

## SPRING 2017 REFORM BAROMETER – IRELAND

### European Semester - Overall assessment of 2016 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (February/November 2016) is appropriate.	To some extent	It has failed to provide sufficient emphasis on the investment and competitiveness challenges facing the economy.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Increased focus on investment needs from previous years which is very welcome.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	Primary focus on public finances and non-performing loans rather than on emerging challenges of skills and investment needs.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not enough	The indicators provide an insight into some but not all of the challenges faced by the economy at present.

## Assessment of Country Specific recommendations 2016 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Following the correction of the excessive deficit, achieve an annual fiscal adjustment of 0,6 % of GDP towards the medium-term budgetary objective in 2016 and in 2017. Use windfall gains from strong economic and financial conditions, as well as from asset sales, to accelerate debt reduction. Reduce vulnerability to economic fluctuations and shocks, inter alia, by broadening the tax base. Enhance the quality of expenditure, particularly by increasing cost-effectiveness of healthcare and by prioritising government capital expenditure in R&D and in public infrastructure, in particular transport, water services and housing.	Important	Satisfactory	Key challenge remains a severe under-investment in public infrastructure which is constraining growth.
CSR 2	Expand and accelerate the implementation of activation policies to increase the work intensity of households and address the poverty risk of children. Pursue measures to incentivise employment by tapering the withdrawal of benefits and supplementary payments. Improve the provision of quality, affordable full-time childcare.	Important	Mixed	Focus is appropriate as labour market is now very tight.
CSR 3	Finalise durable restructuring solutions to lower non-performing loans, to ensure debt sustainability of households and to encourage lenders to reduce the debt of excessively leveraged yet viable businesses. Accelerate the phasing-in of a fully operational central credit registry covering all categories of lenders and debtors.	Helpful (but not a priority)	Satisfactory	Focus is not appropriate - issue does not warrant this level of priority.

## Reform Progress in your Member State in 2016

How would you assess reform progress in 2016, for the following broad areas:

<b>Taxation and Public Finances</b>	Unsatisfactory
<b>Business environment (regulation/access to markets)</b>	Satisfactory
<b>Labour market</b>	Mixed
<b>Innovation and skills</b>	Satisfactory
<b>Access to finance and Financial stability</b>	Satisfactory

## Reform priorities for 2017

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Public investment	Require substantial increase in size of public investment programme; need greater use of PPPs.	yes
<b>Priority 2</b>	Tax reforms	Need to reduce personal tax burden on labour; achieve more effective tax base broadening.	yes
<b>Priority 3</b>	Wage bargaining and wage-setting policies	Need a new national social partnership arrangement to coordinate labour market issues.	no
<b>Priority 4</b>	Making work-pay: interplay of tax and benefit system	Reform measures needed to increase labour supply.	yes
<b>Priority 5</b>	Active labour market policies	Need more effective implementation of policies to help improve labour supply.	yes