



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 - SWEDEN

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	Not enough	The government has the objective to reduce unemployment to the lowest level in the EU by 2020. The state that they aim at increasing competitiveness and promote the growth of industry. While these are good objectives, policy is implemented in the opposite direction. Income taxes have been increased rather than lowered, from already high levels. No significant policies have been implemented to efficiently reduce unemployment. The emphasis of economic policy is making it harder for Swedish firms to compete internationally.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	We welcome the Commission's recommendation to implement reforms to reduce household debt and improve the efficiency of the housing market. However, we would have preferred additional recommendations in other areas. Especially much needed reforms to improve labour market efficiency and measures aimed at helping job seekers with less qualifications find employment.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	While efforts have been made to reform in some of the areas recommended by the Commission, these efforts have been insufficient. Furthermore, several policy changes have been counterproductive. These include the funding of increased government expenditure by increasing the marginal tax rates.

	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	The commission correctly identifies household debt as a risk to the macroeconomic stability of the Swedish economy. However, it fails to sufficiently emphasise the importance of reforms that lead to an increase in the supply of housing stock as part of the solution to this problem. Furthermore, net exports have continually decreased as a proportion of GDP since 2006. The commission does not acknowledge this as it states that the positive current account balance of Sweden does not seem to correct.

Assessment of Country Specific recommendations 2015 in detail

		Is this recommendation appropriate?	How would you assess the reform effort of your government regarding this recommendation?	Detailed comments
CSR 1	Address the rise in household debt by adjusting fiscal incentives, in particular by gradually limiting the tax deductibility of mortgage interest payments or by increasing recurrent property taxes, and by increasing the pace of mortgage amortisation. To alleviate the structural under-supply of housing, foster competition in the construction sector, streamline the planning and appeals procedures for construction and revise the rent-setting system to allow more market-oriented rent levels.	Important	Unsatisfactory	The reduction in the tax deductibility has to be gradual. Furthermore, capital income tax should be lowered symmetrically. Increasing the pace of mortgage amortisation could be a good measure to help reduce household debt. For this not to affect housing construction negatively we suggest an initial five year period of no amortisations when purchasing newly constructed residential property. There is a need for increasing the turnover in the residential market. This is currently mitigated by the rent-setting system and capital gains taxation on residential property.

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

Reform priorities for 2015

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Public sector efficiency	Increase competition in education and health care to improve efficiency and productivity.	no
Priority 2	Tax reforms	Lower income taxes. In particular, lowering the marginal tax rate would have positive effects on long term growth.	no
Priority 3	Wage bargaining and wage-setting policies	Change the regulations on industrial actions to reduce the risk of sympathy strikes.	no
Priority 4	Business Dynamics - Start-up conditions	Reduce taxation on capital gains (as well as income tax), to simplify the accumulation of start-up capital.	no
Priority 5	Labour market mismatch and labour mobility	The Swedish Public Employment Service needs to be reformed. It is particularly important that the job matching services are exposed to competition.	no