



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 2015 REFORM BAROMETER - GREECE

European Semester - Overall assessment of 2015 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2015) is appropriate	To a large extent	The third MOU includes a number of necessary reforms ranging from pension reform, the management of the NPLs and key privatizations to the improvement of the judiciary and the business environment in general. A solid plan to restore private sector financing, to reduce key taxes that undermining production and employment and to effectively support public and private investment of an adequate scale and under realistic terms is missing.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	What still is missing a number of recommendations that will ensure a speedy establishment of financing conditions for the private sector that are compatible with growth as well a set of actions that will make an large increase in investment, which is badly needed, realistic under terms the market and investors can accept.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Pending the conclusion of the review, and given that the number of prior actions and milestones so far implemented were relatively easy to monitor, the assessment so far is very accurate.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not enough	The emphasis on fiscal targets is in a sense necessary, but the experience of the past years suggests that taking into account the dynamic impact on economic and political developments needs also to be part of the assessment.

Assessment of Country Specific recommendations 2015 in detail

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Safeguarding financial stability	Extremely important	Mixed	The details of the plan to manage NPLs are crucial to ensure the ability of the economy to recover and create jobs. A comprehensive strategy to ensure the speedy return of adequate bank financing under acceptable terms is missing, and under the current circumstances the assumption that this will happen automatically once normality in political and economic aspects is restored may not be correct. The recapitalization exercise of the systemic banks has been, given the circumstances, an important success, in spite of the fact that the extremely low share prices reflected the high risk investors assign to Greek assets.
CSR 2	Asset development plan in particular for cases related with regulated networks	Extremely important	Unsatisfactory	A number of key privatizations are moving ahead, while the legal preparatory work for other is also advancing. Legal uncertainties and the ex post change of the tax regime in the case of concluded privatizations create a legacy that downgrades the assessment from mixed to unsatisfactory.
CSR 3	Tax reform	Extremely important	Unsatisfactory	Tax reform is perceived solely from the dimension of immediate revenue, rather than encouraging the growth of economic activity and employment that will ultimately lead to a solid increase in tax revenue.
CSR 4	Revenue administration reform	Extremely important	Mixed	Steady advances against tax evasion are observed, continuing the slow but steady progress of the past years, even as a large part of the economy still avoids paying taxes. Administrative changes still fail to establish steady and clear rules that are consistently implemented in a way that is friendly to honest taxpayers, both companies and individuals.

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 5	Pension reform	Extremely important	Unsatisfactory	Both increases in contributions and cuts are negative developments in a reform that has no easy way out and that must be completed in order to secure the sustainability of public finances and to conclude the first review of the current program, which are necessary in turn to ensure trust in the economy.
CSR 6	Product markets and business environment	Extremely important	No progress	Related initiatives have been a low priority as the emphasis is placed on the pension reform and prior actions related to the increase of tax revenue. As soon as the review is concluded and stability returns, the related issues will become again a binding constraint holding back growth.
CSR 7	Justice and anti-corruption	Extremely important	Unsatisfactory	The persistence of slow justice keeps weighting on the economy and creates uncertainties and an undermining of the rule of law that is an obstacle to new investment that is desperately needed. The relative atrophy of the anti-corruption initiative when compared to the initiative against undeclared money persists, in spite of the former being a crucial node in the effort to make the latter succeed.

Reform Progress in your Member State in 2015

How would you assess reform progress in 2015, for the following broad areas:

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

Reform priorities for 2015

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Bank lending conditions	Concluding review, restoring normality and allowing bank financing of the economy to resume following the recent recapitalization exercise	Concluding review only
Priority 2	Pension and health care reforms	Pension reform is crucial to establish trust in the soundness of public finances. The reform must make sure that it pays to work and make contributions for the current generation.	yes
Priority 3	Tax reforms	Taxation and social security contributions on labour and investment have to be rationalized, in order to attract investment and encourage employment growth. A number of indirect taxes need to be revised, as at their current high levels they actively harm growth and employment, undermining ultimately tax revenue	Yes, but not in the right direction
Priority 4	Public investment	Kick starting growth will have to involve a substantial public investment program that needs to use innovative financing tools	no
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	If the above are addressed, issues of the business environment will soon become again binding constraints. An indicative list of such reforms has been prepared by SEV.	yes