

SPRING 2015 REFORM BAROMETER - LUXEMBOURG

		Q1 : the recommendation is :	Q2 : implementation effort is :	Detailed comments
CSR 1	Preserve a sound fiscal position in 2014; significantly strengthen the budgetary strategy in 2015 to ensure that the medium-term objective is achieved and remain at the medium-term objective thereafter, in order to protect the long-term sustainability of public finances, in particular by taking into account implicit liabilities related to ageing. Strengthen fiscal governance by speeding up the adoption of a medium-term budgetary framework covering the general government and including multi-annual expenditure ceilings, and by putting into place the independent monitoring of fiscal rules. Further broaden the tax base, in particular on consumption.	Important	Satisfactory	Satisfactory commitment towards a sound fiscal position
CSR 2	In view of ensuring fiscal sustainability, curb age-related expenditure by making long-term care more cost-effective, pursue the pension reform so as to increase the effective retirement age, including by limiting early retirement, by aligning retirement age or pension benefits to change in life expectancy. Reinforce efforts to increase the participation rate of older workers, including by improving their employability through lifelong learning.	Extremely important	Unsatisfactory	
CSR 3	Speed up the adoption of structural measures, in consultation with the social partners and in accordance with national practices, to reform the wage setting system including wage indexation with a view to improving the responsiveness of wages to productivity developments, in particular at sectoral level. Pursue the diversification of the structure of the economy, including by fostering private investment in research and further developing cooperation between public research and firms.	Extremely important	No progress	No progress and no recognized urgency to act because of low inflation
CSR 4	Pursue efforts to reduce youth unemployment for low-skilled jobs seekers, including those with a migrant background, through a coherent strategy, including by further improving the design and monitoring of active labour market policies, addressing skills mismatches, and reducing financial disincentives to work. To that effect, accelerate the implementation of the reform of general and vocational education and training to better match young people's skills with labour demand.	Extremely important	Mixed	Work in progress, but heading in the right direction
CSR 5	Develop a comprehensive framework and take concrete measures to meet the 2020 target for reducing greenhouse gas emissions from non-ETS activities, especially through the taxation of energy products for transports.	Contrary to Federation advise	No progress	Meeting the 2020 target for the non-ETS sector is of course important, but not through the measures advised by the Commission