



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 2019 REFORM BAROMETER – AUSTRIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	
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 some extent	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To some extent	

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2019, taking into account the allowance linked to unusual events for which a temporary deviation is granted. Ensure the sustainability of the health and long-term care and the pension systems, including by increasing the statutory retirement age and by restricting early retirement. Make public services more efficient, including through aligning financing and spending responsibilities.	Important	Mixed	Generally budget consolidation on track, but Govt is not inclined to enhance the sustainability of the old age pension system
CSR 2	Reduce the tax wedge, especially for low-income earners, by shifting the tax burden to sources of revenue less detrimental to growth. Improve labour market outcomes of womens. Improve basic skills for disadvantaged young people and people with a migrant background. Support productivity growth by stimulating digitalisation of business and company growth and by reducing regulatory barriers in the service sector.	Important	Mixed	Some efforts have been made during the course of 2018

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Tax Reforms	CIT- rate to be reduced to a competitive level	yes
Priority 2	Pension and health care reforms	Sustainability of the old age pension system	no
Priority 3	Public Sector Efficiency		yes
Priority 4	Labour market mismatch and labour mobility		no
Priority 5	Making work-pay: interplay of tax and benefit system		yes

SPRING 2019 REFORM BAROMETER – BELGIUM

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	
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 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.8 % in 2019, corresponding to an annual structural adjustment of 0.6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio.</p> <p>Pursue the envisaged pension reforms and contain the projected increase in long-term care expenditure. Pursue the full implementation of the 2013 Cooperation Agreement to coordinate fiscal policies of all government levels.</p> <p>Improve the efficiency and composition of public spending at all levels of government to create room for public investment, notably by carrying out spending reviews.</p>	Important	Mixed	
CSR 2	<p>Remove disincentives to work and strengthen the effectiveness of active labour market policies, notably for the low-skilled, people with a migrant background and older workers.</p> <p>Pursue the education and training reforms, including by fostering equity and increasing the proportion of graduates in science, technology, engineering and mathematics.</p>	Important	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Reduce the regulatory and administrative burden to incentivise entrepreneurship and increase competition in services, particularly retail, construction and professional services. Tackle the growing mobility challenges, in particular through investment in new or existing transport infrastructure and reinforcing incentives to use collective and low emission transport.	Important	Unsatisfactory	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	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	<p>1) More cooperation and coordination between the different agencies responsible for the activation of the unemployed. Encourage trainings that meet the needs of employers.</p> <p>2) Better information for students regarding the possible outcome of their scholarship's choice. Also, more cooperation between schools (and college) and private firms (more internship as part of the cursus for example)</p> <p>3) Increase labour flexibility, mainly regarding work schedule (mainly for evening, night and week-end shifts in retail)</p>	yes
Priority 2	Public investment	Public investment has been too low for too long. Because of this accumulated lack of infrastructure investment, transport and mobility are a big liability that needs to be addressed. Also, a good way to enhance growth potential.	yes
Priority 3	Active labour market policies	In some part of the country, unemployment rate is already at its frictional rate while still very high in other areas. Better targeted activation policies and encouraging mobility of the unemployed should be aimed.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4	Sector specific regulation (telecom, energy)	Energy pact has been worked on, but still too vague and its concrete application needs coordination between entities that do not exist at the time. Ensuring affordable and the security of supply of energy while matching climate goals should be aimed.	no
Priority 5	Public sector efficiency	Easing administration procedure and improving cost efficiency of public offices should be done in order to generate fiscal (for priority 2 and public investment). This would greatly enhance growth potential.	no

SPRING 2019 REFORM BAROMETER – BULGARIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	Skills, education and lifelong learning. Improvement of qualifications. Promoting innovation in enterprises. Improving EE of enterprises.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Step up enforcement of measures to reduce the extent of the informal economy, in particular undeclared work; Acceleration of the reform of the insolvency framework and promotion of a functioning secondary market for non-performing loans; Increase the provision of quality mainstream education, in particular for Roma. Increase health insurance coverage, reduce out-of-pocket payments and address shortages of healthcare professionals. In consultation with social partners, establish a transparent mechanism for setting the minimum wage.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	Reduce the extent of the informal economy, Facilitate the reduction of corporate non-performing loans, acceleration of the reform of the insolvency framework, promotion of functioning secondary market for non-performing loans, Increase the provision of quality mainstream education; Establishment of a transparent mechanism for setting the minimum wage; Efficient implementation of Public procurement.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	High private sector debt, high share of young people that are not in employment, education or training, labour shortages and mismatches.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Improve tax collection and the efficiency of public spending, including by stepping up enforcement of measures to reduce the extent of the informal economy. Upgrade the State-owned enterprise corporate governance framework in line with international good practices.	Extremely important	Unsatisfactory	There are some contradictory measures that are introduced by the government and National Revenue Agency concerning the improvement of collection of taxes and reduction of the shadow economy. These measures impose additional financial and administrative burden on enterprises – replacement of cash registers or upgrading of the existing cash registers, electronic declaration of each individual transport of high-risk fast-moving goods seven days prior to the transportation, etc.
CSR 2	Take follow-up measures resulting from the financial sector reviews and implement the supervisory action plans in order to strengthen the oversight and stability of the sector. Ensure adequate valuation of assets, including bank collateral, by enhancing the appraisal and audit processes. Complete the reform of the insolvency framework and promote a functioning secondary market for non-performing loans.	Important	Unsatisfactory	In the Government's Legislation Program for 2018 were not included any legislative proposals for improvement of insolvency legislation. Also, there were not scheduled any measures that could establish efficient secondary market for non-performing loans. Concerning the evaluation of assets – there are some steps that will assure adequate evaluation – it will be provided by the European central bank, without modification of the methodology, developed by the ECB. In 2016 the Asset quality review (AQR) of the banking system was conducted by the Bulgarian National Bank with methodology, corresponding to the methodology applied by the European Central Bank and adapted to reflect the specifics of the domestic market.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Increase the employability of disadvantaged groups by upskilling and strengthening activation measures. Improve the provision of quality inclusive mainstream education, particularly for Roma and other disadvantaged groups. In line with the National Health Strategy and its action plan, improve access to health services, including by reducing out-of-pocket payments and addressing shortages of health professionals. Introduce a regular and transparent revision scheme for the minimum income and improve its coverage and adequacy.	Extremely important	Unsatisfactory	Proposed measures are insufficient to the extent of the existing problems. The measures taken to date in reforming the health system and the health insurance system (economic, medical, organizational and sociopsychological) are not subject to a general concept combining the efforts of the state, the employers and the population to achieve a new attitude towards human health.

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, 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	Mixed

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Sector specific regulation (telecom, energy)	Reducing the negative effects of rising greenhouse gas emission quotas in connection with the electricity market in Bulgaria. Gradually the electricity price for household consumers should be bound to the market prices ensuring effective access and incentives for household consumers to enter the free market. The regulation must achieve a financial balance along the consumer chain with a targeted function of minimum costs for all users as well as an even distribution of costs. The administrative intervention of the Independent Bulgarian Energy Exchange should be limited. The existing mechanism for paying over the reference price leads to an increase in the cost for business users. Preference should be given to the standardized long-term options for electricity sale at the expense of the short-term contracts. Full transparency of traded volumes and contracted capacities must be ensured. It is necessary to make a thorough financial analysis in the electricity sector along the chain of production, transmission, distribution and supply and to prepare a package of measures to increase the competitiveness of condensing plants.	no
Priority 2	Business Environment - Regulatory barriers to entrepreneurship	There is overregulation in our country, with more than 500 administrations managing more than 2,500 regulatory regimes, many of which could be cancelled or mitigated. Moreover, municipal administrations in particular introduce and manage regulatory regimes, provided they have no legal right to do so. Another important issue in business-to-administration communication is the adoption of normative acts without the necessary full assessment of their impact. Also, the ex-post assessment of legislation already in force is virtually absent.	yes

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	ICT	Improving administrative services, reducing administrative pressure on businesses and minimizing corruption conditions can only happen through the accelerated deployment of eGovernment.	yes
Priority 4	R&D and Innovation	In connection with the tertiary education there is a need to establish working and sustainable mechanisms and modern instruments to harmonize academic plans and programs with labour market requirements and create compatibility between credit transfer and accumulation systems in higher and vocational education and training; Initiating the establishment of a National Academy for Vocational Training; Achieving an active symbiosis of research and learning with the capabilities of technology centres.	no
Priority 5	Pension and health care reforms	Healthcare reform should be subordinated to a concept and package of solutions geared to effective management and targeted use of the entire financial resource that enters the healthcare system to ensure equal access and quality service for all. And the ultimate goal is to ensure a reduction and gradual reduction of the share of funds at the expense of the population.	yes



SPRING 2019 REFORM BAROMETER – CROATIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	Sound public finances, based on further reduction of public debt, balanced budget, 3rd phase of tax system improvement, measures intended to make the pension system sustainable; pilot phase of education reform.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	improvement still needed in the judiciary reform, especially in commercial court disputes, in order to reduce backlog and shorten the duration of disputes; reducing overlapping in different public authorities and between local and state administration.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Well-balanced but still missing strong actionable approach, specific guidelines for improving governance and efficiency of state-owned companies still missing.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The number of imbalances continue to diminish and are smaller in size, but positive contribution comes mostly from external factors: low interest rates, strong demand from mayor export markets and tourist sector strong income,



Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Strengthen the fiscal framework, including by strengthening the mandate and independence of the Fiscal Policy Commission. Introduce a recurrent property tax.	Extremely important	Satisfactory	The new Law on Fiscal Policy Commission is adopted which strengthen its independence and mandate. On the other hand, the guarantees for Croatian Shipyards are being used, in the amount of approx. 3% of the State budget.
CSR 2	Discourage early retirement, accelerate the transition to a higher statutory retirement age and align pension provisions for specific categories with the rules of the general scheme. Deliver on the reform of the education and training system to improve its quality and labour market relevance for both young people and adults. Consolidate social benefits and improve their poverty reduction capacity.	Important	Mixed	We are assessing the short-term effect of the pension system changes as positive, but in the long run they are mostly dubious. Pilot project of the Educational system reform shows mostly good results, but its roll-out infrastructure and HR are not properly prepared.
CSR 3	Reduce the territorial fragmentation of the public administration, streamline the functional distribution of competencies and enhance the capacity to design and implement public policies. In consultation with social partners, introduce harmonised wage-setting frameworks across the public administration and public services.	Important	Unsatisfactory	There's no political will to reform territorial fragmentation and to introduce modern, EU standards-based e-governance on state and local level. The new Law on public servants' wage setting is in the process of preparation (it is on the Legislative agenda for 2019.)



		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Improve corporate governance in state-owned enterprises and intensify the sale of state-owned enterprises and non-productive assets. Significantly reduce the burden on businesses arising from parafiscal charges and from cumbersome administrative and legislative requirements. Enhance competition in business services and regulated professions. Reduce the duration of court proceedings and improve electronic communication in courts.	Extremely important	Unsatisfactory	There's no improvement in management of loss-making SOE. Parafiscal charges will be slightly reduced, mostly related to the use of IT and reducing the number of administrative steps. The Government neglected the importance of Center of shared services in public sector. Potential for privatisation of SOE is not used at all.

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	Unsatisfactory
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 2019 Reform Barometer?

Further progress in the deregulation and liberalisation of the sector of professional services, in accordance with OECD recommendations.



Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Business Environment - Regulatory barriers to entrepreneurship	Roll-out and the standard cost and RIA to all mayor business-oriented legislation.	yes
Priority 2	R&D and Innovation	High quality smart specialisation, supported by the quadruple helix and finance is needed.	no
Priority 3	Labour market mismatch and labour mobility	There's no synergy between labour market policies and labour market, Long-term perspective on LM is highly needed.	no
Priority 4	ICT	Strategy for digital transformation of economy and society as whole is long overdue. Multiple individual actions lack common ground.	no
Priority 5	Public sector efficiency	Entire Public sector misses the comprehensive, long-term strategy and implementation programme.	no

SPRING 2019 REFORM BAROMETER – CYPRUS

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	1.Reduce NPLs 2.boost investments 3.improve access to finance especially for SMEs, 4.public sector and healthcare reforms
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	1. accelerate the reduction of NPLs 2. adopt legislative reforms to improve efficiency in the public sector, 3. implementation of key elements of the action plan for growth, in particular fast-tracking strategic investments, 4. additional measures to improve access to finance for SMEs
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	The Commission's assessment on the progress of CSR's is excellent and fully adopted by OEB.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	1. High share of NPLs and high stock of private debt which is slowly decreasing 2. renewed reform momentum is needed

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Adopt key legislative reforms to improve efficiency in the public sector, in particular as regards the functioning of the public administration and the governance of state-owned entities and local governments.	Extremely important	Unsatisfactory	Regrettably few, if any, legislative reforms have been implemented regarding the public sector. Reforms of utmost importance for the improvement of civil service (including the introduction of a new civil servants' evaluation system, and the introduction of a fiscal cap on the rate of growth of state payroll) have failed to be implemented. On the contrary, the government reached an agreement with trade unions to gradually restore state payroll to pre-crisis levels.
CSR 2	Step up efforts to improve the efficiency of the judicial system by revising civil procedures, increasing the specialisation of courts and setting up a fully operational e-justice system. Take measures to fully operationalise the insolvency and foreclosure frameworks and ensure reliable and swift systems for the issuance of title deeds and the transfer of immovable property rights.	Extremely important	Mixed	The government has decided to introduce a Commercial Court to address relevant disputes and expedite cases which are currently pending in other courts, creating a backlog. OEB applauded the government's, which was also one of our demands, and we expect to see it operation. However, Cyprus needs also a Small Claims Court and a Technical Court to expedite the improvement of our judicial system and to introduce the expertise needed to address highly technical and complex cases.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Accelerate the reduction of non-performing loans by implementing a comprehensive strategy, including legislative amendments allowing for the effective enforcement of claims and facilitating the sale of loans. Integrate and strengthen the supervision of insurance companies and pension funds.	Extremely important	Mixed	Legislative measures, restructuring of loans, debt to assets swaps, the improved secondary market for NPLs and the sale of the state-owned Cooperative Bank have led to a significant decrease of NPLs. More measures are needed to further tackle NPLs. The establishment of the incentive scheme "ESTIA" for viable borrowers must be more targeted in order to limit moral hazard and exclude strategic defaulters.
CSR 4	Prioritise the implementation of key elements of the action plan for growth, in particular fast-tracking strategic investments, and take additional measures to improve access to finance for small and medium-sized enterprises. Improve the performance of state-owned enterprises including by resuming the implementation of privatisation projects.	Extremely important	Unsatisfactory	No progress for the regulatory framework of large investments and the establishment of one-stop-shop. OEB supports the establishment of Deputy Ministry for Development. Cyprus businesses have major difficulties in accessing finance due to strict lending criteria. Limited progress on many Privatisation projects after the annulment of the privatisation law.
CSR 5	Complete reforms aimed at increasing the capacity and effectiveness of the public employment services and reinforce outreach and activation support for young people who are not in employment education or training. Complete the reform of the education and training system, including teacher evaluation and actions to increase the capacity of vocational education and training. Take measures to ensure that the National Health System becomes fully functional in 2020, as planned.	Extremely important	Mixed	By and large, OEB's biggest concern regards the implementation of the NHS. In particular, we maintain strong reservations and objections to the system's architecture as well as it's possible impact to the economy. Regrettably, the government pulled back from its intention to conduct an impact assessment study. Furthermore, we are greatly concerned about the ability of public hospitals to become truly autonomous and operate in a competitive environment, without the need for continuous state subsidies.



Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, 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	Mixed

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2019 Reform Barometer?

The government needs to introduce legislation to regulate the right to strike in essential services. Cyprus remains one of the few developed countries whose essential services, especially in the area of transport, remain completely defenceless to the whims of small but powerful interest groups.

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Bank lending conditions	More incentives / tools to access finance by SMEs	yes
Priority 2	Public sector efficiency	Introduce legislation that will limit the state payroll's rate of growth within the capacity of the economy. Introduce a Small Claims Court and a Technical Court.	no
Priority 3	Sector specific regulation (essential services)	Regulate the right to strike in essential services.	no
Priority 4	ICT	Speed up digital transformation of the economy	yes
Priority 5	Business Environment-Regulatory barriers to entrepreneurship	1. establishment of Under Ministry for Development in order to tackle red tape, pursue simplification and enhance a more business-friendly eco-system. 2. Implementation of the new national industrial strategy	yes

SPRING 2019 REFORM BAROMETER – CZECH REPUBLIC

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	SP (Confederation of Industry of the Czech Rep.) as a social partner was adequately involved into the preparation process. The Reform Programme reacts on crucial problems identified already in the country report. Czech government has reflected recommendations submitted by both social partners, however not all of them have been sufficiently incorporated. New in the process was the duty of the relevant ministries to properly explain why our comments were not or only partly address in the document. In any case SP calls always for a short, clear and manageable document.
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	Because of a very good and systematic cooperation and consultation with the EC's office in Prague the country reports are becoming more fit to the socio-economic situation in the country identifying positives and risks. Generally speaking the last country report was optimistic concerning the economic growth followed by the good functioning labour market and very low unemployment rate. On the other hand, the NRP showed a risk of the labour market shortages and consequences for the companies and their further development and competitiveness. SP has observed successful effort of increasing tax revenue, which is accompanied with problems in field of tax administration (harmful increase in area of tax administration). SP agree that compliance costs have increased slightly in Czech Rep. How commission remarks (despite reduction in hours to comply with the tax code compared to the past) the Czech Republic is still at the higher end of the scale (so we agree that tax regulation have moved up the list of concerns as problematic areas for doing business). Czech government have to focus on using electronic technologies in public administration, because there is still considerable scope for removing administrative barriers in this field. SP emphasize that we can expect further growth of public wages and this growth will push on government expenditure even in future time of economic slowdown. The specific recommendations in case of construction permits are also appropriate. After four years of government's effort, there is still not a significant speed-up.



	To what extent do you agree with these statements:		Detailed comments
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	Remark to the problem of fiscal sustainability: Limited progress in the field of ensure the long-term sustainability of public finances in view of the ageing population is difficult to evaluate – decrease in long-term sustainability is caused by increasing indexation of pensions, which help to increase real pensions with respect to wage growth and inflation. Anyway, our confederation emphasized during negotiation with Czech Government necessity to have a stable and long-term source for financing of pension system. SP agree with other evaluation of progress in the field of inefficient practices in public procurement, in building permits and reducing administrative burden on business, improving the quality of R&D etc.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	Czech Rep. has no specific country report (no IDRs for Czech Rep.). Czech Rep. is only mentioned in overall evaluation (2018 European Semestr: Communication on Country Reports). The Report states (p. 8): "All Member States except Poland and the Czech Republic, pending parliamentary endorsement of members in the latter, have in place independent fiscal councils." - it's not accurate - Czech Rep. already introduced independent fiscal council and this council is already operating.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Improve the long-term fiscal sustainability, in particular of the pension system. Address weaknesses in public procurement practices, notably by enabling more quality-based competition and by implementing anti-corruption measures.	Important	Satisfactory	Demographical changes and overall transformation in the economy will bring challenges and Czech government have to face these changes. Just now pension system balanced – there is situation of surplus in pensions system budget, we evaluate fiscal situation positively (there is an increase of tax revenue/social contributions due to economic growth). There are some threats: there will be growth of wages and these pressures on expenditures and increasing labour costs can negatively influence government budget in next years. This Commission recommendation comprises mention of public procurement and we confirm problems in this field. Without effective amendments the situation in this area will represent significant barrier of growth in construction industry and in Czech economy.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p>Reduce the administrative burden on investment, including by speeding up permit procedures for infrastructure work. Remove the bottlenecks hampering research, development and innovation, in particular by increasing the innovation capacity of domestic firms. Strengthen the capacity of the education system to deliver quality inclusive education, including by promoting the teaching profession. Foster the employment of women, the low-skilled and disabled people, including by improving the effectiveness of active labour market policies.</p>	Extremely important	Mixed	<p>All these recommendations are important – successful implementation will be essential for the further reform process. There are some steps in reduction of the administrative burden. SP agrees with the assessment of R&D&I, particularly concerning the innovation capacity of the domestic firms, tax incentives should be a real tool for how to make investment in R&D&I more attractive. It is necessary to modernize national R&D&I policy and relevant legislation. SP of course welcomes that the "education" is accented by the EC, but too big focus only on quality and inclusive of education doesn't reflect real needs of employers to reach skills fit for the labour market. To foster disciplines missing on the labour market, learning at the work place (introducing dual system elements). Support for the teacher YES - but too late. The teachers are already missing in STEM disciplines.</p> <p>SP agree as well with better focus on the groups far from the labour market - women, disabled people - and to ensure more child and long-care facilities.</p> <p>This will have pressure on ALMP and PES, assistance, individual approach etc. SP agree that the effectiveness of ALMP has to be increase, but noting that some steps have been already done.</p>



Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Satisfactory
Innovation and skills	Mixed
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 2019 Reform Barometer?

Necessary are reforms of improvements in some areas, where are still weaknesses. We see any significant progress in improvement of business environment, entrepreneurs have to face new regulation and new obligations. We are cooperating with ministries and with government in some cases on positive changes and amendments (in the field of new legislation, public support of R&D, some of changes in rules of labour market and education).



Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Business Environment - Regulatory barriers to entrepreneurship	Our confederation still not see any positive changes for doing business in Czech Rep. – we are emphasizing current lack improvements to government. Government is promising some changes (digital tax portal with new functionalities and applications). For future we expect slowdown in economic growth, government will face lower tax revenue probably, it will be helpful to strengthen business environment by some positive changes which make doing business easier.	yes
Priority 2	Labour market mismatch and labour mobility	In the country report EC rightly said that labour market indicators set new records (peak values) but at the same time signal limits to future growth. With an increasing level of employment approaching 80 % and really low unemployment rate, the country is facing a tightened labour market and increased labour shortages. The mismatch between offered skills and need of the companies is still a big challenge for Czech Rep. There is scope for increasing female labour market participation, which is still hampered by the lack of affordable childcare (despite the recently increased number of childcare facilities). Concerning the education system SP see the priority in the further development of the dual system and making education outcomes more fit to the labour market.	yes
Priority 3	ICT	Government should ensure the obligation to create digitally-friendly legislation through clearly defined binding rules. Creating innovation friendly environment for the creation, development and testing of new technologies (AI, IoT, blockchain and DLT) and digital services. The Government must also continue to implement measures leading to the development of eGovernment.	yes



	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4	R&D and Innovation	Government support of R&D through tax deduction must be easier for use by the business sector. Amendment is with help of our confederation now in Czech Parliament (now waiting for approval).	yes
Priority 5	Public investment	High importance has transport infrastructure (based on realizable schedule of building of infrastructure), energy infrastructure and telecommunication infrastructure. Necessary is proper legislation and un-prohibitive system of construction permits.	yes

SPRING 2019 REFORM BAROMETER – DENMARK

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	Not enough	The Danish government describes in the report only already implemented initiatives. There is a lack of proposed initiatives to increase labour supply and initiatives to prevent and overcome the growing shortage of labour. Danish Employers (DA and DI) welcomes that the Danish government, on an initiative from the social partners, has given the Danish vocational schools a needed boost, which can raise the quality of the education programs.
2.	The Commission's country specific recommendations for your country are appropriate.	Not at all	No recommendations were given to Denmark on labour market and education policy in 2016 and 17. Danish Employers (DA and DI) wishes the European Commission to give Denmark recommendations on policy initiatives. A country specific recommendation on initiatives to overcome a current shortage of labour have a high priority.
3.	The Commission assessment of reform implementation the year before is appropriate.	Not enough	The report is a fine overview of the Danish employment policy and the European Commission recognize the beginning of labour shortages in particular areas. The Commission needs to set more focus on the problems on the Danish labour market with weak growth and that, in spite of the weak growth, an increasing challenge of growing labour shortages.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	There is no Country Report for Denmark

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Increase competition in domestically oriented services sectors, for instance in the distribution of utilities, network industries and in the financial sector.	Extremely important	Mixed	No recommendations on labour market or education policy for Denmark

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2019 Reform Barometer?

Denmark has adopted some measures giving seniors economic incentives to remain longer on the labour market. Parts of the agreements are a tax bonus for persons working over 30 hours weekly the first year after the general pension age and an online job portal, where seniors can exhibit their skills and qualifications and make it possible for companies to search for the specific competences they need.

Reform priorities for 2019

	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	National initiatives to address and prevent labour shortages through easier access, less red tape and initiatives to facilitate recruitment for qualified foreign workers and through initiatives to increase the number of skilled workers.	yes
Priority 2	Labour supply measures for specific groups (older workers, women...)	National initiatives that can contribute to ensure companies access for employees with the right skills.	yes
Priority 3	R&D and Innovation	Increase of public research and development (in technical areas) and specific business-oriented innovation programs	no
Priority 4	Public sector efficiency	Put up specific targets for how many public sector tasks that are being subject to private sector competition. Improved procurement processes in the public sector and an increased use of technology.	yes
Priority 5	Tax reforms	Reduce progressiveness of income tax system. Simplify and lower capital income taxes. Continue to reduce tax burden on companies. Align tax rules for corporations with international norms and standards.	no

SPRING 2019 REFORM BAROMETER – ESTONIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	
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.	Yes, absolutely	

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.1 % in 2019, corresponding to an annual structural adjustment of 0.6 % of GDP.	Important	Unsatisfactory	
CSR 1b	Improve the adequacy of the social safety net, in particular for older people and people with disabilities.	Helpful (but not a priority)	Satisfactory	
CSR 1c	Take measures to reduce the gender pay gap, including by improving wage transparency in the private sector.	Helpful (but not a priority)	Excellent/no further progress needed	
CSR 2	Promote research and innovation, in particular by providing effective incentives for broadening the innovation base.	Extremely important	Mixed	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	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

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
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



SPRING 2019 REFORM BAROMETER – FINLAND

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	(1) Health, social services and regional government reform, which expands the freedom of choice by a client voucher or personal budget (2) There is now a stronger linkage between wages and productivity improvements as the parties have adopted a branch-level wage formation model in which the export industries determine the scope for pay increases (3) The preparation of the health and social services reform is proceeding. It will expand the freedom of choice by a client voucher or personal budget (4) The so-called activation model and a legislative amendment under which unemployment benefit recipients can temporarily study and work as entrepreneurs provide additional incentives for job seeking. (5) There was a substantial decrease in R&D investments during the downturn and the target for 2020 (R&D expenditure at least 4% of GDP) will not be met.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	(1) Ensure timely adoption and implementation of the administrative reform to improve cost-effectiveness of social and healthcare services, (2) Increase incentives to accept work
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Commissions overall assessment is correct, that Finland has made some progress in addressing the 2017 country-specific recommendations.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	(1) non-performing loans remain low and the banking sector is generally solid. (2) The public debt-to-GDP ratio has started to decrease faster than the Commission has expected.



Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2019, taking into account the allowances linked to the implementation of the structural reforms for which a temporary deviation is granted. Ensure the adoption and implementation of the administrative reform to improve cost-effectiveness and equal access to social and healthcare services.	Important	Satisfactory	(1) In the short run, public finances are almost balanced. In longer run we still face a large sustainability gap. (2) Social and health care reform is vital. According to government's recent decisions the freedom of choice will be expanded by a client voucher in basic health care services. Unfortunately, public sector will not have a corporatization obligation, so public sector does not have to provide the social and healthcare services in a company form even if the public sector operates in a competitive market with private companies. This will lead to an uneven playing field on these markets.
CSR 2	Improve incentives to accept work and ensure adequate and well-integrated services for the unemployed and the inactive.	Important	Satisfactory	The activation model and a legislative amendment under which unemployment benefit recipients can temporary study will positively affect the supply of labour.
CSR 3	Strengthen the monitoring of household debt including by setting up a credit registry system.	Important	Mixed	The registry is a needed instrument to control excess household debt. The government has analysed the issue well and it is very possible that the next government will start the concrete preparations.



Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Satisfactory
Labour market	Mixed
Innovation and skills	Mixed
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 2019 Reform Barometer?

In the beginning of 2019 Incomes Register started in Finland. This is a very practical and useful instrument to tackle bureaucracy. Look:
<https://www.vero.fi/en/incomes-register/individuals/>



Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Pension and health care reforms	Finalize the social and health care reform	yes
Priority 2	Making work-pay: interplay of tax and benefit system	Reform unemployment benefits and housing allowances to tackle the income traps	yes
Priority 3	Labour market mismatch and labour mobility	The government should take measures to reform employment services to ease labour market matching problems. The role of private employment agencies should be enhanced.	yes
Priority 4	Tax reforms	Make a substantial cut on the level of income tax	no
Priority 5	Wage bargaining and wage-setting policies	Industrial peace legislation should be reformed taking account "the principle of proportionality" to prevent excessive industrial actions.	no

SPRING 2019 REFORM BAROMETER – FRANCE

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To some extent	<p>Main reform orientations mentioned in the report are the right ones; but for Medef:</p> <p>1/Some major points are missing: reduction in taxes on production factors, increase in retirement age...</p> <p>2 / Priority for restoring public accounts focused on reducing public spending by 3 percentage points of GDP by 2022 is confirmed but main public policies are still based on tax increases: climate change, mobility....</p> <p>3/ There are some gaps between the announced reforms and reality. One example: public spending continues to grow (+ € 28 billion in last year) and savings announced are hardly perceptible despite the progress made in Public Action 22. Structural spending efforts remain largely insufficient (0,2 point instead of the recommended 0.6 point). The deficit has in fact widened again in 2018 after a significant improvement in 2017, which once again delays the deleveraging of France;</p> <p>4/Reform approach stays much too prescriptive - it's a top- down, state-controlled -approach: educational reform, territorial reform, mobility reform....</p>
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	<p>1/As identified by the European Commission, the priority must be the effective reduction in public spending (through structural reforms) in order to reduce the long-term tax burden on economic players and the public debt.</p> <p>2/Ss regard CSR 2 (Pursue the reforms of the vocational education and training system...) Medef was asking for an overall reform with a system to be turned to and driven by companies and industries in order to better match with labour market needs.</p> <p>3/Reduction in production taxes is a key issue for Medef, as well as the reduction in administrative burden, which stays at a high level with heavy constraints on companies growth.</p>

	To what extent do you agree with these statements:		Detailed comments
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	<p>Medef agrees on:</p> <ul style="list-style-type: none"> - progress underlined by the Commission regarding tax system and labour market reforms, - finding that competitiveness recovery is still below the needs, as well as reduction in public expenses, - no progress on public debt which is still increasing, -no progress regarding thresholds which limit SME's growth, -lack of impact assessment of public funding of innovation and slowness of the transition of the public research results to the market. <p>But our views are mitigated on the assessment of:</p> <ul style="list-style-type: none"> - the effectiveness, up to now, of the decrease in labour costs, - corporate tax reform: Medef never agreed on the fact that an enlargement of the tax basis was needed; the most important remains the convergence with European average rate - innovation: significant progress has been made upstream with the recognition and valorisation of PhDs, the reform of the baccalaureate which should improve engineers' skills and decisions regarding the financing of breakthrough innovations, which imply to develop- finally -a strategic vision!
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Yes, absolutely	<p>France is finally coming out of the excessive deficit procedure, but:</p> <ul style="list-style-type: none"> - should be the only country in the Union to be above 3% in 2019, - the situation is fragile as there is no sufficient structural progress regarding reduction in public expenses neither in the increase in cost and non-cost competitiveness. <p>As far as it concerns the quality of companies' investment, the situation is more complex that mentioned, as pointed out in a recent report of France Strategy.</p>

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.4 % in 2019, corresponding to an annual structural adjustment of 0.6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Implement expenditure savings in 2018 and fully specify the objectives and new measures needed in the context of Public Action 2022, for them to translate into concrete expenditure savings and efficiency gains measures in the 2019 budget. Progressively unify the rules of the different pension regimes to enhance their fairness and sustainability.</p>	Extremely important	Unsatisfactory	<p>Targets for public finances by 2022 can only be achieved through a virtual freeze on the evolution of expenditure in volume (limited to 0.2 points in volume), as just highlighted by a study from France Strategy. Structural adjustment through a very large effort on spending is therefore key. We welcome the strategy of transformation of public action defined by the Government, which must now be implemented.</p> <p>The government has launched in April 2018 the social partners consultation process on the pension scheme reform; one of its objectives is to simplify and harmonize the system, particularly the 42 existing pension schemes but also of the public / private contribution rates. Medef supports a reform to be applied to all insured persons, at the same pace, to ensure the equity of the system (including Public Service and Special Schemes). Nevertheless, the reform should also include an objective of long-term financial sustainability, through an increase of the retirement legal age.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Pursue the reforms of the vocational education and training system, to strengthen its labour market relevance and improve access to training, in particular for low qualified workers and jobseekers. Foster equal opportunities and access to the labour market, including for people with a migrant background and people living in deprived areas. Ensure that minimum wage developments are consistent with job creation and competitiveness.	Extremely important	Mixed	The "Act for the freedom to choose one's future career" has been adopted on 5 September 2019. On the apprenticeship measures, the Act meets our main expectations and is an opportunity to be seized by enterprises and sectors to become the key players. On the vocational training measures, we have more reservations as there is an apparent contradiction between accountability of economic actors on the results of the training system and increased state control of the financial mechanisms. In addition, Medef considers as the major challenge the definition of enterprises skills needs and their development; this subject is little in the law.
CSR 3	Simplify the tax system, by limiting the use of tax expenditures, removing inefficient taxes and reducing taxes on production levied on companies. Reduce the regulatory and administrative burden to increase competition in the services sector and to foster firms' growth. Step up efforts to increase the performance of the innovation system notably by improving the efficiency of public support schemes and strengthening knowledge transfer between public research institutions and firms.	Important	Mixed	Regarding tax system, there is a significant progress made to remove inefficient taxes but nothing has been done up to now to reduce taxes on production. Administrative simplification must be revived and prioritized, following the great disappointment caused by the failure of the "simplification shock" of the previous Government. Concrete answers must be provided in order to simplify the administrative role and the functioning of administrations, to reduce the weight of standards and over-regulations, but also to improve the efficiency of public services and government / user relations. To increase the quality of the expenditure and the efficiency of the public sphere requires to reform in public the public action.

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Satisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	No Reform Necessary

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Consolidation of public expenditures	1 / Review in depth the scope of public action, refocusing it on the sovereign and strategic missions; 2 / Freezing the evolution of total public expenditure by volume over the medium term; 3 / Reforming the public service	Yes partly
Priority 2	Pension and health care reforms	Medef expectation is to reach a fairer and more readable system allowing both to maintain a decent level of pension and to ensure its financial balance without increasing its weight in public spending. We are still waiting for a concrete proposal; the draft law should be discussed in the second Semester 2019.	Yes partly, under preparation for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Tax reforms	Reduction in production taxes	no
Priority 4	Wage bargaining and wage-setting policies	To master the evolution of wages contributing to cost competitiveness: SMIC price adjustment; civil service salaries; to take the necessary measures to open up competitive business services in order to ensure competitive prices	Yes partly
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	Thresholds' reform should go much further than the measures contained in the draft law PACTE. The flow of new legislation must be strongly reduced. Unemployment insurance reform in order to facilitate job transitions and to strengthen job seekers control (even if social partners reached an agreement in March 2017 on the unemployment benefit scheme)	Yes partly

SPRING 2019 REFORM BAROMETER – GERMANY

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To some extent	The German NRP acknowledges the fundamental challenges the German economy is facing due to demographic change and digitalisation but contains only limited and few long-term measures to address them. Besides some minor adaptations, the NRP lacks measures for a sustainable restriction of social security contributions to 40%. Instead, the foreseen stabilization of pension levels will increase contributions even more. Contrary to its own objective of increasing labour market participation, the NRP includes restrictions to temporary employment. These will affect labour market integration of low-skilled workers negatively. The guaranteed right to return from temporary part-time work to full-time work is the opposite of what is needed for modernising working time regulations.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	As in last year's CSRs, investment in infrastructure, education, research and innovation is still a key priority to strengthen medium- and long-term growth potential. The framework for private investment needs to be improved, especially removing inefficiencies in the taxation system is a key priority. Incentives for a higher labour market participation and longer work lives need to be improved.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The Commission is right in assessing the progress of reform implementation based on the former year's CSRs as limited. There has been some progress in public investment, but disincentives especially regarding later retirement and labour market participation remain. No progress has been achieved in improving the investment friendliness of the taxation system.

	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	As in the last year, the Commission identifies the current account surplus which relates to an accumulated excess of national savings to investment but also a highly competitive manufacturing sector. However, the strong position of German companies on the global market is not detrimental to the economies of Germany's European neighbours as they are participating in the supply chain and highest trade surpluses are with non-European countries. Strong wage growth and expansionary policies (recent pension package) are strengthening private consumption. Hence, contributing to an increasing domestic absorption. However, further investment is necessary to balance the foreign trade surplus. More ambition is needed in policies boosting productivity growth in order to strengthen long-term growth and securing domestic demand. The impact of recent policy measures in this regard has been limited.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	While respecting the medium-term objective, use fiscal and structural policies to achieve a sustained upward trend in public and private investment, and in particular on education, research and innovation at all levels of government, notably at regional and municipal levels.	Extremely important	Mixed	Public investment as a proportion of GDP has remained largely constant and is below the euro area average. A public investment backlog still persists in particular at municipal level. A new law was adopted in November in order to speed up planning and approval procedures for infrastructure projects.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1b	Step up efforts to ensure the availability of very high-capacity broadband infrastructure nationwide.	Extremely important	Unsatisfactory	Coalition agreement moves towards right direction (gigabit networks until 2025), but clarification and quick implementation is crucial. Several hurdles hinder the swift roll out of gigabit-networks. Therefore, the government must: Implement a comprehensive broadband strategy; Enhance the coordination amongst ministries; Minimize administrative hurdles with respect to the rollout of fixed and mobile networks (i.e. application procedures for rights of use of ways, etc.); eGovernment, which is still not highly developed in Germany, would speed up processes; Accelerate the roll out of gigabit networks in simplifying authorization procedures of different kinds of installation techniques (i.e. micro-trenching, etc.); Develop an intelligent public funding strategy. In areas, where private rollout is not possible, a targeted public funding program is needed – especially for grey areas (strategy is not yet released); Connect households and companies with gigabit networks. Especially gigabit voucher could help to increase take-up rates in industrial and commercial areas; Make sure to provide 4G in urban and rural areas; use 5G coverage where economically and technically feasible with the current frequencies available.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1c	Improve the efficiency and investment-friendliness of the tax system.	Extremely important	Unsatisfactory	Tax administration costs are still high and corporate capital costs in Germany are among the highest in the EU-28. Contrary to other countries, reform plans for a comprehensive corporate tax reform are still vague risking Germany's position in international business location competition. A complete elimination of the solidarity tax is overdue and necessary to reduce the tax burden for companies and workers. However, the government only foresees the elimination for 90 % of tax payers.
CSR 1d	Strengthen competition in business services and regulated professions.	Important	Unsatisfactory	High regulatory barriers remain in the business services sector and regulated professions. The level of restrictions is higher than the EU average in particular for architects, engineers, lawyers and accountants/tax advisers. In addition, the business churn rate for these professions is significantly lower than the EU average, which seems to indicate relatively low dynamism and competition in professional services.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2a	Reduce disincentives to work more hours, including the high tax wedge, in particular for low-wage and second earners. Take measures to promote longer working lives.	Extremely important	Unsatisfactory	In light of increasing skill shortages, it is crucial to reduce disincentives to work more hours. Referring to the high tax wedge (not only for low wage earners) a reduction of 0.5 pp in unemployment insurance contributions was counteracted by a similar increase in the contribution to long-term care insurance. All in all, there is still no long-term plan to limit social security contributions to less than 40%. Instead, the recent pension package will lead to higher contributions being paid. With the restriction of fixed-term contracts and the possibility to retire at 63 without deductions labour market participation is still rather hampered than incentivized. There is also still much room for improvement when it comes to the availability of child care.
CSR 2b	Create conditions to promote higher wage growth, while respecting the role of the social partners.	Irrelevant		Wage growth should not be decoupled from productivity and be decided upon by social partners, not governments. Furthermore, it needs to be borne in mind that excessive wage growth might harm the competitiveness of German business. Labour costs in Germany are 30 % higher than on average in the EU. Unit labour costs continue to increase above EU average, whereas productivity growth remains very low. Hence, focus should be on increasing productivity growth, especially by improving conditions for private investment.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2c	Improve educational outcomes and skills levels of disadvantaged groups.	Important	Mixed	German government recognized the need to improve digital skills and proposed a digital pact, aiming at promoting digitization in schools with 5 billion Euro. However, progress is still unclear as open questions regarding financing remain between the federal state and the Laender. A recent proposal for a minimum remuneration in vocational education would be a step backwards and a clear restriction to the principle of collective bargaining.

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour supply measures for specific groups (older workers, women...)	Make labour laws more flexible regarding working hours in order to adequately adapt to digitization and individual demands.	no
Priority 2	Tax reforms	Improve effectiveness and investment friendliness of tax system.	no
Priority 3	Public investment	Increase investment in particular in digital, transportation and energy infrastructure.	yes
Priority 4	Making work-pay: interplay of tax and benefit system	Reduce the high social security contributions wedge (not more than 40% of gross income).	yes
Priority 5	R&D and Innovation	Create tax incentives for R&D	yes

SPRING 2019 REFORM BAROMETER – GREECE

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To some extent	After exiting the adjustment programmes, Greece is entering the Semester, but 2019 will be the first full year in the semester. For the meantime, regarding the assessment for the conclusion of the programme and the post assessment era, and while progress is made in numerous areas, a "box ticking" mentality seems to become even more entrenched. Important reforms, that remained unfinished during the programme, seem to have lost even more their sense of urgency as the country and Europe think mainly of oncoming elections. One can identify thus crucial loose ends in the process with the pre-bankruptcy framework and the licensing of mining and quarrying activities being a good example. At the same time important reforms, e.g. reforms of network industries, are either marred by partial implementation or dangerously delayed. Greece has exited the programme but the need of a more determined initiative to end the exclusion of Greek companies from the Single Market for Financial Services is still not acknowledged, nor is the fact that the all-encompassing overtaxation has become unproductive and that it directly undermines the evolution of a high-quality tax base. Areas that are important for long term growth, like education, public health, social services, better regulation agenda, speed and transparency of the working of the judiciary and transparency in the licensing process of high profile and smaller investments are still not reviving the attention they deserve or are lagging in implementation forming the rear-guard of the structural adjustment programme. An evidence-based approach to the post MOU status of industrial relations is also missing, as well as an evaluation of the need to rationalize especially the tax wedge on salaried private sector labour and the tax treatment of working families.
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	The same as above applies

	To what extent do you agree with these statements:		Detailed comments
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	<p>It has to be acknowledged that through the accelerated "box ticking" process there is progress on a number of issues, with the e-procurement platform and small & simple investment licensing cases providing an example. Especially in the area of the implementation of tax law a number of high-profile tertiary court decisions have forced, after a protracted period of resistance, the authorities to acknowledge some level of certainty with respect to the statute of limitation, but unreasonably high legal uncertainty remains on a number of other issues. A recent circular by the independent tax authority that retracts a recent related circular, based on a Council of State opinion, not to apply a solidarity surcharge to income earned outside the tax jurisdiction of the Hellenic republic is a good inductive example. That said, the now independent tax authorities have shown an unprecedented, when compared to past decades, willingness to discuss practical problems and to offer solutions on a number of technical issues, even if these are sometimes limited within their realm of competencies that are of course subordinate to the ones of the legislator. On the other hand, for example, with respect to the evolution of the energy market towards the "New Market Design" and the "Target Model" numerous loose ends and a fast evaporating window of opportunity raise ever higher concerns, given that one more year of inaction has been observed.</p>

	To what extent do you agree with these statements:		Detailed comments
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not enough	<p>While the emphasis on the agreed surpluses for the post 2018 period is understandable, especially given the weaknesses in the ability of the MoU to solve problems in a way that go beyond box-ticking and that are immediately visible to the business community, major worries are not discussed or addressed. In particular it is not even part of the discourse if a country of medium institutional maturity that carries the legacy of a depression can recover with an all-encompassing taxation that exceeds even highly developed and institutionally mature countries at the core of Europe. Nor is it acknowledged that in the post PSI era, high surpluses that stem from this high taxation will constitute steady and large liquidity outflows from a bank financing-based economy with a compromised deposit base, capital controls and that is excluded for almost a decade from the Single Market for Financial Services. As the banks execute business plans and NPL management plans that focus on the deleveraging of the economy, the liquidity shortage has affected the corporate landscape. As the deleveraging is now almost complete, the challenge has moved from a financial engineering exercise that would have averted an unnecessary deepening of the depression, and now has more to do with how to finance activities that can contribute to sustainable growth. No appropriate measures are included in the narrative of the programme or the policy design on these crucial issues. That said, it is of course acknowledged that there is a need to build trust, and thus the ranking offered is 4 in spite of the abovementioned comments. Evidence of a gradual movement of the job market towards the low end and the entrenchment of the permanent emigration of high-skill workforce along with indications that investments that are most crucial, along key nodes of value chains, and for all company sizes systematically now take place outside the country along with the clear insistence to maintain the set fiscal targets irrespectively of economic developments downgrades the evaluation of this point with respect to last year. It has to be added, that among the remaining members of the initial troika and mainly the European Commission there is now prevailing a complacency that strongly dismisses concerns about the inability of the country to reach the medium term in a good shape under the described circumstances, and sanguinely postpones all discussions regarding these issues beyond the medium term.</p>

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Presentation of a Growth strategy	Extremely important	Mixed	In the wake of a number of disappointing attempts by previous governments, a growth strategy was presented in 2018 but it retains key weaknesses and omissions in spite of some good points, and for being surely a more comprehensive effort when compared to past governmental efforts. Notably, it acknowledges head on weaknesses in the administration, public health and education as well as the justice system. Contrary to older attempts it goes often into detail or refers to detailed plans that exist or are worked on separate subjects mentioned in the plan, thus demonstrating at least a willingness to work out in more detail issues that by default remain at the level of general reference in such a document. Also, EU targets are often mentioned, thus signalling at least a first self-motivated attempt to align Greek policies with EU targets. With respect to the growth strategy that was presented, its key weaknesses are the following: a) It does not acknowledge the impact of the all-encompassing overtaxation and especially the structural disincentive it gives to the growth of private sector salaried employment vs other forms of employment (state, self-employed) and early retirement or unemployment, b) it does not acknowledge the adverse impact that the roll out of the post MOU industrial relations framework agreed between the lenders and the government will have on private sector employment, c) it does not acknowledge, nor offer any commensurate plans of action, the impact of the now entrenched challenges of the financial sector and the resulting inability of large parts of the private sector to access at competitive terms needed liquidity, neither does it include d) a coherent plan to adopt the better regulation agenda and e) to improve the quality of governance. It also remains though that for now many weaknesses remain in the administration and the quality of its cooperation with EU bodies and the ability to use the expertise they contain remains limited.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	Anti - corruption	Extremely important	Unsatisfactory	Anti - corruption remains a weak priority, in spite of the fact that is a factor that potentially or clearly undermines progress on almost all fronts of the reform agenda.
CSR 3	Better regulation	Extremely important	Unsatisfactory	The capacity of the administration and the political leadership to implement properly all dimensions of the better regulation agenda remains weak. The expertise built up by the technocrats of the troika has not led to a better integration of the Greek public administration into the expertise available at EU bodies and a deepening of the relationships, at all levels, that support the integration of other EU members in the processes of the European Semester. Thus, this critical area appears to be one of the points of the programme in which the least progress has been achieved with respect to what is needed to ensure that in the post MoU era the country can ensure the convergence of the quality of its regulations towards EU standards. Following the prescribed deliverables and their implementation since the first MoU and till now the grudging nature of progress in this area is dismally revealed, while the deliverables set for 2018 and their comparison with what happens in reality delegates this key policy initiative to a champion of the box-ticking already mentioned. The area is also identified as a top priority by the Commission.
CSR 4	Progress of energy market towards the New Market Design and the Target Model	Extremely important	Unsatisfactory	A comprehensive strategy to unravel the burdens of past policy inadequacies in a way that will cause the least overall damage is still lacking, while time is running out even faster as by now, we are already in 2019. While there has been progress, especially in some aspects of the natural gas market, the maturing of the key preconditions that would permit a successful transition to the Target Model for the electricity market still is lagging dangerously. An honest and bold approach is needed here, given the stakes of not managing the challenges bestowed by the sustained inefficiencies, and whose consequences only become more threatening as needless inactivity persists. A well-thought out and balanced mix of energy and flexible capacity to trigger new more efficient investments and demand-side tools to improve market conditions are pertinent.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 5	Investment licensing	Extremely important	Mixed	Effort is observed in some areas, but at the same time progress in other areas is slow. In some cases, e.g. in the case of the licencing of mining activities, legislative initiatives are not sufficiently thought out with obvious weaknesses and omissions while at the same time the administrative capacity to support the licencing process has been eroded to dangerously low levels.
CSR 6	Tax Policy reforms	Extremely important	Unsatisfactory	A strategic decision has been made, and accepted by the troika, to front - load tax increases and to make future tax rationalization conditional on fiscal over-performance. A clause to reduce expenditure in the case tax increases do not deliver safeguards the achievement of fiscal targets. The design of this approach, as opposed to a front loading of expenditure reduction with an option for them to increase again in the case fiscal targets are exceeded, is deeply flawed in the sense that it can permanently erode the tax base and hollow out the density of the networks of the corporate landscape, and especially the most lucrative for tax revenue and crucial for value chains parts of it. The 2018 budget execution, with the shortfall in revenue being compensated with by an accelerated reduction of expenditure, proves the point. The prospect of not reducing pensions and possibly the unconditional tax rebate has, erroneously, been labelled a fiscal and not structural measure by top EU officials. In reality these issues touch the core of the structural causes of the imbalances and weaknesses of the Greek economy and society, as the form the foundation of the incentives/disincentives structure that hold back, via high taxation and social security contributions, salaried employment and growth in the private sector and at the same time offer such strong incentives to seek early retirement especially from the point of view of government and SOE employees and to prefer self-employment and micro entrepreneurship that is more compatible with tax evasion and informality. An already legislated reduction in corporate income taxation has been stretched out over the next years, with a marginal increase in the finally envisioned reduction. On the other hand, the independent tax authorities have issued a number of circulars that deal in a pragmatic way with practical problems that have to do with the daily interaction of the authorities and taxpayers, but the impact of these positive developments does not suffice at this time to counterbalance the developments at the tax policy level and thus justify a "mixed progress" mark.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 7	Labour markets	Extremely important	Unsatisfactory	<p>The establishment of a well-functioning labour market, requires modernizing the collective bargaining framework by limiting compulsory arbitration procedures and making them compatible with the ILO standards on free collective bargaining. It also requires introducing reliable checks on the representativeness of sectoral collective agreements, to safeguard that wage formation is conducive to free collective bargaining, productive growth and competitiveness. Reverting to a centralized wage setting system will have to be accompanied with an elegant design in order to avoid a reversion to the environment that contributed pivotally towards the build-up of the imbalances that triggered the 2010 crisis in Greece. At the beginning of 2019, and with announcements regarding the imminent increase in the minimum wage, interviews by government officials demonstrate a lack of acknowledgment of key data that reflects the reality of the labour market, and factually erroneous arguments are made to prepare for the announcement of a minimum wage raise, and of the handling of sectoral and occupational wage agreements, that suggest strongly, especially during the second initiative, the imminent loss of the wage competitiveness improvements made during the last painful years and the disconnection of pay and productivity for remuneration above the minimum wage, but also an increase in the challenges faced by smaller companies that usually hire employees with the minimum wage or through flexible or even atypical work arrangements.</p>

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2019 Reform Barometer?

Progress with the concession of 14 regional airports, the privatisation of the Thessaloniki port and extensions of the concession of the Pireous port, to include the shipyard zone and the cruise terminal, among others. Related investment that will positively affect infrastructure is progressing now fast.

Reform priorities for 2019

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
<p>Priority 1</p>	<p>Bank lending conditions</p> <p>Uncertainty stemming from policy unpredictability and from potential risks related to the inability of the country to meet fiscal targets in the long term, and not only short term, and that relate to EMU membership have to be put to zero, and then in addition active measures to improve access to finance for the largely SME populated Greek corporate landscape have to be taken. An all-encompassing improvement of the whole framework relating to bankruptcy, pre-bankruptcy, a second change with respect to debts towards the state that extends to managers of corporations and the tax treatment of write-offs (especially VAT that has been paid by creditors on claims that are written down or off) has to be implemented, and that goes beyond what has been done so far, as part of the programme, and what is expected to be announced in early 2019. This will support, in a much-needed way, the effort of the banks to clear the legacy of the crisis that takes the form of the NPEs. Part of this approach has to be a redesign of the OCW so that it can handle in a speedy and truly out of court way simple cases in which the state and banks are the main creditors, finishing touches in the pre-bankruptcy process of more complex cases that cannot be handled by the OCW and that should also fully benefit from the write down of state claims promised in the OCW and a rationalization of very strong indirect super priorities that are related to the unwillingness of the state to write down its own claims, the reimburse taxes paid on claims that are written down and in particular with the unconditional personal liability managers that act with caution and good faith have with respect to the debts of the company towards the state. The latter change could be linked to the establishment of a well-designed early warning mechanism and its timely and proper use. In addition, companies that are de facto bankrupt should be automatically stricken from the registry and a cheap to use registry of secured claims should be established.</p>	<p>yes</p>

I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2 Tax reforms	<p>A rationalization of taxes has to place rates somehow between low tax countries and the mature countries of the core of the EU. This has to happen, given the need to meet agreed short-term fiscal targets, in a staggered process that starts with reducing the tax wedge for salaried labour in the private sector, key excise taxes that hurt production and key services or that feed the black market, some excesses of the recurrent property taxes and an elimination of excesses in the cumulative taxation of profits and distributed dividends. Tax uncertainty and uncertainty regarding the implementation rules of tax laws are a cost to the market, but offer the government no revenue and thus should be drastically reduced. The ability to carry forward losses should be aligned with the prevalent 10-year benchmark or the EU best practice of unlimited time, that is also put forward by the proposed CCTB directive. A lack of urgency regarding the issue, and acknowledgement that not dealing with it will seriously undermine the country's ability to form and sustain a useful tax base, is observed also among Commission members. Recently, a pre-legislated reduction of corporate income tax for 2019 by 3pp was spread out to four annual reductions by 1pp, this depriving the market from an immediate relief, while reductions in the tax wedge apply only to self-employed and farmers, thus not addressing the structural disincentive to salaried private sector employment.</p>	no
Priority 3 Wage bargaining and wage-setting policies	<p>There is a need to devise a post MoU framework for industrial relations that does not repeat the mistakes of the past, and that is based on solid evidence and an honest and open discussion and social dialogue. As said, the establishment of a well-functioning labour market, requires modernizing the collective bargaining framework by limiting compulsory arbitration procedures and making them compatible with the ILO standards on free collective bargaining. It also requires introducing reliable checks on the representativeness of sectoral collective agreements, to safeguard that wage formation is conducive to free collective bargaining, productive growth and competitiveness. So far, the evidence at hand points, unfortunately, in exactly the opposite direction, and the imminent consequences appear not to be acknowledged at the national and European political leadership level.</p>	no

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 4	Public sector efficiency	<p>Given the high levels of taxation, the drastic improvement of the quality of services offered by the public sector is key, along with a rationalization of tax excesses, to quickly bring the currently extremely disadvantageous ratio of tax rates to retributive services provided in return to some levels that will allow the country to retain & attract talent and investment. While a stated goal of the government, so far implementation is not in line with the need to quickly reduce the wide gap between the implemented taxes and the efficiency of the public sector. The prospect of the post MoU period will place higher demands on the ability of the administration to design and implement quality policies on its own and to integrate seamlessly in the European Semester. A key area in which the improved quality of public sector efficiency should quickly become visible is the area of business-university collaboration for R&D and innovation, but developments in the right direction are missing even at a time EU funds are going to greatly increase the liquidity situation in VC community.</p>	no
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	<p>It is crucial that we speed up investment licensing reforms. The inspection & controls framework is designed to be activated after 2 years in the best-case scenario; also, the recently legislated amendments on simplification of quarrying & mining licensing procedures are paired with the failure to improve the key environmental licensing process and the persistence of a number of clauses that are targeted to block certain investments, but in the process also undermine the licensing process in general. In addition, a new license renewal process leads to uncertainty for investors and has the potential to evolve into a corruption hotbed; and there is no provision for the abolishment of the installation license as was originally anticipated.</p> <p>On the issue of Business Parks, progress has to continue and the input of market participants heeded. On special planning reform, the approval of new land uses and the issuing of all secondary legislation deriving from Law 4447/2016 still needs to be fully implemented. There is continuing progress though in other areas like the ones covered by the OECD CAT, and that should be kept up. The key issue of market supervision and the coordination of all types of audits has been the subject of a general legislative provision, that still leaves the difficult task of mapping and coordination all competencies of authorities that supervise and their penalty grid unfinished, even though the issue is now to be mapped by the World Bank which is an important first step. The market supervision mechanism is such a key dimension of the administration that needs to be modernized because it is a prerequisite for the simplified licensing mechanisms to function properly.</p>	yes

SPRING 2019 REFORM BAROMETER – IRELAND

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	It identifies many of the capacity constraints faced by business but doesn't place sufficient focus or priority on key areas such as education and innovation performance.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Increased focus is needed on blockages to infrastructure and housing delivery and in support for increased funding for higher education
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Support assessment of significant progress
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	Some imbalances exist but significant progress has been achieved

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2019. Use windfall gains to accelerate the reduction of the general government debt ratio. Limit the scope and the number of tax expenditures, and broaden the tax base. Address the expected increase in age-related expenditure by increasing the cost-effectiveness of the healthcare system and by pursuing the envisaged pension reforms.	Important	Satisfactory	
CSR 2a	Ensure the timely and effective implementation of the National Development Plan, including in terms of clean energy, transport, housing, water services and affordable quality childcare.	Extremely important	Unsatisfactory	Many blockages not addressed for delivery of infrastructure
CSR 2b	Prioritise the upskilling of the adult working-age population, with a focus on digital skills.	Extremely important	Mixed	Lack of funding for higher education is a significant challenge
CSR 2c	Address age-related Expenditure	Important	Satisfactory	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3a	Foster the productivity growth of Irish firms, and of small and medium enterprises in particular, by stimulating research and innovation with targeted policies, more direct forms of funding and more strategic cooperation with foreign multinationals, public research centres and universities.	Extremely important	Unsatisfactory	Public innovation investment needs to be increased more rapidly
CSR 3b	Promote faster and durable reductions in long-term arrears, building on initiatives for vulnerable households and encouraging write-offs of non-recoverable exposures.	Important	Satisfactory	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Satisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Mixed
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 2019 Reform Barometer?

Coordination of a new long-term spatial plan with a new public capital investment plan is a significant innovation which should lead to more effective delivery of public capital investment.

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour supply measures for specific groups (older workers, women...)	Increased funding for higher education. Address childcare costs in order to support increased female participation.	no
Priority 2	R&D and Innovation	Significant increase in public funding for innovation	no
Priority 3	Making work-pay: interplay of tax and benefit system	Increase incentive to work through reduction in marginal tax rate and entry point to the marginal rate of income tax	yes
Priority 4	Public investment	Speed up delivery and remove blockages to capital projects	yes
Priority 5	Quality of fiscal institutions and budgetary framework	Speed up delivery and remove blockages to capital projects	yes

SPRING 2019 REFORM BAROMETER – ITALY

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To some extent	<p>The NPR of 2018 was certainly affected by the political uncertainty due to the impasse that occurred after the elections last March: the former government presented the document in line with the timetable provided for by the European semester, even if, compared to the past, this presents only a framework of current legislation and does not set programmatic objectives of public finance.</p> <p>With reference to tax measures, the issues of attention are the safeguard clauses, which if not defused, would have led to an increase in VAT and excise taxes and incentives for innovative investments (Industry 4.0). The document then gives an account of the positive results achieved in the fight against tax evasion.</p> <p>Insolvency system: the objectives identified are appropriate: to complete the insolvency law reform, by November 2018, in order to speed up bankruptcy procedures; enable the restructuring while allowing debt collection to some extent; introduce a out-of-court procedure (so called "procedura di allerta e composizione assistita della crisi"), aiming at bringing out crisis situation at an early stage and facilitating arrangements with creditors, with the objective of avoiding debtors insolvency.</p> <p>Competition: the objectives identified are appropriate but the annual competition law can't aim at becoming a structural instrument to promote competition in a perspective of continuity in the medium-long term, without a reform of legislative iter. It's necessary to avoid steps backwards: for example, the reintroduction of "fair fee for professionals ", that de facto re-introduces minimum rates for professionals and the proposal law for the regulation of the opening hours and days of shops, liberalized in 2011.</p> <p>Civil justice: the NRP points out that the reforms approved in recent years continue to produce positive results, for example the pending civil proceedings are reduced thanks to the use of ADR instruments. This rating is shared but remains a significant gap in our judicial system compared to international standards and a significant difference between the large areas of the country. To overcome this gap, it is essential to adopt the measures contained in the draft law for the reform of the civil law A.S. 2284 presented in 2015, as well as constant monitoring and dissemination of best practices, above all on the organizational level.</p> <p>Criminal justice: the NRP mentions the approval of the law on whistleblowing and the reform of the Anti-Mafia Code. In this last regard the extension to the suspects of crimes against P.A. of the measures of antimafia prevention it's not shareable, because that are justified only in presence of the characteristics of gravity that distinguish the crimes of mafia.</p>

	To what extent do you agree with these statements:		Detailed comments
	<p>The National Reform Programme submitted by your Government (March 2018) is appropriate. (continued)</p>	<p>To some extent (continued)</p>	<p>Public administration: the objectives identified are to some extent appropriate. Confindustria agrees with the point regarding the implementation of the public administration reform through the "Agenda per la semplificazione" and the development of the "Zone Economiche Speciali". But Confindustria believes that it's also necessary to review the governance of simplification, which is more split, and increase the competence and the institutional capacity of public authorities.</p> <p>Regarding the access to credit and finance, we believe that the National Reform Programme contains some appropriate actions such as the promotion of the development of alternative financial sources and the support of SMEs access to finance, in particular through the refinancing of the guarantee fund. The Italian Budget Law introduced other measures that can be considered positive, namely: the development of venture capital, in favour of which significant resources are allocated or activated; the introduction of a voucher for SMEs that make use of specialist consultancy services aimed at supporting technological or digital transformation processes; the development of securitization market; the improvement of procedures for PA debt payments to enterprises. However, in the Budget Law there are some measures for which there is room for improvement.</p> <p>In terms of public investment and infrastructure, the Reform Plan (DEF) presented in March was affected by the imminent electoral change and uncertainty about the future government. Even considering these limits, the Plan admitted the progressive decline in expenditure recorded in previous years and in the current one (2018) and provided for a clear recovery in subsequent years, on the basis of trend trends incorporated in the "legislation in force" provisions. With regard to the past, these assumptions were based on the recognition of delays in the procedures for allocating financial resources and implementing the new rules on public procurement and, with regard to the future, on three closely related but not credible reform profiles: (i) stabilization of the regulatory framework for contracts (Codice dei Contratti Pubblici); (ii) resolution of institutional problems (Constitutional Court) related to the allocation of resources for infrastructure investments; (iii) exploitation by local authorities of the spending margins allowed by the overcoming of the Internal Stability Pact. The update (Aggiornamento) of the DEF presented by the new government and the subsequent Budget Law 2019 partly reflected the issues identified by the previous government, but on the basis of a significant change in the strategy of public investment. In particular: (i) lower availability of resources for public investments in the current year (2019), compared to the initial relaunch intentions, postponed to subsequent ones following negotiations with the European Commission; (ii) greater attention to small local investments (reduction of the constraints of the regulation of small contracts, but to the detriment of competition) and plans for interventions on school buildings, hydrogeological defence, road maintenance; (iii) the probable reduction in investments in major works already under construction, based on new cost-benefit assessments; (iv) the establishment of new technical structures to support the design and implementation of infrastructure investments.</p> <p>At the same time, a thorough review of the regulation of public procurement is expected, still uncertain about its contents.</p>

	To what extent do you agree with these statements:		Detailed comments
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	<p>Taxation: the specific recommendations are appropriate. We agree on the need to lighten the tax burden on capital and labour, which has adverse effects on economic growth. We strongly support the extension of mandatory electronic invoicing to all private sector transactions from 2019.</p> <p>Insolvency system: Regarding the third Country-specific recommendation, the latter is appropriate since it calls for the prompt approval of the insolvency law reform, consistent with the National Reform Programme, and Confindustria's been committing to achieve this goal.</p> <p>Competition: the recommendations are appropriate: address restrictions to competition, including in services, also through a new annual competition law. A reform of the legislative iter is required for the approval of the annual competition law and it's necessary to avoid sporadic and encouraging actions with the objectives of liberalization ("fair fee for professionals ", that de facto re-introduces minimum rates for professionals and the draft law for the re-introduction of a regulation for the opening of shops, sector liberalized in 2011.</p> <p>Civil justice: compared to the second recommendation, Confindustria shares the need to reduce the time of the civil proceedings in all levels of judgment, also by implementing in a concrete way the instruments already provided for by the legal system.</p> <p>Corruption: the assessment is appropriate but the national reform, at the end of 2018, risks not effectively achieving the goal of combating corruption in a preventive key.</p> <p>Public administration: about the sixteenth whereas, Confindustria agrees with the point about the necessity of the enforcement of the public administration reform.</p> <p>Regarding the access to credit and finance: in general, the Commission's recommendations are appropriate. However, the reduction of the stock of non-performing loans should be done in a reasonable timeframe. In fact, it is important to avoid the introduction of new measures that could limit bank's lending capacity. The legal framework has to find the right balance between financial stability and the financing of the real economy.</p> <p>In terms of public investment and infrastructure, the Commission's recommendations are not appropriate. The decline in infrastructure investments is due essentially to three closely related causes: (i) inefficiency of the public administration; (ii) regulatory framework still uncertain and ineffective, also due to the use of private capital; (iii) rationing of public financial resources for budgetary needs. A strong recommendation to improve administrative and regulatory capacity should be supported by more favourable budgetary Community rules progressively to use for public investment.</p>

	To what extent do you agree with these statements:		Detailed comments
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	<p>Insolvency system: the assessment is appropriate. It highlights some progress due to the approval of the enabling law (October 2017), but it reiterates that's necessary to carry the approval of the legislative decrees on, in order to facilitate the reduction of NPLs and, more in general, to improve the doing business framework.</p> <p>Competition: the assessment is correct: several Italian sectors are still over regulated and protected from competition (professional services, health sector ...).</p> <p>Justice: the assessment is correct; with regard to whistleblowing, it should be noted that Law 179 of 2017 has not only revised the discipline of public employees who report illegal activities but has also introduced a similar regulation for private employees.</p> <p>Corruption: the assessment is appropriate but the latest reform of the corruption discipline has a repressive approach that Confindustria considers not fully effective for the fight against corruption.</p> <p>Public administration: the assessment is correct. It notes that the implementation of the public administration reform is almost complete.</p> <p>Regarding the access to credit and finance: The Commission assessment about our financial sector is appropriate.</p>
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	<p>Insolvency system: Confindustria agrees with the Commission regarding the fact that bankruptcy procedures are still long and completion of the Insolvency law reform may support the reduction of the NPLs' stock.</p> <p>Public administration: the assessment is correct. It notes that some efforts and some progress were made to reform the public administration, but the proportion of firms and citizens not trusting public administrations is also high.</p>

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	Ensure that the nominal growth rate of net primary government expenditure does not exceed 0.1 % in 2019, corresponding to an annual structural adjustment of 0.6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio.	---	---	
CSR 1b	Shift taxation away from labour, including by reducing tax expenditure	Important	Unsatisfactory	
CSR 1c	and reforming the outdated cadastral values.	Helpful (but not a priority)	Unsatisfactory	
CSR 1d	Step up efforts to tackle the shadow economy, including by strengthening the compulsory use of e-payments through lower legal thresholds for cash payments.	Extremely important	Satisfactory	
CSR 1e	Reduce the share of old-age pensions in public spending to create space for other social spending.	---	---	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p>Justice/Corruption: Reduce the length of civil trials at all instances by enforcing and streamlining procedural rules, including those under consideration by the legislator. Achieve more effective prevention and repression of corruption by reducing the length of criminal trials and implementing the new anti-corruption framework. Ensure enforcement of the new framework for publicly-owned enterprises and increase the efficiency and quality of local public services.</p> <p>Competition: Address restrictions to competition, including in services, also through a new annual competition law.</p>	Extremely Important	Unsatisfactory	<p>Civil justice: it would be important to conclude the examination of the A.S. draft law 2284 presented in 2015, as soon as possible. This text contains important measures to strengthen the Court of undertakings and arbitration, accelerate the timing of the proceedings, implement the principle of brevity of the deeds.</p> <p>Corruption: at the end of 2018 a new law for the fight against corruption was approved. The ratio of the measure is shared, but the measures often follow a repressive and non-preventive approach, with profiles of inadequacy with respect to the principles of proportionality of the sentence.</p> <p>Competition: it is important 1) to reform the legislative iter for annual competition law for instrument for introducing the important measures for competition and 2) to avoid sporadic and encouraging actions with the objectives of liberalization (p.e. professional service)</p>
CSR 3	<p>Maintain the pace of reducing the high stock of non-performing loans and support further bank balance sheet restructuring and consolidation, including for small and medium-sized banks, and promptly implement the insolvency reform. Improve market-based access to finance for firms.</p>	Important	Mixed	<p>It is important to accelerate the reduction in the stock of non-performing loans because this reduction could improve the access to bank loans for Italian enterprises, above all SMEs. However, the reduction of the stock of non-performing loans should be done in a reasonable timeframe. In fact, it is important to avoid the introduction of new measures that could limit bank's lending capacity.</p>

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 4	Step up implementation of the reform of active labour market policies to ensure equal access to effective job-search assistance and training. Encourage labour market participation of women through a comprehensive strategy, rationalising family-support policies and increasing the coverage of childcare facilities. Foster research, innovation, digital skills and infrastructure through better-targeted investment and increase participation in vocational-oriented tertiary education.	Important	Unsatisfactory	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Satisfactory
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 2019 Reform Barometer?

Italy's Industry 4.0 National Plan, launched in 2017 by the previous Government to support the digital transformation of the Italian production system, is unique in the European landscape for the scope of the industrial policy initiative. In fact, it targets both the supply of and the demand for 4.0 technologies, integrating the existing Smart Specialization Strategy, made in line with EU objectives, with direct support for investments in technological upgrading. A coordinated set of policy actions has been put in place to tackle different constraints to digital transformation of Italian firms: the digital infrastructure constraint; the financial constraint to investments; the absorptive capacity constraint; the lack of formal coordination of investments along the value chains. It is still too early to draw conclusions (first hard data are expected in the next months), but existing signs are encouraging.

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Tax Reforms	Reduce the tax burden on labour; abolish the Regional tax on productive activities; make the tax system easier; review the tax regime of individuals, in compliance with the constitutional principle of progressivity.	no
Priority 2	Public Investment	Unlock existing public investment projects speeding up administrative procedures and reforming the Public Procurement Code.	yes
Priority 3	Active labour market policies	Step up implementation of the reform of active labour market policies to ensure equal access to effective job-search assistance and training and foster digital skills.	yes
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Regarding the Insolvency law reform, to complete the approval of the legislative decrees and to enable Government to correct and integrate them, during the transitional period to last until mid-2020.	yes
Priority 5	Public sector efficiency	Enforcement of the public administration reform; review the governance of simplification; increase the competence and the institutional capacity of public authorities	no



SPRING 2019 REFORM BAROMETER – LATVIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	
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.	No reply	



Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2019, taking into account the allowances linked to the implementation of the structural reforms for which a temporary deviation is granted. Reduce taxation for low-income earners by shifting it to other sources, particularly capital and property, and by improving tax compliance.	Important	Satisfactory	
CSR 2	Improve the adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities. Increase the labour market relevance of vocational education and training, and foster upskilling of low-skilled workers and jobseekers. Increase the accessibility, quality and cost-effectiveness of the healthcare system.	Important	Satisfactory	
CSR 3	Strengthen the efficiency of the public sector, in particular with regard to local authorities and state-owned enterprises. Strengthen the accountability of public administration by protecting whistle-blowers, preventing conflicts of interest and following-up on the results of the ongoing assessment of past insolvency proceedings.	Extremely important	Satisfactory	



Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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



Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Sector specific regulation (telecom, energy)	to ensure internationally competitive energy prices	yes
Priority 2	Wage bargaining and wage-setting policies	support for sectoral bargaining and self-regulation	no
Priority 3	Pension and health care reforms	continue health care sector reform by good governance and efficiency	yes
Priority 4	Labour market mismatch and labour mobility	continue VET reform and work -based learning involving social partners	yes
Priority 5	Public sector efficiency	increase efficiency of public sector on municipality (local) level	yes

SPRING 2019 REFORM BAROMETER – LUXEMBOURG

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	Not enough	Increase the employment rate of older people: extremely important in LU. According to the most recent Alert Mechanism Report (2019 report, published in November 2018 i.e. formally after the 2018 cycle), LU was one of the three EU countries with a negative 3-year evolution of the activity rate in this respect, the main reasons being a comparatively low inclusion of women and older workers in the labour market. Reform the pension system: this is indeed the major weakness of our public finances. Enhance productivity growth: overall, in stagnation since 2000 (accompanied by a sustained rise in unit labour costs). Wage evolution in line with productivity. Flexible organisation of labour. Efficient IT, communication, transport infrastructures. The NRP lack specific, well-defined and targeted measures in these fields. Need for a more competitive nominal rate of taxation of companies (at least convergence to the EU median level).
2.	The Commission's country specific recommendations for your country are appropriate.	To some extent	Rightfully insist on the employment rate, pension reform and deregulations in the business service sector. But the other aspects mentioned below should be highlighted more in the final recommendations.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Long-term sustainability of the pension system and increase the employment rate of older people: the Commission correctly underlines the "limited progress" in this respect. The same as regards the removal of regulatory restrictions in the business services sector.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	Not at all	COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK AND THE EUROGROUP" (March 2018), Luxembourg is mentioned (positively) two times, with respect to diversification and Measures to promote flexible working time arrangements or access to care services. This does not reflect any of the weaknesses highlighted above.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Increase the employment rate of older people by enhancing their employment opportunities and employability while further limiting early retirement, with a view to also improving the long-term sustainability of the pension system.	Extremely important	Unsatisfactory	See overall assessment.
CSR 2	Further reduce regulatory restrictions in the business services sector.	Extremely important	Unsatisfactory	See overall assessment. According to the Ageing Working Group 2018 Report, LU is the EU country with the largest increase in total expenditure related to ageing from now to 2070 (+13 points of GDP).

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Mixed
Innovation and skills	Satisfactory
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 2019 Reform Barometer?

Create a plan for SMEs: Put SMEs and administrative simplification at the centre of the economy. Draw up a 5th national action plan in favour of SMEs, with the support of the High Committee for the support of SMEs and entrepreneurship.

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Wage bargaining and wage-setting policies	Modulation of salary indexation over the whole length of the legislature, and control salary costs in the state and semi-state sectors.	no
Priority 2	Business Dynamics - Start-up conditions	A plan for SMEs (see the previous worksheet). Start-up nation.	---
Priority 3	Tax reforms	Re-establish fiscal competitiveness: Define an ambitious fiscal road map that assists established businesses, talented individuals, researchers, start-ups, and the generation of intellectual property. At minimum, convergence of nominal, global taxation rate of companies to the EU median level (i.e. around 21%).	---
Priority 4	Pension and health care reforms	Rethink the pension system: Suggest a law reform in order to enable the reestablishment of a pension system that is both sustainable and features intergenerational fairness.	no
Priority 5	Business Environment - Regulatory barriers to entrepreneurship	Reform working practices: Suggest ambitious reforms of the way work is organised, particularly with the introduction of more flexibility. This is linked to the digitalisation of the workplace and the desire to empower businesses and economic sectors. Facilitate work and dismantle inactivity traps.	no

SPRING 2019 REFORM BAROMETER – MALTA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes, absolutely	
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	No reply	

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Strengthen the overall governance framework by enhancing the national supervision of internationally oriented financial businesses licensed in Malta, by ensuring the effective enforcement of the Anti-Money Laundering framework and by continuing to step up the fight against corruption.	Extremely important	Mixed	
CSR 2	Ensure the sustainability of the health care and the pension systems, including by increasing the statutory retirement age and by restricting early retirement.	Important	Mixed	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	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	Using the National Skills Council to create frequent dialogue between academia and industry for the purposes of skills forecasting and necessary adaptation of education.	National skills Council is established but grossly under-resourced
Priority 2	R&D and Innovation	<ol style="list-style-type: none"> 1. Research and Innovation deserves a dedicated Parliamentary Secretary closely linked to the industry sector instead of other unrelated areas; 2. Promotion of knowledge transfer between industry and academia through knowledge transfer partnerships (KTPs); 3. Assessment and forecasting of skills and human resources required by R&D firms and the subsequent modifications necessary to the education system; 4. Creation of inventive schemes and facilitation of visa application to allow more foreign researchers to conduct research in Malta; 5. Promotion and incentivisation of the concept of 'living labs' in Malta. 	---
Priority 3	Labour supply measures for specific groups (older workers, women...)	<p>Promotion of active ageing through fiscal incentives.</p> <p>Further extensions in child care facilities</p> <p>Tackling young adult NEETs</p>	<p>Yes</p> <p>Yes</p> <p>yes</p>
Priority 4	Pension and healthcare reforms	Introduction of schemes with incentives for employers and employees to take up voluntary occupational pensions.	yes
Priority 5	Public sector efficiency	<p>Manpower survey in order to identify areas of over or under employment across all public entities and departments.</p> <p>Fiscal incentives for public servants who shift back to the private sector so as to mitigate the serious labour shortages being faced across the board.</p>	<p>No</p> <p>No</p>

SPRING 2019 REFORM BAROMETER – PORTUGAL

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To some extent	Main critics of CIP regarding the NRP are: absence of tax reforms; lack of ambition on reforms aimed at the capitalization and financing of Portuguese companies, as well as on the reform of the State and Public Administration; there is no clear priority in the allocation of resources to vocational training; we do not share the vision on the way how to fight labour market segmentation.
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 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 0.7 % in 2019, corresponding to an annual structural adjustment of 0.6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Strengthen expenditure control, cost effectiveness and adequate budgeting, in particular in the health sector with a focus on the reduction of arrears in hospitals. Improve the financial sustainability of state-owned enterprises, in particular by increasing their overall net income and by reducing debt.	Important	Mixed	Headline deficit will be lower than the target, but the nominal growth rate of net primary government expenditure and the structural budget targets will not be attained. The expenditure review is still a very limited exercise. No progress in the reduction of arrears in hospitals. No progress in the reduction of tax burden.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 2	<p>Promote an environment conducive to hiring on open-ended contracts, including by reviewing the legal framework in consultation with social partners. Increase the skills level of the adult population, including digital literacy, by strengthening and broadening the coverage of the training component in adult qualification programmes. Improve higher education uptake, namely in science and technology fields.</p>	Important	Mixed	<p>The European Commission's overall assessment of our country, which is the basis for its Recommendation, clearly points out that, in order to tackle segmentation in Portugal, it is necessary to amend the legal regime for individual dismissals associated with open-ended contracts. The Portuguese Government and the majority of the social partners signed an agreement, on the 18th June 2018, in the Standing Committee for Social Concertation, that foresees more restrictions in the fixed-term contracts legal regime, and, therefore, to its use. After difficult and complex discussions, CIP signed the agreement, not only because there were several other issues on the table, but also because we are strongly committed to the economic and social development of our country in an environment of social peace. Presently, a project of law is under discussion in the Portuguese Parliament to materialize the Agreement. Nevertheless, we continue to agree with the Commission assessment and Recommendation.</p>
CSR 3	<p>Increase the efficiency of insolvency and recovery proceedings and reduce impediments to the secondary market for non-performing loans. Improve access to finance for businesses. Reduce the administrative burden by shortening procedural deadlines, using more tacit approval and reducing document submission requirements. Remove persistent regulatory restrictions by ensuring a proper implementation of the framework law for highly regulated professions. Increase the efficiency of administrative courts, <i>inter alia</i> by decreasing the length of proceedings.</p>	Important	Mixed	<p>NPL have decreased and there were progresses on the program to improve the access to capital (Programa Capitalizar), but there are still measures missing, namely measures aiming the creation of new sources of finance and capitalization of companies. Progresses on the reduction of administrative burden and on the decreasing the length of court proceedings are slow.</p>

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, 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	Mixed

Reform priorities for 2019

	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	Prioritize vocational training, linking it with the labour market needs, deeply involving business associations and companies.	yes
Priority 2	Bank lending conditions	Address the need for business to restructure their debt and recapitalize	yes
Priority 3	Tax reforms	Reduce the tax burden on companies	no
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Implement an effective and transparent impact assessment system. Focus on improving judicial system (namely by capacitation of commercial courts)	yes
Priority 5	Job protection	Positive advances in labour reforms undertaken in Portugal between 2011 and 2015 must be preserved to safeguard and allow the dynamization and modernization of sectors.	no

SPRING 2019 REFORM BAROMETER – SLOVAK REPUBLIC

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	National reform programme tackles the key challenges identified as the hurdles for the future development of Slovakia. In some areas, such as the changes in the education, the support for the research and development or the preparation for the digital revolution.
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	The country recommendations are appropriately defined and focus on the most important problems facing the country in the current situation and in terms of the possible challenges going forward.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The evaluation tackles the key weaknesses of the Slovak administration including the lower pace of reforms in education or labour market and the structural problems in the pension and health care systems, which are accepted points. Other issues are less crucial to tackle but it is good to keep a record of them.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	No reply	

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.1 % in 2019, corresponding to an annual structural adjustment of 0.5 % of GDP. Implement measures to increase the cost effectiveness of the healthcare system and develop a more effective healthcare workforce strategy.	Important	Satisfactory	Government has clearly stated intent to fully balance the budget within 2 years, and set the path to achieve this. However, the efforts have been achieved mostly through the increasing government revenues and not through the reform of the spending. These measures are needed to avoid a slip into deficits once the GDP growth slows down.
CSR 2	Reinforce activation and upskilling measures, including quality targeted training and individualised services for disadvantaged groups, in particular by delivering on the action plan for the long-term unemployed. Foster women's employment, especially by extending affordable, quality childcare. Improve the quality and inclusiveness of education, including by increasing the participation of Roma children in mainstream education from early childhood onwards	Extremely important	Mixed	The process of the upskilling of the disadvantaged groups is picking up very slowly alongside with the measures such as the affordable and available childcare. The problems arise for the employers which have problems to find suitable employees or keep the existing ones.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Increase the use of quality-related and lifecycle cost criteria in public procurement operations. Tackle corruption, including by ensuring enforcement of existing legislation and by increasing accountability at the level of police and prosecution. Improve the effectiveness of the justice system, in particular by safeguarding independence in judicial appointment procedures. Reduce the fragmentation of the public research system and stimulate business innovation, including for small and medium-sized enterprises.	Important	Mixed	There has been some progress in this area. However, it has not been sufficient to ensure confidence in the processes overall.

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	R&D and Innovation	Government needs to define the key areas of investment in the physical and digital infrastructure and set the standards on which the Industry 4.0 as well as Smart Cities.	no
Priority 2	Consolidation of public expenditures	Identifying the necessary inefficiencies and reduce the overall unsystematic spending to prepare the budget for potential future recession.	no
Priority 3	Pension and health care reforms	Strengthen the position of the second and third pillar as the alternative saving schemes for retirement and increase their attractiveness.	yes
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Increased efficiency of local and central government and decreased number of bureaucracy necessary to run a business.	yes
Priority 5	ICT	Support the development of solid education reform in the area of the ICT to prepare graduates of high schools and Universities for the market opportunities and match them with employers' needs	no

SPRING 2019 REFORM BAROMETER – SLOVENIA

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	In comparison with the previous years the social partners had more opportunities to participate in the making of NRP in 2018. As no changes were made ZDS still continues to emphasize the need to reduce tax burden, especially on labour costs. Slovenia needs to seriously address demographic changes (pension, health reform) and deficit of skilled workers on labour market.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	ZDS finds the social dialogue in the process of preparing of structural reforms (the reform of the long-term care and healthcare systems, pension system) crucial. The reforms must be accepted in cooperation with the social partners on the highest level. For the activation of low skilled and older workers more should be done also in making work pay with tax reduction (not by increasing the minimum wage and financial social assistance for unemployed). We also support the necessity of measures to make public administration more efficient and reduce the administrative burden on business.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	We agree with the Commission assessment that not enough progress or no progress was made on the reforms that were recommended to Slovenia.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure that the nominal growth rate of net primary government expenditure does not exceed 3.1 % in 2019, corresponding to an annual structural adjustment of 0.65 % of GDP. Adopt and implement the healthcare and health insurance act and the planned reform of long-term care . Ensure the long-term sustainability and adequacy of the pension system, including by increasing the statutory retirement age and by restricting early retirement. Increase the employability of low-skilled and older workers through lifelong learning and activation measures.	Important	Unsatisfactory	The recommendation is important, but not enough effort and realization was made in this area. Regarding the nominal growth rate of net primary government expenditure, the new government adopted a coalition agreement, that has a lot of new measures that involves additional budgetary expenditure, but is not yet clear where the necessary funds to fulfil it will come from (additional taxes...?). Regarding health care, long-term care and pension system, no progress was made in this area. The new minister of labour (since September 2018) first statements do not recognize the necessity for pension reform. Previous government adopted the white book on pensions as the foundation for the new pension reform, but the new minister of labour did not make any progress yet.
CSR 2	Develop alternative sources of financing for fast-growing companies. Lower the barriers for market entry through the revision of product market regulation and limiting administrative burden. Enhance competition, professionalisation and independent oversight in public procurement. Carry out the privatisations according to the existing plans.	Helpful (but not a priority)	Unsatisfactory	Slovenian ministries should increase the effectiveness of EU funds absorption (Speeding up the process for publishing the calls for proposal for projects and activities co-funded by EU funds. Limiting the administrative burden for beneficiaries and eliminating delays for verifying and certifying the expenditure incurred by the ministries).

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

Taxation and Public Finances	No progress
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	No progress
Innovation and skills	Unsatisfactory
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 2019 Reform Barometer?

No.

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Making work-pay: interplay of tax and benefit system	Measures to reduce tax wedge (redefining social contributions) and general tax burden are needed, especially for high skilled workers.	no
Priority 2	Wage bargaining and wage-setting policies	Wage bargaining in the private sector should not be run by the government. Developments on minimum wage policy, where the new law was adopted in December 2018, the changes are significant as they enforce a new definition of minimum wage, which is in total collision with the wage definition of the basic labour code. The consequences of this change is also a total denial of social dialogue and the diminished role of the sectoral collective bargaining, in the area of determining wage policy by sectors of activity.	no
Priority 3	Pension and health care reforms	These reforms are on the agenda for several years, but there is no progress in this area. The employers must be actively involved in the preparation. No additional burden for the employers is acceptable (as we already have high social contributions).	yes
Priority 4	Labour market mismatch and labour mobility	The issue of deficit of adequate workers on the labour market should be addressed in connection to education system and also availability to employ foreign workers.	yes
Priority 5	R&D and Innovation	Support for companies, tax reduction.	no

SPRING 2019 REFORM BAROMETER – SPAIN

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	Not enough	The NRP 2018 was conditioned by the political situation of the Government. The NRP 2018 highlighted the major progress made in recent years. It also pointed out some of the most relevant areas in which further reforms are necessary. But some subsequent measures adopted by Government are far removed from CEOE's request.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Several country specific recommendations to Spain are in line with CEOE's priorities.
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 assessment on the Spanish limited 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 quite appropriate. However, it does not adequately show the efforts in areas such as private indebtedness or unemployment. Furthermore, it is necessary to underline the risks of maintaining high levels of public debt and measures that may hinder the recovery of the activity and the labour market.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure compliance with the Council Decision of 8 August 2016 giving notice under the excessive deficit procedure, including through measures to enforce the fiscal and public procurement frameworks at all levels of government. Thereafter, ensure that the nominal growth rate of net primary government expenditure does not exceed 0.6% in 2019, corresponding to an annual structural adjustment of 0.65 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio.	Important	Unsatisfactory	
CSR 2	Ensure that employment and social services have the capacity to provide effective support for jobseekers, including through better cooperation with employers. Foster transitions towards open-ended contracts. Improve family support and address coverage gaps in income guarantee schemes, by simplifying the system of national schemes and reducing disparities in access conditions to regional ones. Reduce early school leaving and regional disparities in educational outcomes, in particular by better supporting students and teachers.	Important	Unsatisfactory	
CSR 3	Increase public investment in research and innovation and systematically carry out evaluations of support policies in this area to ensure their effectiveness. Increase cooperation between education and businesses with a view to mitigating existing skills mismatches. Further the implementation of the Law on Market Unity by ensuring that, at all levels of government, rules governing access to and exercise of economic activities, notably for services, are in line with principles of that law and by improving cooperation between administrations.	Important	Unsatisfactory	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Active labour market policies	<ol style="list-style-type: none"> 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
Priority 2	Pension and health care reforms	Pension system reform: <ol style="list-style-type: none"> 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	Tax reforms	<ol style="list-style-type: none"> 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 i.e. overlapping. Increasing corporate taxation affects private investment and employment 	no
Priority 4	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
Priority 5	Public sector efficiency	National agreement to improve the public sector efficiency. Better assessment and disclosure of information concerning public expenditure.	no

SPRING 2019 REFORM BAROMETER – SWEDEN

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To some extent	Labour market reforms are needed in order to increase the probability of unemployed getting employed. Costs to firms have to decrease. Also, the housing market has to be reformed more extensively than what is planned by the government. For instance, better tax incentives that increase the number of transactions are needed.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Among many important things addressed in the recommendations we stress the necessity to improve the efficiency of the housing market, by introducing more flexibility in setting rental prices and by revising the design of the capital gains tax to facilitate more housing transactions.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	Despite having a high employment rate, it is crucial to increase it further in light of the demographic challenges Sweden will face in the future.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	The Commission identifies household debt as a risk to the macroeconomic stability of the Swedish economy. We would like to stress that the future implementation of macroeconomic stability measures must not lead to an unnecessary curbing of loans to the corporate sector. The key issue for Sweden is the indebtedness of households, not firms. Therefore, measures should be implemented in a careful manner.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Address risks related to high household debt by gradually reducing the tax deductibility of mortgage interest payments or increasing recurrent property taxes. Stimulate residential construction where shortages are most pressing, notably by removing structural obstacles to construction, and improve the efficiency of the housing market, including by introducing more flexibility in setting rental prices and revising the design of the capital gains tax.	Helpful (but not a priority)	Unsatisfactory	If implemented, the reduction in the tax deductibility has to be gradual. Furthermore, capital income tax should be lowered symmetrically. 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. We would also like to stress that increasing recurrent property taxes is not in line with what our Federation suggests as an appropriate means to deal with the increased indebtedness among households.

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	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	The Swedish Public Employment Service needs to be reformed. It is particularly important that the job matching services are exposed to competition.	Yes and no
Priority 2	Tax reforms	Lower income taxes. In particular, lowering the marginal tax rate would have positive effects on long term growth.	Yes and no
Priority 3	Public sector efficiency	Implementing digital measures in the welfare sector to a higher degree in order to increase efficiency. Increase competition in education and health care to improve efficiency and productivity.	no
Priority 4	Business Dynamics - Start-up conditions	Implementing digital measures in the welfare sector to a higher degree in order to increase efficiency. Increase competition in education and health care to improve efficiency and productivity.	Yes and no
Priority 5	Labour supply measures for specific groups (older workers, women...)	Have to put appropriate incentive schemes in place in order for immigrants, elderly and young people to increase their employment rate. E.g. students should be incentivised to start working earlier.	Yes and no

SPRING 2019 REFORM BAROMETER – THE NETHERLANDS

European Semester - Overall assessment of 2018 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (March 2018) is appropriate.	To a large extent	In several fields reforms have been taken, for instance in the field of the climate or the labour market, on other progress is limited such as on the pension system and in other fields more efforts are needed such as R&D.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	Structural policies are indeed needed to raise public and private investment in research, development and innovation. This could foster the wage growth, since hereby conditions are created to further boosting productivity, as the underlying factor to higher wages. In the housing market the private rental market should be further developed. Though, it should not just be about reducing incentives for employers to provide temporary contracts, since in many, especially seasonal, sectors temporary work is necessary.
3.	The Commission assessment of reform implementation the year before is appropriate.	To some extent	Steps have been taken in the labour market, but these steps take too little account of seasonal/temporarily work and the costs associated for entrepreneurs.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	The high current account surplus is a structural characteristic of the open Dutch economy which focuses on exports and transit of goods through our main ports. Therefore, this cannot be considered an excessive imbalance, but rather a strength of our economy.

Assessment of Country Specific recommendations 2018 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1a	While respecting the medium-term objective, use fiscal and structural policies to raise public and private investment in research, development and innovation.	Extremely important	Satisfactory	The Netherlands needs to stay a frontrunner when it comes to competitiveness. This implies fostering research via public- and private investments.
CSR 1b	Take measures to reduce the debt bias for households and the remaining distortions in the housing market, in particular by supporting the development of the private rental sector.	Important	Mixed	In order to improve the labour mobility, people should be able to move faster by finding houses. Therefore, current frictions in the housing market should be tackled.
CSR 2a	Reduce the incentives to use temporary contracts and self-employed without employees, while promoting adequate social protection for the self-employed, and tackle bogus self-employment.	Contrary to Federation advise	---	Temporary contracts are necessary in many sectors, especially where production is seasonally based. Therefore, we are opposing the higher costs associated to temporary work that the government has implemented.
CSR 2b	Create conditions to promote higher wage growth, respecting the role of the social partners.	Contrary to Federation advise	Mixed	

Reform Progress in your Member State in 2018

How would you assess reform progress in 2018, for the following broad areas:

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

Reform priorities for 2019

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Public investment	Investments should be conducted aimed at further developing our crucial infrastructure to make sure the Netherlands remains its hub position.	no
Priority 2	R&D and Innovation	Industrial policy with enhanced attention to energy transition, the digital transformation and societal challenge	no
Priority 3	Venture capital and SME financing instruments	Financing costs for SME's and for start- and scale ups is still relatively high. This hinders the unicorns being born in the Netherlands.	no
Priority 4	Labour market mismatch and labour mobility	Many sectors are facing scarce levels of potential workers, since our working population is not sufficiently prepared for the digital age	---
Priority 5	Tax reforms	The taxes per worker on collective schemes have been highly increasing over the past years. Therefore, the labour tax should be reduced further, so that it pays off to work.	no