

SPRING 2017 REFORM BAROMETER – SPAIN

European Semester - Overall assessment of 2016 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (February/November 2016) is appropriate.	Not enough	The NRP 2016 was conditioned by the interim situation of the Government. For this reason, the NRP highlighted the major progress made in recent years. It also pointed out some of the most relevant areas in which further reforms are necessary.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Country Specific Recommendations to Spain are in line with CEOE's top priorities. However, the fiscal recommendation should put more emphasis on the importance of making a budget adjustment that is more growth-friendly (i.e. higher weight of spending cuts than tax increases).
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	CEOE agrees to a large extent with the European Commission's assessment on the Spanish progress to address the Country Specific Recommendations.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The assessment of excessive imbalances of Spain is appropriate. However, it does not adequately show the results of the reforms carried out and the current trend in areas such as private indebtedness or unemployment. Spain has made very important efforts for many years that allow addressing such imbalances.

Assessment of Country Specific recommendations 2016 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure a durable correction of the excessive deficit, in accordance with the relevant decisions or recommendations under the excessive deficit procedure, by taking the necessary structural measures and by using all windfall gains for deficit and debt reduction. Implement at all government levels the tools set out in the fiscal framework law. Enhance control mechanisms for public procurement and coordination of procurement policies across government levels.	Important	Mixed	
CSR 2	Take further measures to improve labour market integration, by focusing on individualised support and strengthening the effectiveness of training measures. Enhance the capacity of regional employment services and reinforce their coordination with social services. Address gaps and disparities in minimum income schemes and improve family support schemes, <i>including access to quality childcare and long-term care.</i>	Extremely important	Unsatisfactory	
CSR 3	Take further measures to improve the labour market relevance of tertiary education, including by incentivising cooperation between universities, firms and research institutions. Increase performance-based funding of public research bodies and universities and foster R&I investment by the private sector.	Important	Unsatisfactory	
CSR 4	Accelerate the implementation of the law on market unity at regional level. Ensure implementation by the autonomous regions of the reform measures adopted for the retail sector. Adopt the planned reform on professional services and associations.	Important	Mixed	Spain has made progress in the process of adapting the national and regional laws to guarantee the unity of market at national level. However, it is needed to speed up this process with the cooperation of all Public Administrations and involving business representatives

Reform Progress in your Member State in 2016

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

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

Reform priorities for 2017

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Active labour market policies	1. To strengthen the effectiveness of employment policies in order to meet the needs of companies. 2. To reform the public employment services and promoting the public-private partnership in the management of labour market policies. 3. To link passive and active labour market policies.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	Pension and health care reforms	Pension system reform: 1. Pension formula should be taking into account throughout working life. 2. Gradual removal of early retirement. 3. To evaluate tax-based financing sources of some social benefits not strictly linked to the labour activity.	yes
Priority 3	Public sector efficiency	National agreement to improve the public-sector efficiency. Better assessment and disclosure of information concerning public expenditure. Better management and monitoring of regional expenditure.	yes
Priority 4	Tax reforms	1. To guarantee a stable legislative framework for corporate taxation. 2. Do not increase corporate taxation as the only means to reduce public deficit but reduce public expenditure by reforming Public Administration avoiding overlapping. Increasing corporate taxation affects private investment and employment.	no
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	To continue the reduction of administrative burden at all levels of Administration and; to make additional efforts in the implementation of the Law on Market Unity.	yes