

**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 2020 REFORM BAROMETER – AUSTRIA

### European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	We endorse the commission's recommendation to reform the real estate tax. But we are strictly against the commission's recommendation to reintroduce other "Effective, well-designed wealth-related taxes" such as Net-wealth-taxes or inheritance taxes. The reformed Land-transfer-tax is already a good substitute for an inheritance tax. In addition to that, Austria has already imposed a capital gains tax on real estate and on equity.
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 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure the sustainability of the health, long-term care, and pension systems, including by adjusting the statutory retirement age in view of expected gains in life expectancy. Simplify and rationalise fiscal relations and responsibilities across layers of government and align financing and spending responsibilities.	Extremely important	Mixed	
CSR 2	Shift taxes away from labour to sources less detrimental to inclusive and sustainable growth. Support full-time employment among women, including by improving childcare services, and boost labour market outcomes for the low skilled in continued cooperation with the social partners. Raise the levels of basic skills for disadvantaged groups, including people with a migrant background.	Important and contrary to Federation Advise	Mixed	Contrary to Federation advise with regard to Commission's endorsement to introduce "Effective, well-designed wealth-related taxes" such as Net-wealth-taxes or inheritance taxes. The reformed Land-transfer-tax is already a good substitute for an inheritance tax. In addition to that, Austria has already imposed a capital gains tax on real estate and on equity.
CSR 3	Focus investment-related economic policy on research and development, innovation, digitalisation, and sustainability, taking into account regional disparities. Support productivity growth by stimulating digitalisation of businesses and company growth and by reducing regulatory barriers in the service sector.	---	---	

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Tax Reforms		yes
<b>Priority 2</b>	Pension and health care reforms		no
<b>Priority 3</b>	Public Sector Efficiency		yes
<b>Priority 4</b>	Competition policy framework		no
<b>Priority 5</b>	Labour market mismatch and labour mobility		no

## SPRING 2020 REFORM BAROMETER – BELGIUM

### European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	The NRP was OK, but delivered by a federal minority government in current affairs, awaiting the elections of May 2019 (after the fall of the federal government of Prime Minister Michel in December 2018). After these elections which saw large gains for the extremist right (Vlaams Belang) and left (PTB/PVDA), regional governments have been formed in Flanders, Wallonia and Brussels, but it's proving very difficult to form a Belgian federal government that can execute the NRP. The main left-wing parties in Wallonia are pulling for costly social measures (higher pensions, higher social benefits) and more extensive rights for workers to pause careers or reduce working time. The main right-wing parties in Flanders are pulling for the preservation of measures that have strengthened competitiveness of businesses. Negotiations are still going on. A (probably quite centrist) government might see the light by April-May 2020.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	The CSR's for Belgium rightly focus on increasing the efficiency of public sector spending, increasing the incentives to work and investing in the energy transition, digitalisation and mobility. Too little attention is given to a further improvement in wage cost competitiveness.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The assessment is roughly correct, though it seems that the part of the interprofessional social agreement that has foreseen a phasing out of all early retirement regimes under 60 by June 2020, went largely unnoticed in the report.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The Commission assessment of excessive imbalances (in-depth review) is appropriate (for those countries concerned).

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 1,6 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Continue reforms to ensure the fiscal sustainability of the long-term care and pension systems, including by limiting early exit possibilities from the labour market. Improve the composition and efficiency of public spending, in particular through spending reviews, and the coordination of fiscal policies by all levels of government to create room for public investment.	Extremely important	Unsatisfactory	As we have had no federal government in Belgium with full competencies in 2019, progress can only have come from past federal policies with implementation in 2019-2020, regional policies or from agreements between social partners. Deficit is spiralling up but some progress was made by social partners on early retirement (above 60 only)
CSR 2	Remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for the low-skilled, older workers and people with a migrant background. Improve the performance and inclusiveness of the education and training systems and address skills mismatches.	Important	Unsatisfactory	Last phase of tax shift reducing tax burden for the low wage earners.
CSR 3	Focus investment-related economic policy on sustainable transport, including upgrading rail infrastructure, the low carbon and energy transition and research and innovation, in particular in digitalisation, taking into account regional disparities. Tackle the growing mobility challenges, by reinforcing incentives and removing barriers to increase the supply and demand of collective and low emission transport.	Important	No progress	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Reduce the regulatory and administrative burden to incentivise entrepreneurship and remove barriers to competition in services, particularly telecommunication, retail and professional services.	Helpful (but not a priority)	Unsatisfactory	New Corporate Law Code.

## **Reform Progress in your Member State in 2019**

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

As there hasn't been a federal government with full competencies in 2019, reform activity was quite limited. Some reforms put in place by the previous government however, were put in place with effects in 2019 and 2020: 3rd phase of tax shift as from January 2019 (reducing taxes on low wage earners), 2nd phase of corporate tax reform (lowering of tax rate from 29,58% to 25% in 2020), the new corporate law code simplifying entrepreneurship.

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Public sector efficiency	Public expenditure is still high as a % of GDP. The quality of the output of public services (cf annual report 2016 o the NBB) is nevertheless rather low. On top of that, administrative burden is often mentioned by companies as one of the more important obstacles to their growth. Reducing administrative burden and establishing a genuine and rigorous system of policy evaluation and spending review should be pursued.	No
Priority 2	Public investment	More efficient public spending would also allow more space for public investment, which is lacking for some time now and can be seen by the low quality of some of our infrastructure. Plus, public investment is even more crucial nowadays because of the ever faster digitalisation and the environmental issue. Transport and mobility being still a huge liability for many stakeholders in Belgium.	No
Priority 3	Active labour market policies	The previous government did well regarding its labour market policy: employment growth has been buoyant in the past 3 years and the unemployment rate is at an all-time low. Nevertheless, the employment rate is still too low in order to ensure the sustainability of our welfare system. And some old industrial areas are still facing high unemployment rates while others are at frictional level. A new government should strive to increase labour market flexibility, enhance the activating capabilities of the employment agencies and promote more collaboration between schools and private firms.	No



	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4	Quality of fiscal institutions and budgetary framework	We do have various institutions providing valuable input regarding public finances' health. Also, the "twelfth provisional" system allows us to avoid the shutdown of public administrations. These systems however are not enough to stem spontaneous public finances' worsening in times where there is no federal government with full competencies. The worsening stems mainly from rising social security expenditures.	No
Priority 5	Sector specific regulation (telecom, energy)	The energy pact is vague: the future of Belgian nuclear power plants for example is still unclear. Although they could be a crucial factor to combine low electricity prices and security of delivery with zero carbon emissions in the next twenty years. Also, the absence of a full-fledged government delays the deployment of 5G (strategic for many stakeholders).	No

**SPRING 2020 REFORM BAROMETER – BULGARIA**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	Speeding up reforms aiming at tax collection, effectiveness and efficiency of public spending, E- Government, solvency procedures, flexibilization of Labour market and Labour Law, Education, Power sector, public infrastructure modernisation.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	as per p. 1 above
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	as per p. 1 above
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Improve tax collection through targeted measures in areas such as fuel and labour taxes. Upgrade the State-owned enterprise corporate governance by adopting and putting into effect the forthcoming legislation.	Important	Satisfactory	There is progress in the adoption and amendments to regulations on fuel taxes and public enterprises' governance.
CSR 2	Ensure the stability of the banking sector by reinforcing supervision, promoting adequate valuation of assets, including bank collateral, and promoting a functioning secondary market for non-performing loans. Ensure effective supervision and the enforcement of the AML framework. Strengthen the non-banking financial sector by effectively enforcing risk-based supervision, the recently adopted valuation guidelines and group-level supervision. Implement the forthcoming roadmap tackling the gaps identified in the insolvency framework. Foster the stability of the car insurance sector by addressing market challenges and remaining structural weaknesses.	Important	Satisfactory	There is progress in implementation of banking and financial sector as recommended. The solvency procedure is still to be simplified and improved.

		<b>Q1: The recommendation is:</b>	<b>Q2: implementation on effort is:</b>	<b>Detailed comments</b>
<b>CSR 3</b>	Focus investment-related economic policy on research and innovation, transport, in particular on its sustainability, water, waste and energy infrastructure and energy efficiency, taking into account regional disparities, and improving the business environment.	Extremely important	Mixed	BIA submitted a number of positions and proposals relevant to the current and next programming period incl. setting up a strategic planning framework, codification of the policy areas, national programs and projects and improving transparency and effectiveness of the public spending.
<b>CSR 4</b>	Strengthen employability by reinforcing skills, including digital skills. Improve the quality, labour market relevance, and inclusiveness of education and training, in particular for Roma and other disadvantaged groups. Address social inclusion through improved access to integrated employment and social services and more effective minimum income support. Improve access to health services, including by reducing out-of-pocket payments and addressing shortages of health professionals.	Extremely important	Mixed	BIA submitted a number of positions and proposals relevant to CSR 4.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

Most of the planned reforms related to the country accession to ERM II were implemented.

## Reform priorities for 2020

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Sector specific regulation (telecom, energy)	Reform of Energy prices.	yes
<b>Priority 2</b>	Labour market mismatch and labour mobility	Reforms of Education and Labour Law.	yes
<b>Priority 3</b>	Public sector efficiency	Optimisation of State administration, codification of policy areas, national programs and projects for more transparency, effectiveness and efficiency of public spending.	yes
<b>Priority 4</b>	Business Environment - Regulatory barriers to entrepreneurship	Overall review and simplification of the existing requirements as proposed in the BIA specific sector positions and proposals.	yes
<b>Priority 5</b>	Pension and health care reforms	Amendments of the rules for pensions from the second pillar and healthcare.	yes



**SPRING 2020 REFORM BAROMETER – CROATIA**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	Not enough	The public policies that underpin a modern market economy and that enable private-sector led growth. Effective institutions that are accountable, legitimate, transparent and competent. The basic institutions of the state such as a modern and effective judiciary that can enforce the rule of law, uphold contract and property rights and enforce commercial legislation. A long-term perspective of the country prosperity and citizen welfare.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	Insufficient emphasise on comprehensive, brave, consistent, coherent reforms of public administration, public sector at all level with clear objectives, KPI, milestones, controlling mechanism and roles and responsibilities. Fight with corruption, clientelism and wide spread non professionalism. Low quality of regulation, and RIA.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	The Commission assessment of reform implementation was mostly good focused but valuation suffered from mild approach. At the beginning of January 2020 about 1/3 of measures from NRP has been implemented.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	To large extent was good, but insufficient to challenges of deep long-term structural problems of national economy, labour marker, and por public policies and institutions.



**Assessment of Country Specific recommendations 2019 in detail**

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Reinforce the budgetary framework and monitoring of contingent liabilities at central and local level. Reduce the territorial fragmentation of the public administration and streamline the functional distribution of competencies.	Important	Mixed	At the end 3Q2019 share of public debt in GDP is 74,9% , what is Q/Q decrease od 0,4% but Y/Y increased 4,4% and from 4Q2018. increased 3,8%. Government target is 71,2% for 2019.
CSR 2	Deliver on the education reform and improve both access to education and training at all levels and their quality and labour market relevance. Consolidate social benefits and improve their capacity to reduce poverty. Strengthen labour market measures and institutions and their coordination with social services. In consultation with the social partners, introduce harmonised wage-setting frameworks across the public administration and public services.	Helpful (but not a priority)	Unsatisfactory	In 2018 at risk of poverty was 19,3% population what is 0,7% decrease on Y/Y. Share of people at the risk of poverty and social exclusion is 24,8% what is 1,6 point less on the Y/Y. No reform of social services.
CSR 3	Focus investment-related economic policy on research and innovation, sustainable urban and railway transport, energy efficiency, renewables and environmental infrastructure, taking into account regional disparities. Increase the administration's capacity to design and implement public projects and policies.	Important	Unsatisfactory	The share of R&D expenditures in GDP in 2018 was 0.97%, which was an increase of 17.8% Y/Y. The largest amount of funds was spent in the business enterprise sector, i.e. 48.0%. New 12 km of railways is in operation.





		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Improve corporate governance in State-owned enterprises and intensify the sale of such enterprises and non-productive assets. Enhance the prevention and sanctioning of corruption, in particular at the local level. Reduce the duration of court proceedings and improve electronic communication in courts. Reduce the most burdensome parafiscal charges and excessive product and services market regulation.	Important	Unsatisfactory	At the end 3Q2019 the number of legal entities in state is 1291, which is increase 5,3% Y/Y and Q/Q increase 1,4%. Improvement in corporate governance mostly focused on soft measures guidelines, workshops.

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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



## Reform priorities for 2020

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Public sector efficiency	High quality public policies, SMART objectives and KPI should be deliberate	No
<b>Priority 2</b>	Consolidation of public expenditures	In election year extremely strong pressures from different groups should be eliminated	No
<b>Priority 3</b>	Business Environment - Regulatory barriers to entrepreneurship	Strongly reduce central and local state interference in everyday business affairs.	No
<b>Priority 4</b>	ICT	Speed up national digital transformation strategy with strong involvement of private ICT	No
<b>Priority 5</b>	R&D and Innovation	Efficient, comprehensive and consistent triple helix model is not yet public policy.	No



**SPRING 2020 REFORM BAROMETER – CYPRUS**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	Yes, absolutely	<ol style="list-style-type: none"> <li>1. Public, Local Administration and Judicial System reforms</li> <li>2. Continuation of the implementation of the reformed Insolvency and Foreclosure Frameworks</li> <li>3. Further reduction of the high level of non-performing loans and private debt</li> <li>4. Boost productive investment, enhance competitiveness and improve the business environment.</li> </ol>
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	<ol style="list-style-type: none"> <li>1. Adopt key legislative reforms to improve public sector and local government</li> <li>2. Accelerate the reduction of NPL's</li> <li>3. Step up efforts to improve the efficiency of the Judicial System.</li> </ol>
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The Commission's assessment on the progress of CSR's is excellent and fully adopted by OEB.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	The reform and strengthening of the Banking System has not reached yet the levels that guarantee full protection against existing of future risks. Therefor the efforts towards that direction must continue with no delay.

**Assessment of Country Specific recommendations 2019 in detail**

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Adopt key legislative reforms to improve efficiency in the public sector, in particular as regards the functioning of the public administration and the governance of State-owned entities and local governments. Address features of the tax system that may facilitate aggressive tax planning by individuals and multinationals, in particular by means of outbound payments by multinationals.	Extremely important	Unsatisfactory	Only minor legislative reforms have been implemented regarding the public sector. Reforms of utmost importance for the improvement of civil service (including the introduction of a new civil servants' evaluation system, and the introduction of a fiscal cap on the rate of growth of state payroll) have failed to be implemented.
CSR 2	Facilitate the reduction of non-performing loans including by setting up an effective governance structure for the State-owned asset management company, taking steps to improve payment discipline and strengthening the supervision of credit-acquiring companies. Strengthen supervision capacities in the non-bank financial sector, including by fully integrating the insurance and pension-fund supervisors.	Extremely important	Mixed	The progress on the reduction of NPL's is noticeable. For the period end-2014 to mid-2019, the percentage of NPL's has fallen from 56% to 32%, while in absolute terms the decline was over € 19 billion (from € 28 billion to € 8.9 billion). However, Cyprus still retains the highest NPLs rates in Europe so all efforts will have to be intensified.



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Complete reforms aimed at increasing the effectiveness of the public employment services and reinforce outreach and activation support for young people. Deliver on the reform of the education and training system, including teacher evaluation, and increase employers' engagement and learners' participation in vocational education and training, and affordable childhood education and care. Take measures to ensure that the National Health System becomes operational in 2020, as planned, while preserving its long-term sustainability.	Extremely important	Unsatisfactory	By and large, OEB's biggest concern regards the full implementation of the NHS by next June. We are also greatly concerned about the ability of public hospitals to become truly autonomous and operate in a competitive environment, without the need for continuous state subsidies.
CSR 4	Focus investment-related economic policy on sustainable transport, environment, in particular waste and water management, energy efficiency and renewable energy, digitalisation, including digital skills, and research and innovation, taking into account territorial disparities within Cyprus. Adopt legislation to simplify the procedures for strategic investors to obtain necessary permits and licences. Improve access to finance for SMEs, and resume the implementation of privatisation projects.	Extremely important	Mixed	Extremely important, several policies in the pipeline. The establishment of the Deputy Ministry of Innovation and Digital Policy will deal with the

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 5	Step up efforts to improve the efficiency of the judicial system, including the functioning of administrative justice and revising civil procedures, increasing the specialisation of courts and setting up an operational e-justice system. Take measures to strengthen the legal enforcement of claims and ensure reliable and swift systems for the issuance and transfer of title deeds and immovable property rights. Accelerate anti-corruption reforms, safeguard the independence of the prosecution and strengthen the capacity of law enforcement.	Extremely important	Unsatisfactory	It is of great importance that this reform must proceed with no further delay as it will increase the competitiveness of the Cypriot economy, as "the speed of justice" is an area in which we lag behind and keeps Cyprus low on international competitiveness indicators. This has a negative impact on both domestic and foreign investment and also on social justice.



## **Reform Progress in your Member State in 2019**

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

The government needs to introduce legislation to regulate the right to strike in essential services. Cyprus remains one of the few developed countries whose essential services, especially in the area of transport, remain completely defenceless to the whims of small but powerful interest groups.



## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Public sector efficiency	Step up all legislative reforms to improve efficiency eg functioning of the public administration, etc	Yes
<b>Priority 2</b>	Bank lending conditions	More incentives / tools to access finance by SMEs	No
<b>Priority 3</b>	Pension and health care reforms	The second biggest gov't project in Cyprus history. Careful monitoring mechanisms to be applied.	Yes
<b>Priority 4</b>	ICT	Speed up digital transformation of the public sector and the economy in general	Yes
<b>Priority 5</b>	Sector specific regulation (telecom, energy)	Regulate the right to strike in essential services.	No



## SPRING 2020 REFORM BAROMETER – CZECH REPUBLIC

### European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	SP (Confederation of Industry of the Czech Rep.) as a social partner was adequately involved into the preparation process. The Reform Programme reacts on crucial problems identified already in the country report. National Reform Programme is cross-sectional document, it comprises all important directions of economic policy of Czech Rep. - due this multi-focusing is problematic to reflect all nuances of complex problems which faces economic entities in Czech Rep. We participated in the completion of this document, but not all our notes were reflected in required detail.
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	CSR for the Czech Rep. reflects real situation of Czech economy and main challenges for economic policy. Similarly, to previous years, current NRP showed a risk of the labour market shortages and consequences for the companies and their further development and competitiveness. SP has observed successful effort of increasing tax revenue, which is accompanied with problems in field of tax administration (harmful increase in area of tax administration). SP emphasize that we can expect further growth of public wages and this growth will push on government expenditure even in future time of economic slowdown. We add that Moody's rating agency upgraded its rating for the long-term debt of the Czech Republic to the excellent Aa3 with stable outlook. It means that the Czech Republic is a more trustworthy and more stable partner.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	We agree with statement, that there is no progress to increase long-term sustainability of pension system. There are no current fiscal sustainability risks thanks to economic growth in last years, but the pressure on public finance can be present in following years, when economic growth and lower tax revenues bring necessity to reduce some expenditure programs. We are afraid of motivation to increase tax burden with aim to ensure additional resources for government budget. Some steps were done in the area of implementation of acceleration of the construction of line structures. Some improvement brought amendments of tax incentives for R&D.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	Czech Rep. has no specific country report focused on IDR, so there is no chapter "Overall Findings Regarding Imbalances, Risks and Adjustment Issues".

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Improve long-term fiscal sustainability of the pension and health-care systems. Adopt pending anti-corruption measures.	Important	Mixed	Demographical changes and overall transformation in the economy is bringing challenges and Czech government have to face these changes. Just now pension system balanced – there is situation of surplus in pensions system budget, if there will be decrease of economic growth, there can be threat of deficit. Government is in discussion about basic features of future shape of pension system. There will be discussion between Czech gov. and OECD. We don't see any significant progress in sustainability of Czech health system.
CSR 2	Foster the employment of women with young children, including by improving access to affordable childcare, and of disadvantaged groups. Increase the quality and inclusiveness of the education and training systems, including by fostering technical and digital skills and promoting the teaching profession.	Extremely important	Mixed	In the Czech rep. there is full employment now, this pressure at labour market has harmful consequences for hiring of new labour in Czech companies. Czech labour market must be more flexible, the government has to provide more services for women and families to allow higher engagement of member of families who are occupied by childcare at labour market. Fostering of technical skills and digital skills is really important, we are calling for coherency and effectivity of gov. programmes. We would like to mention that CSR2 was focused on fostering technical and digital skills and promoting the teaching profession by the pressure of business due to its significance for labour market.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on transport, notably on its sustainability, digital infrastructure, and low carbon and energy transition, including energy efficiency, taking into account regional disparities. Reduce the administrative burden on investment and support more quality-based competition in public procurement. Remove the barriers hampering the development of a fully functioning innovation ecosystem.	Extremely important	Mixed	CSR 3 comprises long-term problem areas. From our point of view focusing on transport in the framework of investment-related economic policy is really significant. There are some steps in reduction of the administrative burden in the field of investment. It is necessary to modernize national R&D&I policy, national digital infrastructure development plan and relevant legislation. We assume lower growth rate of the Czech economy during year 2020 - removing of barriers will be really helpful to retain economic conditions.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

During years of economic growth there were some achievements, but we are on the threshold of potentially lower economic growth, worse conditions at international markets, decreasing export and lower tax revenue. Reforms steps will be more difficult to implement, conditions for this implementation will be more complex.

## Reform priorities for 2020

	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	Our confederation still do not see any positive changes for doing business in Czech Rep. – we are emphasizing current lack improvements to government. We see only effort to realize some changes in a less harmful form.	Yes
Priority 2	Labour market mismatch and labour mobility	The mismatch between offered skills and need of the companies is still a big challenge for Czech Rep. There is scope for increasing female labour market participation, which is still hampered by the lack of affordable childcare (despite the recently increased number of childcare facilities). Concerning the education system SP see the priority in the further development of the dual system and making education outcomes more fit to the labour market. To continue in attracting workers from third countries to overcome the labour market shortages.	Yes
Priority 3	ICT	Government should ensure the obligation to create digitally-friendly legislation through clearly defined binding rules. Creating innovation friendly environment for the creation, development and testing of new technologies (AI, IoT, blockchain and DLT) and digital services. The Government must also continue to implement measures leading to the development of eGovernment. The Czech Rep. accepted the Law on the right to digital services.	Yes
Priority 4	Public investment	High importance has transport infrastructure (based on realizable schedule of building of infrastructure), energy infrastructure and telecommunication infrastructure. Necessary is proper legislation and un-prohibitive system of construction permits. We emphasize the importance of starting the procurement process for nuclear power plants.	Yes
Priority 5	---	---	---

## SPRING 2020 REFORM BAROMETER – DENMARK

### European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) 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 the Danish government, on an initiative from the social partners, has given the Danish vocational schools a needed boost, which can raise the quality of the education programs.
2.	The Commission's country specific recommendations for your country are appropriate.	Not at all	No recommendations were given to Denmark on labour market. 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.	Not enough	The report is a fine overview of the Danish employment policy and the European Commission recognize labour shortages in particular areas. The Commission needs to set more focus on the problems on the Danish labour market with challenge of growing labour shortages.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	There is no Report for Denmark

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Focus investment-related economic policy on education and skills, research and innovation to broaden the innovation base to include more companies, and on sustainable transport to tackle road congestion.	Extremely important	Mixed	
CSR 2	Ensure effective supervision and the enforcement of the anti-money-laundering framework.	Extremely important	Satisfactory	
				General comment : No recommendations about labour market policies

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

People from outside the EU can get a work permit if they have specific skills, where there is a shortage of labour



## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Labour supply measures for specific groups (older workers, women...)	The government has made it one of its key priorities to introduce an earlier retirement scheme for certain type of workers with hard physical labour. It is still not entirely clear what they will propose. It could potentially have huge negative effect for the labour supply of older workers. There is no need for any new early retirement scheme. If it comes anyway it should have no or very limited negative effects on the labour supply.	No
<b>Priority 2</b>	R&D and Innovation	Increase of public research and development (in technical and climate related areas) and specific business-oriented innovation programs	Yes
<b>Priority 3</b>	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	No
<b>Priority 4</b>	Tax reforms	Simplify tax system to prepare for further digitalization. Reform taxes on vehicles to ensure robust replacement of fossil fuel cars with zero and low emission vehicles. Align tax rules for corporations with international norms and standards	No
<b>Priority 5</b>	Labour market mismatch and labour mobility	Need for further national initiatives to address and prevent labour shortages through easier access, less red tape and initiatives to facilitate recruitment for qualified foreign workers and through initiatives to increase the number of skilled workers.	Yes

**SPRING 2020 REFORM BAROMETER – ESTONIA**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	Many ongoing activities, but no significant new reforms
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 some extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes absolutely	

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 4,1 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP. Ensure effective supervision and the enforcement of the anti-money-laundering framework.	Important	Mixed	Government has promised structural balance, but suggesting tax changes and kinder social services instead of structural reforms
CSR 2	Address skills shortages and foster innovation by improving the capacity and labour market relevance of the education and training system. Improve the adequacy of the social safety net and access to affordable and integrated social services. Take measures to reduce the gender pay gap, including by improving wage transparency.	Important	Unsatisfactory	
CSR 3	Focus investment-related economic policy on sustainable transport and energy infrastructure, including interconnections, on fostering research and innovation, and on resource and energy efficiency, taking into account regional disparities.	Extremely important	Unsatisfactory	

## **Reform Progress in your Member State in 2019**

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	R&D and Innovation	1) Support and promote cooperation between R&D institutions and companies, 2) develop adequate educational system (including implementation of OSKA programme) and promote lifelong learning, 3) create professional, trustworthy and stable public governance to support RDI investments	No
<b>Priority 2</b>	Labour market mismatch and labour mobility	Simplify hiring foreigners and create strategy to attracting talents	No
<b>Priority 3</b>	Public sector efficiency	Public sector reform in order to raise efficiency (incl. Education and health care system)	No
<b>Priority 4</b>	Business Environment - Regulatory barriers to entrepreneurship	1) Reduce administrative burden, 2) create professional, trustworthy and stable public governance	No
<b>Priority 5</b>	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) lose fringe benefit on employers' spending on employees health care	No



## SPRING 2020 REFORM BAROMETER – FINLAND

### European Semester - Overall assessment of 2019 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	Raise the employment rate of 20–64-year-olds to 78%, spend a minimum of 4% of GDP on R&D, ensure the sustainability of general government finances, improve the cost-effectiveness of social and health care services, improve the incentives to work.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Ensure that the nominal growth rate of net primary government expenditure does not exceed 1,9 % in 2020, corresponding to an annual structural adjustment of 0,5 % of GDP. Improve incentives to accept work. Focus investment-related economic policy on research and innovation.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	The ratio of research and development to GDP has not yet recovered from the crisis years. Inactivity and unemployment traps are a barrier to a better use of the labour force. A new Finnish wage-setting model has emerged, but labour mobility remains rather limited.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The labour market continues to recover, showing early signs of tightening. Potential growth is recovering but Finland's ageing population is expected to weigh on future economic developments. Strengthening the monitoring of household debt



## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 1,9 % in 2020, corresponding to an annual structural adjustment of 0,5 % of GDP. Improve the cost-effectiveness of and equal access to social and healthcare services.	Extremely important	Unsatisfactory	Our current government is increasing public expenditure rapidly
CSR 2	Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive.	Important	Unsatisfactory	Government seems reluctant to improve incentives to accept work. It will increase expenditure on education and services for unemployed. However, these services are not effective in improving inclusion in the society.
CSR 3	Focus investment-related economic policy on research and innovation, low carbon and energy transition and sustainable transport, taking into account regional disparities.	Helpful (but not a priority)	Mixed	Government has increased the expenditure on R&D. It has also very ambitious visions to make Finland carbon neutral by 2035. However, few tangible measures have yet been implemented to achieve this.
CSR 4	Strengthen the monitoring of household debt and establish the credit registry system.	Helpful (but not a priority)	Mixed	Government has the credit registry on its agenda. EK is supporting the initiative but we would prefer a faster implementation.



## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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





## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Consolidation of public expenditures	Decrease the growth rate of public expenditure	No
<b>Priority 2</b>	Making work-pay: interplay of tax and benefit system	Reform unemployment benefits and housing allowances to tackle the income traps	No
<b>Priority 3</b>	Labour market mismatch and labour mobility	The government should take measures to reform employment services to ease labour market matching problems. The role of private employment agencies should be enforced.	No
<b>Priority 4</b>	Tax reforms	Lower income taxes to boost employment	No
<b>Priority 5</b>	Pension and health care reforms	A comprehensive social and health care reform which improves productivity in the publicly financed services	No

**SPRING 2020 REFORM BAROMETER – FRANCE**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	The government has implemented several important reform (capital and corporate taxation, unemployment benefit, training and apprenticeship, reducing the administrative burden, labour law) but has failed to put public expenditures on a downward trend.
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	The Commission rightly stresses on the need to reduce taxes on production for businesses, which are a strong impediment against companies' growth.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The Commission rightly observes that "No progress in further developing and implementing Public Action 2022." on reducing public expenditure.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	"Public debt remains high and competitiveness dynamics is weak. " "Reforms have gained momentum, but their full implementation remains crucial and further reforms are warranted"

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary expenditure does not exceed 1,2 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP. Use windfalls gains to accelerate the reduction of the general government debt ratio. Achieve expenditure savings and efficiency gains across all sub-sectors of the government, including by fully specifying and monitoring the implementation of the concrete measures needed in the context of Public Action 2022. Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.	Extremely important	Unsatisfactory	There is no assessment available on any progress regarding Action Publique 2022 (which was supposed to be the main program for reducing public expenditure and improving efficiency) and reducing public expenditure does not look at all a policy priority for the government. Meanwhile public debt is near 100 % GDP by end of 2019.
CSR 2	Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background and address skills shortages and mismatches.	Extremely important	Satisfactory	Reforms of apprenticeship and professional training, of unemployment benefit and of labour law go in the right direction, implementation is key towards a concrete outcome. Currently French businesses experience a scarcity of labour, in all sectors and skills levels.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on research and innovation (while improving the efficiency of public support schemes, including knowledge transfer schemes), renewable energy, energy efficiency and interconnections with the rest of the Union, and on digital infrastructure, taking into account territorial disparities.	Important	Mixed	Some progress should be made within the future law on research, due for this spring.
CSR 4	Continue to simplify the tax system, in particular by limiting the use of tax expenditures, further removing inefficient taxes and reducing taxes on production. Reduce regulatory restrictions, in particular in the services sector, and fully implement the measures to foster the growth of firms.	Extremely important	Unsatisfactory	Reducing taxes on production is a priority to improve competitiveness, fostering job creation and growth ; while this issue has gotten more attention in the political debate, there has been so far no concrete action ; the effort to make corporate taxation more efficient has in fact come to a halt as the reduction of corporate income tax rate has been postponed and some new taxes are being discussed.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Excellent
<b>Labour market</b>	Satisfactory
<b>Innovation and skills</b>	Mixed
<b>Access to finance and Financial stability</b>	No reform necessary

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

The PACTE law that was passed in Spring 2019 is an excellent reform aiming at improving conditions for doing business, at all stages of life of a company. One key feature of this law is that it was elaborated with a strong involvement of social partners and business representatives. An ambitious assessment process has been launched to make sure the law fulfils its goal.

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Tax reforms	Reduce taxes on production by a sizable amount	Yes
<b>Priority 2</b>	Public sector efficiency	Prioritize public spending and improve management in the public sector	Yes
<b>Priority 3</b>	Pension and health care reforms	Increase the effective retirement age	Yes
<b>Priority 4</b>	Business Environment - Regulatory barriers to entrepreneurship	Reduce the administrative burden and update existing regulations and administrative obligations to help companies adapting to the transformations of the economy (digital, ecological, etc)	Yes
<b>Priority 5</b>	---	---	---

**SPRING 2020 REFORM BAROMETER – GERMANY**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	As in previous years, the German NRP acknowledges the fundamental challenges the German economy is facing due to demographic change and digitalisation. However, it contains only limited and few long-term measures to address them. The NRP lacks ambition in strengthening competitiveness and productivity growth and creating attractive conditions for business investment, innovation and long-term employment. Even though the NRP promises to restrict social labour contributions to 40 %, it again does not include any measure on how to achieve this goal. First steps into the right direction are the "digital pact", which aims to improve digitization at schools, and the law on skilled labour immigration.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Overcoming investment backlogs in infrastructure and education as well as investing in research and innovation are still key priorities to strengthen growth potential. Inefficiencies in the tax system need to be addressed urgently in order to strengthen private investment, foster innovation and secure international competitiveness. Incentives for a higher labour market participation and longer working hours need to be improved and the sustainability of the pension system secured.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	As stated, the year before, the Commission is right in assessing the progress of reform implementation based on the former year's CSRs as limited. There has been some progress in public investment, but disincentives especially regarding later retirement and labour market participation remain. No progress has been achieved in improving the investment friendliness of the taxation system.

	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 previous years, the Commission identifies the current account surplus which relates to an accumulated excess of national savings to investment but also to a highly competitive manufacturing sector. However, the strong position of German companies on the global market is not detrimental to European partners as they are participating in supply chains and highest trade surpluses are with non-European countries. At the same time strong wage growth and expansionary policies continue to strengthen private consumption. Hence, contributing to an increase in domestic absorption. It should be noted that, and this is not just due to EU rules on macroeconomic imbalances, reducing account surpluses of this magnitude would entail a significant amount of time (several years).

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	While respecting the medium-term budgetary objective, use fiscal and structural policies to achieve a sustained upward trend in private and public investment, in particular at regional and municipal level.	Extremely important	Mixed	The conditions for business investments, especially by SMEs, still need to be improved urgently. A reform of the corporate tax system and a complete abolition of the solidarity surcharge would be useful steps in this direction. In addition, more public investment in areas such as education, research and development and digital infrastructure is necessary and could contribute to the enhanced competitiveness of German business and to productivity growth. Public investment as share of GDP has increased slightly but remains below the euro area average. An investment backlog persists in particular at municipal level. Planning and approval procedures need to be improved and speeded up.



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1b	Focus investment-related economic policy on education; research and innovation; digitalisation and very-high capacity broadband; sustainable transport as well as energy networks and affordable housing, taking into account regional disparities.	Extremely important	Mixed	The availability of very-high capacity broadband has to be improved. The federal government has to substantiate and implement its vague announcements in its mobile network strategy. Furthermore, the European Electronic Communication Code has to be implemented in a swift manner. A focus of investment-related economic policy on the mentioned topics and also on regional disparities is of high importance. However, as correctly described in recital (12) Council Recommendations 2019 - Germany, for electricity grids reasons for a lack of investments are manifold. Next to the financial question there are more hindering barriers such as lacking acceptance on the local level, planning delays or pending disputes. Therefore, an investment strategy must address all these different aspects.
CSR 1c	Shift taxes away from labour to sources less detrimental to inclusive and sustainable growth.	Important	Unsatisfactory	Labour costs in the manufacturing sector in Germany are among the highest in Europe. Thus, weighing on international competitiveness and hindering private investment. A main driver is the high tax wedge on labour (on average 49.5%, OECD Taxing Wages 2019), which is the second highest among OECD countries. In order to strengthen employment and investment a permanent restriction of social security contributions to less than 40% is needed. Tax relief is also needed, for example by raising the income threshold at the top tax rate (42%). However, taxing wealth would not be a useful measure as this would first of all negatively affect SMEs and their employees. It should also be noted that wealth tax is not a successful model in the EU and is only (partially) levied by Spain, France and Luxembourg.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1d	Strengthen competition in business services and regulated professions.	Important	Mixed	High regulatory barriers remain in the business services sector and regulated professions. The level of restrictions is higher than the EU average in particular for architects, engineers, lawyers and accountants/tax advisers. In addition, the business churn rate for these professions is significantly lower than the EU average, which seems to indicate relatively low dynamism and competition in professional services.
CSR 2a	Reduce disincentives to work more hours, including the high tax wedge, in particular for low-wage and second earners.	Extremely important	Unsatisfactory	In light of increasing skill shortages, it is crucial to reduce disincentives to work more hours. Referring to the high tax wedge (not only for low wage earners), contributions to the unemployment insurance system were reduced by 0.1 ppt with the start of 2020. However, this reduction is only temporary until 31 December 2022. It must not be used to justify an increase of contributions to other branches of social security. All in all, there is still no long-term plan to limit social security contributions to less than 40%. Instead, the recent pension package will lead to higher contributions being paid. Contrary to the objective of eliminating false incentives against an increase in working hours, the decided increase of the Midi-Job-Transition-Zone from 850 € up to 1.300 € even provides additional false incentives against an increase in working hours. The decided contribution and pension benefits have mainly an effect on part-time work. With the restriction of fixed-term contracts and the possibility to retire at 63 without deductions labour market participation is still rather hampered than incentivized. There is also still much room for improvement when it comes to the availability of child care.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2b	Take measures to safeguard the long-term sustainability of the pension system, while preserving adequacy.	Extremely important	Unsatisfactory	<p>In November 2019, the coalition partners reached an agreement on a so-called “basic pension” (Grundrente). It foresees a pension supplement for people who have worked and paid contributions for 35 years and whose income is below a certain threshold. The proposal is expensive (costs amount to billions of euros) and lacks a solid financial basis. Furthermore, it is not an appropriate means to counter poverty in old-age and it would aggravate injustices in the pension system: A pensioner who is entitled to the “basic pension” would receive the same pension as a pensioner who paid almost twice the amount of contributions but is not entitled to it. Part-time-workers are particularly likely to benefit from the scheme. Thus, it creates more disincentives to increase working hours instead of reducing them. All in all, the government’s pension policy, including the double retention line, is not sustainable in the long term, puts a disproportionate burden on the younger generation and is likely to cause further financial transfers.</p>
CSR 2c	Strengthen the conditions that support higher wage growth, while respecting the role of the social partners.	Irrelevant	---	<p>Wage growth should not be decoupled from productivity and be decided upon by social partners, not governments. Furthermore, it needs to be borne in mind that excessive wage growth might harm the competitiveness of German business. Labour costs in Germany are still 30 % higher than on average in the EU. Unit labour costs continue to increase strongly, whereas productivity growth remains very low. Hence, focus should be on increasing productivity growth, especially by improving conditions for private investment.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2d	Improve educational outcomes and skills levels of disadvantaged groups.	Important	Mixed	German government recognized the need to improve digital skills and concluded a digital pact with the Laender, aiming at promoting digitalization in schools with 5 billion Euro. However, progress is still unclear as the Laender have to contribute financially and develop/implement the respective concepts and curricula. A recent introduction of a minimum remuneration in vocational initial training/apprenticeships is a step backwards as it does not consider regional disparities and differences between sectors. The National Further Training Strategy (Nationale Weiterbildungs-Strategie) of 2019 - a common approach of government and economy – has a strong focus on raising the competence level of low qualified target groups by strategies for alphabetisation and for acquisition of modularised qualifications.

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, 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	Satisfactory

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Tax reforms	Improve effectiveness and investment friendliness of tax system	No
<b>Priority 2</b>	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
<b>Priority 3</b>	Public investment	Increase investment in particular in digital, transportation and energy infrastructure.	Yes
<b>Priority 4</b>	Making work-pay: interplay of tax and benefit system	Reduce the high social security contributions wedge (not more than 40% of gross income)	Yes
<b>Priority 5</b>	---	---	---

**SPRING 2020 REFORM BAROMETER – GREECE**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	On the list of actions by the new government is an important initiative regarding the completion of reforms in the insolvency framework of individuals and corporates, the advancement of the agenda in areas of spatial planning/licencing/market supervision-accreditation-certification and. Initiatives are also in the pipeline regarding the management of legacies in the energy market, in the sense of handling the challenges posed by the dependence on lignite and the transition to cleaner energy production, along with the transition to the TARGET model. An initiative to handle the stock of NPLs tries to spearhead a more determined initiative to normalize the participation of Greek companies in the Single Market for Financial Services, from which it is de facto excluded for a decade. Areas that are important for long term growth, like education, public health, social services, better regulation agenda, speed of the working of the judiciary and the anti-corruption & transparency agenda have already received legislative attention, or initiatives are planned, but roll out will have to be tracked carefully. Following a number of improvements in the tax law and a reduction of rates especially for distributed dividends, profits and stock options, a discussion is ongoing regarding a significant reduction of the tax wedge on salaried private sector labour. As we had elections and change of government in July 2019, the priorities and the designing of the new policies of the new government have changed. Especially for the labour market priorities as mentioned in NRF 2019 (April 2019), there is no mention to tackling challenges and necessities of the Greek labour market, such as matching labour market / companies' needs with the education system, pension reform, wage - setting policies that reflect national competitiveness' needs etc..
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	The same as above applies. As far as the focus on education - skills - related policies, we fully support higher and stronger investment in education and training and its link to labour market and companies' needs, through a thorough, honest and substantive social dialogue at bipartite and tripartite social level.

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	It has to be acknowledged that through the accelerated "box ticking" of the past years, there has been progress on a number of issues. In many cases, like areas of spatial planning/licencing/market supervision the legislative work still has to be completed, in spite of the fact that especially after some recent legislative initiatives the agenda has been further advanced. In some cases, the businesses will see tangible results only when the legislative work is completed and the administrative mechanism fully supports the new framework, and therefore often the progress made does not linearly reflect on improvements on the business environment, but when the Commission - correctly - assesses the need to persist with reforms for a long time for them to pay off, it is also likely that key reforms that have been advanced gradually for years are nearing a point where they may suddenly yield large payoffs. With respect to the evolution of the energy market towards the "New Market Design" and the "Target Model" numerous challenges remain and time lost in the past amplifies them, suggesting the urgency to move ahead fast with an agenda that has now undergone significant changes under the new government.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	An acknowledgment of the investment deficit and brain drain documented during the crisis is now included, but an assessment on how we got there and how the problem can be remedied in practical terms (e.g. incentives to invest and to repatriate) is missing - it is still assumed that a petering out of the impact of the crisis can remedy the stock of damage done, which is an assumption that needs to be proved by the way things unfold during the next years. Demographic challenges are accurately acknowledged as a key problem. Regional and social disparities are correctly identified, and areas of priority for policy action, tools to encourage investment and areas of focus for investment are correctly identified. Important improvements in labour market regulation are acknowledged and assessed, even though remaining challenges that were not addressed are not fully spelled out. Challenges in the administration, judiciary and education system are properly assessed.

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Post-programme commitments given at the Eurogroup of 22 June 2018 -implement action plan on justice	Extremely important	Mixed	An emphasis on infrastructure to encourage e-justice will provide a tool, but this tool needs to be used properly to yield the urgently needed improvement in speed and overall quality of dispensing justice.
CSR 2	Investment-related economic policy - key preconditions.	Extremely important	Mixed	Recent initiatives in the area of strategic investment law, taxation and licencing help to create a more favourable precondition for investment. In order to cover the backlog accumulated during the crisis years some more aggressive incentives and a reduction of the tax wedge would be very helpful, and at least the second is under discussion by the government.
CSR 3	Focus investment-related economic policy on education, skills, employability	Extremely important	Mixed	Though it is high on the agenda of the new government, still no major reform on this area is not presented. It is extremely important to design and operate, in cooperation with national social partners, the education and training system, establishing strong links with labour market and companies' needs and finally activate and operate efficiently the Diagnosis Mechanism on Labour Market, firstly initiated and operated by the social partners and then legislated by the Ministry of Labour. Some first crucial steps, to ensure that the premises of education institutions are not held hostage by criminals, have been taken. More substantial initiatives are expected soon, along the lines recommended.



		<b>Q1: The recommendation is:</b>	<b>Q2: implementation on effort is:</b>	<b>Detailed comments</b>
<b>CSR 4</b>	Achieve a sustainable economic recovery and tackle the excessive macroeconomic imbalances by continuing and completing reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018 - safeguard competitiveness through an annual update of the minimum wage in line with the provisions of Law 4172/2012.	Extremely important	Mixed	There is a need to consolidate and articulate the long list of tripartite social dialogue committees and bodies, that are either inactive during the past years or they do not operate in a productive way, in order to recover their efficiency and facilitate tripartite and bipartite agreements on reform implementation
<b>CSR 5</b>	Focus investment-related economic policy on sustainable transport and logistics, environmental protection, energy efficiency, renewable energy and interconnection projects, digital technologies, R & D, education, skills, employability, health, and the renewal of urban areas, taking into account regional disparities and the need to ensure social inclusion. - Especially, completing investment licensing reform and encourage new investment in intramodal transport and regional integration	Extremely important	Mixed	As issues of licencing and spatial planning will remove one key bottleneck to investment, gaps and an uneven provision of transport infrastructure especially at the regional level and around areas of organized manufacturing activity become a next binding constraint. A list of such gaps, that often are projects of small scale that can though lead to the full usage of regional business parks, ports, rail connections etc and regional investment in infrastructure along with an initiative to swiftly fill these gaps is still missing, in spite of the fact that an umbrella plan for infrastructure investment provides for some high level needed public infrastructure.

		<b>Q1: The recommendation is:</b>	<b>Q2: implementation on effort is:</b>	<b>Detailed comments</b>
<b>CSR 6</b>	Completing reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018 - Complete reforms in the energy sector	Extremely important	Unsatisfactory	The deregulation and move towards the TARGET model should accelerate, as well as the completion of key intra-EU infrastructure to ensure interconnection between islands and with other EU countries, to ensure quality of supply on mainland, to ensure supply to industrial areas and business parks and take up of innovation ahead of ambitious climate change targets.
<b>CSR 7</b>	Focus investment-related economic policy on digital technologies	Extremely important	Mixed	There is a need to develop a digital skills strategy for Greece, to tackle both the underachievement in basic (including digital) skills and persisting skills mismatches. It is a stated policy priority, a strategy has been rolled out and a responsible ministry with sufficient legislative backing established. The licencing of infrastructure for mobile communications, a large impediment for years, has improved significantly. Roll out and a rationalization of taxation of digital services and high skill employment would help.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

The new government's announcement and intention to reduce social security contributions by 5% in the next 2 years' period.

## Reform priorities for 2020

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Tax reforms	Reduce now the tax wedge on salaried private sector labour and continue with the improvement of the general tax framework. Then move on to reduce numerous remaining taxes that are excessively high and hamper innovation, digital transformation, important domestic services and the efficient allocation of assets.	Yes
<b>Priority 2</b>	Business Environment - Regulatory barriers to entrepreneurship	Complete spatial planning/licencing/market supervision framework and administrative capacity	Yes
<b>Priority 3</b>	Labour market mismatch and labour mobility	Radically reform the education and training system and skills formation system in order to adapt to current and future skill needs.	Yes

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4 Bank lending conditions	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 should be included in the initiative slated for Q1 2020. This will support, in a much-needed way, 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. The implementation of the "Hercules" scheme to take NPLs off the balance sheet of banks should also help towards the normalization of the access of companies to finance.	Yes
Priority 5 Public sector efficiency	Given the still high levels of taxation, in spite of important recent initiatives to rationalize some taxes and technical details of the tax framework, the drastic improvement of the quality of services offered by the public sector is key. A key area in which the improved quality of public sector efficiency should quickly become visible is the area spatial planning/licencing/market supervision, where administrative capacity has to match legislative developments, as well as the area of business-university collaboration for R&D and innovation, but developments in the right direction are missing even at a time EU funds are going to greatly increase the liquidity situation in VC community.	Yes

**SPRING 2020 REFORM BAROMETER – HUNGARY**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	Not enough	
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 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure compliance with the Council Recommendation of 14 June 2019 with a view to correcting the significant deviation from the adjustment path towards the medium-term budgetary objective.	Important	Unsatisfactory	
CSR 2	Continue the labour market integration of the most vulnerable groups, in particular through upskilling, and improve the adequacy of social assistance and unemployment benefits. Improve education outcomes and increase the participation of disadvantaged groups, in particular Roma in quality mainstream education. Improve health outcomes by supporting preventive health measures and strengthening primary healthcare.	Extremely important	Unsatisfactory	
CSR 3	Focus investment-related economic policy on research and innovation, low-carbon energy, transport infrastructure, and waste management and energy and resource efficiency, taking into account regional disparities. Improve competition in public procurement.	Extremely important	Unsatisfactory	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Reinforce the anti-corruption framework, including by improving prosecutorial efforts and access to public information, and strengthen judicial independence. Improve the quality and transparency of the decision-making process through effective social dialogue and engagement with other stakeholders and through regular, appropriate impact assessments. Continue simplifying the tax system, while strengthening it against the risk of aggressive tax planning. Improve competition and regulatory predictability in the services sector.	Extremely important	No progress	

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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



## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Competition policy framework	Anti-corruption	No
<b>Priority 2</b>	Pension and health care reforms	Dysfunction	Yes
<b>Priority 3</b>	Business Environment - Regulatory barriers to entrepreneurship	Real Competition	No
<b>Priority 4</b>	Quality of fiscal institutions and budgetary framework	Non transparency	No
<b>Priority 5</b>	Public investment	Prestige investments	No

**SPRING 2020 REFORM BAROMETER – IRELAND**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	The focus of the reform plan is broadly in line with objectives of business and focuses on a number of key qualities of life and competitiveness issues. In particular the focus on skills, indigenous firms' productivity, and investment is appropriate.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	The commission's recommendations are broadly in line with those the Government set out in the national reform plan with a focus on investment, skills, and labour market participation dominating. Some recommendations which the Commission has chosen to focus on including long-standing legislative debates on legal services and the taxation of outbound royalty payments seem quite arbitrary and of second order from a business point of view.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	The Commission judged limited progress on the target of reducing the debt to GDP ratio. The ratio is on a downward medium-term trend and it seem overly sensitive to judge limited progress based on one year of progress. Otherwise we would agree with their assessments of efforts on infrastructure delivery where funding has been made available but delivery is still lacking.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To some extent	The Commission assessment is broadly in line with our view of external imbalances. However, the focus on 'rapidly increasing' house prices now seems out of date given significant house price growth moderation in the past year.

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2020. Use windfall gains to accelerate the reduction of the general government debt ratio. Limit the scope and number of tax expenditures, and broaden the tax base. Continue to address features of the tax system that may facilitate aggressive tax planning, and focus in particular on outbound payments. Address the expected increase in age-related expenditure by making the healthcare system more cost-effective and by fully implementing pension reform plans.	Helpful (but not a priority)	Mixed	CT revenues which are unexpected have not as yet been used for productive spending or debt paydown. This creates fiscal vulnerabilities.
CSR 2	Provide personalised active integration support and facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity. Increase access to affordable and quality childcare.	Extremely important	Satisfactory	Ongoing activation efforts are having an impact but plans for productivity and the Future Jobs plan are still at an early stage.
CSR 3	Focus investment-related economic policy on low carbon and energy transition, the reduction of greenhouse gas emissions, sustainable transport, water, digital infrastructure and affordable and social housing, taking into account regional disparities. Implement measures, including those in the Future Jobs strategy, to diversify the economy and improve the productivity of Irish firms — SMEs in particular — by using more direct funding instruments to stimulate research and innovation and by reducing regulatory barriers to entrepreneurship.	Extremely important	Satisfactory	There has been significant and welcome increases in funding available for investment but the value for money and timelines on delivery have been slowed and hampered by planning challenges.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

Continued efforts to improve both SME productivity, labour market activation, and skills could usefully benefit from cross EU sharing of experience and learnings. CSRs tend to be very high level (i.e. improve SME productivity) and would benefit from examples of initiatives which have been successful in other Member States.

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Public investment	Enhance public investment and project delivery and planning	Yes
<b>Priority 2</b>	Business Dynamics - Start-up conditions	Improve tax environment for start-ups and entrepreneurs with a focus on share options, investment incentives, and R&D	Yes
<b>Priority 3</b>	Labour supply measures for specific groups (older workers, women...)	Remove bottlenecks to participation such as inadequate childcare provision	Yes
<b>Priority 4</b>	R&D and Innovation	Increase public investment in research and innovation through third level institutions and business	No
<b>Priority 5</b>	---	---	---

**SPRING 2020 REFORM BAROMETER – ITALY**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	Not enough	The early retirement measure is costly and is a setback on the pension reforms implemented in the past few years. It is costly and it worsen the problem of intergenerational equity. The minimum income scheme (RdC), although important to some extent, is too generous and can discourage entry in the labour market. On the other side, the active labour policies that should complement the RdC are not specified or clear enough. Furthermore, deficit/GDP ratio was set to worsen in 2019 and, consequently the debt to GDP ratio should have increased by 0,4 percentage points, including unrealistic proceeds from privatisation and other financial of 1 point of GDP. This contradicts the country specific recommendation of reducing public debt.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Shortening the length of civil trial is very important, as well as to focus investment on R&I and on infrastructure, to increase the competitiveness of Italy.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The backtracking on the old-age pension reform is worrying. More has to be done regarding active labour market policies, to contrast the negative effects of the minimum income scheme.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The major vulnerability underlined by the Commission is public debt. Furthermore, it is very important to tackle youth unemployment, which is still very high, especially in the south of Italy.

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Ensure a nominal reduction of net primary government expenditure of 0,1 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Shift taxation away from labour, including by reducing tax expenditure and reforming the outdated cadastral values.	Important	Unsatisfactory	
CSR 1b	Fight tax evasion, especially in the form of omitted invoicing, including by strengthening the compulsory use of e-payments including through lower legal thresholds for cash payments.	Extremely important	Mixed	Please note that Law Decree No. 124 of 26 October 2019 has increased criminal penalties for tax violations and has introduced limitations on cash payments and tax offset; some of the adopted measures are particularly critical for companies, due to the need to adapt management systems and for liquidity restrictions. The introduction of a tax credit in favour of small merchants for e-payments is positive. However, a penalty has not been introduced for those who refuse to accept e-payments.
CSR 1c	Implement fully past pension reforms to reduce the share of pensions in public spending and create space for other social and growth-enhancing spending.	Extremely important	No progress	The "Quota 100" measure - not supported by Confindustria - was introduced as a temporary and experimental instrument by the previous Government. The present Government has not amended it yet but is, instead, evaluating to introduce corrections to the Italian pension system.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2a	Step up efforts to tackle undeclared work. Ensure that active labour market and social policies are effectively integrated and reach out in particular to young people and vulnerable groups. Support women's participation in the labour market through a comprehensive strategy, including through access to quality childcare and long-term care.	Important	Mixed	The "Reddito di cittadinanza" (citizenship income) is having some positive effects on vulnerable groups but without any effects on the participation in the labour market: regarding this last aspect a deep revision of the measure is required. Regarding women's participation in the labour market, the provision of funds to strengthen childcare facilities and paternity leave is positive.
CSR 2b	Improve educational outcomes, also through adequate and targeted investment, and foster upskilling, including by strengthening digital skills.	Extremely important	Mixed	Although the competent Ministry (MIUR) has not been very active on the issue due to budgetary restrictions, positive actions have been adopted on apprenticeships by the Ministry of Labour, on VET by the Ministry of Economic Development as well as on training by the Regions.
CSR 3a	Focus investment-related economic policy on research and innovation, and the quality of infrastructure, taking into account regional disparities.	Extremely important	Mixed	



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3b	Improve the effectiveness of public administration, including by investing in the skills of public employees, by accelerating digitalisation, and by increasing the efficiency and quality of local public services.	Extremely important	Mixed	<p>During 2019 Confindustria has noticed a fragmentation of the governance of simplification and a low attention to implementation of Madia's Law of 2015. To improve the effectiveness of public administration, Confindustria hopes for a new centralization of simplification policies by the creation of a Central Control Unit. Confindustria also hopes for the reinforcement of administrative capacity by the creation of qualified team for complex procedures. Confindustria finally considers the application of reform of 2015 necessary.</p> <p>With regard to local public services, there is now a regulatory gap that needs to be filled. Confindustria hopes that the Madia's law of 2015, which has provided clear guidelines on the reform of local public services in a pro-competitive sense, will be implemented.</p>
CSR 3c	Address restrictions to competition, particularly in the retail sector and in business services, also through a new annual competition law.	Extremely important	Mixed	<p>After the approval of the annual law on competition, in late 2017, we note a retreat on several fronts in relation to the pro-competitive policy (for example, the debate on the withdrawal of motorways concessions; in the Budget Law 2019, the legislator introduced further derogations to the application of the Legislative Decree no. 175/2016 which attempted to limit the perimeter of the local state-owned enterprises to relevant public economic activities).</p> <p>In particular it is important:</p> <ol style="list-style-type: none"> <li>1) to reform the legislative item for approving the annual competition law, with a specific and fast legislative session;</li> <li>2) avoid taking restrictive measures to pursue equity objectives (e.g. fair compensation has been reintroduced in the professional service)</li> </ol>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4a	Reduce the length of civil trials at all instances by enforcing and streamlining procedural rules, including those under consideration by the legislator and with a special focus on insolvency regimes.	Extremely important	Unsatisfactory	<p>The government approved a bill scheme on the reform of civil justice that aims to simplify and shorten the time of the trial. In general, the evaluation is positive considering that in the first and second-degree process there is a simplification of the documents and a reduction of the procedural terms; the consolidation and expansion of the use of electronic methods.</p> <p>The ADR measures that provide for the exclusion of preventive compulsory mediation in certain matters (ex. medical fault, financial, banking and insurance contracts) are cause for concern because the mandatory nature of the mediation is functional to the dissemination of this instrument. Regarding the Insolvency law reform, in order to complete it, last February, the Government approved the legislative decree providing the “Code of corporate crisis and insolvency” (hereinafter, Code), which will be effective on 15 August 2020. Many rules included in the Code pursue the objective to make faster and more cost-effective crisis and insolvency proceedings. In fact, the new rules aim at ensuring, among other things: an earlier emersion of the distress situation, through crisis alert mechanisms. The adoption of a single procedure to ascertain a status of crisis or insolvency; the priority given to out-of-court procedures to deal with corporate crises and ensure business continuity; a simplification of the judicial liquidation procedure. Overall, the evaluation is positive: the Code appears to be in line with the most advanced legal systems and it offers more efficient liquidation proceedings and early and flexible restructuring tools. About that, the most important provisions concern the new early warning tools and alert mechanisms. However, changes are needed to make the alert mechanism more balanced for small enterprises.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4b	Improve the effectiveness of the fight against corruption by reforming procedural rules to reduce the length of criminal trials.	Extremely important	Unsatisfactory	<p>About the reform of criminal trial, the Government seems to go in the right direction with the measures to modulate the duration of the preliminary investigations, the revision of the discipline of some special proceedings and the prosecution of some types of crime, as well as the introduction of the electronic tool for filing documents.</p> <p>However, the entry into force, starting from 1 January 2020, of the rules that provide for the suspension of the prescription of the crime after the first instance sentence, regardless of conviction or acquittal, is worrying. The suspension operates until the enforceability of the sentence that defines the judgment and therefore is essentially a definitive suspension. This measure risks to undermine the fundamental principles of the rule of law and is contrary to the principles of efficiency and reasonable duration of the processes.</p> <p>Such a strict prescription discipline cannot represent, in any way, the exclusive remedy for the slowness of the process, a problem to be tackled as a whole and starting from the approval of a comprehensive reform of criminal justice.</p> <p>In addition, the innovations introduced by the recent tax law, which concerns interventions in criminal-tax matters to increase prison sentences, reduce the thresholds of criminal relevance, increase the measures of aggression and further expand the administrative liability of the organs, are very worrying. The main problems of the new provisions focus on the precautionary phase.</p> <p>The real risk is that the new provisions also end up involving honest companies that could be subject to serious preventive capital measures, with damage to reputation, paralysis of the activity and related effects on employment. Except perhaps to discover - too late - their innocence. As part of a broader strategy to safeguard the levels of security and legality of economic activities, it is instead important that legislative policies are oriented not only towards sanctions but to create an operating context less permeable to illegality and able to guarantee more conditions conducive to economic growth, employment and well-being, for individuals and communities.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 5	Foster bank balance sheet restructuring, in particular for small and medium-sized banks, by improving efficiency and asset quality, continuing the reduction of non-performing loans, and diversifying funding. Improve non-bank financing for smaller and innovative firms.	Extremely important	Mixed	Concerning banks, Italian Government is saving, together with a private guarantee deposit scheme, a medium sized bank in the South of Italy. With the same intervention, national resources have been targeted to restructure small banks in the South of Italy. Non-performing loans have been deeply reduced by Italian banks and this decline is continuing. Italian Government set up a regulation to foster the development of venture capital for smaller and innovative firms. A National Innovation Fund, that will be operational in the next few months, has been created

### **Reform Progress in your Member State in 2019**

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Business Environment - Regulatory barriers to entrepreneurship	a) To implement the civil trial reform in a short time, to achieve the objectives of reducing procedural times and speed up work on the reform of the criminal trial; b) Regarding the insolvency law reform approve the legislative decree to correct and integrate the Code of corporate crisis and insolvency, taking into account the stakeholders' comments	Yes
<b>Priority 2</b>	Competition policy framework	To reform the legislative procedure for approving the annual competition law	No
<b>Priority 3</b>	Active labour market policies	Re-introduce job relocation allowance (assegno di ricollocazione) for all beneficiaries of unemployment benefits	No
<b>Priority 4</b>	Labour market mismatch and labour mobility	Introduce orientation paths in high schools and strengthen all kind of measures fostering the link between education and work.	No
<b>Priority 5</b>	Public sector efficiency	Enforcement of the public administration reform; review the governance of simplification; increase the competence and the institutional capacity of public authorities	Yes

**SPRING 2020 REFORM BAROMETER – LITHUANIA**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	National Reform Programme itself is to a large extent in line with both CSR's as well as with our position. However, the important question remains: to what extent the goals specified in this document will be implemented?
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	Recommendations are fully in line with our position.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	We fully agree that overall CSR implementation progress in 2018 was limited.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	---

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Improve tax compliance and broaden the tax base to sources less detrimental to growth. Address income inequality, poverty and social exclusion, including by improving the design of the tax and benefit system.	Extremely important	Mixed	We are grateful to the government for the reduction of labour force taxation and combination of employee with employer's taxation into one. We are also pleased that our suggestions regarding the ability of electricity-consuming companies to recover a fee for services of public interest in the event that a company uses renewable energy sources have been taken into consideration and implemented. However, recently new taxes were introduced without any prior discussions with social partners. Proposed initiatives deviate from the national plan and impoverish the labour market. For example, last year it was agreed by social partners in Tripartite council to increase the tax-exempt amount of income consistently to the level of minimal wage so that the income of the population would increase not only at the expense of employers. The government denied it and raised it less than agreed by the social partners. Higher rates of excise duties for diesel as well as tobacco products were introduced than previously planned without prior notice signify that policy makers are following accounting logic and not thinking about the impact it will have on the economy. As a result, the LPK along with other national employers' organisations withdrew from National Agreement that was concluded with the Government two years ago.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Improve quality and efficiency at all education and training levels, including adult learning. Increase the quality, affordability and efficiency of the healthcare system.	Extremely important	Unsatisfactory	Government achieved some progress in procedures (not legislation) concerning the efficiency of the Employment Agency. Unemployed persons over 45 years of age will be additionally supported with subsidies for wages as well as for creation of workplace. Another new employment measure - introductory apprenticeship courses. Apart from these positive trends, the government did not carry out structural reforms in the public sector (improving school network efficiency, university merger, health reform, etc.) and went the easiest way - raising taxes.
CSR 3	Focus investment-related economic policy on innovation, energy and resource efficiency, sustainable transport and energy interconnections, taking into account regional disparities. Stimulate productivity growth by improving the efficiency of public investment. Develop a coherent policy framework to support science-business cooperation and consolidate research and innovation implementing agencies.	Extremely important	Unsatisfactory	No progress in innovation policy nor business-science connections. This year, the biggest progress has been made in the area of grid access, which makes the country more attractive to investment in production: not only has the number of procedures and costs been reduced, but the grid connection time has also been shortened. This had major influence on Lithuanian Doing Business 2019 rankings. Fight with regional disparities government has established so called "Business clusters" in the regions, which act as a public business consulting agency as well as business networking platform. However, such initiatives are not enough to stimulate entrepreneurship in the region. Ministry of interior is currently working on improving the legislation concerning Regional Development Councils, a supervisory board composed of social partners as well as experts in the field that should help the municipalities decide on the best investment projects for the regional development. The most important change in the new legislation is regarding the funding of potential projects. The funding will no longer be fixed annually but will depend on the specific project and its impact on regional development. However, legislation is still in the making.



## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

In three years, Lithuania has jumped from 21st to its current 11th position in the ranking of Doing Business, and next year should be among the ten most competitive countries in the world. The Law on Insolvency of Legal Persons, which is not included in the rating this year, but has been adopted and will enter into force from the new year, introducing more flexible and shorter bankruptcy procedures, will significantly improve Lithuania's rating.

## Reform priorities for 2020

	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	Reduce the number of statistical reports. Simplify tax accounting, payment, declaration and recovery procedures. Ensure the non-duplication of data reporting. Ensure interinstitutional cooperation. Encourage and extend the digitization of services and procedures to new areas of public administration and the private sector. Increase ICT literacy of the population. Ensure protection of business data. Use Big data analytical programs in public administration. Improve the openness of public authorities' data in order to create a progressive public sector based on open data.	Yes
Priority 2	Tax reforms	Further reduce the contribution rate of social insurance for labour force. Clarify social insurance "floor" application cases. Link the social insurance contributions to the insured person's personal pension account. Legalize private accumulation in other areas of social security (health, unemployment, sickness benefits). Increase the tax-exempt amount of income consistently to the level of minimal wage. Abandon banking, supermarket profit taxes. Focus on taxes that are less harmful to economic growth and look for alternative sources of funding. Focus on inefficiently state-owned assets, which, when taxed would provide a financial incentive for state-owned enterprises to reassess how much space they actually need.	Yes
Priority 3	R&D and Innovation	Develop and operationalize a national Digital Innovation Hub system for one-stop-shop business services. Create a network of Lithuanian innovation potential ambassadors to attract additional R&D investment. Activate integration into international technology development and transfer networks. Establish a system of pre-commercial procurement and state R&D order financing with clear performance measurement criteria and indicators. Establish a mechanism to ensure that innovative procurement accounts for at least 5% of all procurement.	No

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 4</b>	Active labour market policies	Improve the efficiency of the employment service. Using technology monitor whether unemployed persons receiving benefits aren't working illegally. The main instrument of active labour market policy should become a model of recruitment under the apprenticeship agreement. Develop a comprehensive system of financial incentives for all parties involved in the apprenticeship process. Accelerate the implementation of the vocational guidance model.	Yes
<b>Priority 5</b>	Labour market mismatch and labour mobility	Standardize the personality assessment of the unemployed. Ensure a detailed introduction of the labour market situation (with the participation of employers), average wages in sectors by region to the unemployed. Do not reduce benefits for former statutory workers who decide to return to the labour market. Establish a system to monitor and evaluate the balance of paid taxes, received allowances and other benefits from the State each year by the individual. It would be an instrument for improving legal regulation to ensure fairer taxation, encourage re-entry into the labour market and pay taxes. Simplify and accelerate the recruitment process for third-country workers.	Yes

## SPRING 2020 REFORM BAROMETER – LUXEMBOURG

### European Semester - Overall assessment of 2019 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	---	Not sufficiently detailed as regards specific measures related to the high projected cost of population ageing in Luxembourg (the highest in the European Union according to the Ageing Working Group).
2.	The Commission's country specific recommendations for your country are appropriate.	---	We agree strongly with the statement "expenditure developments should be monitored carefully in the short and the medium term, especially in light of possible future risks to the robustness of revenues", especially with a view to the high level of public expenditure in absolute terms (if not as a % of GDP) and the quite volatile nature of many revenue items. Otherwise, the Commission rightfully insists on the employment rate and labour shortages, the environment and traffic congestion, pension reform (it refers to the 2018 report of the national Pension working group) and deregulations in the business service sector.
3.	The Commission assessment of reform implementation the year before is appropriate.	---	It is right to point out the high sensitivity of the Luxembourg economy to external developments. This is the reason why expenditure should not increase fully in line with additional (and frequently fragile) public revenues. Otherwise, it is claimed that public finances remain sound. This is true over the short-term, but not in a medium-term perspective (see the cost of ageing estimated by the Ageing Working Group in its 2018 report -referred to in the annex on page 20). Importance of public investments in transports and housing (rightfully underlined by the Commission).
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	Rightfully insists on the cost of ageing and the situation regarding housing prices (where prices are increasing steeply compared to other UE countries).

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Increase the employment rate of older workers by enhancing their employment opportunities and employability. Improve the long-term sustainability of the pension system, including by further limiting early retirement.	Extremely important	---	
CSR 2	Reduce barriers to competition in regulated professional business services.	Important	---	
CSR 3	Focus economic policy related to investment on fostering digitalisation and innovation, stimulating skills development, improving sustainable transport, and increasing housing supply, including by increasing incentives and lifting barriers to build.	Extremely important	---	
CSR 4	Address features of the tax system that may facilitate aggressive tax planning, in particular by means of outbound payments.	Helpful (but not a priority)	---	

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

Improve the transmission process of businesses, in particular the smaller ones (with a view of the high projected retirement rates among managers in the years to come).

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Pension and health care reforms		No
<b>Priority 2</b>	Active labour market policies		Yes
<b>Priority 3</b>	Labour market mismatch and labour mobility		Yes
<b>Priority 4</b>	Public sector efficiency		No
<b>Priority 5</b>	Public investment		Yes

## SPRING 2020 REFORM BAROMETER – MALTA

### European Semester - Overall assessment of 2019 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	<ol style="list-style-type: none"> <li>1. Competitiveness and Investment</li> <li>2. Labour Market, Education and Social Policies</li> </ol>
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	Along with the first recommendation, the Chamber believes that rule of law and good governance should be a top priority in Malta in the coming year, especially due to the recent events that have tarnished our country and its reputation. The Chamber has made a number of proposals to the government - enclosed in annex.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	<ol style="list-style-type: none"> <li>1. The research and innovation potential of Maltese firms remains limited.</li> <li>2. Ensuring higher standards of anti-money laundering supervision and actual enforcement remains a challenge.</li> <li>3. The increase in age-related spending represents a substantial risk to the long-term sustainability of public finances</li> <li>4. The banking sector remains sound, but shortcomings in anti-money laundering enforcement also imply reputational risks.</li> <li>5. Focussing investments on skills development, innovation, infrastructure and natural resource management would strengthen the sustainability of Malta's economic growth.</li> </ol>
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	N/A	



## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure the fiscal sustainability of the healthcare and pension systems, including by restricting early retirement and adjusting the statutory retirement age in view of expected gains in life expectancy.	Extremely important	Mixed	The Chamber is in full agreement with this recommendation and includes it as one of the priorities for 2020.
CSR 2	Address features of the tax system that may facilitate aggressive tax planning by individuals and multinationals, in particular by means of outbound payments. Strengthen the overall governance framework, including by continuing efforts to detect and prosecute corruption. Continue the ongoing progress made on strengthening the anti-money-laundering framework, in particular with regard to enforcements. Strengthen the independence of the judiciary, in particular the safeguards for judicial appointments and dismissals, and establish a separate prosecution service.	Important	Mixed	The Chamber has mixed views regarding this recommendation as it believes that tax is at the discretion of the MS and it should remain as such; unlike bigger EU states, Malta requires such measures to remain competitive and attractive to foreign investment. Furthermore, the Chamber fully agrees with the recommendation to "Strengthen the overall governance framework, including by continuing efforts to detect and prosecute corruption. Continue the ongoing progress made on strengthening the anti-money laundering framework, in particular with regard to enforcements. Strengthen the independence of the judiciary, in particular the safeguards for judicial appointments and dismissals, and establish a separate prosecution service."
CSR 3	Focus investment-related economic policy on research and innovation, natural resources management, resource and energy efficiency, sustainable transport, reducing traffic congestion and inclusive education and training.	Extremely important	Mixed	The Chamber has previously stated that these areas are vital for the competitiveness of Malta and the government should do its utmost to invest in these areas.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Sector specific regulation (telecom, energy)	Malta has been experiencing a number of power outages due to damages with the interconnector that needs to be fixed as soon as possible, as the current gas power station is not sufficient to meet the demand that is required which will be prevalent as the weather gets hotter. The Chamber has long sustained that Malta requires a secondary interconnector and a gas pipeline to diversify its energy supply and ensure that citizens and the business community do not suffer the consequences of these power outages.	No
<b>Priority 2</b>	Public investment	The government has been using EU Funds to invest in Malta's infrastructure; this will hopefully reduce traffic congestion and result in better planning.	Yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Labour market mismatch and labour mobility	The technology the industry is using is constantly being updated for more efficiency, and therefore, the workforce needs adapting as a result. Unfortunately, more is required to encourage people to invest in themselves and to incentivise the industry to invest in their employees.	Yes
Priority 4	Pension and health care reforms	The system by which the government allocates pensions is not sustainable and Maltese youths are faced with the probability that they will not have a pension in the future. The government needs to come up with a formula that considers the aging population and one measure it can do so is by increasing the retirement age. The government also recently introduced voluntary occupational pension schemes and third pension pillars, however the take up has not been positive; more incentives need to be offered in this regard.	Yes
Priority 5	R&D and Innovation	<ol style="list-style-type: none"> <li>1. Research and Innovation deserves a dedicated Parliamentary Secretary closely linked to the industry sector instead of other unrelated areas;</li> <li>2. Promotion of knowledge transfer between industry and academia through knowledge transfer partnerships (KTPs);</li> <li>3. Assessment and forecasting of skills and human resources required by R&amp;D firms and the subsequent modifications necessary to the education system;</li> <li>4. Creation of incentive schemes and facilitation of visa application to allow more foreign researchers to conduct research in Malta;</li> <li>5. Promotion and incentivisation of the concept of 'living labs' in Malta;</li> </ol>	No

**SPRING 2020 REFORM BAROMETER – THE NETHERLANDS**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	More attention for and structural investment in education and research and innovation is positive. However, some announced reforms have not yet been implemented, such as the reduction corporate tax for business.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Supporting growth should take precedence over budgetary targets; lifelong learning should become a cornerstone of labour market and education reform; use fiscal tools to boost disposable household income and private (especially R&D) investments
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To some extent	The high current account surplus is a structural characteristic of the open Dutch economy, which focusses on export and transit of goods through our main ports. Consequently, this cannot be considered an excessive imbalance, but rather a strength of the economy.

## Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Reduce the debt bias for households and the distortions in the housing market, including by supporting the development of the private rental sector.	Important	Unsatisfactory	In order to improve the labour mobility, people should be able to move faster by finding housing. Therefore, current frictions in the housing markets should be addressed.
CSR 1b	Ensure that the second pillar of the pension system is more transparent, inter-generationally fairer and more resilient to shocks.	Extremely important	Satisfactory	The transition to the new pension system must be shaped in an adequate way. Particularly, the issues remaining in the second pillar of the system should be addressed, through an tripartite approach.
CSR 1c	Implement policies to increase household disposable income, including by strengthening the conditions that support wage growth, while respecting the role of social partners.	Contrary to federation advice	Mixed	
CSR 1d	Address features of the tax system that may facilitate aggressive tax planning, in particular by means of outbound payments, in particular by implementing the announced measures.	Helpful (but not a priority)	Satisfactory	The planned introduction of interest and royalty withholding tax should prevent the Netherlands being used as conduit country for interest and royalty flows.
CSR 2a	Reduce the incentives for the self-employed without employees, while promoting adequate social protection for the self-employed, and tackle bogus self-employment.	Contrary to federation advice	Unsatisfactory	
CSR 2b	Strengthen comprehensive lifelong learning and upgrade skills in particular of those at the margins of the labour market and the inactive.	Important	Mixed	The foundation for further initiatives has been put forward over the last years. It is important that this work is further developed, also by the next government.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	While respecting the medium-term budgetary objective, use fiscal and structural policies to support an upward trend in investment. Focus investment-related economic policy on research and development in particular in the private sector, on renewable energy, energy efficiency and greenhouse gas emissions reduction strategies and on addressing transport bottlenecks.	Important	Satisfactory	A national Climate Agreement was presented by the government in June 2019, in which measures are proposed for investment in low-carbon solutions and financing the energy transition. A new growth fund and the finalisation of InvestNL should help facilitate climate, energy, and transport related investment.

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	R&D and Innovation	Stimulate R&D PPS, especially on key technologies like AI and biotechnology	Yes
<b>Priority 2</b>	Pension and health care reforms	Finalize pension reform debate between government, employers and unions. Specifically, an agreement on the newly agreed pension contracts, including an appropriate financial framework (budget neutral).	Yes
<b>Priority 3</b>	Public investment	Execute a public investment fund to address areas of market failure, especially in areas of important transitions like climate change - including promoting "government as launching customer"	Yes
<b>Priority 4</b>	Making work-pay: interplay of tax and benefit system	Increase fiscal incentives for wage growth by lowering marginal tax rate and premiums	No
<b>Priority 5</b>	Active labour market policies	Increase lifelong learning and modular education initiatives to increase adaptability of the workforce	Yes

## SPRING 2020 REFORM BAROMETER – PORTUGAL

### European Semester - Overall assessment of 2019 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	Main critics of CIP regarding the NRP are: absence of tax reforms; lack of ambition on reforms aimed at the capitalization and financing of Portuguese companies, as well as on the reform of the State and Public Administration; there is no clear priority in the allocation of resources to vocational training; we do not share the vision on the way how to fight labour market segmentation.
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 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2020, taking into account the allowance linked to unusual events for which a temporary deviation is granted. Use windfall gains to accelerate the reduction of the general government debt ratio. Improve the quality of public finances by prioritising growth-enhancing spending while strengthening overall expenditure control, cost efficiency and adequate budgeting, with a focus in particular on a durable reduction of arrears in hospitals. Improve the financial sustainability of State-owned enterprises, while ensuring more timely, transparent and comprehensive monitoring.	Important	Mixed	<p>Headline deficit will be lower than the target. According to the Government, medium-term budgetary objective will be achieved in 2020. Debt reduction target in 2019 will be attained and debt reduction benchmark is projected to be met in 2020.</p> <p>Overall expenditure control is effective but not by prioritising growth-enhancing spending: public investment fell short of the budgeted values. Progresses in hospital arrears reduction were eroded by new increases during the second half of the year. Health sector remained sub budgeted in 2019. A more adequate budgeting is foreseen for 2020. No progress in the reduction of tax burden.</p>
CSR 2	Adopt measures to address labour market segmentation. Improve the skills level of the population, in particular their digital literacy, including by making adult learning more relevant to the needs of the labour market. Increase the number of higher education graduates, particularly in science and information technology. Improve the effectiveness and adequacy of the social safety net.	Important	Mixed	<p>Concerning labour market segmentation, we continue to defend it is necessary to amend the legal regime for individual dismissals associated with open-ended contracts.</p> <p>Despite some progresses in some areas (namely in available finance for professional training) it is still needed a reinforced investment in skills to tackle the opportunities and challenges of technological transformation on the labour market.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on research and innovation, railway transport and port infrastructure, low carbon and energy transition and extending energy interconnections, taking into account regional disparities.	Important	Unsatisfactory	Investment in rail is delayed and plans are inadequate to ensure competitive and interconnected links to the European network.
CSR 4	Allow for a swifter recovery of the collateral tied to non-performing loans by increasing the efficiency of insolvency and recovery proceedings. Reduce the administrative and regulatory burden on businesses, mainly by reducing sector-specific barriers to licensing. Develop a roadmap to reduce restrictions in highly regulated professions. Increase the efficiency of administrative and tax courts, in particular by decreasing the length of proceedings.	Important	Mixed	NPL have decreased, but progresses on the program to improve the access to capital (Programa Capitalizar) are missing. Progresses on the reduction of administrative burden and on the decreasing the length of court proceedings are slow.

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Labour market mismatch and labour mobility	Prioritize vocational training, linking it with the labour market needs, deeply involving business associations and companies.	Yes
<b>Priority 2</b>	Bank lending conditions	Address the need for business to restructure their debt and recapitalize.	Yes
<b>Priority 3</b>	Tax reforms	Reduce the tax burden on companies.	No
<b>Priority 4</b>	Business Environment - Regulatory barriers to entrepreneurship	Implement an effective and transparent impact assessment system. Focus on improving judicial system (namely by capacitation of commercial courts).	Yes
<b>Priority 5</b>	Job protection	Positive advances in labour reforms undertaken in Portugal between 2011 and 2015 must be preserved to safeguard and allow the dynamization and modernization of sectors.	Yes

## SPRING 2020 REFORM BAROMETER – ROMANIA

### European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	<p>The economic growth rate was unrealistic: 5.5% vs. ~4% in the previous year &amp; the forecast of international institutions, including EC.</p> <p>While NRP mentions the objective of strengthening the culture of transparency and participative governance, it does not mention the emergency ordinance, issued in December 2018 with no prior consultation, with major impact on several economic sectors, including banking, energy, telecom.</p> <p>In 2018 the minimum wage was increased with no prior consultations of the social partners.</p> <p>Overall, the social dialogue is formalistic, not enough time is allowed for analysis &amp; positions/amendments.</p> <p>The vast majority of the laws and regulations have no impact analysis.</p>
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	All points raised by the CSR are valid.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The assessment is appropriate.

	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	The assesement is appropriate.

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure compliance with the Council Recommendation of 14 June 2019 with a view to correcting the significant deviation from the adjustment path towards the medium-term budgetary objective. Ensure the full application of the fiscal framework. Strengthen tax compliance and collection.	Extremely important	No progress	The Govt ended a project with the World Bank on IT infrastructure for tax collection. The budget deficit has surpassed the 3% target.
CSR 2	Safeguard financial stability and the robustness of the banking sector. Ensure the sustainability of the public pension system and the long-term viability of the second-pillar pension funds.	Extremely important	Mixed	The new Govt has reversed some of the regulations on the banking sector imposed through the controversial Energy Ordinance from Dec 2018 (OUG 114/2018), yet there other provisions still in place. The new Govt reversed the capital obligations for the private pensions management funds & the possibility to transfer Pillar 2 funds to state-managed Pillar 1. Yet more reforms are needed to ensure the sustainability of system.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Improve the quality and inclusiveness of education, in particular for Roma and other disadvantaged groups. Improve skills, including digital, in particular by increasing the labour market relevance of vocational education and training and higher education. Increase the coverage and quality of social services and complete the minimum inclusion income reform. Improve the functioning of social dialogue. Ensure that the minimum wage is set on the basis of objective criteria, consistent with job creation and competitiveness. Improve access to and cost-efficiency of healthcare, including through the shift to outpatient care.	Extremely important	No Progress	No significant policy reforms implemented.
CSR 4	Focus investment-related economic policy on transport, in particular on its sustainability, low-carbon energy and energy efficiency, environmental infrastructure as well as innovation, taking into account regional disparities. Improve the preparation and prioritisation of large projects and accelerate their implementation. Improve the efficiency of public procurement and ensure the full and sustainable implementation of the national public procurement strategy.	Important	No progress	No significant policy reform implemented.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 5	Ensure that legislative initiatives do not undermine legal certainty by improving the quality and predictability of decision-making, including by appropriate stakeholder consultations, effective impact assessments and streamlined administrative procedures. Strengthen the corporate governance of State-owned enterprises.	Extremely important	No progress	No significant policy reform implemented.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

The new Government reversed the controversial Emergency Ordinance issued in December 2018 with no prior consultations and major impact on several economic sectors (banking, energy, telecom).

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Wage bargaining and wage-setting policies	Support capacity building for social partners from ESF+ MFF 2021-2027	No
<b>Priority 2</b>	Wage bargaining and wage-setting policies	Implement an objective, transparent and predictable mechanism for minimum wage setting with the involvement of social partners.	No
<b>Priority 3</b>	Business Environment - Regulatory barriers to entrepreneurship	Modernize the Economic and Social Council: -Ensure genuine representativity – digital & transparent mechanism for the quantitative representativity % and objective criteria for selecting member NGOs -Capacity building and minimum competencies for designated members -Extend the consultation period for the draft laws in consultations -Allocate the mandates in the plenary sessions based on a clear and transparent formula	No
<b>Priority 4</b>	Public sector efficiency	Digitalisation of the public services: -Develop an open service-oriented architecture, technologically neutral, compatible with the European Interoperability Framework -Develop Government cloud as a platform for digital public services -Electronic signature regulations aligned to the EU provisions - Digitalisation of the tax collection	Yes



	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 5</b>	Competition policy framework	Improve the input data for labour market policies & business-related business decisions: improve collection, consolidate & align statistics from all sources, public and private, and develop forecasting capabilities	No

**SPRING 2020 REFORM BAROMETER – SLOVAK REPUBLIC**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	National reform programme for Slovakia focuses on the main challenges for the future economic and social developments. In some areas, such as the changes in the education, the support for the research and development or the preparation for the digital revolution, the government has outlined specific initiatives, while in others like the stability of budget, there have recently been some drawbacks.
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	The country recommendations are appropriately defined and focus on the most important problems facing the country in the current situation and in terms of the possible challenges going forward.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes absolutely	The evaluation tackles the key weaknesses of the Slovak administration including the lower pace of reforms in education or labour market and the structural problems in the pension and health care systems, which are accepted points. Other issues are less crucial to tackle but it is good to keep a record of them.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	---

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2020. Safeguard the long-term sustainability of public finances, in particular that of the healthcare and pension systems.	Extremely important	Mixed	Despite the previously stated intent to balance the budget next year, however its social expenditure packages and measures regarding the minimum pension and capping of the pension age have all created systematic hurdles for this. Thus, the current deficits are north of one percent, which makes this target impossible to achieve. The cooling of the economy in Germany has been creating potential problems for Slovak exporters and can affect the country's GDP.
CSR 2	Improve the quality and inclusiveness of education at all levels and foster skills in line with labour market needs. Enhance access to affordable and quality childcare and long-term care. Promote integration of disadvantaged groups, in particular Roma.	Extremely important	Unsatisfactory	The upskilling of the disadvantaged groups is picking up very slowly alongside with the measures such as the affordable and available childcare. The problems arise for the employers which have problems to find suitable employees or keep the existing ones. The country does not reflect the changing needs of employers regarding the necessary skills for the graduates.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on healthcare, research and innovation, transport, in particular on its sustainability, digital infrastructure, energy efficiency, competitiveness of SMEs, and social housing, taking into account regional disparities. Increase the use of quality related and lifecycle cost criteria in public procurement operations.	Important	Unsatisfactory	The investments and reforms measures in healthcare, research, innovation or digital infrastructure are lacking and Slovakia continues to lose competitiveness in comparison to the other V4 and Eastern European countries. The regional disparities are improving in some regions, but the economic deprivation is showing results in the growth of political extremists, which are gaining popularity.
CSR 4	Continue to improve the effectiveness of the justice system, focusing on strengthening its independence, including on judicial appointments. Increase efforts to detect and prosecute corruption, in particular in large-scale corruption cases.	Extremely important	Satisfactory	Justice system has been experienced shakeups in the follow up of the case of the investigation of the murder of a journalist and his fiancé. While the road is still long, a number of changes have started to occur.

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	R&D and Innovation	Government needs to invest in the physical and digital infrastructure and set the standards on which the Industry 4.0 as well as Smart Cities.	No
<b>Priority 2</b>	Consolidation of public expenditures	Government needs to reduce the overall unsystematic spending to prepare the budget for potential future recession and uphold the goal of balancing the budget.	No
<b>Priority 3</b>	Pension and health care reforms	In response to government locking retirement age and setting minimum pension the government must strengthen the public finances and should improve the standing of the second and third pillar as the alternative saving schemes for retirement and increase their attractiveness.	Yes
<b>Priority 4</b>	Business Environment - Regulatory barriers to entrepreneurship	Increased efficiency of local and central government and decreased number of bureaucracy necessary to run a business.	Yes
<b>Priority 5</b>	ICT	Support the development of solid education reform in the area of the ICT to prepare graduates of high schools and Universities for the market opportunities and match them with employers' needs	No

**SPRING 2020 REFORM BAROMETER – SPAIN**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	Not enough	The NRP 2019 was conditioned by the political situation. The NRP 2019 highlighted the major progress made in recent years. It also pointed out some of the most relevant areas in which further reforms are necessary. But some subsequent measures adopted by Government are removed from CEOE's request because they suppose a loss of competitiveness for the Spanish economy.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Several country specific recommendations to Spain are in line with CEOE's priorities.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	CEOE agrees to a large extent with the European Commission assessment on the Spanish limited 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 quite appropriate.

### Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 0,9 % in 2020, corresponding to an annual structural adjustment of 0,65 % of GDP. Take measures to strengthen the fiscal and public procurement frameworks at all levels of government. Preserve the sustainability of the pension system. Use windfall gains to accelerate the reduction of the general government debt ratio.	Extremely important	Unsatisfactory	
CSR 2	Ensure that employment and social services have the capacity to provide effective support. Foster transitions towards open-ended contracts, including by simplifying the system of hiring incentives. Improve support for families, reduce fragmentation of national unemployment assistance and address coverage gaps in regional minimum income schemes. Reduce early school leaving and improve educational outcomes, taking into account regional disparities. Increase cooperation between education and businesses with a view to improving the provision of labour market relevant skills and qualifications, in particular for information and communication technologies.	Important	Mixed	



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on fostering innovation, resource and energy efficiency, upgrading rail freight infrastructure and extending electricity interconnections with the rest of the Union, taking into account regional disparities. Enhance the effectiveness of policies supporting research and innovation.	Important	Mixed	
CSR 4	Further the implementation of the Law on Market Unity by ensuring that, at all levels of government, rules governing access to and exercise of economic activities, in particular for services, are in line with the principles of that Law and by improving cooperation between administrations.	Important	No progress	

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	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	<p>Pension system reform:</p> <ol style="list-style-type: none"> <li>1. Pension formula should be taking into account throughout working life.</li> <li>2. Gradual removal of early retirement</li> <li>3. To evaluate tax-based financing sources of some social benefits not strictly linked to the labour activity.</li> </ol>	Yes
Priority 2	Tax reforms	<ol style="list-style-type: none"> <li>1. To Guarantee a stable legislative framework for corporate taxation.</li> <li>2. 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</li> </ol>	No
Priority 3	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.	No
Priority 4	Active labour market policies	<ol style="list-style-type: none"> <li>1. To strengthen the effectiveness of employment policies in order to meet the needs of companies.</li> <li>2. To reform the public employment services and promoting the public-private partnership in the management of labour market policies.</li> <li>3. To link passive and active labour market policies.</li> </ol>	Yes
Priority 5	Public sector efficiency	<p>National agreement to improve the public sector efficiency.            Better assessment and disclosure of information concerning public expenditure.            Better management and monitoring of regional expenditure.</p>	No

**SPRING 2020 REFORM BAROMETER – SWEDEN**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	Overall goals are appropriate but reforms to a large extent lacking. Improving business and entrepreneurial climate not prioritized. Questions regarding law and order also not prioritized enough.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Lacking reforms regarding business climate and fighting crime (apart from money laundering)
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.	---	---

**Assessment of Country Specific recommendations 2019 in detail**

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Address risks related to high household debt by gradually reducing the tax deductibility of mortgage interest payments or increasing recurrent property taxes. Stimulate investment in residential construction where shortages are most pressing, in particular by removing structural obstacles to construction. Improve the efficiency of the housing market, including by introducing more flexibility in rental prices and revising the design of the capital gains tax	Important	Unsatisfactory	
CSR 2	Focus investment related economic policy on education and skills, maintaining investment in sustainable transport to upgrade the different transport modes, in particular railways, and research and innovation, taking into account regional disparities.	Important	No progress	
CSR 3	Ensure effective supervision and the enforcement of the anti-money-laundering framework.	Helpful (but not a priority)	Mixed	

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	Labour market mismatch and labour mobility	Improve flexibility on labour market and wages, focus om immigrants	No
<b>Priority 2</b>	Making work-pay: interplay of tax and benefit system	Reform social benefit systems	No
<b>Priority 3</b>	Public sector efficiency	Make use of ICT etc possible and create incentives for productivity increases in local communities	No
<b>Priority 4</b>	Business Environment - Regulatory barriers to entrepreneurship	Better regulatory system in terms of cost efficiency and follow up	No
<b>Priority 5</b>	---		

**SPRING 2020 REFORM BAROMETER – UNITED KINGDOM**

**European Semester - Overall assessment of 2019 cycle**

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To some extent	
2.	The Commission's country specific recommendations for your country are appropriate.	To some 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 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 1,9 % in 2020-2021, corresponding to an annual structural adjustment of 0,6 % of GDP.	Important	Satisfactory	
CSR 2	Focus investment-related economic policy on research and innovation, housing, training and improving skills, sustainable transport and low carbon and energy transition, taking into account regional diversity.	Extremely important	Satisfactory	

## Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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



## Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<b>Priority 1</b>	R&D and Innovation	Widening the scope of the R&D tax credit	Yes
<b>Priority 2</b>	Tax reforms	Reform to the business rates regime, avoid unilateral action such as the Digital Services Tax	Yes and No
<b>Priority 3</b>	Business Environment - Regulatory barriers to entrepreneurship	Strengthening the British Business Bank	Yes
<b>Priority 4</b>	---	---	---
<b>Priority 5</b>	---	---	---

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