

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