

SPRING 2018 REFORM BAROMETER – ESTONIA

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	To a large extent	Programme is appropriate to large extent, but most important reforms delay and questionable reforms aren't discussed in public sufficiently before.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	
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 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which entails remaining at its medium-term budgetary objective in 2018.	Important	Unsatisfactory	
SR 1b	Improve the adequacy of the social safety net.	Helpful (but not a priority)	Mixed	Reforms are currently mostly targeted to redistribution wealth instead of by increasing competitiveness.
CSR 1c	Take measures to reduce the gender pay gap, in particular by improving wage transparency and reviewing the parental leave system.	Helpful (but not a priority)	Satisfactory	
CSR 2	Promote private investment in research, technology and innovation, including by implementing measures for strengthening the cooperation between academia and businesses.	Extremely important	Mixed	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2018 Reform Barometer?

Labour market: Whereas some progress has made in case of active aging and ability-to-work reform, almost nothing is accomplished in order to attract and simplify hiring foreign work force. The immigration quota for immigrants hired at average salary is still 0,1% of population and was fulfilled already in August in 2017.

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	1) Simplify hiring foreigners and create strategy to attracting talents	no
Priority 2	Public sector efficiency	1) Public sector reorganization and rationalization in order to raise efficiency	no
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	1) Reduce administrative burden, 2) increase flexibility in labour law (e.g. employers' responsibility and obligations in case of telework and flexible contracts), 3) introduce lower excise rates on electricity and natural gas consumed by energy intensive industry	yes
Priority 4	Tax reforms	1) Avoid increasing tax burden and complexity, 2) Lose minimum social security tax obligation on part time work, 3) Introduce social security contribution tax ceiling, 4) Divide social security tax between employer and employee, 5) Lose fringe benefit on employers' spending on employees' health care	no
Priority 5	R&D and Innovation	1) Support and promote cooperation between R&D institutions and companies, 2) Develop adequate educational system and promote lifelong learning	yes