

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 - PORTUGAL

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 some extent	The Portuguese NRP is more an assessment of the past reforms than a real programme for the future
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	On budget consolidation, no references were made to the strategy to follow, which is essential, in our perspective. We agree on the recommendation to "reduce the debt bias for corporates under tax provisions", but the wording of that recommendation in Portuguese and in German ("reduce the incentives for debt") is different from the one in English and in French . The aim should be, in our view, to introduce a more favourable tax treatment to strengthen equity, not to limit interest tax deductions.
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 2015 in detail

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Ensure a durable correction of the excessive deficit in 2015 by taking measures as necessary. Achieve a fiscal adjustment of 0.6% of GDP towards the medium-term objective in 2016. Enforce the commitment control law to better control expenditure. Improve the medium-term sustainability of the pension system. Safeguard the financial sustainability of state-owned enterprises. Further improve tax compliance and the efficiency of the tax administration.	Important	Unsatisfactory	The correction of excessive deficit will not meet the budget target and the MTO will not be reached in 2016. Expenditure in goods and services was higher than foreseen in the budget. Arrears have been reduced but not completely eliminated. Some progresses on the financial stability of SOE and on tax compliance.
CSR 2	Promote the alignment of wages and productivity, in consultation with the social partners and in accordance with national practices, taking into account differences in skills and local labour market conditions as well as divergences in economic performance across regions, sectors and companies. Ensure that developments relating to the minimum wage are consistent with the objectives of promoting employment and competitiveness.	Important	Unsatisfactory	CIP agrees with the recommendation. For a very long time CIP argued regarding the importance and necessity of the alignment of wages with, among other factors, productivity. On the other hand, concerning the minimum wage we highlight that the Portuguese Government decided, in the last days of 2015, to unilaterally increase the minimum wage to 530€. CIP and the other social partners within the Standing Committee for Social Concertation are now negotiating with the government compensatory measures to mitigate this increase. The reduction of social contributions for companies affected by the increase of minimum wage and supports to vocational training actions are now under negotiation.

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 3	Improve the efficiency of public employment services, in particular by increasing outreach to non-registered young people. Ensure effective activation of benefit recipients and adequate coverage of the minimum income scheme.	Important	No progress	<p>CIP agrees with the first part of the recommendation (Improve the efficiency of public employment services). However, in our perspective the improvement of the efficiency of public employment services should occur at all policy areas and not only regarding the young people not registered. With regard to the second part of the recommendation, it raises two comments. First, CIP agrees with the need to ensure the effective activation of benefit recipients, and in this area, it is important to ensure that the benefits do not discourage people to enter the labour market or encourage dependency situations. Second, CIP, regarding the final part of the recommendation, which addresses the need to ensure adequate coverage of minimum income scheme, does not understand its full meaning and scope. In this context, we emphasize that in the recent past the conditions for granting the Social Insertion Income (RSI) have been revised to ensure rigor in their allocation and the credibility of the system. In this context, we also stressed that CIP, since the creation of RSI supports the need to strictly control the allocation of the referred income in order to ensure that it is destined for those who really needs it.</p>

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 4	Take measures to reduce the corporate debt overhang, to address the corporate non-performing loans ratio in banks and to reduce the debt bias for corporates under tax provisions. Improve the efficiency of debt restructuring tools for viable companies by introducing incentives for banks and debtors to engage in restructuring processes at an early stage.	Important	Unsatisfactory	Some progresses on the reduction of corporate debt, but due to better economic and financial situation. The corporate non-performing loans ratio in banks remains a serious problem.
CSR 5	Accelerate measures and increase transparency as regards concessions, including in the transport sector, and private-public partnerships at local and regional level.	Helpful (but not a priority)	Unsatisfactory	Concessions in the urban transport sector have just been canceled by the new government. Renegotiation of PPP have continued, with some results.

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)	Mixed
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	Business Environment - Regulatory barriers to entrepreneurship	Implement impact assessment systems, "one in one out" principle and "only once principle". Focus on improving judicial system.	yes
Priority 2	R&D and Innovation	Resume the investment on that area through partnerships between the public and private sector	yes
Priority 3	Venture capital and SME financing instruments	Comprehensive program for the reorganisation of enterprise financing.	yes
Priority 4	Market integration - Openness to trade and investment	Creation of incentives for the cooperation between European enterprises.	no
Priority 5	Labour market mismatch and labour mobility	Link education and vocational training with the labour market needs, deeply involving social partners and companies.	yes