



ASSESSMENT OF INDIVIDUAL COUNTRY RECOMMENDATIONS BY EACH MEMBER FEDERATION

Q1: For each country, specific recommendation Member Federations were asked to answer whether it is 1: extremely important; 2: Important; 3: Helpful (but not a priority); 4: Irrelevant; 5: Contrary to federation's advice;

Q2: For each recommendation, Member Federations were asked to answer whether government's efforts to implement it were: 1: Excellent, 2: Satisfactory; 3: Mixed; 4: Unsatisfactory; 5: no progress observed.

N.B.: Federations in countries under financial assistance commented on recommendations made by the Troika in Economic Adjustment Programmes; Non-EU countries commented on recommendations made by the OECD

SPRING 2018 REFORM BAROMETER – AUSTRIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact,	Extremely important	Mixed	Austria is currently in the preventive arm of the Stability and Growth Pact but council is concerned that AT might miss MTO
CSR 1b	which entails achieving its medium-term budgetary objective in 2018, taking into account the allowance linked to unusual events.	Important	Mixed	While the labour market performs better in Austria than in most Member States, challenges remain.
CSR 1c	Ensure the sustainability of the healthcare system and of the pension system.	Extremely important	Mixed	Ensure the sustainability of the healthcare system and of the pension system
CSR 1d	Rationalise and streamline competencies across the various layers of government and align their financing and spending responsibilities.	Extremely important	Mixed	Rationalise and streamline competencies across the various layers of government and align their financing and spending responsibilities.
CSR 2a	Improve labour market outcomes for women through, inter alia, the provision of full-time care services. Improve the educational achievements of disadvantaged young people, in particular those from a migrant background.	Extremely important	Mixed	Improve the educational achievements of disadvantaged young people, in particular those from a migrant background
CSR 2b	Foster investment in the services sector by reducing administrative and regulatory barriers, easing market entry and facilitating company growth.	Extremely important	Mixed	Foster investment in the services sector by reducing administrative and regulatory barriers, easing market entry and facilitating company growth.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Satisfactory
Access to finance and Financial stability	Satisfactory

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Consolidation of public expenditures		yes
Priority 2	Public sector efficiency		yes
Priority 3	Pension and health care reforms		yes
Priority 4	Quality of fiscal institutions and budgetary framework		yes
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	In the service sector	Not yet clear

SPRING 2018 REFORM BAROMETER – BELGIUM

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	New and stricter Competitiveness Law, National Plan for Strategic Investment, abolishment of establishment laws in Flanders. Since then also a corporate tax reform has been put in place.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Judgment of structural reform progress is correct. The fiscal balance however has improved dramatically since the assessment: a deficit of 2,2% of GDP was expected for 2017. It looks like we will end up below 1% of GDP.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Belgium's public finances. Use windfall gains, such as proceeds from asset sales, to accelerate the reduction of the general government debt ratio. Agree on an enforceable distribution of fiscal targets among government levels and ensure independent fiscal monitoring. Remove distortive tax expenditures. Improve the composition of public spending in order to create room for infrastructure investment, including on transport infrastructure.	Important	Satisfactory	<p>The fiscal position improved dramatically in Belgium in 2017 as negative effects from terrorist attacks subsided, the economic returns of competitiveness measures fully materialized, the interest rate burden further diminished and social spending remained well under control.</p> <p>It seems that the budget deficit in 2017 will only be -0,7 to -0,8% of GDP (at the worst), compared to -2,2% of GDP expected by the Commission. Even though the 2018 budget is only tabling on a further structural improvement of 0,3%, this might well be enough to reach nominal budget balance in 2018. The structural balance however could still be slightly negative, but this depends on variable estimations of the output gap. Some windfall gains (privatisation of Belfius Bank) will also be used for debt reduction.</p> <p>Progress has been made in making the corporate tax system more efficient: basic tariff has been lowered on 1/1/2018 from 33,99% to 29,58% and to 20% (on the first €100.000 in profits) for SME's and important tax expenditures have been drastically reduced. On 1/1/2020 basis tax rate for all businesses will be further reduced to 25%.</p> <p>All in all this seems a position where Belgium should be able to invest in some crucial infrastructure programs (roads, railways, energy) without putting the fiscal position at risk.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training, and the labour market.	Helpful (but not a priority)	Mixed	<p>A lot of effort has been put into ensuring equal opportunities in those domains (and rightly so).</p> <p>A good new measure for example is to oblige schooling from the age of 3 in Flanders. This should reduce differences in language skills (French and Dutch) at later ages and should lead to more equal opportunities.</p> <p>However, certain measures have been taken that are rooted in a fundamental distrust in employers (like mystery calls and mystery job interviews) and could have adverse consequences. A very large majority of employers right now need all potential skills in the labour market and have no interest at all in discriminating.</p>
CSR 3	Foster investment in knowledge-based capital, in particular with measures to increase digital technologies adoption, and innovation diffusion. Increase competition in professional services markets and retail, and enhance market mechanisms in network industries.	Important	Satisfactory	<p>A lot of measures have been taken to foster digital entrepreneurship (fiscal support for investment in start-ups and scale-ups, wage cost reductions for first hiring's, ...).</p> <p>There is a clear rise in early stage entrepreneurial activity.</p> <p>Competition in retail has increased rapidly in the face of the rapid take-up of e-commerce by Belgian consumers.</p> <p>More and more competition is taking place among telecom providers and electricity producers. However, the costs of electricity and water 'distribution', are spiralling upward rapidly in a context of high investment needs and local monopolies.</p>

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Excellent
Business environment (regulation/access to markets)	Satisfactory
Labour market	Satisfactory
Innovation and skills	Satisfactory
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

- 1) Corporate tax reform reducing basic corporate tax rate from 33,99% to 29,58% in 2018 and to 25% in 2020 (for SME's: 20% on the first €100.000 in profits as from 1/1/2018).
- 2) Fiscal position has improved quite dramatically in 2017 (from an expected deficit of -2,2% of GDP to a deficit of less than 1% of GDP).
- 3) Tax breaks for investments in start-ups and scale-ups is giving a boost to entrepreneurial activity.
- 4) Abolishment of establishment laws in Flanders.
- 5) labour market: reintroduction of a trial period of 6 months with shorter firing notice + introduction of a fiscally very attractive profit participation scheme to ensure better link between wage cost and productivity.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	<p>Supplementary action is needed to resolve increasing labour market shortages. This involves 1) a strong improvement of the match between the skills needed in the labour market and what education and training schemes deliver 2) stricter control and activation of the unemployed and the large number of people on permanent sick leave, and 3) further reducing the possibilities for early departure.</p> <p>A limitation in time of unemployment benefits (even to 3 or 4 years) also seems long overdue. Increased labour time flexibility might also help and/or more selective immigration.</p>	yes
Priority 2	Public investment	<p>Although the importance of reducing the debt ratio, the government has to create fiscal room for investment. Net investment has on average been close to 0 for the past 20 years. There is an urgent need for infrastructure upgrades with a focus on infrastructure with a high short-term return (i.e. mobility-, digital- and energy infrastructure).</p>	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Pension and health care reforms	<p>More needs to be done for the sustainability of our pension system. There are still too many possibilities for early departure (sectorial exception regimes, early retirement in case of restructuring of companies). Periods of actual work have to result in a better pension than non-working periods.</p> <p>More justice between pension systems: a further harmonization between pension system for workers and pension system for civil servants is needed.</p>	yes
Priority 4	Sector specific regulation (telecom, energy)	A well calculated energy pact is needed that ensures affordable prices, supply security and achievement of climate goals. It's hard to see how this can be reconciled with nuclear phasing out by 2025.	yes
Priority 5	Public sector efficiency	A structural plan for improving government efficiency and reducing admin burden is much needed.	no



SPRING 2018 REFORM BAROMETER – CROATIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	sustainable fiscal consolidation, reduction of the budget deficit and public debt, improving efficiency of public administration,
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	reform of the expenditure side of state budget, implementing the rule of law and the law enforcement, pension system reform, health care reform and labour market reform - both individual reforms and inter-related as a whole, more attention should be paid to serious demographic situation, i.e. ageing population and migration of Croatian citizens towards other countries (EU and other)
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	in the line with overall macroeconomic situation, well-balanced, but missing strong actionable approach
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The number of imbalances has been reduced, due mostly to very good external trends such as historically low interest rates, strong demand at mayor export markets in EU, in tourism sector - security risk is lower compared to competitive touristic countries at the Mediterranean



Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails remaining at its medium-term budgetary objective in 2018. By September 2017, reinforce budgetary planning and the multiannual budgetary framework, including by strengthening the independence and mandate of the Fiscal Policy Commission. Take the necessary steps for the introduction of the value-based property tax. Reinforce the framework for public debt management, including by ensuring annual updates of the debt management strategy.	Extremely important	Excellent/No further progress needed	Fiscal year 2017 ended with surplus at the account of general state for the first time, due primarily to the increase of tax income and better control of expenditures
CSR 2	Discourage early retirement, accelerate the transition to the higher statutory retirement age and align pension provisions for specific categories with the rules of the general scheme. Improve coordination and transparency of social benefits.	Important	Unsatisfactory	Pension system reform should be carefully prepared, different options should be examined and valued in a comprehensive approach. This reform should have long-term perspective. No partial measure are acceptable.
CSR 3	Improve adult education, in particular for older workers, the low-skilled and the long-term unemployed. Accelerate the reform of the education system.	Important	Mixed	Some private initiatives are progressing particularly good, gaining ground in the public by improving basic education in the fields of ICT and robotics for children. We still miss the comprehensive programme at the national level.
CSR 4	Reduce the fragmentation and improve the functional distribution of competencies in public administration, while enhancing the efficiency and reducing territorial disparities in the delivery of public services. In consultation with social partners, harmonise the wage-setting frameworks across the public administration and public services.	Important	Unsatisfactory	Different interest groups are resisting the reform of public administration. The law on wage-setting is in preparatory phase.



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 5	Speed up the divestment of state-owned enterprises and other state assets, and improve corporate governance in the state-owned enterprise sector. Significantly reduce the burden on businesses stemming from costs of regulation and from administrative burdens. Remove regulatory restrictions hampering access to and the practice of regulated professions and professional and business services. Improve the quality and efficiency of the justice system, in particular by reducing the length of civil and commercial cases.	Extremely important	Unsatisfactory	Attention is focused mainly on new law on management of state portfolio. Actions focused mostly to sell a number real estates of smaller value. The biggest problems related to the largest SOE remained almost untouched.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Progress in the deregulation and liberalization of the sector of professional services, in accordance with the OECD recommendations



Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Business Environment - Regulatory barriers to entrepreneurship	Roll- out of the standard cost and RIA to all mayor business-oriented regulation	yes
Priority 2	Public sector efficiency	Reengineering and digital transformation of SOP in public sector, compensation payment reform	yes
Priority 3	Pension and health care reforms	Redefine interrelation between 1st, 2nd and 3rd pension pillars, improve economics of health system	yes
Priority 4	Consolidation of public expenditures	Implement cyclically balanced budget policy, increase income from privatization of SOE	yes
Priority 5	Competition policy framework	Implant in full good governing practice in SOE and public utility companies	no

SPRING 2018 REFORM BAROMETER – CYPRUS

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	All important aspects (structural and institutional reform measures, etc) are being addressed and also all actions in support of the five headline Europe 2020 targets.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	<ol style="list-style-type: none"> 1. Measures to increase access to finance for small and medium-sized enterprises 2. Acceleration of reduction of NPL's. 3. Reform of the public sector and the law on the governance of state-owned entities 4. Increase the efficiency of the judicial system.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The Commission's assessment on the progress of 2016 CSR's is excellent and fully adopted by OEB.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	<ol style="list-style-type: none"> 1. Non-performing loans are slowly declining but still the functioning of the banking sector remains hampered. 2. The debt of non-financial corporations and households remains among the highest in the EU. 3. Public sector efficiency indicators remain average.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails remaining at its medium-term budgetary objective in 2018. Use windfall gains to accelerate the reduction of the general government debt ratio. By the end of 2017, adopt key legislative reforms aiming to improve efficiency in the public sector, in particular on the functioning of public administration, governance of state-owned entities and local governments.	Extremely important	Unsatisfactory	
CSR 2	Increase the efficiency of the judicial system by modernising civil procedures, implementing appropriate information systems and increasing the specialisation of courts. Take additional measures to eliminate impediments to the full implementation of the insolvency and foreclosure frameworks, and to ensure reliable and swift systems for the issuance of title deeds and the transfer of immovable property rights.	Extremely important	Mixed	
CSR 3	Accelerate the reduction of non-performing loans by setting related quantitative and time-bound targets for banks and ensuring accurate valuation of collateral for provisioning purposes. Create the conditions for a functional secondary market for non-performing loans. Integrate and strengthen the supervision of insurance companies and pension funds.	Extremely important	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Accelerate the implementation of the action plan for growth, focusing in particular on fast-tracking strategic investments and improving access to finance, and, by the end of 2017, resume the implementation of the privatisation plan. Take decisive steps towards the ownership unbundling of the Electricity Authority of Cyprus and, in particular, proceed with the functional and accounting unbundling by the end of 2017.	Extremely important	Satisfactory	
CSR 5	Speed up reforms aimed at increasing the capacity of public employment services and improving the quality of active labour market policies delivery. Complete the reform of the education system to improve its labour market relevance and performance, including teachers' evaluation. By the end of 2017, adopt legislation for a hospital reform and universal healthcare coverage.	Extremely important	Mixed	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Satisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Bank lending conditions	More measures to increase access to finance for SME's	yes
Priority 2	Public sector efficiency	Increase productivity through the horizontal reform of the public administration	yes
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	Existing procedures should be made more efficient, develop digital public services and improve the quality of regulation	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4	Access to equity markets	Better use of the European Fund for Strategic Investments (EFSI), which provides financial guarantees and aims to stimulate private investment in large and/or risky projects	yes
Priority 5	Sector specific regulation (telecom, energy)	Speed up the implementation of privatisation programme.	yes



SPRING 2018 REFORM BAROMETER – CZECH REPUBLIC

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	<p>SP has welcomed: progress in the combating tax evasion but it lead to higher administrative burden and risks for business.</p> <p>SP has welcomed effort in the field of higher participation of women on the labour market (2014 act of children’s groups) expecting further steps in the building of affordable and quality of pre-school children facilities, enforcement of quality of the schools, new career system for teachers but without any new administrative burden. Development of a dual system in VET is still driven mainly by the employer. SP is satisfied with the amended rules for higher education covering more professional oriented programmes. Measures focused on more inclusive education are leading to a higher segregation between public and private schools. SP has welcomed new migration strategy and support of the legal migration (fast track projects).</p> <p>SP has participated in setting-up of new principles for the future development of the E-Government in CZ (including e-Government cloud). Nevertheless, there is a delay in e-Collection and e-Legislation initiatives.</p> <p>SP has welcomed a deeper involvement in the development and implementation of the Action plan for the development of the digital market and also involvement in national initiative Industry 4.0 and setting-up (February 2017) an Alliance Society 4.0. SP has many times criticized a low progress in the fulfilling of the national energy efficiency targets and need to adopt additional measures.</p>



	To what extent do you agree with these statements:		Detailed comments
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	SP has welcomed particularly focus on removing obstacles to growth, further reduction of the administrative burden on businesses through more effective key e-government services, improving quality of R&D. SP was missing focus on reduction of cost related to fulfilling of the tax liability, on better access of the employers to the labour force with the adequate skills, on progress in the energy saving.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	EC has pointed for the first time a growing risk of labour market shortages and low labour market relevance of VET criticised by some employer and lack of evidence of skills mismatches. EC has rightly identified a limited progress towards increasing the availability of e-government services, limited progress on strengthening the governance of R&D systems and cooperation between business and academia, the final energy consumption still below the 2020 targets, regulatory and administrative burden hampering the business environment, delay in implementing transport infrastructure projects, limited progress in addressing shortcomings in the construction permit procedure.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.		CZ was not included in the category of EU-countries neither for imbalances or for excessive imbalances.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure the long-term sustainability of public finances, in view of the ageing population. Increase the effectiveness of public spending, in particular by fighting corruption and inefficient practices in public procurement.	Important	Excellent/no further progress needed	The long-term sustainability of public finances is an area, where further steps are needed. In the pension arrangement SP is calling the enforcement of III. Pillar. The key issue for business is an effective public procurement. The amended law on public procurement doesn't solved all problems.
CSR 2	Remove obstacles to growth, in particular by streamlining procedures for granting building permits and further reducing the administrative burden on businesses, by rolling out key e-government services, by improving the quality of R & D and by fostering employment of underrepresented groups.	Important	Mixed	All recommendations are corresponding with the SP priorities and challenges for better business climate in the CZ and investment, particularly further development e-government services, where CZ is deep under the EU average and quality of R&D and innovation.



Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Satisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Satisfactory

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Business Environment - Regulatory barriers to entrepreneurship	There must be a strong effort of government to reduce burden, eliminate obstacles and simplify administration requirements faced by business. The business environment is still weighed down by a heavy regulatory burden and administrative barriers. In spite of growth of GDP and sufficiency of contracts according to expert investigation of our Confederation among Czech, entrepreneurs see no improvement in this field. For example, all tax changes must be discussed in advance with social partners, changes and evolution of tax-law must be predictable and systematic. There should be some positive changes related to system of controls, reducing duplications or the approach of the Tax administration. Permitting procedures (construction and related permissions) should be shortened.	Yes, partly



	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	ICT	Not only ICT should be a top priority for Czech Republic, but the digital agenda and digital economy as a whole. Government should establish a clear long-term vision of the digital agenda and the development of digital society in the Czech Republic. Government should also ensure the obligation to create digitally-friendly legislation through clearly defined binding rules. Creating innovation friendly environment for the creation, development and testing of digital services. There is a strong need of setting transparent and predictable legal framework to fulfil these goals. The Government must also continue to implement measures leading to the development of eGovernment.	Yes, partly
Priority 3	Labour market mismatch and labour mobility	The further support for VET and apprenticeship, fostering work-based learning (dual system), forecast of the future skills disparities, enhancing of mobility and supporting legal migration, building of the affordable and quality child care and long care facilities.	No
Priority 4	R&D and Innovation	Government support of R&D through tax deduction must be easier to use by business sector.	Yes
Priority 5	Public investment	Confederation emphasize importance of sufficient investment into infrastructure - transport infrastructure (based on realizable schedule of building of infrastructure), energy infrastructure and telecommunication infrastructure.	Yes



Confederation of Danish Industry

SPRING 2018 REFORM BAROMETER – DENMARK

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	Not enough	The Danish government describes in the report only already implemented initiatives. There is a lack of proposed initiatives to increase labour supply and initiatives to prevent and overcome the growing shortage of labour. Danish Employers (DA and DI) welcomes that Denmark has implemented initiatives which sets a ceiling on a total of social assistance and a requirement for 225 hours of work to maintain a higher social assistance. By contrast, a majority in Parliament outside the government has implemented a tightening of rules on access to labour from outside the EU, which makes it more difficult for companies to recruit employees.
2.	The Commission's country specific recommendations for your country are appropriate.	Not at all	No recommendations were given to Denmark on labour market and education policy in 2016 and 17. Danish Employers (DA and DI) wishes the European Commission to give Denmark recommendations on policy initiatives. A country specific recommendation on initiatives to overcome a current shortage of labour have a high priority.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	The report is a fine overview of the Danish employment policy and the European Commission recognize the beginning of labour shortages in particular areas. The Commission needs to set more focus on the problems on the Danish labour market with weak growth and that, in spite of the weak growth, an increasing challenge of growing labour shortages.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	There is no Country Report for Denmark

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Foster competition in the domestically oriented services sector.	Extremely important	Mixed	No recommendations on labour market or education policy for Denmark

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Satisfactory
Access to finance and Financial stability	No progress

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

In October 2017 a tripartite agreement on adult and continuing education was concluded. The agreement helps to ensure the right skills in the Danish labour market. The reform also includes a repaying of excessive financial contributions from companies and the contribution in the future will be adjusted in line with the real needs.

The reform also includes initiatives to prevent the shortage of skilled labour. Vocational training gets a boost through increased financial incentive for companies to take more vocational students, and the government has committed itself to compensate for the planned savings on vocational training in 2018.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	National initiatives to address and prevent labour shortages through easier access and initiatives to facilitate recruitment for qualified foreign workers from EU and from countries outside the EU.	yes
Priority 2	Labour supply measures for specific groups (older workers, women...)	National initiatives that can contribute to ensure companies access for employees with the right skills: <ul style="list-style-type: none"> • The match between education and labour market must be improved within vocational education and within the STEM-professions at all educational levels to ensure that more people are trained. • Better integration of immigrants and refugees through internships and temporary employments in companies. • New people on social assistance, including young people, must be considered to be available for the labour market. 	yes
Priority 3	R&D and Innovation	Increase of public research and development (in technical areas) and specific business-oriented innovation programs	no
Priority 4	Public sector efficiency	Put up specific targets for how many public sector tasks that are being subject to private sector competition. Improved procurement processes in the public sector and an increased use of technology	yes
Priority 5	Tax reforms	Reduce progressiveness of income tax system. Simplify and lower capital income taxes. Continue to reduce tax burden on companies	no

SPRING 2018 REFORM BAROMETER – ESTONIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	Programme is appropriate to large extent, but most important reforms delay and questionable reforms aren't discussed in public sufficiently before.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails remaining at its medium-term budgetary objective in 2018.	Important	Unsatisfactory	
CSR 1b	Improve the adequacy of the social safety net.	Helpful (but not a priority)	Mixed	Reforms are currently mostly targeted to redistribution wealth instead of by increasing competitiveness.
CSR 1c	Take measures to reduce the gender pay gap, in particular by improving wage transparency and reviewing the parental leave system.	Helpful (but not a priority)	Satisfactory	
CSR 2	Promote private investment in research, technology and innovation, including by implementing measures for strengthening the cooperation between academia and businesses.	Extremely important	Mixed	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Labour market: Whereas some progress has made in case of active aging and ability-to-work reform, almost nothing is accomplished in order to attract and simplify hiring foreign work force. The immigration quota for immigrants hired at average salary is still 0,1% of population and was fulfilled already in August in 2017.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	1) Simplify hiring foreigners and create strategy to attracting talents	no
Priority 2	Public sector efficiency	1) Public sector reorganization and rationalization in order to raise efficiency	no
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	1) Reduce administrative burden, 2) increase flexibility in labour law (e.g. employers' responsibility and obligations in case of telework and flexible contracts), 3) introduce lower excise rates on electricity and natural gas consumed by energy intensive industry	yes
Priority 4	Tax reforms	1) Avoid increasing tax burden and complexity, 2) Lose minimum social security tax obligation on part time work, 3) Introduce social security contribution tax ceiling, 4) Divide social security tax between employer and employee, 5) Lose fringe benefit on employers' spending on employees' health care	no
Priority 5	R&D and Innovation	1) Support and promote cooperation between R&D institutions and companies, 2) Develop adequate educational system and promote lifelong learning	yes



SPRING 2018 REFORM BAROMETER – FINLAND

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	(1) Health, social services and regional government reform, which expands the freedom of choice by a client voucher or personal budget (2) Government and social partners signed in 2016 the Competitiveness Pact, which will enhance the price competitiveness of Finnish production. (3) Unemployment security reform, which aimed at accelerating acceptance of work and shortening periods of unemployment. (4) The reform of vocational education and training, which aims to improve the competence basis of education and training.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	(1) Ensure timely adoption and implementation of the administrative reform to improve cost-effectiveness of social and healthcare services, (2) Provide incentives to accept work
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	(1) The recovery of the Finnish economy has been much stronger than expected in the report. (2) Competitiveness Pact between the social partners in 2016 put an end to a period of uncertainty (3) The recent rapid increase in start-ups is expected to contribute to the gradual diversification of production structures.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	(1) non-performing loans remain low and the banking sector is generally solid. (2) The public debt-to-GDP ratio has started decelerating faster than the Commission report expected



Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails achieving its medium-term budgetary objective in 2018, taking into account the allowances linked to unusual events, the implementation of the structural reforms and investments for which a temporary deviation is granted.	Helpful but not a priority	Satisfactory	The actions of the government have focused on expenditure cuts and competitiveness. The public debt-to-GDP ratio has started decelerating rapidly.
CSR 1b	Ensure timely adoption and implementation of the administrative reform to improve cost-effectiveness of social and healthcare services.	Extremely important	Mixed	According to the government, recent decisions on the freedom of choice will be expanded by a customer voucher in basic health care's services. Unfortunately, public sector will not have an obligation to, so public sector does not have to hand its social and healthcare operations to a company form even if public sector operates in a competitive market with private companies.
CSR 2a	Promote the further alignment of wages with productivity developments, fully respecting the role of social partners.	Important	Mixed	The government hasn't taken actions in legislation to promote local bargaining. Local bargaining is enhanced in collective agreements in the 2017-2018 negotiating round.



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2b	Take targeted active labour market policy measures to address employment and social challenges, provide incentives to accept work and promote entrepreneurship.	Important	Satisfactory	The government has reformed unemployment security, which aims at accelerating acceptance of work and shortening periods of unemployment. Latest reform which aims to activate unemployed by the cut unemployment benefit came in to force in the beginning of 2018. Governments “basic income trial”, started in the beginning of 2017, is not a study for real basic income.
CSR 3	Continue to improve the regulatory framework and reduce the administrative burden to increase competition in services and to promote investment.	///	///	///



Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Satisfactory
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory



Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Making work-pay: interplay of tax and benefit system	Reform unemployment benefits and housing allowances to improve incentives for work	yes
Priority 2	Tax reforms	Make a substantial cut on the level of income tax	no
Priority 3	Pension and health care reforms	Finalize the social and health care reform	yes
Priority 4	Labour market mismatch and labour mobility	The government should make a comprehensive reform of employment services to ease labour market matching problems. The role of private employment agencies should be enforced.	yes
Priority 5	Wage bargaining and wage-setting policies	Industrial peace legislation should be reformed taking account "the principle of proportionality" to prevent excessive industrial actions.	no

SPRING 2018 REFORM BAROMETER – FRANCE

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	As elections took place in France mid-2017, the National Reform programme presented by the government in April 2017 mainly took stock of the reforms launched in the previous years- which were, as mentioned last year, real but partial and too slow- instead of announcing new reforms. Efforts to consolidate public finances- and specifically public expenses - remained far insufficient. The review of the public sphere missions was not identified in the report as the main lever of a successful State reform. Regarding social security, the situation improved only due to the payroll increase resulting from a rebound in economic growth. Those two last issues remain a problem with the new government. since July 2017 however, important reforms have been implemented or are on their way: labour market reform, capital taxation, professional training and apprenticeship, unemployment insurance scheme.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	The Commission's country specific recommendations are globally appropriate. However, for Medef, the priority regarding corporate taxation is the reduction in taxes on production factors and not a widening of the tax base or an additional reduction in tax rate. Regarding labour market reform, one issue was missing : addressing the labour law rigidity.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, Absolutely	Our key points are: the sustainable reduction of the public deficit by the effective reduction of public expenditures and a deep review of public sphere missions and public expenses; a reform of education and training, which is essential to the efficiency of the labour market reform just adopted ;the mastery of labour cost, through a consolidation of the reduction in employers social contributions together with a widening of this reduction to higher wages and a control of the evolution of minimal wages ; reduction in administrative burden.

	To what extent do you agree with these statements:		Detailed comments
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	France cannot anymore remain the only country of the Eurozone in situation of excessive deficit, nor to keep its record levels of public spending. External imbalance is also a preoccupying issue.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure compliance with the Council recommendation of 10 March 2015 under the excessive deficit procedure. Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of France's public finances. Comprehensively review expenditure items with the aim to make efficiency gains that translate into expenditure savings.	Extremely important	Unsatisfactory	Certainly, the rhythm of the evolution of the public spending moderated, but this one stayed out of control. In value, the public spending has increased by 53 billion € over the period 2015-2017 (while the objective of the government was to realize 50 billion € of savings). The result of the MAP (Modernization of the Public Action) was disappointing from our point of view. The exercise of the spending review, although essential and interesting, was translated by very few structural savings (less than 1 Md of economy over 3 years). The new government made a commitment on more ambitious objectives regarding control of the spending (- 3 % of GDP on the horizon on 2022) and of State reform (schedule Action on Public 2022) but no concrete measures are attached.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Consolidate the measures reducing the cost of labour to maximise their efficiency in a budget-neutral manner and in order to scale up their effects on employment and investment. Broaden the overall tax base and take further action to implement the planned decrease in the statutory corporate-income rate.	Extremely important	Mixed	<p>Previous government measures aiming at reducing the cost of labour had a real effect on companies' margin and investment capacities but insufficient for a significant improvement of their competitiveness. The transformation of the CICE into a reduction of employer's social contributions goes into the right direction as it consolidates this reduction but several modifications have been made to the mechanism. As a result, the cost of labour should be reduced between 1 and around 1,3 SMIC and increased above 1,3 SMIC, concentrating then the reduction toward low wages, while corporate tax paid by companies should increase. The difference in compulsory deductions could be an increase of around 4,5 billion euros in 2022, when corporate tax rate reaches 25%.</p> <p>Regarding corporate taxation, the main problem is not corporate tax but taxes on production, which amount to 60 billion euros</p>
CSR 3	Improve access to the labour market for jobseekers, in particular less-qualified workers and people with a migrant background, including by revising the system of vocational education and training. Ensure that minimum wage developments are consistent with job creation and competitiveness.	Extremely important	Satisfactory	<p>Labour market reforms were undertaken in the second Semester 2017 : labour law reform is achieved, vocational training, apprenticeship and unemployment insurance scheme reforms are currently discussed. They demonstrate government's willingness to push into the right direction by introducing more flexibility and simplification, facilitating professional mobility, placing business at the centre of the training system, answering to labour market needs...The outcome of the proposed reforms will be known in the coming months. Regarding minimum wages, the issue is under discussion.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Further reduce the regulatory burden for firms, including by pursuing the simplification programme. Continue to lift barriers to competition in the services sector, including in business services and regulated professions. Simplify and improve the efficiency of public support schemes for innovation.	Important	Mixed	<p>Efforts have been made by the previous government for reducing regulatory burden but much remains to be done, especially since the flow of new texts is not drying up. The new government is advancing the recognition of the right to make a mistake and a transformation of the administrative culture based on sanction toward more counselling. Moreover, the gold plating of European regulation has been prohibited. However, companies are not very involved in rule-making: the specific committee that was to be created for this purpose was not.</p> <p>Concerning competition in the service sector, no more has been done since the « Macron law », adopted in 2015. Progress to facilitate transition from research to innovation has to be reinforced, while taking into account that measures already adopted need a certain time to produce their effect.</p>

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Satisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	No Reform Necessary

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Consolidation of public expenditures	1/ To schedule a complete review of public expenditures (all missions and all public policies) on the five-year term, to redefine exactly the perimeter of the public actions. 2/ To Adopt a digital strategy to transform the public administrations and master the spending. 3/To Reform the public functions.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	Labour market mismatch and labour mobility	<ul style="list-style-type: none"> - Large-scale reform of the vocational training system in order to better align training offers with labour market needs - Promote apprenticeship and enlarge its implementation to all sectors, jobs, audiences - Unemployment insurance reform in order to facilitate job transitions and to strengthen job seekers control (even if social partners reached an agreement in March 2017 on the unemployment benefit scheme) 	yes
Priority 3	Tax reforms	Reduction in production taxes	no
Priority 4	Pension and health care reforms	Reform of the general pension scheme for private sector employees (min retirement age should be set at 65 instead of 62 years) and of the specific scheme for public servants	Yes, partly, under preparation for 2019
Priority 5	Wage bargaining and wage-setting policies	To master the evolution of wages contributing to cost competitiveness : SMIC price adjustment; civil service salaries ;to take the necessary measures to open up competitive business services in order to ensure competitive prices	Yes partly

SPRING 2018 REFORM BAROMETER – GERMANY

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	The German NRP fails to properly address the main problem of a persistently low productivity growth. The initiatives to support private and public investment do not show the necessary ambition. There has been too little attention on R&D and education. Deregulation in the service sector, higher investments in digital infrastructure and easier access for financing are required to support innovation, competitiveness and productivity growth. The overall goal to reduce bureaucracy should have been pursued more strongly. The NRP also lacks measures to sustainably restrict social security contribution to 40 %. Foreseen restrictions to temporary employment however would affect labour market entry of low-skilled workers negatively. The foreseen guaranteed right to return from temporary part-time to full-time work is the opposite of what is needed for modernising working time regulations.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	As in last year's CSRs, investment in infrastructure, education, research and innovation is still a key priority to strengthen medium and long-term growth potential. Investment rates remain too low. Inefficiencies in the taxation system should be removed and services deregulated. Incentives for higher labour market participation need to be improved.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The Commission is right in assessing the progress of reform implementation based on the former year's CSRs as limited. There has been progress in public investment and the regulatory framework of venture capital. Other issues like service market deregulation, later retirement, disincentives for labour market participation of second earners and particularly the area of taxes remain rather problematic.

	To what extent do you agree with these statements:		Detailed comments
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To some extent	As in the last year, the Commission identifies the current account surplus which relates to an accumulated excess of national savings to investment but also a highly competitive manufacturing sector. The corresponding high external position of about 50 % of GDP is a significant risk which underlines the need for continued rebalancing towards domestic sources. However, the strong position of German companies on the global market is not detrimental to the economies of Germany's European neighbours as they are participating in the supply chain and highest trade surpluses are with non-European countries. Nevertheless, higher domestic absorption and investment is necessary to balance the foreign trade surplus. More ambition is needed in policies boosting productivity growth to have more leeway to strengthen domestic demand. The impact of recent policy measures in this regard has been limited.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation effort is:	Detailed comments
CSR 1a	While respecting the medium-term objective, use fiscal and structural policies to support potential growth and domestic demand as well as to achieve a sustained upward trend in investment. Accelerate public investment at all levels of government, especially in education, research and innovation, and address capacity and planning constraints for infrastructure investments.	Extremely important	Mixed	Public investment as a proportion of GDP has remained largely constant and is below the euro area average. A public investment backlog persists in particular at municipal level. Moreover, extending consulting services on infrastructure investment planning to include municipalities should improve the planning and implementation of infrastructure investment at municipal level. Overall public and private education and research expenditure has been rather stable relative to GDP in recent years, but it remains below the EU average. The federal government has taken a number of measures to support venture capital investment.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1b	Further improve the efficiency and investment-friendliness of the tax system.	Important	Unsatisfactory	Tax administration costs are high and several corporate taxation provisions may be hampering private investment. Corporate capital costs in Germany are still among the highest in the EU-28. Other distorting features are the inclusion of non-profit elements in the tax base of the local trade tax, limitations on loss carry-forwards, and tax-induced distortions with respect to the choice of legal form.
CSR 1c	Stimulate competition in business services and regulated professions.	Important	Unsatisfactory	High regulatory barriers remain in the business services sector and regulated professions. In addition, the business churn rate for several professions is significantly lower than the EU average, which seems to indicate relatively low dynamism and competition in many professional services.
CSR 2a	Reduce disincentives to work for second earners. Reduce the high tax wedge for low-wage earners.	Extremely important	Unsatisfactory	As in the previous year, no legal adjustments have been implemented in order to reduce disincentives to work for second earners (e. g. wage tax classification). Referring to the high tax wedge (not only for low wage earners) there have also been no structural tax reforms except for minor adjustments which are compulsory in terms of constitutional law (general tax allowance) to correct the effects of progressive taxation and inflation.
CSR 2b	and facilitate transitions to standard employment.	Helpful but not a priority	Mixed	Generally, flexible forms of employment lower entry barriers to the labour market and supplement standard forms of employment. New forms of work and the digitization increase the need for flexible forms of employment. Mini-jobs, for example, are a reasonable instrument for students or pensioners. However, they reduce incentives to increase working hours for other groups, especially secondary wage earners. Additionally, lacks in childcare-infrastructure and all-day schools often hamper an increase in working hours for families and thus the transition in standard employment.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2c	Create conditions to promote higher real wage growth, respecting the role of the social partners	Irrelevant	Mixed	Real wage growth should be closely linked to productivity growth. Over the past six years, real wage growth exceeded productivity growth by 0.7 percentage points. In the same period, the unit labour cost position towards the eurozone decreased by 9 %. Hence, focus should be on increasing productivity growth, especially by improving conditions for private investment.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Satisfactory

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	R&D and Innovation	Create tax incentives for R&D	no
Priority 2	Labour supply measures for specific groups (older workers, women...)	Make labour laws more flexible regarding working hours in order to adequately adapt to digitization and individual demands.	no
Priority 3	Public investment	Increase investment in particular in digital, transportation and energy infrastructure	yes, to some extent
Priority 4	Making work-pay : interplay of tax and benefit system	Reduce the high social security contributions wedge (not more than 40% of gross income).	yes
Priority 5	Tax reforms	Incorporate local trade tax into income tax	no

SPRING 2018 REFORM BAROMETER – GREECE

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	The Greek NRP is still substituted by the MoU. While progress is made in numerous areas, a "box ticking" mentality seems to have taken hold. Important reforms are rushed through the government-troika negotiations without proper design and consultation, leaving crucial loose ends in the process with the pre-bankruptcy framework and the licencing of mining and quarrying activities being a good example. At the same time important reforms, e.g. reforms of network industries, are either marred by partial implementation or dangerously delayed, the programme still does not acknowledge the need of a more determined initiative to end the exclusion of Greek companies from the Single Market for Financial Services and does not acknowledge that the all-encompassing over taxation has become unproductive and that it directly undermines the evolution of a high-quality tax base. Areas that are important for long term growth, like education, public health, social services, better regulation agenda, speed and transparency of the working of the judiciary and transparency in the licencing process of high profile and smaller investments are still not receiving the attention they deserve or are lagging in implementation forming the rear-guard of the structural adjustment programme. An evidence-based approach to the post MOU status of industrial relations is also missing, as well as an evaluation of the need to rationalize especially the tax wedge on salaried private sector labour and the tax treatment of working families.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	The same as above applies

	To what extent do you agree with these statements:		Detailed comments
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	It has to be acknowledged that through the accelerated "box ticking" process there is progress on a number of issues, with the e-procurement platform and small & simple investment licencing cases providing an example. Especially in the area of the implementation of tax law a number of high-profile tertiary court decisions have forced, after a protracted period of resistance, the authorities to acknowledge some level of certainty with respect to the statute of limitation, but unreasonably high legal uncertainty remains on a number of other issues. That said, the now independent tax authorities have shown an unprecedented, when compared to past decades, willingness to discuss practical problems and to offer solutions on a number of technical issues, even if these are sometimes limited within their realm of competencies that are of course subordinate to the ones of the legislator. On the other hand, for example, with respect to the evolution of the energy market towards the "New Market Design" and the "Target Model" numerous loose ends and a fast evaporating window of opportunity raise concerns.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not enough	While the emphasis on the agreed surpluses for the post 2018 period is understandable, especially given the weaknesses in the ability of the MoU to solve problems in a way that go beyond box-ticking and that are immediately visible to the business community, major worries are not discussed or addressed. In particular it is not even part of the discourse if a country of medium institutional maturity that carries the legacy of a depression can recover with an all-encompassing taxation that exceeds even highly developed and institutionally mature countries at the core of Europe. Nor is it acknowledged that in the post PSI era, high surpluses that stem from this high taxation will constitute steady and large liquidity outflows from a bank financing-based economy with a compromised deposit base, capital controls and that is excluded for almost a decade from the Single Market for Financial Services. As the banks execute business plans and NPL management plans that focus on the deleveraging of the economy, the liquidity shortage has affected the corporate landscape. As the deleveraging is now almost complete, the challenge has moved from a financial engineering exercise that would have averted an unnecessary deepening of the depression, and now has more to do with how to finance activities that can contribute to sustainable growth. No appropriate measures are included in the narrative of the programme or the policy design on these crucial issues. That said, it is of course acknowledged that there is a need to build trust, and thus the ranking offered is 4 in spite of the abovementioned comments. Evidence of a gradual movement of the job market towards the low end and the entrenchment of the permanent emigration of high-skill workforce along with indications that investments that are most crucial, along key nodes of value chains, and for all company sizes systematically now take place outside the country along with the clear insistence to maintain the set fiscal targets irrespectively of economic developments downgrades the evaluation of this point with respect to last year.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Presentation of a Growth strategy	Extremely important	No progress	By early 2018, that is at the beginning of the 9th year of a depression the country still has not presented a convincing growth strategy, in the wake of a number of disappointing attempts by previous governments. This is by itself proof of the weaknesses that remain in the administration, the quality of its cooperation with EU bodies and the ability to use the expertise they contain, and the disappointing progress in the implementation of the better regulation agenda.
CSR 2	Anti - corruption	Extremely important	Unsatisfactory	Anti - corruption remains a weak priority, in spite of the fact that is a factor that potentially or clearly undermines progress on almost all fronts of the reform agenda.
CSR 3	Better regulation	Extremely important	Mixed	The capacity of the administration and the political leadership to implement properly all dimensions of the better regulation agenda remains weak. The expertise built up by the technocrats of the troika has not led to a better integration of the Greek public administration into the expertise available at EU bodies and a deepening of the relationships, at all levels, that support the integration of other EU members in the processes of the European Semester. Thus, this critical area appears to be one of the points of the programme in which the least progress has been achieved with respect to what is needed to ensure that in the post MoU era the country can ensure the convergence of the quality of its regulations towards EU standards. Following the prescribed deliverables and their implementation since the first MoU and till now the grudging nature of progress in this area is dismally revealed, while the deliverables set for 2018 and their comparison with what happens in reality delegates this key policy initiative to a champion of the box-ticking already mentioned.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Progress of energy market towards the New Market Design and the Target Model	Extremely important	Unsatisfactory	A comprehensive strategy to unravel the burdens of past policy inadequacies in a way that will cause the least overall damage is still lacking, while time is fast running out. While there has been progress, especially in some aspects of the natural gas market, the maturing of the key preconditions that would permit a successful transition to the Target Model for the electricity market still is lagging dangerously. An honest and bold approach is needed here, given the stakes of not managing the challenges bestowed by the sustained inefficiencies, and whose consequences only become more threatening as needless inactivity persists. A well-thought out and balanced mix of energy and flexible capacity to trigger new more efficient investments and demand-side tools to improve market conditions are pertinent.
CSR 5	Investment licencing	Extremely important	Unsatisfactory	Effort is observed in some areas, but at the same time progress in other areas is slow. In some cases, e.g. in the case of the licencing of mining activities, legislative initiatives are not sufficiently thought out with obvious weaknesses and omissions while at the same time the administrative capacity to support the licencing process has been eroded to dangerously low levels.
CSR 6	Tax policy reforms	Extremely important	Unsatisfactory	A strategic decision has been made, and accepted by the troika, to front - load tax increases and to make future tax rationalization conditional on fiscal over-performance. A clause to reduce expenditure in the case tax increases do not deliver safeguards the achievement of fiscal targets. The design of this approach, as opposed to a front loading of expenditure reduction with an option for them to increase again in the case fiscal targets are exceeded, is deeply flawed in the sense that it can permanently erode the tax base and hollow out the density of the networks of the corporate landscape, and especially the most lucrative for tax revenue and crucial for value chains parts of it. The 2018 budget execution, with the shortfall in revenue being compensated with by an accelerated reduction of expenditure, proves the point.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 7	Labour markets	Extremely important	Mixed	<p>So far it is not possible to predict the outcome that will follow from the announcements made by members of the government and the troika on this sensitive issue. Engagement of social partners in a structured and transparent evidence-based process is missing. The resulting uncertainty is a disincentive to invest especially in the productive economy that has not been properly assessed so far. The establishment of a well-functioning labour market, requires modernizing the collective bargaining framework by limiting compulsory arbitration procedures and making them compatible with the ILO standards on free collective bargaining. It also requires introducing reliable checks on the representativeness of sectoral collective agreements, to safeguard that wage formation is conducive to free collective bargaining, productive growth and competitiveness. Reverting to a centralized wage setting system will have to be accompanied with an elegant design in order to avoid a reversion to the environment that contributed pivotally towards the build-up of the imbalances that triggered the 2010 crisis in Greece.</p>

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Over time implementation of the OECD Competition Assessment Toolkit (CAT) has yielded many smaller improvements, that as a sum amount though to a significant overall improvement. In some cases, progress is uneven and there are occasional reversions or even some flagship cases in which the recommended and implemented measures are needlessly damaging (e.g. the case of pharmaceutical markets and especially the design of the rebate and clawback mechanism). But overall the whole initiative has been very important. Three key points to make are that a) the approach also should include within its scope the distortion of competition within the Single Market, e.g. access to finance by companies or the discrepancy between regulatory burdens present horizontally in the country and then compared to the EU and b) that the expertise to undertake such exercises should gradually be owned by the administration, also with respect to the need to conduct ex ante and ex post RIAs. Finally, the selection of the sectors subject to a CAT should also be the result of a structured methodology and not done ad-hoc as a result of political bargaining. Currently SEV is proceeding with an assessment of the overall implementation of the OECD CAT.

Reform priorities for 2018

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<p>Priority 1</p> <p>Bank lending conditions</p>	<p>Uncertainty stemming from policy unpredictability and from potential risks related to the inability of the country to meet fiscal targets and that relate to EMU membership have to be put to zero, and then in addition active measures to improve access to finance for the largely SME populated Greek corporate landscape have to be taken. An all-encompassing improvement of the whole framework relating to bankruptcy, pre-bankruptcy, a second change with respect to debts towards the state that extends to managers of corporations and the tax treatment of write-offs (especially VAT that has been paid by creditors on claims that are written down or off) has to be implemented, and that goes beyond what has been done so far, as part of the programme. This will support the effort of the banks to clear the legacy of the crisis that takes the form of the NPEs. Part of this approach has to be a redesign of the OCW so that it can handle in a speedy and truly out of court way simple cases in which the state and banks are the main creditors, finishing touches in the pre-bankruptcy process of more complex cases that cannot be handled by the OCW and that should also fully benefit from the write down of state claims promised in the OCW and a rationalization of very strong indirect super priorities that are related to the unwillingness of the state to write down its own claims, the reimburse taxes paid on claims that are written down and in particular with the unconditional personal liability managers that act with caution and good faith have with respect to the debts of the company towards the state. The latter change could be linked to the establishment of a well-designed early warning mechanism and its timely and proper use. In addition, companies that are de facto bankrupt should be automatically stricken from the registry and a cheap to use registry of secured claims should be established.</p>	<p>no</p>

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	Tax reforms A rationalization of taxes has to place rates somehow between low tax countries and the mature countries of the core of the EU. This has to happen, given the need to meet agreed short term fiscal targets, in a staggered process that starts with reducing the tax wedge for salaried labour in the private sector, key excise taxes that hurt production and key services or that feed the black market, some excesses of the recurrent property taxes and an elimination of excesses in the cumulative taxation of profits and distributed dividends. Tax uncertainty and uncertainty regarding the implementation rules of tax laws are a cost to the market but offer the government no revenue and thus should be drastically reduced. The ability to carry forward losses should be aligned with the prevalent 10-year benchmark or the EU best practice of unlimited time, that is also put forward by the proposed CCTB directive.	no
Priority 3	Wage bargaining and wage-setting policies There is a need to devise a post MoU framework for industrial relations that does not repeat the mistakes of the past, and that is based on solid evidence and an honest and open discussion. As said, the establishment of a well-functioning labour market, requires modernizing the collective bargaining framework by limiting compulsory arbitration procedures and making them compatible with the ILO standards on free collective bargaining. It also requires introducing reliable checks on the representativeness of sectoral collective agreements, to safeguard that wage formation is conducive to free collective bargaining, productive growth and competitiveness.	no
Priority 4	Public sector efficiency Given the high levels of taxation, the drastic improvement of the quality of services offered by the public sector is key, along with a rationalization of tax excesses, to quickly bring the currently extremely disadvantageous ratio of tax rates to retributive services provided in return to some levels that will allow the country to retain & attract talent and investment. While a stated goal of the government, so far implementation is not in line with the need to quickly reduce the wide gap between the implemented taxes and the efficiency of the public sector. The prospect of the post MoU period will place higher demands on the ability of the administration to design and implement quality policies on its own and to integrate seamlessly in the European Semester. A key area in which the improved quality of public sector efficiency should quickly become visible is the area of business-university collaboration for R&D and innovation.	yes

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<p>Priority 5</p> <p>Business Environment - Regulatory barriers to entrepreneurship</p>	<p>It is crucial that we speed up investment licensing reforms. The inspection & controls framework is designed to be activated after 2 years in the best-case scenario; also, the recently legislated amendments on simplification of quarrying & mining licensing procedures are paired with the failure to improve the key environmental licencing process and the persistence of a number of clauses that are targeted to block certain investments, but in the process also undermine the licencing process in general. In addition, a new licence renewal process leads to uncertainty for investors and has the potential to evolve into a corruption hotbed; and there is no provision for the abolishment of the installation license as was originally anticipated.</p> <p>On the issue of Business Parks, progress has to continue and the input of market participants heeded. On special planning reform, the approval of new land uses and the issuing of all secondary legislation deriving from Law 4447/2016 needs to be fully implemented.</p> <p>There is continuing progress though in other areas like the ones covered by the OECD CAT, and that should be kept up. The key issue of market supervision and the coordination of all types of audits has been the subject of a general legislative provision, that still leaves the difficult task of mapping and coordination all competencies of authorities that supervise and their penalty grid unfinished.</p>	<p>yes</p>

SPRING 2018 REFORM BAROMETER – HUNGARY

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Hungary's public finances.	Extremely important	No progress	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Complete the reduction of the tax wedge for low-income earners and simplify the tax structure, in particular by reducing the most distortive sector-specific taxes. Strengthen transparency and competition in public procurement, by implementing a comprehensive and efficient e-procurement system, and strengthen the anti-corruption framework. Strengthen regulatory predictability, transparency and competition in particular in the services sector, notably in retail.	Extremely important	Unsatisfactory	
CSR 3	Better target the public works scheme to those furthest away from the labour market and provide effective support to jobseekers in order to facilitate transitions to the labour market, including by reinforcing active labour market policies. Take measures to improve education outcomes and to increase the participation of disadvantaged groups, in particular Roma, in inclusive mainstream education. Improve the adequacy and coverage of social assistance and the duration of unemployment benefits.	Extremely important	Unsatisfactory	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Mixed
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Excellent

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Business Environment – Regulatory Barriers to entrepreneurship		No
Priority 2	Pension and health care reforms		No
Priority 3	Labour market mismatch and labour mobility		Yes
Priority 4	Tax reforms		Yes
Priority 5	Bank lending conditions		Yes

SPRING 2018 REFORM BAROMETER – IRELAND

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	The NRP identifies many of the key issues identified by business, but it doesn't adequately reflect the importance of quality of life issues and in particular the challenges presented by under investment in infrastructure.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	While the CSRs identify the challenges in relation to under investment in infrastructure and social services it recommends that these are addressed through better targeted public expenditure. Business is of the view that increased investment is required. We do not believe that the three issues identified are the most important reform priorities for the economy at the current time.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	It provides a good assessment of implementation but it would be useful to see a clearer prioritisation of reform priorities.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	It provides a strong assessment of imbalance risks for the economy but further analysis of the specific characteristics of the Irish economy e.g. demographics and net debt positions, would help put the imbalances in more meaningful context

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact. Use any windfall gains arising from the strong economic and financial conditions, including proceeds from asset sales, to accelerate the reduction of the general government debt ratio. Limit the scope and the number of tax expenditures and broaden the tax base.	Helpful (but not a priority)	Satisfactory	Lack of investment is key challenge for economy - windfall gains could be used for this rather than further debt reduction
CSR 2	Better target government expenditure, by prioritising public investment in transport, water services, and innovation in particular in support of SMEs. Enhance social infrastructure, including social housing and quality childcare; deliver an integrated package of activation policies to increase employment prospects of low-skilled people and to address low work intensity of households	Important	Mixed	Too much of the increase in public expenditure has been on the current side rather than for capital
CSR 3	Encourage a continued and more durable reduction in non-performing loans through resolution strategies that involve write-offs for viable businesses and households, with a special emphasis on resolving long-term arrears.	Helpful (but not a priority)	Satisfactory	Strong economic recovery is addressing many of these issues - no longer a major risk for the economy

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Satisfactory
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Use of private sector providers to deliver return to work programmes has been a very effective reform

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Public investment	Increase capital investment substantially	yes
Priority 2	Making work-pay: interplay of tax and benefit system	Reduce marginal income tax rate	yes
Priority 3	Labour supply measures for specific groups (older workers, women...)	Reduce childcare costs and support return to work for older workers and women	yes
Priority 4	R&D and Innovation	Significantly increase public spending in innovation	no
Priority 5	Job protection	Ensure sensible labour market regulation	no

SPRING 2018 REFORM BAROMETER – ITALY

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	<p>Regarding taxation, the NRP is to some extent appropriate. We fully agree with the point regarding the reduction of the tax burden on the productive factors and we support the plan for the revision of the tax expenditures. In our opinion, all tax expenditures should be regularly and systematically reviewed, but not necessarily with the aim of reducing them. In fact, we believe that some measures are structural and some should indeed be enhanced; in this respect, we consider positive the renewal of tax incentives aimed at promoting investments and innovation by Italian enterprises. Within the framework of the NRP, we substantially agree with the proposals aimed to improve the relationship between tax administration and taxpayers and to fight tax evasion; however, despite of these positive actions, it should be also noted that we are critical of interventions that result in greater compliance burdens (in particular with reference to VAT fulfilments).</p> <p>Public administration: the objectives identified are appropriate (to complete public administration reform, to monitor public company reform, carry out reform of local public services, to improve public administration productivity through public employment reform, to improve simplification and digitalisation (Simplification action, three-year plan for the Information and Communications Technology, cyber security)).</p> <p>Competition: the objectives identified are appropriate and they shall be pursued by the measures introduced in the 2015 annual competition law. The annual competition law was approved in august 2017, after two years of Parliament’s discussion; in light of these delays, the annual competition law can't aim at becoming a structural instrument to promote competition in a perspective of continuity and medium-long term, without a reform of legislative iter.</p> <p>Civil justice: the NRP is to a large extent appropriate and the reforms approved in recent years are starting to show some important results. It's important to consolidate and strengthen these results and, as an example, to approve the draft law n. A.S. 2284 - presented in 2015 - which contains also important measures of specialization of the judge and to work on the proposal which aims to the enhancement of ADR tools.</p> <p>Criminal justice: the NRP doesn't deal deeply with the reform of the administrative liability.</p> <p>Insolvency system: a) reform the insolvency law, in order to enable the restructuring while allowing debt collection to some extent; b) introduce a out-of-court procedure (so called "procedura di allerta e composizione assistita della crisi"), aiming at bringing out crisis situation at an early stage and facilitating arrangements with creditors, with the objective of avoiding debtors’ insolvency.</p> <p>Regarding the access to credit and finance, we believe the National Reform Programme contains appropriate actions, namely: to promote the reduction of non-performing loans (NPLs) on banks' balance sheets, protecting savings through interventions in support of banks in difficulty, strengthening governance in the banking sector, simplifying and speeding up procedures for debt recovery; to support SMEs access to finance, in particular through the guarantee fund; to promote new and alternative financial channels, such as PIR or equity crowdfunding; to improve the procedures for PA debt payments to enterprises. However, there is room for improvement, in particular regarding the process of disposal of NPLs and PA debt payments to companies, to give a definitive boost to the economic recovery, partially started through the implementation of these measures.</p>

	To what extent do you agree with these statements:		Detailed comments
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	<p>Regarding the third Country-specific recommendation, the stock of NPLs in banks' balance sheets remains one of the main obstacles to enterprises' access to finance. However, NPLs level is gradually decreasing thanks to the actions launched by the Government in recent years. In this context, it is important to accelerate this reduction avoiding additional rules which can reduce the ability of banks to grant loans.</p> <p>Regarding the fourth Country-specific recommendation, Confindustria is committed to find an agreement with the trade union organisations aimed at strengthening the collective bargaining framework, and its implementation could imply a role of support by the Government.</p>
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	<p>Public administration: Confindustria does not agree with the assessment of the Commission about the public administration reform: Italy has made significative progress on this matter.</p> <p>Competition: the assessment is correct; the 2015 annual competition law was approved only in August 2017. Moreover, the 2018 Budget Law includes a measure on "fair fee for professionals ", that de facto re-introduces minimum rates for professionals.</p> <p>Justice: the assessment is correct; it should be noted that the reform of the statute of limitations was implemented in 2017 (law n. 103/2017).</p> <p>Regarding NPL's: Confindustria believes that additional actions can be taken in order to facilitate the securitization of NPLs, namely: to create an electronic public-private platform to manage transactions; to promote the "Patto Marciano" in contracts secured on residential real estate; to reform the bankruptcy law; to accelerate the civil justice procedures related to debt collection.</p>
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	<p>Confindustria agrees with the Commission regarding the fact that high level of NPLs hampers banks to support private investment growth. Indeed, it is necessary to reduce, to sustainable levels and in a reasonable timeframe, the share of NPLs. However, it is important to avoid the introduction of new measures that could limit bank's lending capacity. In fact, the legal framework has to find the right balance between financial stability and the financing of the real economy.</p>

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Pursue a substantial fiscal effort in 2018, in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Italy's public finances. Ensure timely implementation of the privatisation programme and use windfall gains to accelerate the reduction of the general government debt-to-GDP ratio. Shift the tax burden from the factors of production onto taxes less detrimental to growth	Important	Mixed	
CSR 1b	in a budget-neutral way by taking decisive action to reduce the number and scope of tax expenditures,	Helpful (but not a priority)	Mixed	
CSR 1c	reforming the outdated cadastral system and reintroducing the first residence tax for high-income households.	Helpful (but not a priority)	Mixed	
CSR1d	Broaden the compulsory use of electronic invoicing and payments.	Extremely important	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Reduce the trial length in civil justice through effective case management and rules ensuring procedural discipline. Step up the fight against corruption, in particular by revising the statute of limitations. Complete reforms of public employment and improve the efficiency of publicly-owned enterprises. Promptly adopt and implement the pending law on competition and address the remaining restrictions to competition.	Extremely important	Mixed	<p>Civil justice: the draft law n. AS 2284 aims to reform the civil procedural rules but its legislative iter started at the beginning of 2015 and is still in progress. In any case, the previous reforms are starting to show positive effects, as a reduction in time of the civil justice proceedings. Corruption: the law no. 103/2017 reforms the statute of limitations and provides for stricter measures with reference to the crime of corruption</p> <p>Public companies: there are not official data on the reform of public companies. The reform of local public services and the reform of the public service have not been implemented.</p> <p>Competition: the annual law was approved in 2017 and it is important to reform the legislative iter for this instrument for introducing the important measures for competition. In the sector of professional services, a measure on "fair fee for professionals " was introduced, that de facto re-introduces minimum rates for professionals.</p>
CSR 3a	Accelerate the reduction in the stock of non-performing loans and step up incentives for balance-sheet clean-up and restructuring, in particular in the segment of banks under national supervision.	Important	///	It is important to accelerate the reduction in the stock of non-performing loans because this reduction could improve the access to bank loans for Italian enterprises, above all SMEs
CSR 3b	Adopt a comprehensive overhaul of the regulatory framework for insolvency and collateral enforcement.	Helpful (but not a priority)	///	It is necessary to avoid the introduction of additional rules that limit banks' ability to grant loans.
CSR 4a	With the involvement of social partners, strengthen the collective bargaining framework to allow collective agreements to better take into account local conditions. Ensure effective active labour market policies.	Extremely important	Satisfactory	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4b	Facilitate the take-up of work for second earners. Rationalise social spending and improve its composition.	///	///	///

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Satisfactory
Innovation and skills	Satisfactory
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Italy's budget law for 2017 has opened the door to asset managers to create long-term Individual Savings Plans (PIR, in Italian) benefiting from tax incentives to encourage savers to invest in small and medium-sized Italian firms. Created as an alternative way to fund small and medium sized Italian firms, a role traditionally held by the banks, these PIR plans are aimed at retail investors resident in Italy who can invest a maximum of €30,000 per year and up to €150,000 over five years. Restrictions on the composition of investments in PIR plans imply that at least 70% of assets must be invested in financial instruments (equities or bonds) issued by Italian and/or foreign companies (EU and EEA) permanently established in Italy under the domestic fiscal regime. Of this 70%, at least 30% (or 21% of total investable assets) must be in Italian small and mid-caps not included in the main index (FTSE MIB).

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Tax reforms	Continue to reduce taxation on factors of production; introduce adequate measures to fight tax evasion; adapt the tax system to the EU standards and regulate new forms of business (e.g. digital economy); make the tax system easier (also by eliminating useless fulfilments) and improve the tools of preventive dialogue between the tax administration and the tax payer.	///
Priority 2	Active labour market policies	Further strengthen active labour market policies and the activities launched by ANPAL	yes
Priority 3	Bank lending conditions	To strengthen the Guarantee Fund and enhance the use of qualitative aspects of companies in bank rating systems	no
Priority 4	Public sector efficiency	Implement simplification measures	yes
Priority 5	Competition policy framework	Specific measures for improving the efficiency of publicly-owned enterprises and of the professional service's market	Yes, publicly-owned enterprise No, professional service



SPRING 2018 REFORM BAROMETER – LATVIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails achieving its medium-term budgetary objective in 2018, taking into account the allowances linked to the implementation of the systemic pension reform and of the structural reforms for which a temporary deviation is granted. Reduce taxation for low-income earners by shifting it to other sources that are less detrimental to growth and by improving tax compliance.	Important	Excellent / No further progress needed	Tax reform includes tax progressivity and is aimed at reducing the labour tax burden for lower wage recipients, enters into force. Taxation is shifting to consumption (fuel, alcohol and other excise goods). Increasing attention is being paid to combating the shadow economy, in particular in the construction industry, where the rule on electronic working time accounting enters into force.



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p>Improve the adequacy of the social safety net and upskill the labour force by speeding up the curricula reform in vocational education. Increase the cost-effectiveness of and access to healthcare, including by reducing out-of-pocket payments and long waiting times.</p>	Important	Satisfactory	<p>Social partners are involved in the reform of vocational education - in the development of curricula, occupational standards, and introduction of work-based learning. LDDK is coordinating 12 sectoral skills' councils. In LDDK opinion, we have to carry on with recommendation about reforms in VET and involvement of social partners. Also, LDDK was involved in implementation of recommendation on cost-effectiveness of and access to healthcare. The new Law on financing of healthcare system was prepared. Further progress needed.</p>
CSR 3	<p>Increase efficiency and accountability in the public sector, in particular by simplifying administrative procedures and strengthening the conflict-of-interest prevention regime, including for insolvency administrators.</p>	Important	Satisfactory	<p>In November of 2017, the Government approved reform plan of public administration. This plan is limited to the central administration, while significant efficiency gains may also be realised at municipal level.</p>



Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Excellent
Business environment (regulation/access to markets)	Satisfactory
Labour market	Satisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Tax reform, in particular - lower personal income tax for low wage earners and 0% corporate income tax rate for reinvested earnings.



Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Sector specific regulation (telecom, energy)	Increase availability of electricity for industrial users (internationally competitive prices, connection time&costs)	yes
Priority 2	Pension and health care reforms	Improve the quality and accessibility of health care services by reducing out-of-pocket payments and waiting times	yes
Priority 3	R&D and Innovation	Increase R&D investments, raise innovation level	no
Priority 4	Public sector efficiency	Administrative reform, increase of efficiency in municipalities	no
Priority 5	Labour market mismatch and labour mobility	Retraining, promotion of mobility, optimizing the number of people employed in the public sector, re-emigration etc.	yes

SPRING 2018 REFORM BAROMETER – LITHUANIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	The National Reform programme submitted by Lithuanian government is rather ambitious and covers such fields as education, reform of innovation system, etc. However, the reforms in a way are too broad/radical. There is no clear strategy as to how exactly the reforms will be implemented. The reform of the education system for example is moving very slowly.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Recommendations that are relevant to the business community: 1. Address skills shortages through effective active labour market policy measures and adult learning and improve educational outcomes by rewarding quality in teaching and in higher education. 2. Take measures to strengthen productivity by improving the efficiency of public investment and strengthening its linkage with the country's strategic objectives.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails remaining at its medium term budgetary objective in 2018, taking into account the allowances linked to the implementation of the systemic pension reform and of the structural reforms for which a temporary deviation is granted.	Important	Mixed	Despite the fact that strong economic performance (especially positive trends in labour market and wages) has a positive impact on budgeted revenue side, the overall actual budget revenue fell short of the plan for 2017. In particular, revenue from excise duties were substantially below the plan as a result of drastic increase in alcohol excise duties. Despite increasing wages, revenue from the personal income tax in 2017 were lower than in 2016. Revenue from the corporate tax in 2017 were also lower than initially planned.
CSR 1b	Improve tax compliance and broaden the tax base to sources that are less detrimental to growth. Take steps to address the medium-term fiscal sustainability challenge related to pensions.	Important	Unsatisfactory	Despite the fact that strong economic performance (especially positive trends in labour market and wages) has a positive impact on budgeted revenue side, the overall actual budget revenue fell short of the plan for 2017. In particular, revenue from excise duties were substantially below the plan as a result of drastic increase in alcohol excise duties. Despite increasing wages, revenue from the personal income tax in 2017 were lower than in 2016. Revenue from the corporate tax in 2017 were also lower than initially planned.
CSR 2	Address skills shortages through effective active labour market policy measures and adult learning and improve educational outcomes by rewarding quality in teaching and in higher education. Improve the performance of the healthcare system by strengthening outpatient care, disease prevention and affordability. Improve the adequacy of the social safety net.	Important	Satisfactory	Lithuanian business is facing a sharp deficit in workforce. For example, in 2012-2017 the number of vacant jobs in Lithuanian manufacturing sector rose by 60%, whereas the number of occupied jobs rose only by 12%. The government is slowly introducing more liberal labour import conditions for businesses with favourable reputation. In comparison to neighbouring countries, labour relations remain rigid, but progress has been made.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Take measures to strengthen productivity by improving the efficiency of public investment and strengthening its linkage with the country's strategic objectives.	Extremely important	Satisfactory	Due to the fact that robotization/automatization in European manufacturing sector is gaining pace, Ministry of Economy of Republic of Lithuania plans to introduce an instrument financed through the EU funds – designed at enhancing automatization in Lithuanian business.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

1. Tackle the structural problems in the Lithuanian business climate that are related to unproportionally high labour taxation and as well as bureaucratic burden to businesses. Implement measures to simplify the taxation administration procedures.
2. Prepare long-term measure designated to ease demographic pressures on business and economy.
3. Form adequate labour market policy and adequate rules for import of labour – in regard to a sharp deficit in workforce.
4. Create and implement the export credit insurance scheme.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Business Environment - Regulatory barriers to entrepreneurship	Tackle the structural problems in the Lithuanian business climate that are related to unproportionally high labour taxation and as well as bureaucratic burden to businesses	yes
Priority 2	Labour market mismatch and labour mobility	Form adequate labour market policy and adequate rules for import of labour – in regard to a sharp deficit in workforce.	yes
Priority 3	Tax reforms	Tackle the structural problems in the Lithuanian business climate that are related to unproportionally high labour taxation and as well as bureaucratic burden to businesses.	yes
Priority 4	Market integration - Openness to trade and investment	Create and implement the export credit insurance scheme.	yes
Priority 5	Active labour market policies	Prepare long-term measure designated to ease demographic pressures on business and economy.	yes

SPRING 2018 REFORM BAROMETER – LUXEMBOURG

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	Long-term sustainability of public pensions not addressed/Statutory and effective retirement age not addressed/ real estate shortages not sufficiently addressed
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	Removing barriers to investment and innovation/ removing regulatory restrictions in the business services sector/ long-term sustainability of the pension system / address supply shortage in real estate
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Strengthen the diversification of the economy, including by removing barriers to investment and innovation. Remove regulatory restrictions in the business services sector.	Extremely important	Mixed	
CSR 2	Ensure the long-term sustainability of the pension system, limit early retirement and increase the employment rate of older people.	Extremely important	No progress	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	Addressing skills mismatch among young people	yes
Priority 2	Active labour market policies	Increase lifelong learning programmes / investments in education and skills	yes
Priority 3	ICT	Turning Luxembourg into an excellence centre for ICT and Industry 4.0	yes
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Remove regulatory barriers / accelerate administrative simplification	yes
Priority 5	R&D and Innovation	Encourage an increase in private investment	yes

SPRING 2018 REFORM BAROMETER – MALTA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	NRP is appropriate to a large extent. It is notably ambitious and touches on all areas of priority for the country.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	The CSRs for Malta target two areas that remain lacking, despite the country's strong economic performances in recent years. CSR 1 focuses on controlling the increased public spending, particularly on recurrent expenditure within the public sector itself due to employment of excess civil servants, excess recruitment in numerous state-owned entities and investment on projects with low economic importance and return on investment. CSR 2 places needed added responsibility on the regulatory authorities of the financial services industry to oversee the correct implementation and practice of international standards and laws among service providers and practitioners to maintain the Union's and jurisdiction's reputation in the area. Other pressing issues have been overlooked in the CSRs, such as the continued lack of suitable labour supply, both in terms of quantity and quality, falling standards of results obtained in ordinary level examinations in basic subjects, ageing infrastructure and lack of capital investment, very limited ease of doing business improvements and soaring labour costs.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	2016: CSR 1 - Limited Progress - This assessment is largely correct, through some additional progress has been achieved in the past year. CSR 2: Some progress - Fair assessment though concrete results of upskilling and reskilling initiatives remain lacking. Labour supply is being strengthened in general but largely due to the influx of foreign labour rather than as a result of the policy initiatives noted in the table on Page 36.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not applicable	Not applicable

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Expand the scope of the ongoing spending reviews to the broader public sector and introduce performance-based public spending.	Extremely important	Mixed	
CSR 2	Ensure the effective national supervision of internationally oriented business by financial institutions licensed in Malta by strengthening cooperation with the host supervisors in the countries where they operate.	Extremely important	Mixed	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Excellent
Business environment (regulation/access to markets)	Satisfactory
Labour market	Unsatisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

1) The Malta Development Bank, serving as a second-tier financial institution when private banks fail to make appropriate financing available to businesses, was established at the end of 2017. The bank's 200 million euros authorised share capital will serve to plug the SME financing gap of between 400 and 600 million euros. It is the first financial institution of its kind in Malta and was long advocated by the Malta Chamber of Commerce, Enterprise and Industry as the risk appetite of commercial banks continued to decline. <http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12662&l=1>

2) In 2017, a historic agreement to raise the national minimum wage was reached between employer organisations and unions. The agreement was endorsed by Government as well as the Opposition, and was enacted into law.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	<ol style="list-style-type: none"> 1) More incentives for foreign labour to work in Malta. 2) Elimination of barriers/costs/bureaucracy when applying for work/residency permits. 3) More measures to make work pay, especially targeted towards cohorts of people that continue to have very low unemployment rates such as middle-aged women and migrants already in Malta. 4) Strategy to heavily reduce the high rate of early school leavers. 5) More incentives for continuous and lifelong learning 	Yes but not sufficient

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	Public investment	Public capital investment is severely lacking. Government has announced 700 million euros spending on roads infrastructure over the next 7 years however investment in roads is not sufficient to ensure that the country's infrastructure can sustain the economic growth. Our federation is focused on advocating investment toward a modal shift which is a much more sustainable long-term investment as the benefits from new roads will be short lived.	no
Priority 3	Public sector efficiency	A comprehensive study of public sector labour force is required. Some departments and entities are overstaffed while others are severely understaffed. Government also continues to employ and recruit new excessively large cohorts of people, especially in fields where skills are severely lacking in the private sector. The private sector is unable to compete with fringe benefits offered by the public sector.	no
Priority 4	Pension and health care reforms	Sustainability of the state pension system was very worrying but the urgency has been somewhat alleviated due to higher levels of economic activity generating higher direct and indirect tax revenue. With regards to health care, the system remains largely unsustainable, public health continues to decline and the early steps of privatisation of hospitals is being closely monitored by our federation.	no
Priority 5	R&D and Innovation	Malta lacks the skills and funding to research and innovate. Greater focus on STEM subjects in early education is required while more incentives to follow STEM education at tertiary level must be implemented and promoted. Availability of funding instruments for innovative projects is improving however there remains significant untapped potential due to funding constraints and lack of fiscal incentives to innovate.	Yes but not sufficient

SPRING 2018 REFORM BAROMETER – THE NETHERLANDS

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	Yes, absolutely	
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	While respecting the medium-term objective, use fiscal and structural policies to support potential growth and domestic demand, including investment in research and development. Take measures to reduce the remaining distortions in the housing market and the debt bias for households, in particular by decreasing mortgage interest tax deductibility.	Important	Satisfactory	In the new coalition agreement, income tax cuts and limiting the mid have been taken care for. Actual progress has not materialized, but it is in the coalition agreement for coming years.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Tackle remaining barriers to hiring staff on permanent contracts. Address the high increase in the self-employed without employees, including by reducing tax distortions favouring self-employment, without compromising entrepreneurship, and by promoting access of the self-employed to affordable social protection. Based on the broad preparatory process already launched, make the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks. Create conditions to promote higher real wage growth, respecting the role of the social partners.	Important	Mixed	A new social agreement is not sure to become reality. New arrangements are not known yet, but the priorities are clear.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Satisfactory
Labour market	Mixed
Innovation and skills	Satisfactory
Access to finance and Financial stability	Excellent

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Pension and health care reforms	New pension system	yes
Priority 2	ICT	Make SMEs digitize	yes
Priority 3	R&D and Innovation	R&D and innovation, stimulate investments	yes
Priority 4	Sector specific regulation (telecom, energy)	Modernize mobility	yes
Priority 5	Tax reforms	Tax cuts	///

SPRING 2018 REFORM BAROMETER – POLAND

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	Not enough	<p>(1) New investment policy - there is no result (the investment rate in 2017 was lower than in 2016). Lack of investment (public and private) has been the main problem in Polish economy from 2 years. Still because of low utilisation of the EU structural funds and increased uncertainty. Additionally, in 2017 because of the situation on labour market (the rate of unemployment was 4,4% in 2017);</p> <p>(2) Reinforcement of amicable dispute settlement institutions - there is no increasing the importance of mediation, but the programme has started, and - what is important - in cooperation with the business-related institutions and organisations;</p> <p>(3) health care - disaster.</p>
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	All of recommendations were appropriate (may be except investment in transport sector - it was difficult to understand what EC means). Public finance, labour market and investment are the main problems in Poland now.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The EC pointed the matters that are very important to the business - the growing role of SOEs in Polish economy, VAT gap, and the main problem - limited public consultation on new laws (almost half of all laws passed were formally initiated by parliamentarians from the ruling party and not the government and hence were not subject to the typical consultation process).
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	It doesn't apply to Poland

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018, in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Poland's public finances. Take steps to improve the efficiency of public spending and limit the use of reduced VAT rates.	Important	Mixed	
CSR 2	Take steps to increase labour market participation, in particular for women, the low-qualified and older people, including by fostering adequate skills and removing obstacles to more permanent types of employment. Ensure the sustainability and adequacy of the pension system by taking measures to increase the effective retirement age and by starting to reform the preferential pension arrangements.	Extremely important	No progress	
CSR 3	Take measures to remove barriers to investment, particularly in the transport sector.	Important	Unsatisfactory	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	No progress
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Introduction of 100% tax credit for investment in R&D and wild catalogue of eligible costs in this tax relief

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Active labour market policies	(1) reconstruction of vocational education; (2) migration policy, but immediately - the completion of procedures for employing foreigners	Yes (partly)
Priority 2	Labour market mismatch and labour mobility	(1) changes in dismissal rules (more flexible), (2) elimination of pre-retirement protection, (3) government housing program to increase the mobility of workers	No (housing program should start in 2018)

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Pension and health care reforms	(1) It is necessary to integrate the special pension system for miners with the general scheme; include farms into the general pension system; private health insurance system; (2) The government lowered the retirement age, which had a negative impact on the labour market and on public finances (3) The government introduced changes of the health system, which negatively affected the private health sector. At the same time, it does not plan to introduce private health insurance, which could take advantage of existing infrastructure in the private health sector.	No
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	(1) Lack of predictability in what the government wants to do in the business environment caused in 2016 and 2017 fall in business investment. Plans for government regulatory should be known well in advance, to ensure predictability and stability of business activity; (2) Simplifying contract enforcement and requirements for construction permits (3) Changes in the public procurement system (should be based mainly on the price)	No
Priority 5	Long term investment instruments	(1) Development of voluntary pension schemes designed to make participation in them as common as possible. (2) Introduction of regulatory changes facilitating the issue of mortgage bonds, (3) Enabling (law) creation of REITs	No (1 - there is a concept)

SPRING 2018 REFORM BAROMETER – PORTUGAL

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	CIP has generally agreed with the general strategic guidelines of Portuguese NRP, but we were particularly critic on the chosen strategy to reduce the segmentation of labour market as well as on the minimum wage policy.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	<p>On budget consolidation, we would like to see a clearer and stronger emphasis on the strategy to follow. The references to arrears and adequate budgeting in the health sector as well as to the expenditure review were positive. On the strategy addressing NPL, we note that this should not be seen exclusively from the perspective of credit institutions, as CSR 3 could suggest. The first point of CSR 2 "Promote hiring on open-ended contracts, including by reviewing the legal framework." reveals a positive evolution of the position of the European Commission.</p> <p>In fact, if we analyse the present point of the Recommendation with the European Commission's overall assessment, which is the basis for its Recommendation, we conclude that the Commission's intention is to amend the legal regime for individual dismissals associated with open-ended contracts.</p> <p>This reasoning is, for example, in line with the reference made in the OECD's "Employment Outlook 2016 - How does Portugal compare?" of July 2016: "Permanent workers in Portugal still benefit from the highest level of protection against individual dismissal in the OECD.". Effective impact assessment of new legislation should be included in the roadmap to further reduce the administrative burden, especially for SMEs.</p>
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Ensure the durability of the correction of the excessive deficit. Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Portugal's public finances. Use windfall gains to accelerate the reduction of the general government debt-to-GDP ratio. Step up efforts to broaden the expenditure review to cover a significant share of general government spending across several policies. Strengthen expenditure control, cost effectiveness and adequate budgeting, in particular in the health sector with a focus on the reduction of arrears in hospitals and ensure the sustainability of the pension system. To increase the financial sustainability of state-owned enterprises set sector-specific efficiency targets in time for the 2018 budget, improving state-owned enterprises' overall net income and decreasing the burden on the state budget.</p>	Important	Mixed	<p>Budget targets will be comfortably met, but the expenditure review is still a very limited exercise. No progress in the reduction of arrears in hospitals. No progress in the reduction of tax burden.</p>



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Promote hiring on open-ended contracts, including by reviewing the legal framework. Ensure the effective activation of the long-term unemployed. Together with social partners, ensure that minimum wage developments do not harm employment of the low-skilled.	important	Unsatisfactory	<p>With regard to Recommendation n. º 2, it addresses three distinct points:</p> <ul style="list-style-type: none"> • " Promote hiring on open-ended contracts, including by reviewing the legal framework." <p>This point of the Recommendation reveals a positive evolution of the position of the European Commission. In fact, if we analyse the present point of the Recommendation with the European Commission's overall assessment, which is the basis for its Recommendation, we conclude that the Commission's intention is to amend the legal regime for individual dismissals associated with open-ended contracts. This reasoning is, for example, in line with the reference made in the OECD's "Employment Outlook 2016 - How does Portugal compare?" of July 2016: "Permanent workers in Portugal still benefit from the highest level of protection against individual dismissal in the OECD."</p> <ul style="list-style-type: none"> • " Ensure the effective activation of the long-term unemployed." <p>The second part of the Recommendation does not bring anything new and does not raise special comments.</p> <ul style="list-style-type: none"> • " Together with social partners, ensure that minimum wage developments do not harm employment of the low-skilled." <p>The supra-transcribed Recommendation suggests that the European Commission has changed its understanding of the evolution of the minimum wage. It should be noted that Recommendation n. º 2 of 2016 stated: "In consultation with the social partners, ensure the consistency of the minimum wage with the objectives of promoting employment and competitiveness in different sectors". Comparing these Recommendations, the European Commission, apparently, is no longer afraid that the evolution of the minimum wage could compromise the promotion of employment, and especially, the competitiveness of the sectors. Therefore, the evolution of the Commission's position is negatively assessed.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Step up efforts to clean up the balance sheets of credit institutions by implementing a comprehensive strategy addressing non-performing loans, including by enhancing the secondary market for bad assets. Improve the access to capital, in particular for start-ups and small and medium-sized enterprises.	Important	Mixed	There were progresses on the program to improve the access to capital, but we still wait for developments on an effective strategy addressing non-performing loans.
CSR 4	Implement a roadmap to further reduce the administrative burden and tackle regulatory barriers in construction and business services by the end of 2017. Increase the efficiency of insolvency and tax proceedings.	Important	Mixed	Some progresses on the increase of the efficiency of insolvency.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	Prioritize vocational training, linking it with the labour market needs, deeply involving social partners and companies.	yes
Priority 2	Bank lending conditions	Address the high level of non-performing loans and the need for business to restructure their debt and recapitalize	yes
Priority 3	Tax reforms	Reduce the tax burden on companies	no
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Implement an effective and transparent impact assessment system. Focus on improving judicial system.	yes
Priority 5	Job protection	<p>Regarding labour legislation, positive advances have been registered in recent years, particularly in relation to collective bargaining.</p> <p>These advances that must be preserved to safeguard and allow the dynamization and modernization of sectors.</p> <p>In this context, it should be stressed that both the Commission on its 2016 Country Report and the OECD's assessment of the labour reforms undertaken in Portugal between 2011 and 2015 are unanimous in considering that labour reforms had positive effects.</p>	no

SPRING 2018 REFORM BAROMETER – SLOVAKIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	The National Reform Program submitted by the Slovak government has been targeting the right areas where there is a need for a swift action by the government. The main areas are identified correctly and there is a sense of urgency to solve the pending key issues. There is a need to follow this with checking the progress to ensure that these specific plans will match the intended outcomes.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	The recommendations focus on the needed improvements in terms of the transparency of the public procurement processes, labour market policies and the aspects of the Growth and stability pact. These are all relevant and key to improving public policies in Slovakia. However, there is a need to focus on the underlying issues affecting these problems: lack of spending reform and cuts of unnecessary spending, lack of reform measures in the education. The recommendations should contain more specific measures in these areas to have a better impact on the identified weaknesses.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	It is true that the limitations of the reform implementation have been considerable and that there is a need for continued effort on the part of the government to push the reform measures and evaluate their efficiency. However, the government has seen improvements in terms of overall economic conditions, which were helpful in terms of alleviating the situation of the unemployed and offering them more opportunities to enter labour market. The low levels of unemployment are pushing for re-education of the unemployed and the wage increases.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	No document concerning Slovakia has been found in the enclosed link for the imbalances.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Slovakia's public finances. Improve the cost-effectiveness of the healthcare system, including by implementing the value-for-money project.	Important	Mixed	Slovakia's public finances are getting in the right direction with the aims to get to balanced budget by the end of 2020 the latest. There are however weaknesses in the processes how this was achieved. It was mostly achieved through increasing of the government's income and not through the limitation of the government spending. Health care remains a weakness in terms of the efficiency of the use of resources available.
CSR 2	Improve activation measures for disadvantaged groups, including by implementing the action plan for the long-term unemployed and by providing individualised services and targeted training. Enhance employment opportunities for women, especially by extending affordable, quality childcare. Improve the quality of education and increase the participation of Roma in inclusive mainstream education.	Important	Satisfactory	The level of unemployment, which used to be a serious problem for Slovakia, are dropping thanks to the coming of the different companies in the automobile and technology sector. There are some weaknesses still, however. The first problem is the regional unevenness of the improvements that have been problematic and while some municipalities and counties have close to zero percent unemployment, other counties, especially in the East of Slovakia, have not seen the coming of the work opportunities. To add to that, Slovakia now faces the problem of mismatch between the skills possessed by the Slovak unemployed and the skills required by the companies that need to bring in employees from other countries.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Improve competition and transparency in public procurement operations and step up the fight against corruption by stronger enforcement of existing legislation. Adopt and implement a comprehensive plan to lower administrative and regulatory barriers for businesses. Improve the effectiveness of the justice system, including a reduction in the length of civil and commercial cases.	Important	Mixed	There are continued problems in terms of lacking setup of transparent processes to maximise the potential of technological measures like the e-marketplace to minimise the space for the abuse and corrupt behaviour.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Flat-rate expenditure allowance for traders, other entrepreneurs and self-employed persons will increase. This will mean higher non-taxable sum for self-employed. Percentage rate will increase from 40% to 60%, the monthly limit (€ 420) is abolished and a single annual limit of € 20,000 is introduced. Self-employed will be able to add social security and health insurance contributions paid to the sum of the flat-rate allowance to the non-taxable part of the income. The new rules will apply for the first time in the 2017 tax return to be issued in 2018.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	Better connection between the regional labour market needs and the local secondary and higher education institutions.	yes
Priority 2	Long term investment instruments	Support for the SMEs capacities to invest in the Industry 4.0 technologies and innovate their production facilities.	yes
Priority 3	Consolidation of public expenditures	Review of the spending across the different government departments.	yes
Priority 4	Tax reforms	The reform of the health care and social security contributions.	no
Priority 5	R&D and Innovation	Support for the transfer of knowledge and skills between the universities and labour market.	no

SPRING 2018 REFORM BAROMETER – SLOVENIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	The NRP was discussed and approved by the Economic-social council. One consultation in the preparation period was organised by the Ministry of labour. ZDS continues to emphasize the need to reduce tax burden, especially on labour costs. Slovenia also needs to seriously address demographic changes (pension, health reform) and deficit of skilled workers on labour market.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	ZDS finds the social dialogue in the process of preparing of structural reforms (the reform of the long-term care and healthcare systems, pension system) crucial. The reforms must be accepted in cooperation with the social partners on the highest level. The social dialogue especially considering health reform has been on a very low level. Access to finance is still a very important issue. For the activation of low skilled and older workers more should be done also in making work pay with tax reduction (not by increasing the minimum wage). We also support the necessity of measures to make public administration more efficient and reduce the administrative burden on business.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Slovenia's public finances. Adopt and implement the proposed reform of the healthcare system and adopt the planned reform of long-term care, increasing cost-effectiveness, accessibility and quality care. Fully tap the potential of centralised procurement in the health sector. Adopt the necessary measures to ensure the long-term sustainability and adequacy of the pension system.	Important	Unsatisfactory	Pressure on the wage increase from the public-sector employees is high in the past months. This could have a negative impact on public finances. There has been no social dialogue regarding the health reform - the "final" proposition was sent to Economic and social council in December 2017, but the prepared Health Care and Health Insurance Act was not prepared with the involvement of social partners and is not acceptable for many different reasons. No specific measures were determined for the pension reform. The elections to the National Assembly will take place in June 2018, which should also be taken into consideration.
CSR 2	Intensify efforts to increase the employability of low-skilled and older workers, particularly through targeted lifelong learning and activation measures.	Important	Unsatisfactory	Not much has been done on this area, the employment of older workers is still a problem. More should be done to make work pay - tax and social contributions for low income and older workers.
CSR 3	Improve the financing conditions, including by facilitating a durable resolution of non-performing loans and access to alternative sources of financing. Ensure the full implementation of the bank asset management company strategy. Reduce the administrative burden on business deriving from rules on spatial planning and construction permits and ensure good governance of state-owned enterprises.	Important	Mixed	Not much has been done in this area.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	No progress
Innovation and skills	Unsatisfactory
Access to finance and Financial stability	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

No.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Making work-pay: interplay of tax and benefit system	Further measures to reduce tax wedge (redefining social contributions) and general tax burden are needed.	no
Priority 2	Pension and health care reforms	The employers must be actively involved in the reforms of the health and pension systems, no additional burden for the employers is acceptable.	yes
Priority 3	Labour market mismatch and labour mobility	The issue of deficit of adequate workers on the labour market should be addressed in connection to education system and also availability to employ foreign workers	no
Priority 4	Bank lending conditions	The banks should support investment and business opportunities.	no
Priority 5	R&D and Innovation	Support for companies, tax reductions.	no

SPRING 2018 REFORM BAROMETER – SPAIN

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	Not enough	The NRP 2017 was conditioned by the political situation of the Government in 2016 and the new parliamentary majorities resulting from the election. The NRP 2017 highlighted the major progress made in recent years. It also pointed out some of the most relevant areas in which further reforms are necessary.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Country specific recommendations to Spain are in line with CEOE's top priorities.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	CEOE agrees to a large extent with the European Commission assessment on the Spanish progress to address the country specific recommendations.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The assessment of excessive imbalances of Spain is appropriate. However, it does not adequately show the results of the reforms carried out and the current trend in areas such as private indebtedness or unemployment. Spain has made very important efforts for many years that allow addressing such imbalances.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure compliance with the Council Decision of 8 August 2016, including also measures to strengthen the fiscal and public procurement frameworks. Undertake a comprehensive expenditure review in order to identify possible areas for improving spending efficiency.	Important	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Reinforce the coordination between regional employment services, social services and employers, to better respond to jobseekers' and employers' needs. Take measures to promote hiring on open-ended contracts. Address regional disparities and fragmentation in income guarantee schemes and improve family support, including access to quality childcare. Increase the labour market relevance of tertiary education. Address regional disparities in educational outcomes, in particular by strengthening teacher training and support for individual students.	Important	Unsatisfactory	
CSR 3	Ensure adequate and sustained investment in research and innovation and strengthen its governance across government levels. Ensure a thorough and timely implementation of the law on market unity for existing and forthcoming legislation.	Important	Mixed	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Active labour market policies	<ol style="list-style-type: none"> To strengthen the effectiveness of employment policies in order to meet the needs of companies. To reform the public employment services and promoting the public-private partnership in the management of labour market policies. To link passive and active labour market policies. 	yes
Priority 2	Pension and health care reforms	Pension system reform: <ol style="list-style-type: none"> Pension formula should be taking into account throughout working life. Gradual removal of early retirement To evaluate tax-based financing sources of some social benefits not strictly linked to the labour activity. 	yes
Priority 3	Public sector efficiency	National agreement to improve the public-sector efficiency. Better assessment and disclosure of information concerning public expenditure. Better management and monitoring of regional expenditure.	yes
Priority 4	Tax reforms	<ol style="list-style-type: none"> To Guarantee a stable legislative framework for corporate taxation. Do not increase corporate taxation as the only means to reduce public deficit but reduce public expenditure by reforming Public Administration avoiding i.e. overlapping. Increasing corporate taxation affects private investment and employment 	no
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	To continue the reduction of administrative burden at all levels of Administration and; to make additional efforts in the implementation of the Law on market unity.	

SPRING 2018 REFORM BAROMETER – SWEDEN

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To some extent	Sweden has a high employment rate but there is still a need of more hours worked in the economy, especially since we have very high welfare ambitions and a demographic challenge with more elderly people in the population. It is also important to reduce the time it takes for immigrants to get their first job (median today about 9 years). More labour market reforms therefore needed. Also, the housing market has to be reformed more extensively than what is planned by the government. For instance, better tax incentives that increase the number of transactions are needed.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Among many important things addressed in the recommendations we stress the necessity to improve the efficiency of the housing market, by introducing more flexibility in setting rental prices and by revising the design of the capital gains tax to facilitate more housing transactions. However, we would also have preferred additional recommendations in other areas. There is for instance a necessity of reforms that would improve labour market efficiency and that would facilitate the job matching for people with lower qualifications.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Despite having a high employment rate, it is crucial to increase it further in light of the demographic challenges Sweden will face in the future.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The Commission correctly identifies household debt as a risk to the macroeconomic stability of the Swedish economy. We would like to stress that the future implementation of macroeconomic stability measures must not lead to an unnecessary curbing of loans to the corporate sector. The key issue for Sweden is the indebtedness of households, not firms. Therefore, measures should be implemented in a careful manner.

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Address risks related to household debt, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes, while constraining lending at excessive debt-to-income levels. Foster investment in housing and improve the efficiency of the housing market, including by introducing more flexibility in setting rental prices and revising the design of the capital gains tax.	Important	Unsatisfactory	The reduction in the tax deductibility has to be gradual. Furthermore, capital income tax should be lowered symmetrically. Increasing the pace of mortgage amortisation could be a good measure to help reduce household debt. There is a need for increasing the turnover in the residential market. This is currently mitigated by the rent-setting system and capital gains taxation on residential property. We would also like to stress that increasing recurrent property taxes is not in line with what our Federation suggests as an appropriate means to deal with the increased indebtedness among households.

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Mixed

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour supply measures for specific groups (older workers, women...)	Have to put appropriate incentive schemes in place in order for immigrants, elderly and young people to increase their employment rate.	Yes and no
Priority 2	Tax reforms	Lower income taxes. In particular, lowering the marginal tax rate would have positive effects on long term growth.	no
Priority 3	Business Dynamics - Start-up conditions	Better incentives through employee stock options in order to attract and keep key employees. Reduce taxation on capital gains (as well as income tax), to simplify the accumulation of start-up capital.	Yes and no
Priority 4	Labour market mismatch and labour mobility	The Swedish Public Employment Service needs to be reformed. It is particularly important that the job matching services are exposed to competition.	no
Priority 5	Public sector efficiency	Increase competition in education and health care to improve efficiency and productivity.	no