

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