

## SPRING 2020 REFORM BAROMETER – SPAIN

### European Semester - Overall assessment of 2019 cycle

	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	Not enough	The NRP 2019 was conditioned by the political situation. The NRP 2019 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 removed from CEOE's request because they suppose a loss of competitiveness for the Spanish economy.
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.

**Assessment of Country Specific recommendations 2019 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 0,9 % in 2020, corresponding to an annual structural adjustment of 0,65 % of GDP. Take measures to strengthen the fiscal and public procurement frameworks at all levels of government. Preserve the sustainability of the pension system. Use windfall gains to accelerate the reduction of the general government debt ratio.	Extremely important	Unsatisfactory	
CSR 2	Ensure that employment and social services have the capacity to provide effective support. Foster transitions towards open-ended contracts, including by simplifying the system of hiring incentives. Improve support for families, reduce fragmentation of national unemployment assistance and address coverage gaps in regional minimum income schemes. Reduce early school leaving and improve educational outcomes, taking into account regional disparities. Increase cooperation between education and businesses with a view to improving the provision of labour market relevant skills and qualifications, in particular for information and communication technologies.	Important	Mixed	

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on fostering innovation, resource and energy efficiency, upgrading rail freight infrastructure and extending electricity interconnections with the rest of the Union, taking into account regional disparities. Enhance the effectiveness of policies supporting research and innovation.	Important	Mixed	
CSR 4	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, in particular for services, are in line with the principles of that Law and by improving cooperation between administrations.	Important	No progress	

### Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

## Reform priorities for 2020

	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	<p>Pension system reform:</p> <ol style="list-style-type: none"> <li>1. Pension formula should be taking into account throughout working life.</li> <li>2. Gradual removal of early retirement</li> <li>3. To evaluate tax-based financing sources of some social benefits not strictly linked to the labour activity.</li> </ol>	Yes
Priority 2	Tax reforms	<ol style="list-style-type: none"> <li>1. To Guarantee a stable legislative framework for corporate taxation.</li> <li>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</li> </ol>	No
Priority 3	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.	No
Priority 4	Active labour market policies	<ol style="list-style-type: none"> <li>1. To strengthen the effectiveness of employment policies in order to meet the needs of companies.</li> <li>2. To reform the public employment services and promoting the public-private partnership in the management of labour market policies.</li> <li>3. To link passive and active labour market policies.</li> </ol>	Yes
Priority 5	Public sector efficiency	<p>National agreement to improve the public sector efficiency.</p> <p>Better assessment and disclosure of information concerning public expenditure.</p> <p>Better management and monitoring of regional expenditure.</p>	No