

SPRING 2014 REFORM BAROMETER - SWEDEN

		Q1: the recommendation is:	Q2: implementation effort is:	Detailed comments
CSR 1	Implement the measures necessary to pursue a growth-friendly fiscal policy and preserve a sound fiscal position ensuring compliance with the medium-term objective over the programme horizon.	Important	Mixed	The Swedish government has a goal to have a surplus in the public finances, which is a good thing. However, the confederation of Swedish enterprises argues that balance is enough and argues that the total taxation should be cut.
CSR 2	Continue addressing risks related to private debt by reducing the debt bias in housing taxation by phasing out tax deductibility of interest payments on mortgages or/and increasing property taxes. Take further measures to foster prudent lending by measures promoting amortisation of mortgages. Further reduce the debt-bias in corporate taxation.	Important	Mixed	We share the concern for the high private debt. It would be advantageous to lower both the capital income tax and interest rate deductions (which are linked).
CSR 3	Improve the efficiency of the housing market by continued reforms of the rent setting system and strengthening the freedom of contract between individual tenants and landlords. Promote increased competition in the construction sector and review the planning, zoning and approval processes with the aim of increasing transparency, shortening lead times and reducing entry barriers for construction companies.	Helpful	Mixed	General reforms which make the rental market more market oriented.
CSR 4	Reinforce efforts to improve the labour-market integration of low-skilled young people and people with a migrant background by stronger and better targeted measures to improve their employability and the labour demand for these groups. Step up efforts to facilitate the transition from school to work, including via a wider use of work-based learning, apprenticeships and other forms of contracts combining employment and education. Complete the Youth Guarantee to better cover young people not in education or training. Complete and draw conclusions from the review of the effectiveness of the current reduced VAT rate for restaurants and catering services in support of job creation.	Important	Mixed	Increased labour market demand for low-skilled and youths can be achieved by reducing or not continue to raising minimum wages.