

SPRING 2018 REFORM BAROMETER – IRELAND

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	The NRP identifies many of the key issues identified by business, but it doesn't adequately reflect the importance of quality of life issues and in particular the challenges presented by under investment in infrastructure.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	While the CSRs identify the challenges in relation to under investment in infrastructure and social services it recommends that these are addressed through better targeted public expenditure. Business is of the view that increased investment is required. We do not believe that the three issues identified are the most important reform priorities for the economy at the current time.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	It provides a good assessment of implementation but it would be useful to see a clearer prioritisation of reform priorities.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	It provides a strong assessment of imbalance risks for the economy but further analysis of the specific characteristics of the Irish economy e.g. demographics and net debt positions, would help put the imbalances in more meaningful context

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact. Use any windfall gains arising from the strong economic and financial conditions, including proceeds from asset sales, to accelerate the reduction of the general government debt ratio. Limit the scope and the number of tax expenditures and broaden the tax base.	Helpful (but not a priority)	Satisfactory	Lack of investment is key challenge for economy - windfall gains could be used for this rather than further debt reduction
CSR 2	Better target government expenditure, by prioritising public investment in transport, water services, and innovation in particular in support of SMEs. Enhance social infrastructure, including social housing and quality childcare; deliver an integrated package of activation policies to increase employment prospects of low-skilled people and to address low work intensity of households	Important	Mixed	Too much of the increase in public expenditure has been on the current side rather than for capital
CSR 3	Encourage a continued and more durable reduction in non-performing loans through resolution strategies that involve write-offs for viable businesses and households, with a special emphasis on resolving long-term arrears.	Helpful (but not a priority)	Satisfactory	Strong economic recovery is addressing many of these issues - no longer a major risk for the economy

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

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

Use of private sector providers to deliver return to work programmes has been a very effective reform

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Public investment	Increase capital investment substantially	yes
Priority 2	Making work-pay: interplay of tax and benefit system	Reduce marginal income tax rate	yes
Priority 3	Labour supply measures for specific groups (older workers, women...)	Reduce childcare costs and support return to work for older workers and women	yes
Priority 4	R&D and Innovation	Significantly increase public spending in innovation	no
Priority 5	Job protection	Ensure sensible labour market regulation	no