiative and apply the principles of smart regulation.
2011		Assessment of national administrative burdens for business in the priority areas (2011)	Financial terms assessment of administrative burdens for business has shown that administrative burdens was reduced by 4,1 % while the set goal was 30%.

Year	Measures		Results
	EU	LT	
2012		The methodology to determine administrative burdens for business (2012)	There was methodology developed using this technique preventing to introduce new administrative burdens; requiments was determined for new or for being replaced legislation which regulates information liabilities for business operators.
2013	Regulatory Fitness and Performance (REFIT): Results and Next Steps (2013)		Commission initiated a Regulatory Fitness and Performance Programme (REFIT). REFIT is a programme to review the entire stock of EU legislation – to identify burdens, inconsistencies, gaps or ineffective measures and to make the necessary proposals to follow up on the findings of the review.
2014		Supervisory functions consolidation plan (2014)	It is recommended to consolidate the regulatory agencies. There are currently 68 regulatory agencies in Lithuania. It is offered to leave only 25 regulatory agencies after consolidation.

Source: Author's own study.

Commission in 2006 set goal to reduce administrative burdens by 25% (The overview …, 2006). The goal in Lithuania in 2009 was more ambitious – the expected decrease of administrative burdens was 30%. (Regulation on …, 2009). However, the studies in 2011 had found out that the decrease of administrative burdens was only 4,1% (Assessment of …, 2011). On the other hand, plans of institutional consolidation are also important, however, the goal set in 2014 to reduce the number of regulatory agencies to 25 agencies was not based on any research. The analysis of this situation leads to the conclusion, that despite the many sources which focus on the importance of reducing administrative costs, not enough is taken into action and, therefore, more detailed research should be conducted.

2. Research methodology

In order to analyse Lithuanian regulatory agencies reform processes case study method was choosen as most appropriate. This decision is based on method features. Case studies is an appropriate research method to analyse the actions of regulated industries and how it affects different institutional dimensions and how the development of regulatory regimes impact governance costs. Furthermore, case studies greatly influence our knowledge of individual, political, group, social or other similar areas (Yin, 2009). In order to fulfil the research objectives, it is important to clearly define the focus (Creswell, 2007). According to Yin (2009), case studies fit best in the following situations:

- When, how or why questions are being asked.
- When the researcher has little control over events.
- When the focus is on a contemporary phenomenon.

This analysis involves identification of reform stages and its strengths and weaknesses, as well as the analysis of regulatory agencies' reforms. This study identifies government actions and the drawbacks of reform. Furthermore, this study presents the analysis of Lithuanian regulatory agencies according to 7 sources in order to assess the identity of used lists. The absence of one common list worsen the performance of any analysis as well as suggestions of reforms and proposals.

In order to achieve a complete understanding of the number of Lithuanian regulatory agencies, it was compared with the number of regulatory agencies of European Commission. In order to achieve it, David Levi-Faur (2010) research methodology will be employed. David Levi-Faur (2010) classifies the European Union regulatory institutions into 36 regulatory spheres. Following this methodology, Lithuanian regulatory agencies will be classified into 36 categories and compared with EU situation presented by David Levi-Faur (2010).

3. Research on regulatory agencies activity in Lithuania

Before formulating the improvement solutions, it is important to take into account the current situation. Active regulatory agencies' reform in Lithuania is being carried out since 2009, with an aim to reduce administrative burdens by 30%. It should be

Table 2. Measures to improve the efficiency of regulatory agencies in Lithuania.

Year	Measures	Results
2010	Resolution on the optimization of authorities supervisory functions (2010)	Have set the goals of the authorities' supervisory functions optimization as well as objectives, principles, estimated actions of the supervisory functions optimization participants and measures taken to achieve the goal.
2011	Report on supervisory functions optimisation progress of business operations supervision (2011)	Advancement: 34 institutions have published proper lists of national and international legislation which regulates business supervision and enforcement actions; 87% of the institutions are consulting business and other people as well as improving consultation mechanisms. Deficiencies: inappropriate institutions involvement in the reform, circumvention of submitting monthly reports; no coordination between the operations of supervisory authorities; lack of measures which would enable to gather information about the business operators' opinion on the supervisory authorities' operations; decreasing number of supervisory authorities.
2012	Reports on supervisory functions optimisation progress of business operations supervision (2012)	Advancement: signed declaration on the first business year; confirmed control questionnaires, carried out surveys of supervisory authorities and business managers; developed risk assessment guidelines and emphasized the need of risk assessment systems. Deficiencies: lack of collaboration of business supervisory authorities while carrying out the control; the list of supervisory groups of public administration entities which supervise the activities of business is to be adjusted.
2013	Report on supervisory functions optimisation progress of business operations supervision (2013)	Advancement: improved legislative environment; implemented risk assessment and advisory system; developed the usage of control questionnaires; Deficiencies: the list of supervisory groups of public administration entities which supervise the activities of business must be adjusted; disregard of business needs analysis importance; the usage of information technologies must be developed.
2015	Report on business operations supervision (2015)	Advancement: The number of incident fines decreased; Deficiencies: Increased number of inspections per year;

Source: Author's own study.

emphasized, that this aim was fulfilled only partly (was reduced by 4,1 % in 2011). The summary of Lithuanian regulatory reform actions is presented in Table 2. The results of this analysis enable us to identify next steps for optimizing situation taking into account previous decisions in administrative burdens reducing process. Lithuania have already taken certain measures in order to improve legislation and regulatory agencies efficiency.

It is important to note that the analysis of the reform, which has started in 2009, reveals its stages and details its main means, benefits and disadvantages which are presented further.

In 2010 Lithuanian Government adopted a resolution on supervisory functions optimisation. This resolution confirmed institutions supervisory functions optimisation guidelines and the list of supervisory groups. Description of guidelines defines the aims of institutions supervisory functions optimisation, its objectives and principles by which the optimisation is being carried out. Furthermore, the description defines indexes of supervisory authorities' operations efficiency, the measurements of effectiveness as well as its assessment. These indexes are very useful tools for planning, management and public governance. Therefore, the main goals in

Lithuania are promoting assessment of results and inter-institutional team work.

Moreover, resolution on the optimization of authorities supervisory functions (2010) defines the solutions of organizational problems of reform enforcement, information management and legislative environment improvement. In order to improve information management institutions are adopting time accounting systems, counting solutions carried out by the institutions on the administrative burdens changes, establishing the websites where business could express the opinion on the regulatory agencies performance and disclose the details of actual supervision. On the other hand, a second report was drawn up on supervisory functions optimisation progress in 2011. It notes that the biggest progress is achieved in the publication of new legislation. 34 institutions have properly published lists of national and international legislation which defines the supervision measures on businesses. More attention is given to consulting as well. 87% of institutions are consulting the business as well as other persons and improving its consultation mechanisms.

The field which is still to be improved is the supervisory authorities' coordination between its operations and the implementation of measures to collect information about the business opinion on these operations. Other areas which require particular attention are the improvement of legislation and the implementation of risk assessment models. Some of the institutions are carrying out this activity, applying and improving supervisory models based on risk assessment. However, these institutions are the minority and they do not necessary exploit the benefits of assessment model. One of the main factors in the discussed area is the decrease of regulatory agencies number.

A significant progress in regulatory agencies optimisation was achieved in 2012 with a signed declaration of first business year. This declaration obligated institutions to do not penalise business in their first year after establishing. Government approved priorities for action is an important boost to achieve better results and emphasize the need of risk assessment, the importance of compiling exhaustive and favourable to business supervisory questionnaires, establishment of telephone consulting which would provide the same information and ensuring compliance of two dates rule.

The reform of reducing administrative burdens might be divide into 3 phases. First phase which took place in 2009–2010 has been intended to sort out legal measures in order to improve public

administration operator's expertise in business supervision area. Second phrase which took place in 2011–2012 was intended to carry out the best practice of supervisory functions and reform measures. Third phrase in 2013–2014 was intended for smooth implementation of reform ideas and to ensure its continuity. To ensure its continuity it is important to take the measures which would permit to act in the most efficient manner. It is important to note the need of general supervisory data storage and information exchange system which would enable collecting, storing and consolidating information of business supervision. Moreover, it would promote interaction between institutions, exchange of information and electronic service delivery.

Since 2015, practical activities on regulatory agencies' performance optimisation have slow down and consequently, only the supportive actions and reports are being carried out. However, it is necessary to actively develop the practical performance in order to reduce administrative burdens for business.

It is important to note that since the beginning of 2010 five merges have taken place (such as Lithuanian Bank, Securities Commission and Insurance Supervisory Commission merge into one supervisory authority – Lithuanian Bank). In this time even 13 regulatory agencies were reorganized and only five kept working combining the same functions. 4 more merges are planned which will reorganise 11 institutions and transfer the functions to 4 of them. However, this is not enough (the goal set in 2014 was to reduce the number of active agencies to 25) and it is necessary to carry out a more detailed research on problems of regulatory agencies' consolidation.

4. Research on active regulatory agencies in Lithuania

Different sources have been analysed in order to identify the number of active regulatory agencies in Lithuania. During research, the data has been analysed from the following sources: 1) 2014 February 13 Strategic Committee Protocol of the Government of Lithuanian Republic; 2) Resolution of the Government of the Republic of Lithuania on Institutions Supervisory Functions Optimisation; 3) the list of regulatory agencies provided by Ministry of Economy of the Republic of Lithuania website; 4) Manual of Business supervision prepared by Ministry of Economy of the Republic of Lithuania; 5) JSC RAIT report carried out on behalf of Ministry of Economy

Table 3. The condition of the public administration entities supervising business.

Nr.	Source	Number of active institutions	Number of institutions including the institution liquidated until 2014 November	Number of action lines
1	Strategic Committee Protocol, Government of the Lithuanian Republic	68	69	12
2	Resolution on Supervisory Functions Optimisation, Government of the Lithuanian Republic	63	69	9
3	List of regulatory agencies, Ministry of Economy	57	60	8
4	Manual of Business supervision, Ministry of Economy	56	69	8
5	Report, Ministry of Economy	66	69	–
6	Scientific research, Law Institute	123	152	–
7	JSC SIC, Ministry of Economy	65	69	–

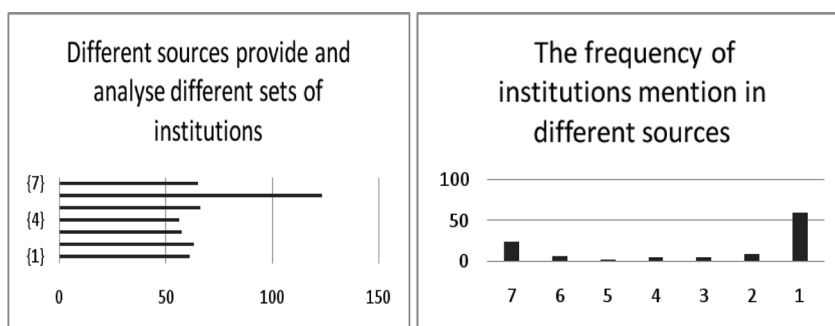*Source: Author's own study.*

Figure 1. The information on the number of regulatory agencies and the frequency of their mentioning in different sources. Source: Author's own study.

of the Republic of Lithuania; 6) 2006 report on Law Institute scientific research „Administrative burdens on business, the possibilities to simplify business legislation" and 7) SIC report on behalf of Ministry of Economy of the Republic of Lithuania. Research results presented in Table 3.

In order to carry the analysis of regulatory agencies efficiency it is important to note that the first part of the investigation revealed that the number of regulatory agencies in Lithuania is unclear and different sources are providing different number of active regulatory institutions. So, in total seven sources have been analysed and these sources revealed that there is no universal list of regulatory agencies as well as Figure 1 indicates that different documents provide and analyse different sets of institutions. The following calculation shows that only 24 institutions have been mentioned in all of the analysed documents. However, even 59 institutions have been mentioned at least once.

The results of the analysis indicate that a universal list of regulatory agencies is not in use and research, feasibility studies and other reform actions are being performed using different sets of regulatory agencies.

The situation is rather similar in other countries, especially in cases when it is difficult to set the lists of regulatory agencies as its definition and exclusion of other governmental organisation is a rather complex process. However, the example of Ireland proves that these kind of goals are possible to achieve. Ireland had reduced the number of its regulatory agencies by 60% in only three years (2007–2010) (Better Regulation, 2007; Brown, Scott, 2010). The number of regulatory agencies in Ireland in 2007 was 213 (Better Regulation, 2007). According to other research, the number of regulatory agencies in Ireland in 2010 was only 80 (Brown, Scott, 2010). Therefore, it is important to make a more detailed analysis of actions taken by Ireland and adapt them to the case of Lithuania.

5. Comparison of EU and Lithuanian regulatory agencies

As it was previously identified in this study, the number of Lithuanian regulatory agencies is too high and consequently influences the high costs of regulation. In order to make a fair comparison of Lithuanian regulatory agencies number, the number of European Commission regulatory agencies presented by David Levi-Faur (2010) was taken as an example. In his research David Levi-Frau presents a definition of the European Union regulatory institutions and classifies them into 36 regulatory spheres.

Following this example Lithuanian regulatory agencies were classified based on 2014 February 13 Strategic Committee Protocol of the Government of Lithuanian Republic. More detailed view of European agencies and Lithuanian agencies can be found in Table 4.

Table 4. European Regulatory Agencies & Regulatory Networks vs Lithuanian Regulatory Agencies.

Nr.	Regulatory sphere / Type of regulation	European Agency name	Lithuanian Agency name
1.	Social order / Justice	The European Union's Judicial Cooperation Unit (EUROJUST) European Public Prosecutor's Office (EPPO)	–
2.	Social order / Crime	European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	Drug, Tobacco and Alcohol Control Department
3.	Social order / Policing	European Police Office (EUROPOL) European Police College (CEPOL)	Police Department Weaponry Fund of the Republic of Lithuania
4.	Social order / others		State Tax Inspectorate Property Valuation Oversight Agency The Authority of Audit and Accounting Department of Enterprise Bankruptcy Management
5.	Security / Communication (networks)	European Network and Information Security Agency (ENISA)	The Communications Regulatory Authority of the Republic of Lithuania
6.	Social order / Security & migration /	Agency for Management of Operational Cooperation at the External Borders (FRONTEX)	–
7.	Environmental risk (general)	European Environment Agency (EEA)	The Environmental Protection Agency Regional departments of environmental protection under the Ministry of Environment Lithuanian Geological Survey under the Ministry of Environment Lithuanian Hydro meteorological Service under the Ministry of Environment State Forest Survey Service Directorate general of state forests Forest enterprises
8.	Environmental risk (fisheries)	Community Fisheries Control Agency (CFCA)	Fisheries Service
9.	Environmental risks / safety (chemicals)	European Chemicals Agency (ECHA)	Radiation Protection Centre
10.	Human health risks (medicines)	European Medicines Agency (EMEA)	State Medicines Control Agency
11.	Safety (Health at Work)	European Agency for Safety and Health at Work (EU-OSHA)	State Labour Inspectorate Department of Supervision of Social Services under the Ministry of Social Security and Labour

Nr.	Regulatory sphere / Type of regulation	European Agency name	Lithuanian Agency name
12.	Safety health (disease)	European Centre for Disease Prevention & Control (ECDC)	State Health Care Accreditation Agency under the Ministry of Health Lithuanian Bioethics Committee Lithuanian National Transplant Bureau Health Emergency Situations Centre Public Health centres State Medicines Control Agency at the Ministry of Health of the Republic of Lithuania
13.	Safety health (food)	European Food Safety Authority (EFSA)	State food and veterinary service State Animal Breeding Supervision Service
14.	Safety / product safety	The General Product Safety Directive (GPSD) Committee	State non Food Products inspectorate Customs Department
15.	Safety / services safety	Consumer Safety Network (CSN)	State Department of Tourism Lithuanian National Accreditation Bureau State enterprise "Lithuanian Assay Office" Authority of Gambling Supervision Office of the Chief Archivist of Lithuania
16.	Communication (Broadcasting)	European Agency for the operational management of large scale IT systems in the area of freedom, security and justice (eu-LISA) European GNSS Agency (GSA)	The Radio and Television Commission of Lithuania The Communications Regulatory Authority
17.	Rights / consumer protection	The European Consumer Centres Network (ECC-Net)	State consumer rights protection authority Lithuanian Metrology Inspectorate National Commission for Energy Control and Prices
18.	Rights (gender)	European Institute for Gender Equality (EIGE)	–
19.	Human rights	European Fundamental Rights Agency (FRA) – previously EUMC	–
20.	Rights (Privacy)	European Data Protection Supervisor	State data protection inspectorate Service of Technological Security of State Documents
21.	Transport safety / Maritime	European Maritime Safety Agency (EMSA)	The Lithuanian Maritime Safety Administration
22.	Transport safety / aviation	European Safety (EASA) Aviation Agency	Administration of civil aviation
23.	Transport safety / railways	European Railway Agency (ERA)	the State Railway Inspectorate
24.	Transport / others	–	State Road Transport Inspectorate
25.	Integrity (Fraud)	European Anti-Fraud Office (OLAF)	–
26.	Integrity (Admin)	European Ombudsman	–
27.	Social regulation / Labour market	European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)	Lithuanian Labour Exchange
28.	Economic regulation / property rights	Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)	–

Nr.	Regulatory sphere / Type of regulation	European Agency name	Lithuanian Agency name
29.	Economic regulation / Property rights (new plants)	Community Plant Variety Office (CPVO)	The State Plan Service
30.	Economic / Competition (Antitrust)	–	Competition Council of Lithuanian Republic
31.	Finance (Central Banking) / Economic Regulation	European Monetary Cooperation Fund European Central Bank	Bank of Lithuania
32.	Economic regulation / Finance (securities)	European Securities and Markets Authority (ESMA)	–
33.	Economic regulation / Finance (banks)	European Banking Authority (EBA) Single Resolution Board (SRB)	–
34.	Economic regulation / finance (social insurance)	European Insurance and Occupational Pensions Authority (EIOPA)	State social insurance fund board National health insurance fund
35.	Economic regulation / Utilities (electricity)	Agency for the cooperation of Energy Regulators (ACER)	State Energy Inspectorate State Nuclear Power Safety Inspectorate (VATESI)
36.	Economic regulation	Agency for the cooperation of Energy Regulators (ACER)	State Energy Inspectorate
37.	Infrastructure	–	State Territorial Planning and Construction Inspectorate Certification of construction products centre National Land Service Fire and Rescue Department under the Ministry of the Interior
38.	Culture	–	Department of Cultural Heritage under the Ministry of Culture The State Commission of the Lithuanian Language The Office of The Inspector of Journalist Ethics
39.	Education	–	Department of Quality of education and regional policy Centre for Quality Assessment in higher Education National Agency for School Evaluation Research and Higher Education Monitoring and Analysis Centre

Source: Author's own study.

It has to be taken into consideration that the category of consumer safety and consumer protection has an inadequate number of institutions – 9, and this is extremely high number. The number of Lithuanian regulatory agencies in other categories is also much higher than the number of European agencies.

The research also indicates that the regulatory agencies subordinate to European Commission do not have a direct link with the regulatory spheres of Lithuanian institutions. There are 2 European agencies in the sphere of justice while Lithuania has none. However, the sphere of social orders in Lithuania has 4 additional institutions which are responsible for taxes, audit and bankruptcy administration. In addition, Lithuania has 7 regulatory agencies of environmental risk which functions might be overlapping.

6. Conclusions

The regulatory agencies' reform is a rather complicated process not only in Lithuania but all over world as well. Supervising institutions performance influences business operators as well as the organisations performing supervising functions and they all are being influenced by reforms processes. The research revealed key points which need further consideration.

The actions taken in Lithuania are very often focused on the improvement of the legislation rather than taking active actions in order to reduce administrative burdens. The main goal of the reform is claimed to be the reducing of burdens for regulatory agencies and for business with the compliance of the requirements.

In order to carry out further research it is necessary to set a universal list of regulatory agencies. The proposals of the optimisation of regulatory agencies functions and merge should be formulated considering this list. Till now feasibility studies and other reform actions are being performed using different sets of regulatory agencies. The absence of such universal list allowed manipulating the number of the institutions and avoid their consolidation, merge or closure. It is important to note that functions of these institutions very often overlap, however, they are rarely being reorganized or merged.

Analysis of EU regulatory agencies shows that Lithuania has a greater number of such institutions and consequently, their number should be reduced. It is important to work on the regulatory agencies consolidation and merge in order to achieve clear division of responsibility for the controlled areas.

The analysis of regulatory agencies' reform actions in Lithuania reveals, that the administrative burden in 2009 was reduced only by 4,1% compared to the expected decrease in 2006 by 30%. In order to reduce administrative burdens for business, it is necessary to carry out the processes of consolidation in more active manner using information technologies.

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