



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 2015 REFORM BAROMETER – AUSTRIA

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Following the correction of the excessive deficit, reinforce the budgetary measures for 2014 in the light of the emerging gap of 0,5 % of GDP based on the Commission services 2014 Spring forecast and after taking into account additional consolidation measures announced by Austria, pointing to a risk of significant deviation relative to the preventive arm of the Stability and Growth Pact requirements. In 2015, significantly strengthen the budgetary strategy to ensure that the medium-term objective is reached and, thereafter, maintained, and ensure that the debt rule is met in order to keep the general government debt ratio on a sustained downward path. Further streamline fiscal relations between layers of government, for example by simplifying the organisational setting and aligning spending and funding responsibilities.	Extremely important	Mixed	Sweden and Germany have done much more
CSR 2	Improve the long-term sustainability of the pension system, in particular by bringing forward the harmonisation of the statutory retirement age for men and women, by increasing the effective retirement age and by aligning the retirement age to changes in life expectancy. Monitor the implementation of recent reforms restricting access to early retirement. Further improve the cost effectiveness and sustainability of healthcare and long-term care services.	Extremely important	Unsatisfactory	
CSR 3	Reduce the high tax wedge on labour for low-income earners by shifting taxation to sources less detrimental to growth, such as recurrent taxes on immovable property, including by	Important	Mixed	

	<p>updating the tax base. Reinforce measures to improve labour market prospects of people with a migrant background, women and older workers. This includes further improving childcare and long-term care services and the recognition of migrants' qualifications. Improve educational outcomes in particular for disadvantaged young people including those with a migrant background, by enhancing early childhood education and reducing the negative effects of early tracking. Further improve strategic planning in higher education and enhance measures to reduce dropouts.</p>			
CSR 4	<p>Remove excessive barriers for services providers, including as regards legal form and shareholding requirements and with respect to setting up interdisciplinary services companies. Review whether restrictions on entry into and conduct in regulated professions are proportionate and justified by general interest. Identify the reasons behind the low value of public contracts open to procurement under EU legislation. Substantially strengthen the resources of the Federal Competition Authority.</p>	Important	Mixed	
CSR 5	<p>Continue to closely oversee and advance effectively the orderly restructuring of the nationalised and partly nationalised banks.</p>	Extremely important	Unsatisfactory	Hypo disaster

SPRING 2015 REFORM BAROMETER - BELGIUM

		Q1 : the recommendation is	Q2 : implementation on effort is :	Detailed comments
CSR 1	Following the correction of the excessive deficit, reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.5% of GDP based on the Commission 2014 spring forecast, pointing to a risk of significant deviation relative to the Stability and Growth Pact requirements.	Extremely important	Mixed	Excessive deficit remains but the focus is on reducing public expenditure.
CSR 2	Improve the balance and fairness of the overall tax system and prepare a comprehensive tax reform that will allow shifting taxes away from labour towards more growth friendly bases,...	Important	Unsatisfactory	Taxes on labour still one of the highest in Europe but measures have been taken to lower employers social security contributions.
CSR 3	Contain future public expenditure growth relating to ageing, in particular from pensions and long-term care, by stepping up efforts to reduce the gap between the effective and statutory retirement age, bringing forward the reduction of early-exit possibilities, promoting active ageing, aligning the statutory retirement age and career length requirements to changes in life expectancy.	Extremely important	Mixed	There is a limited reduction in early exit possibilities, additional reforms are being negotiated.
CSR 4	Increase labour market participation, notably by reducing financial disincentives to work, increasing labour market access for disadvantaged groups such as the young and people with a migrant background, improving professional mobility and addressing skills shortages and mismatches as well as early school leaving.	Extremely important	Unsatisfactory	No significant changes. A unemployment trap remains for lower skilled workers.

CSR 5	Restore competitiveness by continuing the reform of the wage-setting system, including wage indexation, in consultation with the social partners and in accordance with national practice, to ensure that wage evolutions reflect productivity developments at sectorial and/or company levels as well as economic circumstances and to provide for effective automatic corrections when needed; by strengthening competition in the retail sectors, removing excessive restrictions in services, including professional services and addressing the risk of further increases of energy distribution costs.	Extremely important	Mixed	Temporary freeze of wage indexation but no structural reform of the wage setting mechanism.
CSR 6	Ensure that the 2020 targets for reducing greenhouse gas emissions from non-ETS activities are met, in particular as regards buildings and transport. Make sure that the contribution of transport is aligned with the objective of reducing road congestion. Agree on a clear distribution of efforts and burdens between the federal and regional entities.	Important	Unsatisfactory	

SPRING 2015 REFORM BAROMETER - BULGARIA

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the preventive arm of the Stability and Growth Pact requirements. In 2015, strengthen the budgetary strategy to ensure that the medium-term objective is reached and, thereafter, maintained. Ensure the capacity of the new fiscal council to fulfil its mandate. Implement a comprehensive tax strategy to strengthen tax collection, tackle the shadow economy and reduce compliance costs.	Important	Satisfactory	Changes in VAT Law for Reverse-Charge VAT Mechanism in Grain Trade
CSR 2	Adopt a long-term strategy for the pension system, proceeding with the planned annual increase in the statutory retirement age and setting out a mechanism to link the statutory retirement age to life expectancy in the long term, while phasing out early retirement options and equalising the statutory retirement age for men and women. Tighten eligibility criteria and procedures for the allocation of invalidity pensions, for example by taking better account of the remaining work capacity of applicants. Ensure cost effective provision of healthcare including by improving the pricing of healthcare services while linking hospitals' financing to outcomes, accelerating the optimisation of the hospital network and developing out-patient care.	Extremely important	Mixed	Mixed and slow changes and reforms, especially in the increase of length of service for the military, and police who retire early.
CSR 3	Improve the efficiency of the Employment Agency by developing a performance monitoring system and better targeting the most vulnerable, such as low-skilled and elderly workers, the long-term unemployed and Roma. Extend the coverage and effectiveness of active labour market policies to match the profiles of job-seekers, and reach out to non-registered young people who are not in employment, education or training, in line with the objectives of a youth guarantee. Improve the effective coverage of unemployment benefits and social assistance and their links with activation measures. Take forward the comprehensive review of minimum	Important	Mixed	

	<p>thresholds for social security contributions so as to make sure that the system does not price the low-skilled out of the labour market. Establish, in consultation with social partners, transparent guidelines for the adjustment of the statutory minimum wages taking into account the impact on employment and competitiveness. In order to alleviate poverty, further improve the accessibility and effectiveness of social services and transfers for children and older people.</p>			
CSR 4	<p>Adopt the School Education Act and pursue the reforms of vocational and higher education in order to increase the level and relevance of skills acquired at all levels, while fostering partnerships between educational institutions and business with a view to better aligning outcomes to labour market needs. Strengthen the quality of vocational education and training institutions and improve access to lifelong learning. Step up efforts to improve access to quality inclusive pre-school and school education of disadvantaged children, in particular Roma, and implement strictly the rules linking the payment of child allowance to participation in education.</p>	Important	Mixed	Slow introduction of vocational training in secondary education.
CSR 5	<p>Continue to improve the business environment, in particular for small and medium-sized enterprises, by cutting red tape, promoting e-government, streamlining insolvency procedures and implementing the legislation on late payments. Improve the public procurement system by enhancing administrative capacity, strengthening the <i>ex-ante</i> checks performed by the Public Procurement Agency and taking concrete steps for the implementation of e-procurement. Enhance the quality and independence of the judiciary and step up the fight against corruption.</p>	Important	Mixed	No real progress in introduction of e-government
CSR 6	<p>Scale up the reform of the energy sector in order to increase competition, market efficiency and transparency, and energy efficiency, in particular by removing market barriers, reducing the weight of the regulated segment, stepping up efforts for the creation of a transparent wholesale market for electricity and gas, phasing out quotas, and strengthening the independence and administrative capacity of the energy regulator. Accelerate interconnector projects with neighbouring Member States and candidate countries, in particular for gas, and enhance the capacity to cope with disruptions.</p>	Important	Mixed	

SPRING 2015 REFORM BAROMETER – CROATIA

		Q1 : the recommendation is :	Q2 : implementation effort is :	Detailed comments
CSR 1	Sound public finances	Extremely important	Unsatisfactory	budgetary planning/forecasts without visible improvements, thorough expenditure review not related to the budget 2015, expenditure control has been only partially reinforced , no action to optimise revenue
CSR 2	Sustainable pensions and healthcare	Important	Unsatisfactory	Without proactive actions to harmonise the statutory retirement age, partial mostly administrative measures to make healthcare sector more cost-effective
CSR 3	High employment	Important	Unsatisfactory	No signs to complete the labour law reform , no comprehensive plans to address undeclared work, wage setting review is mostly formal , some progress to combat high youth unemployment

CS R 4	Busine ss- friendl y enviro nment	Extremely important	No progre ss	No visible effort to reduce fragmentation by streamlining and clarifying administrative processes, without the set of quantitative target for lower administrative requirements
CS R 5	Smart er state involv ement in the econo my	Important	Unsatis factory	No plans to ensure transparent and accountable SOE management, the reinforced anti-corruption measures is in early stage ,the promote of transparent and efficient public procurement is declarative
CS R 6	Efficie nt insolv ency regim e and deleve raging	Extremely important	Mixed	The new law reinforced the role of commercial courts in corporate pre-bankruptcy procedures but still there are concrete results , the viability of restructured firms is not ensured , the backlog of cases at commercial court is still big
CS R 7	Bank asset qualit y	Important	Mixed	Tailor-made and comprehensive portfolio screening, as a complement to the ECB's AQR and stress test exercises has been undertaken , NPL continues to grow, profitability trends are poor, some banks are already loss-making

SPRING 2015 REFORM BAROMETER - CZECH REPUBLIC

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	<p>Following the correction of the excessive deficit, preserve a sound fiscal position in 2014. Significantly strengthen the budgetary strategy in 2015 to ensure that the medium-term objective is achieved and remain at the medium-term objective thereafter. Prioritise growth-enhancing expenditure to support the recovery and improve growth prospects. Adopt and implement measures to strengthen the fiscal framework, and in particular establish an independent fiscal institution to monitor fiscal policies, introduce fiscal rules for local and regional governments and improve coordination between all layers of government.</p>	Important	Mixed	<p>This recommendation is important but not very helpful as such. We know that fiscal stability is one of the key issues being reflected in prices on financial markets, public sector stability or in sustainability of existing systems. We support lowering public deficits. We fully support “the correction of excessive deficit” reflecting the real sources of our economy but (at the same time) we are aware of the structure of our public budgets (the ratio of “mandatory expenditure”), the need for structural changes, fragile economic growth (where further fiscal restriction could hinder it) or existing internal debt. So we are not sure if the medium-term objective (if it is measured as 1% structural public deficit) is possible and desirable to meet in 2015. We accepted the proposed deficit of the Czech State Budget for 2015 (CZK 100 bln) but at the same time we admit that it is not helping to fiscal consolidation and it might have been lower. There are risks for future development if no system changes are made. Any increase of public expenditures should be analyzed and contribute to long-term economic growth, sustainability and stability. The recommendation should also be more oriented on specific structural changes (being reflected in public finance directly through public finance systems or indirectly through conditions for private sectors), lowering operating cost of public institutions, monitoring effectiveness of public expenditures, introducing measures lowering tax evasions etc. We agree that it is important to prioritise growth-enhancing expenditure (as mentioned above). The recommendation is insufficient, because it is possible to agree with it in general, but looking for particular steps is questionable and problematic. Prioritization of measures should be a key part of an overall economic policy of the government. The government has to clearly</p>

				<p>define its priorities and decide which measures will be supported. Moreover it is not only about an amount of money (expenditure) but also about its effectiveness and real results for private sector that creates value added and finance public sector. For example there is an increase in our State budget 2015 in the budget for infrastructure but there are strong limitation for using the money like selection procedures, complicated approval processes etc. The Government approved "The action plan of the government to increase economic growth and employment" but we still miss some coordination and management of the plan to secure effective implementation. We do not find introducing a new fiscal institution to monitor fiscal policies as necessary. It is another institution substituting activities that should be done by any responsible government. Nevertheless, we will probably support the basic principles included in the "law on fiscal responsibility" introduced by our government (including fiscal rules). But we will call also for responsible budgetary policy and preventive measures.</p>
CSR 2	<p>Improve tax compliance with a particular focus on VAT and reduce the costs of collecting and paying taxes by simplifying the tax system and harmonising the tax bases for personal income tax and social and health contributions. Reduce the high level of taxation on labour, particularly for low-income earners. Shift taxation to areas less detrimental to growth, such as recurrent taxes on housing and environmental taxes. Further reduce discrepancies in the tax treatment of employees and the self-employed.</p>	Important	Mixed	<p>The assessment is somewhere between "mixed" and "unsatisfactory". We can support the recommendation "to reduce costs of collection and paying taxes by simplifying the tax system". New measures should not have negative impacts on honest tax payers and increase their administrative burden and risks. But the new measures burden honest tax payers and increase their risk and uncertainty. For example, the last amendment of VAT Code includes a new obligation to give another VAT report every month (from 2016) which we consider very complicated and burdensome for some honest tax payers. There has been too many changes in last year's. The tax system should be clear. Nowadays it is too complicated and too confusing. It was very difficult to find out what would change from the 1.1.2015. Regarding the VAT Law there was even some uncertainty in December where companies were not sure what would be effective from the 1.1.2015. The system should not punish those who do not meet their tax obligation unintentionally or those who pay taxes. Each new measure should be thoroughly analysed and consulted with relevant entities (tax payers). There is also the question of quality and motivation of financial officers. The Single Collection Point will not be implemented in 2015 but the discussion and preparatory work should carry on –the main principles of the</p>

				<p>Single Collection Point should be introduced in the future in a way which will really lead to tax simplification (and administrative burden on firms should be really lowered). The work should carry on but an implementation is not a question of this or next year. There has been no significant progress recently, the government focused on other topics. Generally the SP does not contradict the recommendation to shift taxation to areas less detrimental to growth, but again, looking for particular steps is questionable. In general whatever increase in taxation decreases at least the purchasing power of the domestic entities and attractiveness of the territory.</p> <p>The social contributions on labour make the Czech Republic in international benchmarking relatively expensive and price of labour in our country is one of the factors for investors. Reducing the high level of taxation on labour is an interesting idea but not very real. Looking at the amount of tax collection from individual taxes, there is no direct substitute that would not harm the relations in the Czech economy and in public finance these days. So the recommendation should be that "taxes should not be further increased, should be stable, should support key economic priorities and tax collection should be secured". But last amendments of social and health contribution laws increased indirect cost by restricting some exceptions or by removing limits and does not meet this recommendation. Introducing new environmental taxes should not be additional to current systems and should not harm industry sector, which might be problematic. Moreover any such a scheme should be beneficial for the environment, not only for fiscal reasons). It would mean to change the current systems and so it is not possible to implement a new system of environmental taxes in 2014 or 2015. Better tax collection (due to lower tax evasion) might be one of the important tools how to secure fiscal stability without further tax increasing and securing more equal business environment. We support the aim as such and some measures like electronic sales evidence. We supported also the establishment of "Cobra team" (from 2014) - a team of experts aimed at large tax frauds. Or we accepted "reverse charge" mechanism aimed at products with the largest tax evasions.</p>
CSR 3	Ensure the long-term sustainability of the public pension scheme, in particular by accelerating the increase of the statutory retirement age and then by	Important	Mixed	CZ repeatedly expressed its disagreement with the part of the recommendation requiring the acceleration of the increase of the statutory retirement age. Therefore no measures are considered in

	linking it more clearly to changes in life expectancy.			this regard. Based on previously accepted measures the long-term sustainability of the public pension scheme has improved. It was established the Expert Commission on Pension Reform till 2050 (involving social partners) which should proposed concrete changes.
	Promote the employability of older workers and review the pension indexation mechanism.	Important	Satisfactory	The pilot project Generational Tandem aiming to promote the intergenerational exchange of experiences and to keep older workers longer in employment. The creation of jobs for older workers was supported by the increase of employment subsidy for the employers.
	Take measures to improve significantly the cost-effectiveness and governance of the healthcare sector, in particular for hospital care.	Helpful (but not a priority)	Mixed	The government continues with measures defined in the NPR 2014.
CSR 4	Strengthen the efficiency and effectiveness of the public employment service, in particular by setting up a performance measurement system.	Important	Satisfactory	The performance measurement is under developed in order to improve effectiveness of PES. The verification of the results is currently prepared. The capacity of PES was strengthen.
	Increase participation of unemployed youth in individualised services.	Important	Satisfactory	The Action plan for the implementation of the Youth guarantee is delivered; the role of career consulting is increasing.
	Increase considerably the availability of affordable and quality childcare facilities and services, with a focus on children up to three years old.	Helpful (but not a priority)	Satisfactory	For increasing the capacities of pre-primary education facilities in 2014 there have been two national programmes introduced focused on maternity schools and elementary schools founded by local authorities.
CSR 5	Ensure that the accreditation, governance and financing of higher education contribute to improving its quality and labour market relevance.	Extremely important	Unsatisfactory	The reforms declared in the NRP are ongoing but inconsistent and without any essential effects on the professionalization of schools as expected by the employers.
	In compulsory education, make the teaching profession more attractive, implement a comprehensive evaluation framework and support schools and pupils with poor outcomes.	Important	Mixed	The career system for teachers linked to attestation and the motivation reward system established.
	Increase the inclusiveness of education, in particular by promoting the participation of socially disadvantaged and Roma children in particular in early childhood education.	Helpful (but not a priority)	Satisfactory	Effective measures have been taken.

	Accelerate the development and introduction of a new methodology for evaluating research and allocating funding in view of increasing the share of performance-based funding of research institutions.	Important	Unsatisfactory	Regarding the European Commission's recommendation on research, development and innovations, the SP can agree that the government continues in the Individual National Project Effective System for Assessing and Funding Research, Development and Innovation (IPN Methodology) with the aim to prepare new methodology for the results assessment and the institutional funding of research organizations. But works on the IPN Methodology and valid Methodology for 2013-2015 discriminate industrial research and don't include some of its results - the business sector cannot agree with this.
CSR 6	Accelerate the reform of regulated professions, focusing on the removal of unjustified and disproportionate requirements.	Important	Unsatisfactory	The number of the regulated professions has been reduced by 30 during the year 2013. The reform should be speeded.
	Step up the efforts to improve the energy efficiency in the economy	Important	Satisfactory	National Action Plan for Energy Efficiency has been worked out and is currently in its approval stage. Country Energy Efficiency Target is approved. The most important task for now is to set up methodology for calculating energy savings and find appropriate projects and financial sources to meet the Target.
CSR 7	In 2014, adopt and implement a Civil Service Act that will ensure a stable, efficient and professional state administration service.	Important	Unsatisfactory	In October 2014 approved by the Parliament. The President of the Republic decided to file a suit at the Czech constitutional court to remove several provisions of this act. In the light of the current discussion in the Commission regarding the Civil Act there is a risk that the start of using the structural fund could be further delayed.
	Speed up and substantially reinforce the fight against corruption by implementing the remaining legislative measures provided for in the anti-corruption strategy for 2013-2014 and by developing plans for the next period. Further improve the management of EU funds by simplifying implementing structures, improving capacity and tackling conflicts of interest. Increase transparency of public procurement and improve the implementation of public tenders by providing appropriate guidance and supervision.	Important	Satisfactory	Implemented according to the NPR 2014: The Government Council for Coordination of the fight against corruption established, a Government Conception on Combating Corruption 2015-2017 under the debate. As the anti-corruption measures concerns, steps of the government still remain mostly at declaratory level; judicial proceedings are not processed at desired speed and efficiency together with well-deserved impact on the general public.

SPRING 2015 REFORM BAROMETER - DENMARK

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Following the correction of the excessive deficit, continue to pursue a growth-friendly fiscal policy and preserve a sound fiscal position, ensuring that the medium-term budgetary objective continues to be adhered to throughout the period covered by the Convergence Programme.	Helpful (but not a priority)	Mixed	
CSR 2	Take further measures to improve the employability of people at the margins of the labour market. Improve educational outcomes, in particular for young people with a migrant background, and the effectiveness of vocational training. Facilitate the transition from education to the labour market, including through a wider use of work-based training and apprenticeships.	Extremely Important	Mixed	
CSR 3	Increase efforts to remove barriers to entry and reduce regulatory burden with a view to increasing competition in the domestic services sector, in particular in retail and construction, as recommended by the Productivity Commission.	Extremely important	Mixed	More needs to be done

SPRING 2015 REFORM BAROMETER - ESTONIA

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Reinforce the budgetary measures for 2014 in the light of the emerging gap of 0.3% of GDP based on the Commission 2014 spring forecast	Important	Satisfactory	
CSR 2	Improve incentives to work through measures targeted at low income earners.	Important	Mixed	
CSR 3	To ensure the labour-market relevance of education and training systems, improve skills' and qualification levels by expanding life-long learning measures and systematically increasing participation in vocational education and training, including in apprenticeships.	Extremely important	Mixed	
CSR 4	Step up efforts to improve energy efficiency, in particular in residential and industrial buildings.	Important	Satisfactory	
CSR 5	Better balance local government revenue against devolved responsibilities. Improve the efficiency of local governments and ensure the provision of quality public services at local level, especially social services complementing activation measures.	Important	Mixed	

SPRING 2015 REFORM BAROMETER – FINLAND

		Q1 : the recommendation is	Q2 : implementation on effort is :	Detailed comments
CSR 1	Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the medium-term objective....	Extremely important	Mixed	The government has taken measures to fulfil the debt criterion but it has focused too much on tax hikes. Also the government has not been able to implement sufficient structural policy programme.
CSR 2	Ensure effective implementation of the on-going administrative reforms concerning municipal structure and social and healthcare services ...	Important	Unsatisfactory	The suggested model will not increase the cost effectiveness of the services
CSR 3	Improve the use of the full labour force potential in the labour market, including by improving the employment rate and the employability of older workers ...	Important	Mixed	The government has not reduced early exit pathways and aligned statutory retirement age to changes in life expectancy, but labour market organizations have reached a solution to raise stationary pension age from 63 to 65 which will affect labour supply in the long run.
CSR 4	Continue efforts to enhance competition in product and service markets, especially in the retail sector ...	Helpful (but not a priority)	No progress	
CSR 5	Continue to boost Finland's capacity to deliver innovative products, services and high-growth companies in a rapidly changing environment ...	Important	Mixed	The expenditure on R&D has declined and Finland has not been able raise investment rate. Progress in building a connecting gas pipeline to Estonia

SPRING 2015 REFORM BAROMETER – FRANCE

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Reduce excessive deficit through archiving the structural adjustment effort	Extremely important	No progress	Real efforts have been made to stop the increase in public expenditures, and improve competitiveness (through tax credit, and announcement of Pact of responsibility) but the mix to reduce the budget deficit is still not appropriate. Beside this program doesn't include sufficient structural reforms regarding for instance labour market, healthcare or pensions
CSR 2	Ensure labour cost reduction and assess the efficiency of social security contribution exemptions	Extremely important	Mixed	Implementation of Tax credit for competitiveness and employment (CICE), and adoption of first measures of Pact of responsibility
CSR 3	Simplify companies' administration, fiscal and accounting rules. Improve efficiency of innovation policy	Important	Mixed	A real effort is being made to simplify existing rules but in the meantime, new rules are presented to or prepared by the Parliament which strongly complexify the business environment
CSR 4	Remove unjustified restrictions on the access to an exercise of regulated professions	Helpful (but not a priority)	No progress	A law for growth and activity has been presented by the Government in December and should be voted by the Parliament by spring 2015. it includes removing of barriers for access to legal professions
CSR 5	Reduce the tax burden on labour and step up efforts to simplify and increase the efficiency of the tax system	Extremely important	Mixed	Implementation of Tax credit for competitiveness and employment (CICE), and adoption of first measures of Pact of responsibility
CSR 6	Combat labour market rigidity. Reform unemployment benefit system in association with social partners	Extremely important	No progress	A new regime for unemployment system has been approved in march 2014 including new incentives for work and a high level of expenses cuts

CSR 7	Pursue the modernisation of vocational education and training	Extremely important	Satisfactory	A reform of professional training has been agreed by social partners and adopted by the Parliament in march 2014
	Education			

SPRING 2015 REFORM BAROMETER - GERMANY

		Q1 :the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Pursue growth-friendly fiscal policy and preserve a sound fiscal position	Important	Mixed	<p>Ensuring the sustainability of the public pension system and increasing the cost effectiveness of public spending on healthcare and long-term care are very important indeed. Noninsurance/extraneous benefits must be funded from tax revenues.</p> <p>The second and third pillar pensions scheme need further promotion to avoid strong increases of social security contributions in the long run. Social security contribution rates need to be reduced wherever it is possible. It is the contributor’s money and must not be alienated. Low contribution rates help to avoid additional expenditures that are not fundable in the long run. While implementing the debt brake across the Länder, this must not be achieved by pushing noninsurance/extraneous benefits into the social security systems.</p>
CSR 2	Complete the implementation of the debt brake consistently across all Länder, ensuring that monitoring procedures and correction mechanisms are timely and relevant.	Important	Mixed	<p>CSR: Reduction of taxes and social security contributions will increase employment. Employment effects on domestic demand exceed wage growth effects by more than 100%.; reduction of long-term unemployment and integration of low skilled persons is a major challenge of German labour market policy; the CSR failed to recognize flexible forms of employment as one of the key factors of the positive labour market development.</p> <p>Effort of government: no reduction of taxes, pension reform (raising pensions for older mothers, certain workers can retire at 63 instead of 65) will increase social security contributions in the long run, even though the pension contribution could be reduced for the year 2015; discussion about disincentives for second earners goes on without result; Government plans overregulation of flexible employment. Social security contribution rates need to be reduced wherever it is possible. It is the contributor’s money and must not be alienated. Low contribution rates help to avoid additional expenditures that are not fundable in the long run.</p>

CSR 3	Improve the efficiency of the tax system, in particular by broadening the tax base, notably on consumption basis for assessment of value-added tax "Mehrwertsteuerbemessungsgrundlage".	Helpful (but not a priority)	Unsatisfactory	
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SPRING 2015 REFORM BAROMETER - GREECE

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Numerous, often technical, recommendations regarding tax collection and implementation of revenue increasing measures as well as administrative issues of the tax authorities. Requests to increase the VAT rate and revoking of exemptions in a number of cases like islands and tourism. A fiscal gap is documented and measures, that include further tax increases, are asked for.	Important	Mixed	While clearly there are many pending issues that need to be addressed, the recommendations do not acknowledge that numerous taxes rules, new and old are harming growth, as is the vagueness and delay in their implementation. Indeed some exemptions and special rates may be unjustified. In some cases there is a rationale though, e.g. islands, and alternative tools to support the residents may be appropriate. The timing of the increase in VAT for tourism is causing concrete harm and is hard to understand. The assessment of the fiscal gap and the need for fiscal consolidation remains static, and even after the experience of 2012 and the PSI neglects the dynamic dimension.
CSR 2	Measures to reduce medical expenditure and to further rationalize the pension benefits. Required measures also include expenditure rationalization for personnel in the public sector and state owned companies.	Extremely important	Mixed	Progress has been uneven. On the positive side, an extensive electronic documentation of all pension payments is now reality and allows for useful cross-checks and a codification of the legal texts for social security is advancing - which will allow an overview of a largely arcane and sometimes intentionally cryptic legislation. A large group of public sector employees that have been in gross violation of laws and professional obligations has been fired setting a significant precedent. Yet, room remains for well targeted and socially just interventions that will lead to savings. Implementation of a unified pay grid apparently has not yet reached all public sector entities.

CSR 3	Privatizations are acknowledged to yield below target revenue, but are required to proceed.	Extremely important	Mixed	Privatizations are still largely driven by fiscal needs, and not assessed as a strategic tool to improve the competitiveness of the productive economy. That said, a recent positive conclusion of the tender to privatize the operations of regional airports is a significant development in the right direction, as these airports are significant for tourism.
CSR 4	Business environment based on the OECD toolkit	Extremely important	Mixed	On numerous issues, like public procurement and university-industry collaboration progress is mixed. Some steady progress in issues related to licensing even though progress so far directly benefits only smaller establishments, indirectly the reduction of workload of responsible government units may benefit larger establishments as well and as long as the related direct improvements are still anticipated. Numerous pending issues, from spatial planning to waste disposal. Anticipated improvements in the pricing, taxing and charges on energy for production - in spite of a clear provision to have a neutral effect on PPC and tax revenue - are slow to be implemented. Inadequate or mixed progress on numerous issues ranging from nuisance charges, to the identification of administrative burden and red tape - a new electronic registry for companies led to a reduction in procedures but an increase in needed time and at the same time new charges are anticipated that will have companies to pay for example 3 fees for any change in the registry data - one fee for the registry, one for the one-stop shop and one for the chamber that hosts the registry. Much improved electronic management of social security data, with announcements of new hires and departures now being fully electronic instead of an onerous multi stage manual process of the past and all related documentation being available on-line. The application of the OECD toolkit concerns sectors that have been selected ad hoc and not after a prior screening that would guide the process towards sectors where known issues exist. In addition the emphasis on the application of the competition assessment toolkit and at the same time the neglect to advance the agenda of red tape reduction and improvement of doing business horizontally may not be optimal.

CSR 5	Justice	Extremely important	Mixed	Numerous initiatives have been taken, with limited end effect so far, even though some measures appear to form the foundation for future improvement.
CSR 6	Insolvency law, company restructuring and out of court procedures	Extremely important	Mixed	With recent new laws there has been some progress in certain areas to facilitate restructuring agreements and to write off a small amount of debts of salvageable businesses to the state, but in many cases the scope may not be ambitious enough to face off challenges at hand. Initiatives are mostly guided by static fiscal concerns and not by a strategy to salvage as many fundamentally sound, but devastated by the liquidity suffocation of the private sector and uncertainty, companies as possible. In any case, the new framework was only recently put in place but the recent political developments mean that all business plans for restructuring have been postponed, and therefore it has been difficult to observe if the abovementioned concerns hamper useful restructuring exercises in a majority of cases or if, despite any shortcomings, the new framework can help. A stabilization of the political developments will allow for such signals to come from the market.
CSR 7	Labour market, with emphasis to mass layoffs, lock out, change in law for unions	Important	Mixed	On the issue of collective dismissals, the new procedure through the SLC (as tested recently) is expected to prove adequate and equally durable to an amendment of the law. On the rest of the issues, there are specific conclusions agreed between the Greek Social Partners and the Ministry of Labour at the High Level Meeting facilitated by the ILO Director-General, hosted on September 2014 in Geneva.

SPRING 2015 REFORM BAROMETER – HUNGARY

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the Stability and Growth Pact requirements, namely the debt reduction rule, based on the Commission 2014 spring forecast. In 2015, and thereafter significantly strengthen the budgetary strategy to ensure reaching the medium-term objective and compliance with the debt reduction requirements in order to keep the general government debt ratio on a sustained downward path. Ensure the binding nature of the medium-term budgetary framework through systematic ex-post monitoring of compliance with numerical fiscal rules and the use of corrective mechanisms. Improve the transparency of public finances, including through broadening the mandatory remit of the Fiscal Council, by requiring the preparation of regular macro-fiscal forecasts and budgetary impact assessments of major policy proposals.	Important	Satisfactory	
CSR 2	Help restore normal lending flows to the economy, inter alia by improving the design of and reducing the burden of taxes imposed on financial institutions. Adjust the financial transaction duty in order to avoid diverting savings from the banking sector and enhance incentives for using electronic payments. Investigate and remove obstacles to portfolio cleaning inter alia by tightening provisioning rules for restructured loans, removing obstacles to collateral foreclosure as well as increasing the speed and efficiency of insolvency proceedings. In this respect, closely consult stakeholders on new policy initiatives and ensure that these are well-targeted and do not increase moral hazard for borrowers. Further enhance financial regulation and supervision.	Helpful (but not a priority)	No progress	
CSR 3	Ensure a stable, more balanced and streamlined tax system for companies, including by phasing out distortive sector-specific taxes. Reduce the tax wedge for low-income earners, inter alia by improving the efficiency of environmental taxes. Step up measures to improve tax compliance — in particular to reduce VAT fraud — and reduce its overall costs.	Extremely important	No progress	

CSR 4	Strengthen well-targeted active labour market policy measures, inter alia by accelerating the introduction of the client profiling system of the Public Employment Service. Put in place the planned youth mentoring network and coordinate it with education institutions and local stakeholders to increase outreach. Review the public works scheme to evaluate its effectiveness in helping people find subsequent employment and further strengthen its activation elements. Consider increasing the period of eligibility for unemployment benefits, taking into account the average time required to find new employment and link to activation measures. Improve the adequacy and coverage of social assistance while strengthening the link to activation. In order to alleviate poverty, implement streamlined and integrated policy measures to reduce poverty significantly, particularly among children and Roma.	Extremely important	No progress	
CSR 5	Stabilise the regulatory framework and foster market competition, inter alia by removing barriers in the services sector. Take more ambitious steps to increase competition and transparency in public procurement, including better use of e-procurement and further reduce corruption and the overall administrative burden.	Extremely important	No progress	
CSR 6	Implement a national strategy on early school leaving prevention with a focus on drop-outs from vocational education and training. Put in place a systematic approach to promote inclusive mainstream education for disadvantaged groups, in particular Roma. Support the transition between different stages of education and towards the labour market, and closely monitor the implementation of the vocational training reform. Implement a higher-education reform that enables greater tertiary attainment, particularly by disadvantaged students.	Important	No progress	
CSR 7	Review the impact of energy price regulation on incentives to invest and on competition in the electricity and gas markets. Take further steps to ensure the autonomy of the national regulator in establishing network tariffs and conditions. Take measures to increase energy efficiency in particular in the residential sector. Further increase the sustainability of the transport system, inter alia by reducing operating costs and reviewing the tariff system of state-owned enterprises in the transport sector.	Important	No progress	

SPRING 2015 REFORM BAROMETER - IRELAND

		Q1 : the recommendation is	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Fully implement the 2014 budget	Important	Excellent/no further progress needed	Ireland has made excellent progress to date on fiscal adjustment and it continued to outperform expectations in 2014. It remains on track to deliver a deficit well below 3% in 2015.
CSR 2	Advance the reform of the healthcare sector	Extremely important	Unsatisfactory	Progress on healthcare reform remains unacceptably slow. Outcomes remain suboptimal and while expenditure reductions have impacted on some aspects of service delivery, the absence of more structural reforms remains the main barrier to improved service delivery.
CSR 3	Pursue further improvements in active labour market policies,	Extremely important	Satisfactory	Good progress has been made on labour market reforms, including the introduction of new model of apprenticeships and contracting of employment support services to the private sector
CSR 4	Tackle low work intensity of households	Important	Mixed	Progress to date has been mixed. Labour market policies have been supportive but further reform of interaction between tax and social welfare is needed.
CSR 5	Advance policies for the SME sector including initiatives to address the availability of bank and non-bank financing	Extremely important	Unsatisfactory	Progress in addressing SME debt legacy has been slow and has hindered a return to investment growth. Positive developments have included the launch of a new state backed investment bank which will support SME lending.
CSR 6	Monitor banks' performance against the mortgage arrears restructuring targets.	Extremely important	Satisfactory	Performance has been closely monitored and good progress has been made. Some arrangements delivered are not yet evident in the official data.
CSR 7	Reduce the cost of legal proceedings and services and foster competition	Important	Unsatisfactory	Legal services reform has been advanced but at mid-January has not yet been passed by the second chamber.

SPRING 2015 REFORM BAROMETER - ITALY

		Q1 : the recommendation is	Q2 : Implementation on effort is :	Detailed comments
CSR 1	<p>Reinforce the budgetary measures for 2014 in the light of the emerging gap relative to the Stability and Growth Pact requirements, namely the debt reduction rule, based on the Commission services 2014 spring forecast and ensure progress towards the MTO. In 2015, significantly strengthen the budgetary strategy to ensure compliance with the debt reduction requirement and thus reaching the MTO. Thereafter, ensure that the general government debt is on a sufficiently downward path; carry out the ambitious privatisation plan; implement a growth-friendly fiscal adjustment based on the announced significant savings coming from a durable improvement of the efficiency and quality of public expenditure at all levels of government, while preserving growth-enhancing spending like R&D, innovation, education and essential infrastructure projects. Guarantee the independence and full operationalisation of the fiscal council as soon as possible and no later than September 2014, in time for the assessment of the 2015 Draft Budgetary Plan.</p>	<p>Contrary to Federation advise</p>	<p>Excellent/no further progress needed</p>	

<p>CSR 2</p>	<p>Further shift the tax burden from productive factors to consumption, property and the environment, in compliance with the budgetary targets. To this end, evaluate the effectiveness of the recent reduction in the labour tax wedge and ensure its financing for 2015, review the scope of direct tax expenditures and broaden the tax base, in particular on consumption. Ensure more effective environmental taxation, including in the area of excise duties, and remove environmentally harmful subsidies. Implement the enabling law for tax reform by March 2015, including by adopting the decrees leading to the reform of the cadastral system to ensure the effectiveness of the reform of immovable property taxation. Further improve tax compliance by enhancing the predictability of the tax system, simplifying procedures, improving tax debt recovery and modernising tax administration. Pursue the fight against tax evasion and take additional steps against the shadow economy and undeclared work.</p>	<p>Important</p>	<p>Mixed</p>	<p>The Italian government moved important steps toward the implementation of the CSR No. 2; nonetheless, several key issues remain unsolved and some of them seem far from a swift solution. About the suggested tax shift from productive factors to consumption, property and environment, it is worth noting that a significant reduction of the labor tax wedge finally took place thanks to the Stability Law 2015 (Law 23 December 2014, No. 190). In particular, we consider positive the mechanisms envisaged to alleviate the burden of labor cost on enterprises, namely: the complete deductibility of labor cost of permanent employees from IRAP tax base and the three-year exemption from SSC for companies that hire new employees with permanent contracts. It seems also appropriate the stabilization of the so called "80 euro bonus" granted to employees with annual income up to 26,000 euro, even if the government did not assess the effectiveness of this incentive, as it should have done following the CSR. Despite of the positive actions described above, the requested tax shift is still far from its final goal since the tax pressure on productive factors others than labor remains relatively high due to increases in the recent past. On one hand, tax rates on financial income rose in 2014 from 20% to 26% (Law Decree 24 April 2014, No. 66) and various other measures affected the tax pressure on capital, i.e. the new rate for stamp duty on financial products introduced in 2014 (Law 27 December 2013, No. 147). On the other hand, taxation on consumption increased with two consecutive ordinary VAT rate increments (from 20% to 21% in 2011, and from 21% to 22% in 2013) but the revenues of these actions have been used to finance contingent economic policies and did not contribute to a rational reduction of the tax burden on productive factors. In the CSR the EU Council points out the opportunity to review the scope of tax expenditures, broadening the tax base, in particular on consumption; for these purposes, Article 4 of Law 11 March 2014, No. 23 (enabling law on taxation) provides a set of principles aimed to a general revision of the tax expenditures currently in force (including reduced VAT rates), nonetheless, by now with the enabling law deadline approaching there are still no legislative initiatives underway on this matter. With specific reference to the reduced VAT rates, we have already expressed our position and</p>
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				<p>concern, underlining the opportunity of a broad review but only if it is aimed to finance policies of reduction of the global tax burden for companies. Within the framework of the enabling law on taxation reform, three enhancing decrees have been adopted so far: one on the revision of taxation on tobacco production and consumption, one on the reform of the cadastral committees, and another one on the simplification of tax procedures. Work carried forward about the cadastral reform has a key-role in the revision of the local taxation, also for businesses immovable property, that became a major issue in recent years. In fact, tax burden on immovable property owned by companies increased steadily in recent years, also because of some unfair practices in tax assessments (The reference here is to the problem known as “the bolted machineries” that is the practice used by some local authorities of including in the cadastral value of industrial sheds also the economic value of large machineries located in the sheds and fixed to the ground – that is why “bolted” machineries – in this way the cadastral value, which is usually the tax base in real estate taxation, increases significantly). Situations such the one just described give the extent of how the legal certainty scenario is jeopardized and needs to be clarified and made more consistent (also in order to contrast misinterpretation by local authorities). Legal certainty is the core of the tax reform sketched in the enabling law and we think it should be addressed in a rapid and proper way; on this crucial topic, the government approved, on December, a scheme decree about legal certainty, tax penalties and cooperative compliance, but suddenly recalled it for a deeper analysis of some provisions. It would be definitely adopted before the enabling law deadline (i.e. 27th March), hence at this stage we are not able to fully evaluate the reform under this point of view. However, as the CSR correctly states, a fundamental step on the reform path is the simplification of tax procedures; in this frame, the government approved only one legislative decree (Legislative Decree 27 November 2014, No. 175) which provides for a set of useful actions, i.e. the introduction of a pre-filled tax return for individuals or a simplified VAT refunds procedure (refund procedures are improving but this is still a sore point, since Italy remains in the backward if compared to other EU countries). Even though the mentioned decree is a good start, it’s a well-known</p>
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				<p>fact that Italy is affected by a very pervasive bureaucracy related to taxation (as clearly shown also in the last comparison chart released by the World Bank - Doing Business 2015) therefore many other actions can be adopted to fully restore the efficiency and the predictability of the tax environment. For example in the field of VAT, Italian companies still suffer for a resounding violation of the neutrality principle, due to the fact that, on the basis of current legislation, it's not allowed to rectify VAT on receivables. The CSR emphasizes the role of the fight against tax evasion: unfortunately we lack adequate instruments to weigh up the real relevance of this phenomena and to deeply analyze its characteristics since the data available so far come from many different sources and frequently don't match each other. The urge of an official report has been stressed also in the enabling law, that called for a comprehensive work on this matter by the Ministry of Economics and Finance; this latter published, last year, a first provisional report on tax evasion and strategies to contrast it, but the measure of the enabling law has not been implemented yet. We are aware that the fight against evasion is a priority and has also a crucial importance in the context of public finances and country reputation, and we strongly endorse it, but it cannot justify actions that end up producing more uncertainty in the tax system, damaging competitiveness of businesses that play by the rules; in this regards, measures like the VAT reverse charge for mass retailers and the split payment mechanism, that the government is introducing through the Stability Law for 2015, can be considered major missteps.</p>
CSR 3	<p>As part of a wider effort to improve the efficiency of public administration, clarify competences at all levels of Government. Ensure better management of EU funds by taking decisive action to improve administrative capacity, transparency, evaluation and quality control both at national and regional level, especially in southern regions. Further enhance the effectiveness of anti-corruption measures, including by revising the statute of limitations by the end of 2014, and strengthening the powers of the national anti-corruption authority.</p>	Extremely important	Mixed	<p>Despite of the reforms that have been adopted within the civil justice (i.e. On-line Civil Trial), the majority of the measures related to the efficiency of the Public Administration have just been proposed but not yet implemented. The current legal framework of the administrative functions remains unsatisfactory. Some important steps forward have been taken with reference to the anti-corruption, in particular the introduction of the self-laundering crime and the full functioning of the new Anticorruption Italian Authority.</p>

	Monitor in a timely manner the impact of the reforms adopted to increase the efficiency of civil justice with a view to securing their effectiveness and adopting complementary action if needed.			
CSR 4	Reinforce the resilience of the banking sector and ensure its capacity to manage and dispose of impaired assets to revive lending to the real economy. Foster non-bank access to finance for firms, especially small and medium-sized businesses. Continue to promote and monitor efficient corporate governance practices in the whole banking sector, with particular attention to large cooperative banks ('banche popolari') and the role of foundations, with a view to improving the effectiveness of financial intermediation.	Extremely important	Mixed	First, not much has been done in the field of non-performing loans in the Italian bank balance sheets; some individual bank initiatives are being studied, in some cases with banks trying to work together, but always with no involvement by public authorities. Second, many important efforts have been made by the Government in the field of non-bank finance, namely with the Mini-bond and Aim-Mac initiatives and also the various successive interventions to stimulate the creation of the demand side of those markets, in particular targeting insurance companies and pension funds; some measures are still missing, mainly extending the activity of the Guarantee Fund to insurance companies and pension funds. Third, recently the Government is intervening, with a decree law that has now to be converted into law, on the big "Banche Popolari", in the right direction, mainly in the field of governance; we have still to see how this will work in practice, taking in mind that the important thing is that this helps unlocking credit to the real economy.
CSR 5	Evaluate, by the end of 2014, the impact of the labour market and wage-setting reforms on job creation, dismissals' procedures, labour market duality and cost competitiveness, and assess the need for additional action. Work towards a more comprehensive social protection for the unemployed, while limiting the use of wage supplementation schemes to facilitate labour re-allocation. Strengthen the link between active and passive labour market policies, starting with a detailed roadmap for action by December 2014, and reinforce the coordination and performance of public employment services across the country. Adopt effective action to promote female employment, by adopting measures to reduce fiscal disincentives for second earners by	Extremely important	Satisfactory	

	<p>March 2015 and providing adequate care services. Provide adequate services across the country to non-registered young people and ensure stronger private sector commitment to offering quality apprenticeships and traineeships by the end of 2014, in line with the objectives of a youth guarantee. To address exposure to poverty and social exclusion, scale-up the new pilot social assistance scheme, in compliance with budgetary targets, guaranteeing appropriate targeting, strict conditionality and territorial uniformity, and strengthening the link with activation measures. Improve the effectiveness of family support schemes and quality services favouring low-income households with children.</p>			
CSR 6	<p>Implement the National System for Evaluation of Schools to improve school outcomes in turn and reduce rates of early school leaving. Increase the use of work-based learning in upper secondary vocational education and training and strengthen vocationally-oriented tertiary education. Create a national register of qualifications to ensure wide recognition of skills. Ensure that public funding better rewards the quality of higher education and research.</p>	Important	Satisfactory	<p>The CSR No. 6 emphasizes the role of the fight against school dropout (average 17% in Italy) with two main instruments: a new evaluation system for schools (in order to measure the effective performance of teachers and students) and a closer connection between school and work with more apprenticeship, more VET, more upper secondary technical schools (as indicated in the European Alliance for Apprenticeships, which, however, Italy has not adhered fully). These elements are part of the reform program "La Buona Scuola" launched by the Italian government on 3rd September 2014. Confindustria participated at the consultation presenting and publishing 100 proposals on 7th October 2014. The reform aims to innovate the educational system in its entirety.</p> <p>The main novelty of the document is the assumption of 148,000 teachers and the starting of meritocratic criteria for rewarding the best teachers not only according to length of service: this task can be realized with a new system of evaluation that the reform designs and finances. Among the measures about the connection between school and work very significant is the prevision of 600 hours of obligatory school-work training in the last three years of technical schools, as well as the beginning of experimentation of</p>

				apprenticeships in schools, business didactic, support for the participation of enterprises in school labs, investment on ITS (level 5b / 6 EQF). Significant also the devolution of more management powers to school principals. At the beginning of 2015 President Renzi announced that the reform will become law by February 28.
CSR 7	Approve the pending legislation or other equivalent measures aimed at simplifying the regulatory environment for businesses and citizens and address implementation gaps in existing legislation. Foster market opening and remove remaining barriers to, and restrictions on, competition in the professional and local public services, insurance, fuel distribution, retail and postal services sectors. Enhance the efficiency of public procurement, especially by streamlining procedures including through the better use of e-procurement, rationalising the central purchasing bodies and securing the proper application of pre- and post-award rules. In local public services, rigorously implement the legislation providing for the rectification of contracts that do not comply with the requirements on in-house awards by 31 December 2014.	Extremely important	No progress	No Relevant regulatory liberalization and simplification measures for businesses have been adopted. The majority of the past legislative measures are still unenforced. No legislative measures on competition have been adopted. There are no relevant development on central purchasing bodies and local public services.
CRS 8	Ensure swift and full operationalisation of the Transport Authority by September 2014. Approve the list of strategic infrastructure in the energy sector and enhance port management and connections with the hinterland.	Extremely important	Mixed	No Relevant regulatory liberalization and simplification measures for businesses have been adopted. The majority of the past legislative measures are still unenforced. No legislative measures on competition have been adopted. There are no relevant development on central purchasing bodies and local public services.

SPRING 2015 REFORM BAROMETER - LATVIA

		Q1 : the recommendation is	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Preserve a sound fiscal position in 2014 and strengthen the budgetary strategy as of 2015	Important	Excellent/no further progress needed	Fiscal indicators (general government debt, budget deficit) fulfill Maastricht criteria.
CSR 2	Step up implementation of the higher education reform	Important	Mixed	Elaboration of a financing model of the higher education that rewards quality. This model will be implemented in 2015.
CSR 3	Reform social assistance and its financing	Important	Satisfactory	The concept has been elaborated how to define minimum income level and to reduce poverty and income inequality.
CSR 4	Accelerate the development of gas and electricity interconnections to neighbouring Member State	Important	Mixed	The electricity market for industrial customers has been already open but there is not enough access to Nordic electricity markets where electricity costs are much more competitive.
CSR 5	Complete judicial reforms including the pending reforms of insolvency, arbitration and mediation frameworks	Important	Unsatisfactory	Inefficiency of judicial system still is one of major obstacles of weak lending.

SPRING 2015 REFORM BAROMETER - LITHUANIA

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Implement the budgetary strategy with a further strengthened fiscal framework, in particular by ensuring binding expenditure ceilings when setting the medium-term budgetary framework	Important	Mixed	
CSR 2	Adopt and implement legislation on a comprehensive pension system reform. In particular, align the statutory retirement age with life expectancy, restrict access to early retirement, establish clear rules for the indexation of pensions, and promote the use of complementary savings schemes. Underpin pension reform with measures that promote the employability of older workers.	Important	Mixed	
CSR 3	Better target active labour market policy measures to the low-skilled and long-term unemployed. Improve coverage and adequacy of unemployment benefits and link them to activation. Address persistent skills mismatches by improving the labourmarket relevance of education and promote life-long learning. In order to increase employability of young people, prioritise offering quality apprenticeships and strengthen partnership with the private sector. Review the appropriateness of labour legislation, in particular with regard to the framework for labour contracts and for working-time arrangements, in consultation with social partners.	Extremely important	Unsatisfactory	
CSR 4	Ensure adequate coverage of those most in need and continue to strengthen the links between cash social assistance and activation measures.	Important	Satisfactory	
CSR 5	Complete the implementation of the reform of state-owned enterprises as planned; in particular by finalising the separation of commercial and non-commercial activities, further professionalising executive boards and closely monitoring compliance with the requirements of the reform.	Helpful (but not a priority)	Mixed	
CSR 6	Step up measures to improve the energy efficiency of buildings, through a rapid implementation of the holding fund. Continue the development of cross-border connections to neighboring Member States for both electricity and gas to diversify energy sources and promote competition through improved integration of the Baltic energy markets.	Important	Satisfactory	

SPRING 2015 REFORM BAROMETER - LUXEMBOURG

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Preserve a sound fiscal position in 2014; significantly strengthen the budgetary strategy in 2015 to ensure that the medium-term objective is achieved and remain at the medium-term objective thereafter, in order to protect the long-term sustainability of public finances, in particular by taking into account implicit liabilities related to ageing. Strengthen fiscal governance by speeding up the adoption of a medium-term budgetary framework covering the general government and including multi-annual expenditure ceilings, and by putting into place the independent monitoring of fiscal rules. Further broaden the tax base, in particular on consumption.	Important	Satisfactory	Satisfactory commitment towards a sound fiscal position
CSR 2	In view of ensuring fiscal sustainability, curb age-related expenditure by making long-term care more cost-effective, pursue the pension reform so as to increase the effective retirement age, including by limiting early retirement, by aligning retirement age or pension benefits to change in life expectancy. Reinforce efforts to increase the participation rate of older workers, including by improving their employability through lifelong learning.	Extremely important	Unsatisfactory	
CSR 3	Speed up the adoption of structural measures, in consultation with the social partners and in accordance with national practices, to reform the wage setting system including wage indexation with a view to improving the responsiveness of wages to productivity developments, in particular at sectoral level. Pursue the diversification of the structure of the economy, including by fostering private investment in research and further developing cooperation between public research and firms.	Extremely important	No progress	No progress and no recognized urgency to act because of low inflation
CSR 4	Pursue efforts to reduce youth unemployment for low-skilled jobs seekers, including those with a migrant background, through a coherent strategy, including by further improving the design and monitoring of active labour market policies, addressing skills mismatches, and reducing financial disincentives to work. To that effect, accelerate the implementation of the reform of general and vocational education and training to better match young people's skills with labour demand.	Extremely important	Mixed	Work in progress, but heading in the right direction
CSR 5	Develop a comprehensive framework and take concrete measures to meet the 2020 target for reducing greenhouse gas emissions from non-ETS activities, especially through the taxation of energy products for transports.	Contrary to Federation advise	No progress	Meeting the 2020 target for the non-ETS sector is of course important, but not through the measures advised by the Commission

SPRING 2015 REFORM BAROMETER - NETHERLANDS

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	Budgetary deficit	Important	Satisfactory	Deficit has been brought down to -0,5 in structural terms. Satisfactory
CSR 2	Housing market	Helpful (but not a priority)	Satisfactory	Housing market has been reformed, Mortgage interest deductibility reduced over a long-term, which is good. Do not hurt the housing market recovery by further curtailing financing options
CSR 3	Reform pensions	Important	Satisfactory	Pension Age has been raised. An effective and proper measure. The collective labour pensions have been brought down
CSR 4	Labor participation, flexibility labor market & decentralization wage-setting.	Important	Mixed	Labor market is still too rigid (low (international) job-to-job mobility.).

SPRING 2015 REFORM BAROMETER - POLAND

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	<ul style="list-style-type: none"> 1) Minimise cuts in growth-enhancing investment, 2) Improve the targeting of social policies, improve the cost effectiveness of spending and the overall efficiency of the health sector 3) Broaden the tax base by addressing the issue of an extensive system of reduced VAT rates, 4) Improve tax compliance, in particular by increasing the efficiency of the tax administration 5) Establish an independent fiscal council 	Important	Unsatisfactory	
CSR 2	<ul style="list-style-type: none"> 1) Reduce youth unemployment by improving the relevance of education to labour market needs, i.a. by cooperation between schools and employers, 2) Combat labour market segmentation by stepping up efforts to ensure a better transition from fixed-term to permanent employment and by reducing the excessive use of civil law contract 	Contrary to Federation advise	Unsatisfactory	

CSR 3	<ul style="list-style-type: none"> 1) Increase female labour market participation by taking further steps to increase the availability of affordable quality childcare and pre-school education 2) Include farmers in the general pension system 3) Phase out the special pension system for miners with a view to integration them into the general scheme 	Important	No progress	
CSR 4	<p>Improve the effectiveness of tax incentives in promoting R&D in the private sector</p>	Important	No progress	
CSR 5	<ul style="list-style-type: none"> 1) Renew and extend energy generation capacity and improve efficiency in the whole energy chain; speed up and extend the development of the electricity grid, including cross-border interconnection 2) Ensure effective implementation of railway investment projects and improve the administrative capacity in this sector 3) Increase broadband coverage 4) Improve waste management 	Helpful (but not a priority)	Unsatisfactory	
CSR 6	<ul style="list-style-type: none"> 1) Improve the business environment by simplifying contract enforcement and requirements for construction permits 2) Reduce costs and time spent on tax compliance by businesses 3) Complete the ongoing reform aimed at facilitating access to regulated professions 	Important	Unsatisfactory	

SPRING 2015 REFORM BAROMETER - PORTUGAL

		Q1 : the recommendation is :	Q2 : Implementation on effort is :	Detailed comments
CSR 1	<p>Implement the necessary fiscal consolidation measures for 2014 so as to achieve the fiscal targets and prevent the accumulation of new arrears. For the year 2015, implement a revised budgetary strategy in order to bring the deficit to 2,5 % of GDP, in line with the target set in the Excessive Deficit Procedure Recommendation, while achieving the required structural adjustment. Replace consolidation measures which the Constitutional Court considers unconstitutional by measures of similar size and quality as soon as possible. The correction of the excessive deficit should be done in a sustainable and growth-friendly manner, limiting recourse to one-off/temporary measures. After the correction of the excessive deficit, pursue the planned annual structural adjustment towards the medium-term objective, in line with the requirement of an annual structural adjustment of at least 0,5 % of GDP, more in good times, and ensure that the debt rule is met in order to put the high general debt ratio on a sustainable path. Prioritise expenditure-based fiscal consolidation and increase further the efficiency and quality of public expenditure. Maintain tight control of expenditure in central, regional and local administration. Continue the restructuring of the state-owned enterprises. Develop by the end of 2014 new comprehensive measures as part of the ongoing pension reform, aimed at improving the medium-term sustainability of the pension system. Control healthcare expenditure growth and proceed with the hospital reform. Review the tax system and make it more growth-friendly. Continue to improve tax compliance and fight tax evasion by increasing the efficiency of the tax administration. Strengthen the system of public financial management by swiftly finalising and implementing the comprehensive reform of the Budgetary Framework Law by the end</p>	Important	Mixed	<p>Although consolidation measures considered unconstitutional were not replaced, the deficit target for 2014 is expected to be met. Structural adjustment underlying 2015 budget is weak and expenditure-based consolidation is unsatisfactory. Corporate tax reform (decided in 2013 and starting implemented in 2014) was growth friendly but green taxation reform (decided in December 2014) will have an adverse impact on energy costs. Personal income tax reform (decided in December 2014) was positive but not so far reaching as expected. Pension reform was abandoned, waiting for "political consensus".</p>

	of 2014. Ensure strict compliance with the Commitment Control Law. Effectively implement single wage and supplements' scales in the public sector from 2015 onwards.			
CSR 2	Maintain minimum wage developments consistent with the objectives of promoting employment and competitiveness. Ensure a wage setting system that promotes the alignment of wages and productivity at sectoral and/or firm level. Explore, in consultation with the social partners and in accordance with national practice, the possibility of mutually agreed firm-level temporary suspension of collective agreements. By September 2014, present proposals on mutually agreed firm-level temporary suspension of collective agreements and on a revision of the survival of collective agreements.	Important	Satisfactory	Minimum wage actualization was agreed by employers' confederations and it was agreed to define future criteria consistent with productivity and competitiveness developments. The revision of the survival of collective agreements partially met employers objectives.
CSR 3	Present, by March 2015, an independent evaluation of the recent reforms in the employment protection system, together with an action plan for possible further reforms to tackle labour market segmentation. Pursue the ongoing reform of active labour market policies and Public Employment Services aimed at increasing employment and labour participation rates, specifically by improving job counselling/job search assistance and activation/sanction systems with a view to reducing long-term unemployment and integrating those furthest away from the labour market. Address the high youth unemployment, in particular by effective skills anticipation and outreach to non-registered young people, in line with the objectives of a youth guarantee. Ensure adequate coverage of social assistance, including the minimum income scheme, while ensuring effective activation of benefit recipients.	Important	Mixed	The reform of active labour market policies pursued, but further progresses are needed. National plan in line with Youth Guarantee was implemented.
CSR 4	Improve the quality and labour-market relevance of the education system in order to reduce early school leaving and address low educational performance rates. Ensure efficient public expenditure in education and reduce skills mismatches, including by increasing the quality and attractiveness of vocational education and training and fostering cooperation with the business sector. Enhance cooperation between public research and business and foster knowledge transfer.	Important	Mixed	No relevant results. Portugal 2020 (partnership agreement for ESIF) is expected to enhance cooperation between public research and business.

CSR 5	<p>Monitor banks' liquidity position and potential capital shortfalls, including by on-site thematic inspections and stress-testing. Assess the banks' recovery plans and introduce improvements to the evaluation process where necessary. Implement a comprehensive strategy to reduce the corporate debt overhang and reinforce efforts to widen the range of financing alternatives, including for early stages of business developments, by enhancing the efficiency of the debt restructuring tools (particularly PER and SIREVE) for viable companies, introducing incentives for banks and debtors to engage in restructuring processes at an early stage and improving the availability of financing via the capital market. Ensure that the identified measures support the reallocation of financing towards the productive sectors of the economy, including to viable SMEs, while avoiding risks to public finances and financial stability. Implement, by end September 2014, an early warning system mainly with supervisory purposes, to identify firms, including SMEs, with a high probability of default due to an excessive level of indebtedness, and which can, indirectly, promote early corporate debt restructuring.</p>	Extremely important	Mixed	<p>Results of stress tests to main Portuguese banks were favorable. Reform of debt restructuring tools for viable companies was carried out, but not enough. A strategy to reduce the corporate debt overhang must go beyond that. Early warning system was implemented but results are still to be seen. Further efforts to widen the range of financing alternatives are needed.</p>
CSR 6	<p>Implement the second and third packages of measures in the energy sector aimed at reducing energy costs for the economy, while eliminating the electricity tariff debt by 2020, and closely monitor implementation. Improve the cross-border integration of the energy networks and speed up implementation of the electricity and gas interconnection projects. Implement the comprehensive long-term transport plan and the 'chronogram' setting out the ports sector reforms. Complete the transports concessions for the metropolitan areas of Lisbon and Oporto. Ensure that the renegotiations of the existing port concessions and the new authorisation schemes are performance-oriented and in line with internal market principles, in particular procurement rules. Ensure that the national regulatory authority for transport (AMT) is fully independent and operational by the end of September 2014. Ensure the financial sustainability of the state-owned enterprises in the transport sector. Strengthen efficiency and competition in the railways sector, by implementing the plan for the competitiveness of CP Carga, after the transfer of the freight terminals while ensuring the management independence of the state-owned infrastructure manager and railway undertakings.</p>	Extremely important	Mixed	<p>CIP understands the constraints of the government in dealing with the issue of energy costs, but is displeased with the need for backloading costs and tariff deficit elimination and is not certain that in 2020 the deficit will be eliminated. There is no use in improving cross border integration of the energy networks between Portugal and Spain if integration of the networks between Spain and France is not effective.</p>

CSR 7	<p>Further improve the evaluation of the housing market, including by setting up, by the end of 2014, a more systematic monitoring and reporting framework and issue a comprehensive report on the shadow economy in that market. Continue efforts to carry out further inventories of regulatory burdens with a view to including, by March 2015, sectors not yet covered. Adopt and implement, by the end of September 2014, the outstanding licensing decrees and sectoral amendments. Remove, by the end of September 2014, remaining restrictions in the professional services sector and enact the professional bodies' amended by-laws which have not yet been adopted under the macroeconomic adjustment programme. Eliminate payment delays by the public sector. Ensure adequate resources of the national regulators and competition authority.</p>	Important	Unsatisfactory	<p>Inventories of regulatory burdens have been carried out but results are unknown: the process drags on too long. The government did pass legislation on licensing containing simplifications that, formally, are relevant but in practice unimportant due to the complexity in the functioning of the institutions of public administration. Yet, we recognize that the Government remains interested in the rationalisation and simplification of licensing procedures. Although arrears from the public sector have registered some reduction in late 2014, its still high level remains a problem affecting corporate finance.</p>
CSR 8	<p>Continue to rationalise and modernise central, regional and local public administration. Implement the reforms to enhance the efficiency of the judicial system and increase transparency. Step up efforts to evaluate the implementation of reforms undertaken under the macroeconomic adjustment programme as well as planned and future reforms. In particular, insert mandatory systematic ex ante and ex post assessments in the legislative process. Set up a functionally independent central evaluation unit at government level, which assesses and reports every six months on the implementation of these reforms, including consistency with the ex-ante impact assessment, with corrective action if needed.</p>	Extremely important	Unsatisfactory	<p>More efforts are needed to achieve the objective of rationalisation and modernisation of public administration. The reform of the judicial system has been seriously undermined by operational problems. Mandatory systematic ex ante impact assessments in the legislative process have been object of legislation but is not implemented yet (namely, SME test and one-in / one-out rule).</p>

SPRING 2015 REFORM BAROMETER – SPAIN

		Q1 : the recommendation is :	Q2 : implementation on effort is	Detailed comments
CSR 1	Reinforce the budgetary strategy as of 2014, in particular by fully specifying the underlying measures for the year 2015 and beyond, to ensure the correction of the excessive deficit in a sustainable manner by 2016. Ensure that the new independent fiscal authority becomes fully operational as soon as possible. Carry out by February 2015 a systematic review of expenditure at all levels of government to underpin the efficiency and quality of public spending going forward. Adopt by the end of 2014 a comprehensive tax reform to make the tax system simpler and more conducive to growth and job creation, preservation of the environment and stability of revenues.	Extremely important	Mixed	
CSR 2	Complete the reform of the saving banks sector, as regards the adoption of secondary legislation and complete the restructuring of state-owned savings banks in order to accelerate their full recovery and facilitate their return to private ownership. Promote banks' efforts to sustain strong capital ratios, monitor the asset management company Sareb's activity in order to ensure timely asset disposal while minimising the cost to the taxpayer. Complete the ongoing measures to widen SMEs access to finance. Remove remaining bottlenecks in the corporate insolvency framework.	Important	Satisfactory	

CSR 3	Pursue new measures to reduce labour market segmentation to favour sustainable, quality jobs. Continue regular monitoring of the labour market reforms. Promote real wage developments consistent with the objective of creating jobs. Strengthen the job-search requirement in unemployment benefits. Enhance the effectiveness and targeting of active labour market policies, including hiring subsidies. Reinforce the coordination between labour market and education and training policies. Accelerate the modernisation of public employment services. Ensure the effective application of public-private cooperation in placement services before the end of 2014, and monitor the quality of services provided. Ensure the effective functioning of the Single Job Portal and combine it with further measures to support labour mobility.	Extremely important	Mixed	
CSR 4	Implement the 2013-2016 Youth Entrepreneurship and Employment Strategy and evaluate its effectiveness. Provide good quality offers of employment, apprenticeships and traineeships for young people. Effectively implement the new educational schemes to increase the quality of primary and secondary education. Enhance guidance and support for groups at risk of early school leaving. Increase the labour market relevance of vocational education and training and of higher education.	Important	Unsatisfactory	
CSR 5	Implement the 2013-2016 National Action Plan on Social Inclusion and assess its effectiveness covering the full range of its objectives. Strengthen administrative capacity and coordination between employment and social services in order to provide integrated pathways to support those at risk, and boost, among the Public Administrations responsible for the minimum income schemes, streamlined procedures to support transitions between minimum income schemes and the labour market. Improve the targeting of family support schemes and quality services favouring low-income households with children, to ensure the progressivity and effectiveness of social transfers.	Important	Mixed	
CSR 6	Ensure an ambitious and swift implementation of Law No 20/2013 on Market Unity at all levels of administration. Adopt an ambitious reform of professional services and of professional associations by the end of 2014. Further reduce the time, cost and number of procedures required for setting up an operating business. Address unjustified restrictions to the establishment of large-scale retail premises. Identify sources of financing for the new national strategy for science, technology and innovation and make operational the new State Research Agency.	Extremely important	Satisfactory	There have been some progress, but it is necessary to deepen in Law on Market Unity and to reduce the administrative burden

CSR 7	Following the reform of 2013, ensure the effective elimination of deficit in the electricity system as of 2014, including by taking further structural measures if needed. Address the problem of insolvent toll motorways so as to minimise costs for the State. Set up an independent body to contribute to the assessment of future major infrastructure projects by the end of 2014. Take measures to ensure effective competition in freight and passenger rail services.	Important	Mixed	
CSR 8	Implement at all government levels the recommendations of the committee for the reform of the public administration. Strengthen control mechanisms and increase the transparency of administrative decisions, in particular at regional and local levels. Complete and monitor closely the ongoing measures to fight against the shadow economy and undeclared work. Adopt pending reforms on the structure of the judiciary and on the judicial map and ensure implementation of adopted reforms.	Extremely important	Satisfactory	It is necessary a better coordination among all levels of public administrations

SPRING 2015 REFORM BAROMETER - SWEDEN

		Is this recommendation appropriate?	How would you assess the reform effort of your government regarding this recommendation?	Detailed comments
CSR 1	growth-friendly fiscal policy and preserve a sound fiscal position	Irrelevant	Unsatisfactory	Swedish public finances are strong, and should stay that way. However, the rules regarding government borrowing should be altered in order to increase flexibility during exceptional circumstances and allow for growth enhancing investment
CSR 2	Moderate household sector credit growth and private indebtedness	Helpful (but not a priority)	Satisfactory	Household debt is high, but is not considered an immediate problem. Satisfactory and measured steps have been taken in order to safeguard stability.
CSR 3	improve the efficiency of the housing market through continued reforms of the rent-setting system	Extremely important	Unsatisfactory	The housing market is in great need of reform, but not much has been accomplished in this area.
CSR 4	improve basic skills and facilitate the transition from education to the labour market	Important	Unsatisfactory	To narrow CSR. No mentioning of rigidity or low labour mobility hampering job creation.

SPRING 2015 REFORM BAROMETER - UNITED KINGDOM

		Q1 : the recommendation is :	Q2 : implementation on effort is :	Detailed comments
CSR 1	Budgetary strategy	Extremely important	Excellent/no further progress needed	The government has delivered upon its fiscal consolidation plan as announced. The government has supported a pro-growth consolidation in two ways (i) Reduction in Corporation Tax are known to be highly effective in encouraging additional investment. (ii) The government has modestly switched public spending away from current spending towards public investment
CSR 2	Macro-prudential regulation	Important	Satisfactory	The Bank of England has instructed mortgage lenders to stress test borrower's ability to withstand a 3% increase in interest rates and also introduced a cap on the proportion of high loan to value mortgages. The rapid increase in residential property prices, which were identified as an imbalance have moderated. An enhanced focus on encouraging house building would further enhance affordability.
CSR 3	Youth Contact	Important	Satisfactory	The government has maintained its commitment to the Youth Contract. Youth unemployment has fallen significantly. The apprenticeship grant for employers (AGE) has been extended to December 2015 to support a further 100,000 apprenticeships. More needs to be done on promoting advanced vocational training / further education (FE).

CSR 4	Child poverty, Universal Credit and affordable childcare	Important	Mixed	The roll-out of Universal Credit (UC) has been delayed, UC is an important reform because it simplifies the tax & benefit system and makes work pay on a net basis in all circumstances. The government has announced enhanced the Childcare subsidy in UC. The government needs to extend State Maternity Pay from 9 to 12 months and extend 15 hours free Universal Childcare to all 1 and 2 year olds (currently some 2 year olds and all 3 and 4 are eligible) to deliver a joined up childcare package.
CSR 5	Avalability of bank and non-bank finances to SMEs	Important	Satisfactory	Credit conditions for SME's have improved over the last year. The following reforms are welcomed: 1) The Bank of England's Funding for lending scheme is now targeted at business lending, 2) The British Business bank has become fully operational, supporting SME's lending through government guarantees.
CSR 6	National Infrastructure Plan	Extremely important	Mixed	The CBI welcomes that the National Infrastructure Plan has become more specific with announcements of specific projects and budgets up to 2020. However, the UK's overall quality of infrastructure continues to compare unfavorably with other European countries. Infrastructure needs to be depoliticised as an issue to deliver a step change in quality and give long term certainty