

ECONOMIC REFORM PROGRAMMES WESTERN BALKANS AND TURKEY

Since 2015, all EU candidate countries and potential candidates prepare Economic Reform Programmes (ERPs). ERPs prepare the enlargement countries for their future participation in the EU's economic policy coordination procedures. They also play a key role in improving economic policy planning and steering reforms to sustain macroeconomic stability, boost competitiveness and improve conditions for inclusive growth and job creation. The ERPs are a key element of the «fundamentals first» approach in the EU's enlargement strategy.



BROAD AREAS OF REFORMS



Business environment



Energy and transport market reform



Research, development and innovation and the digital economy



Trade



Education and skills



Employment and labour market



Social protection and inclusion



KEY CHALLENGES IDENTIFIED

- Further needs to strengthen **PUBLIC FINANCES** and reduce **EXTERNAL IMBALANCES**
- Further needs to address risks to **FINANCIAL STABILITY**
- Cumbersome and non-transparent **BUSINESS ENVIRONMENTS** with sizeable informal sectors that distort competition and - for some - large public sectors that crowd out private sector development
- The full liberalisation of **ENERGY AND TRANSPORT MARKETS**
- The **CONSOLIDATION OF AGRICULTURAL LAND** with clear property rights and productivity-based government support
- The **LOW QUALITY OF THE EDUCATION SYSTEMS** at all levels, mismatch between skills and labour market needs and low enrolment rates in pre-school education
- Low **LABOUR MARKET PARTICIPATION RATES**, especially of women, high unemployment, in particular for youth, and informal work
- Lack of coordination between **EMPLOYMENT ACTIVATION AND SOCIAL ASSISTANCE**, combined with weak social protection systems



HOW DOES THE PROCESS WORK?

The European Commission and the European Central Bank prepare their assessments of the seven programmes. This forms the basis for a multilateral economic policy dialogue involving enlargement countries, EU Member States, the Commission and the European Central Bank. The dialogue culminates in a high-level meeting during which participants adopt joint conclusions that include country-specific policy guidance reflecting the most pressing economic reform needs.

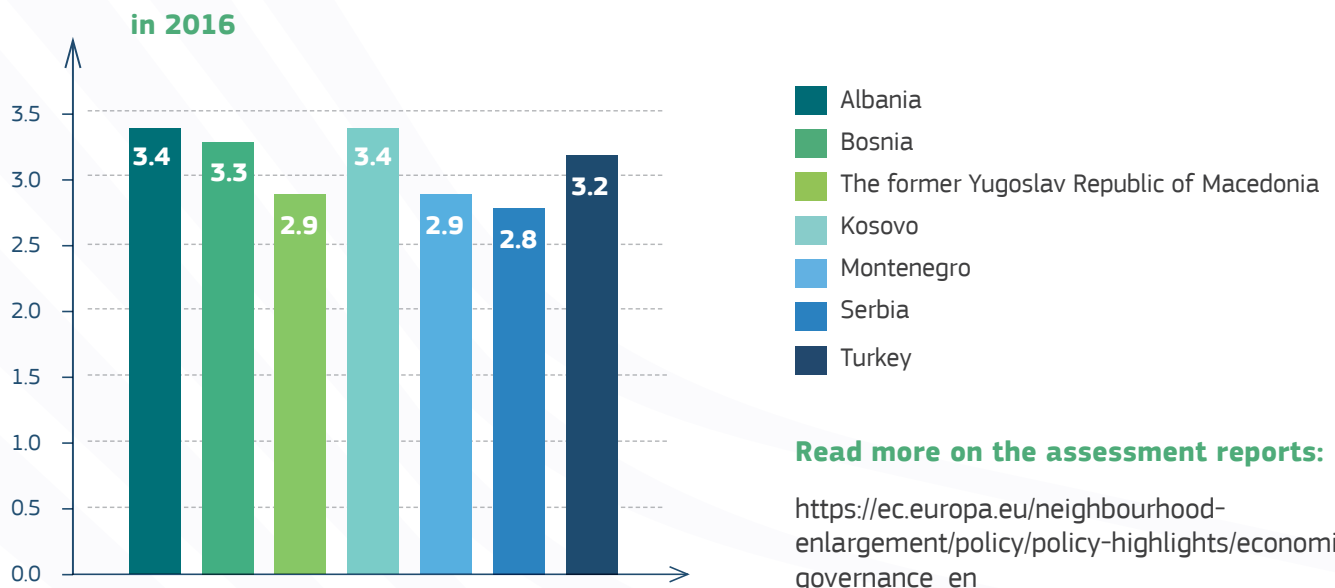


MAIN FINDINGS OF THE COMMISSION ASSESSMENTS OF THE 2018-2020 ECONOMIC REFORM PROGRAMMES

The enlargement partners are experiencing continued economic growth and make efforts to ensure macroeconomic and fiscal stability in the light of current vulnerabilities. Sound policies should be maintained and strengthened and the reforms speeded up. This will reduce the still persisting macroeconomic risks and unlock sources for sustainable long-term growth and accelerate convergence with the EU.



ECONOMIC GROWTH RATES



Source: Macrobond, Eurostat