II. Ease of doing business in the euro area

This section looks at how easy it is to do business in euro area countries. Like the EU as a whole, the euro area has made progress with business regulation and the quality of public administration over recent years. However, substantial differences remain across the area. In the context of the European Semester, the policy area business regulation and quality of public administration is still generating a high number of country-specific recommendations, whose implementation has been quite slow, especially compared to other areas. Countries with a better business environment have enjoyed a more resilient recovery. A better business environment can increase economic performance through its effect on investment, but there are other transmission mechanisms at work as well, i.e. firm dynamics (entry, upscaling and exit of firms) and allocative efficiency ([47]).

II.1. Introduction

The ease of doing business is one of the main structural reform areas in which countries can improve their economic outcomes. It is a work priority for the European Commission, as reflected above all in the better regulation agenda and the third pillar of the Investment Plan for Europe ([48]). It also features prominently in the multilateral surveillance that forms part of the European Semester ([49]).

The business environment is considered a priority area in the second stage of moving towards deeper economic and monetary union ([50]). It has also returned to the international fore recently, not least as part of the G20's Enhanced Structural Reform Agenda, which has made 'promoting competition and an enabling environment' a priority area. The recommendations from the 2017 European Semester on the euro area's economic policy explicitly refer to the issue and call on euro area Member States to 'prioritise reforms that increase productivity, improve the institutional and business environment, remove bottlenecks to investment, and support job creation'.

Importantly, making it easier to do business or cutting red tape is, to a large extent, possible through measures that incur limited or no budgetary costs but may provide significant economic and budgetary benefits. While this agenda is important for all EU Member States, it is particularly relevant for the euro area's ability to make progress on convergence and have a common monetary policy that works.

II.2. Productivity growth and resilience in the euro area

Improving business regulation and the quality of public administration is an important part of policy strategies aimed at boosting growth and employment. The steep fall in investment and employment during the crisis led to lower capital growth. The crisis also casted a long shadow on the euro area in terms of a weak productivity performance, with adverse consequences for wages, living standards, competitiveness and the sustainability of public and private debt. In the period 2000-2015 total factor productivity (TFP) in the US increased by 9.5 %, while in the euro area it increased by only 3 % (see Graph II.1). This productivity gap increased considerably during the crisis, reflecting the significant investment gap with the US.

The administrative and regulatory burden is one of the main barriers to investment. Quantitative studies by the European Commission and others show that a supportive business environment is essential to boost investment ([51]). A review of case

([47]) This section was prepared by Erik Canton and Marta Petrucci. The authors wish to thank Emmanuelle Maincent, Eric Ruscher, Anne Van Bruggen, Frank Siebern-Thomas and Nicola Gagliardi for their useful comments.

([48]) The plan has three pillars: 1) mobilising finance for investment via the European Fund for Strategic Investments (EFSI); 2) getting finance into the real economy, through the European Investment Project Portal (EIPP) and the European Investment Advisory Hub (EIAH); and 3) improving the investment environment by creating better, more predictable regulation, removing non-financial regulatory barriers in key sectors in the EU's Single Market, and promoting structural reforms at national level.

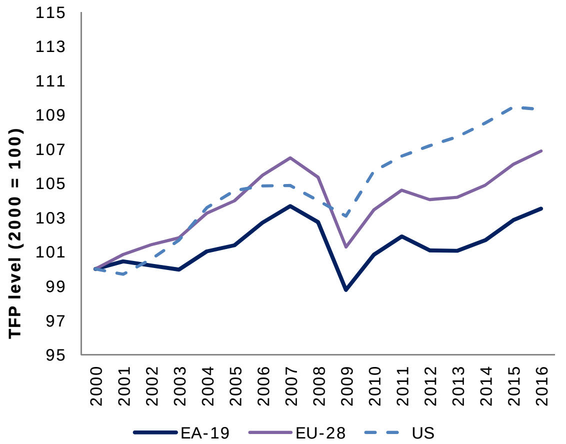
([49]) The European Semester provides the framework for economic policy coordination in the EU, covering budgetary and macroeconomic policies and structural reforms.

([50]) J-C Juncker, in close cooperation with D. Tusk, J. Dijsselbloem, M. Draghi and M. Schulz, 'Completing Europe's Economic and Monetary Union', 22 June 2015.

([51]) B. Égert (2017), 'Regulation, Institutions and Aggregate Investment: New Evidence from OECD Countries', *CESifo Working Paper* No 6415. The impact of regulation and ease of doing business on intangible investments is studied in A. Thum-Thysen, P. Voigt, B. Bilbao-Osorio, C. Maier and D. Ognyanova (2017), 'Unlocking investment in intangible assets', *European Economy Discussion Paper* 047.

studies by the European Investment Bank finds that regulation can affect investment in terms of both higher costs and higher risks ([52]). Indeed, administrative burdens and other regulatory costs (e.g. adapting business processes to meet requirements, paying licensing fees, etc.) can raise investment outlays. Similarly, the cost of investing is higher when regulation is fragmented across geographical or product markets. Unexpected or frequent changes over time in regulation, or in its enforcement, can generate uncertainty, increasing the risks of investing in a given economy. This is particularly relevant for intangible investment, which has the highest potential impact on growth, and is lagging significantly behind US levels ([53]).

Graph II.1: **Low productivity growth in the euro area**

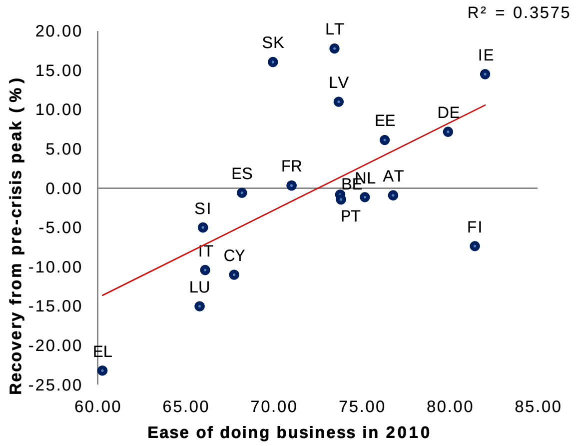


Source: European Commission

An enabling business climate can foster resilience. Resilient economic structures mean that Member States have a low vulnerability to economic shocks and/or are more capable of adjusting to them. This is of particular importance in a monetary union, given the absence of the nominal exchange rate as an adjustment tool. While a vibrant business environment can foster the reallocation of capital and labour in response to shocks, structural rigidities can significantly increase the impact of a shock and slow down the speed of adjustment as measured, for instance, by the change in the output gap. Differences in business environment may result in different responses to symmetric shocks, which could make monetary policy less effective.

Euro area countries with a more enabling business environment have experienced a stronger post-crisis recovery (see Graph II.2). A range of empirical studies confirm the positive effect of the business environment on resilience ([54]). Therefore, large variations in business regulation between euro area Member States hamper not only individual economies, but also the workings of the single market and the overall growth prospects for the euro area, because resilience to economic shocks will also improve the effectiveness of monetary policy.

Graph II.2: **Business environment and resilience in the euro area**



Note: Recovery from the pre-crisis peak equates to the percentage change from the maximum value in 2007-2008 to 2016 in real gross national income per capita. Malta is missing, as it does not have data on ease of doing business for 2010.
Source: European Commission, World Bank

The expected gains from an improved business environment are significant. Commission calculations have shown that making it easier to do business boosts GDP ([55]). For example, if Member States were to reduce the costs of entry and close half of the gap with the three best EU performers,

([52]) EIB (2016), 'Breaking down investment barriers at ground level; Case studies and other evidence related to investment barriers under the third pillar of the Investment Plan for Europe', European Investment Bank.

([53]) A. Thum-Thysen, P. Voigt, B. Bilbao-Osorio, C. Maier and D. Ognyanova (2017), 'Unlocking investment in intangible assets in Europe', *Quarterly Report of the Euro Area* 16(1), pp. 23-35.

([54]) V. Ziemann (2013), 'Do structural policies affect macroeconomic stability?', *OECD Economics Department Working Paper* No. 1075.

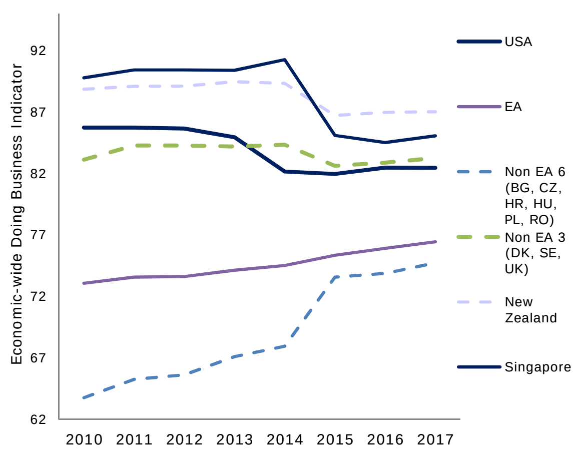
([55]) J. Varga, and J. In 't Veld (2014), 'The potential growth impact of structural reforms in the EU; A benchmarking exercise', *European Economy Economic Paper* 541. The authors investigate the potential growth impact of a wide variety of structural reforms. In particular, they investigate the impact of entry costs using Doing Business data and apply a distance-to-frontier approach by assuming that half of the gap vis-à-vis the average of the three best EU performers is closed. See also European Commission (2016), 'Single Market integration and competitiveness report' (see footnote 10).

they could enjoy sizeable GDP gains. Moreover, the combined impact of product market reforms (higher competition in the services sector and lower entry costs) for the euro area countries would be about 1.5 % of euro area GDP within a 10-year horizon.

II.3. How does the euro area perform?

The euro area has been steadily improving as a place in which to do business. The World Bank's Doing Business indicator is showing a clear upward trend, with many countries improving over the period measured (see Graph II.3 and Box II.1). On average, the business environment remains less supportive in the euro area than in the US and other advanced economies (like Singapore and New Zealand).

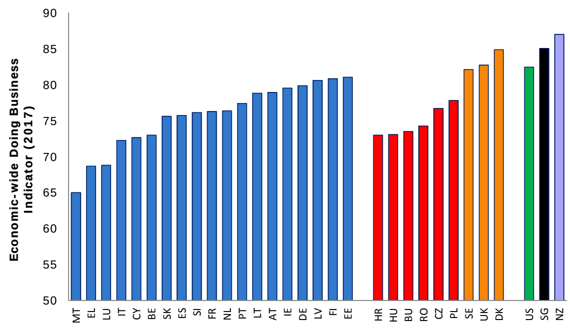
Graph II.3: **Performance of the euro area (EA) vis-à-vis best worldwide performers**
Doing Business indicator



Note: A higher distance-to-frontier value means a better performance. Country group scores are simple, non-weighted averages.
Source: Doing Business, World Bank (2017)

There are significant differences between EU Member States, and the highest performance levels are attained in non-euro area countries – the group including Denmark, Sweden and the United Kingdom. (Denmark is the best EU performer – third on the worldwide list, behind New Zealand and Singapore – see Graph II.4.) The best performing euro area country is Estonia, in 12th place, closely followed in the euro area by Finland, Latvia, Germany and Ireland. Slovenia has made the biggest improvement.

Graph II.4: **EA, non-EA and non-EU country comparisons (2017)**
Doing Business Indicator



Note: A higher distance-to-frontier value means a better performance. Latest available year is 2017.
Source: Doing Business, World Bank (2017)

In general, countries doing well in one area of business regulation and quality of public administration also tend to do well in others. However, there are exceptions to this and even high-performing countries could do better on specific issues. Moreover, while there has been progress in improving the business environment and removing certain restrictions to trade in services (notably in countries that needed it most), economies with relatively better business environments may have slowed down in their reform efforts and have not seen further improvements ([56]).

The euro area economies have more work to do in areas such as obtaining credit, protecting minority investors and enforcing contracts. These areas have an impact on the opportunities for starting and expanding a business, providing security for investors and reducing market transaction costs.

([56]) European Commission (2016), 'Single Market integration and competitiveness report', chapter 5, 'Factors having an impact on the productivity of firms: evolution of the business environment and other internal factors'.

Box II.1: The World Bank's Doing Business indicators

The World Bank's Doing Business indicators measure how easy it is to do business. To make it possible to compare countries and time periods, standardised data are collected using a questionnaire which presents the same business case to all respondents: the legal form of the business, its size, its location (typically the largest business city in each country analysed) and the nature of its operations. The questionnaires are not sent to firms but are distributed to local experts in the specific areas of analysis. Several exchanges with the Doing Business team are expected, to guarantee high-quality responses.

The Doing Business data are based on a detailed reading of domestic laws, regulations and administrative requirements. The methodology used is, therefore, transparent, is based on factual information and allows for several exchanges to clarify potential misinterpretations among those involved. It does not require collecting data from a representative sample, since it is not a statistical survey. The standardised assumptions used for data collection guarantee that comparisons can be made across countries and over time. Nevertheless, using a standardised scenario means reducing the scope of the analysis. In particular, the data may not be representative of other regions within a country, or other forms of business. Also, the project covers many but not all relevant transactions that a business can encounter. For selected Doing Business indicators, the measure of the time (and partly the cost) relies on the judgment of expert respondents; this brings with it the risk of some subjectivity. Lastly, the methodology assumes that firms are fully aware of all procedural steps required. However, this is not always the case and can cause delays.

There are two aggregate Doing Business indicators: the distance-to-frontier score and the ease of doing business ranking. The former looks at regulatory best practice and reports the absolute distance of a given economy to the frontier (i.e. the economy with the best performance). The latter, calculated from the distance to frontier score, compares and ranks the national economies. The ten topics covered by the Doing Business data are: starting a business; dealing with construction permits; getting electricity; registering property; getting credit; protecting minority investors; paying taxes; trading across borders; enforcing contracts; and resolving insolvency. Each of these indicators covers a range of sub-indicators. As such, the Doing Business database is an extensive source of information and it may be difficult to detect the underlying structure in the data.

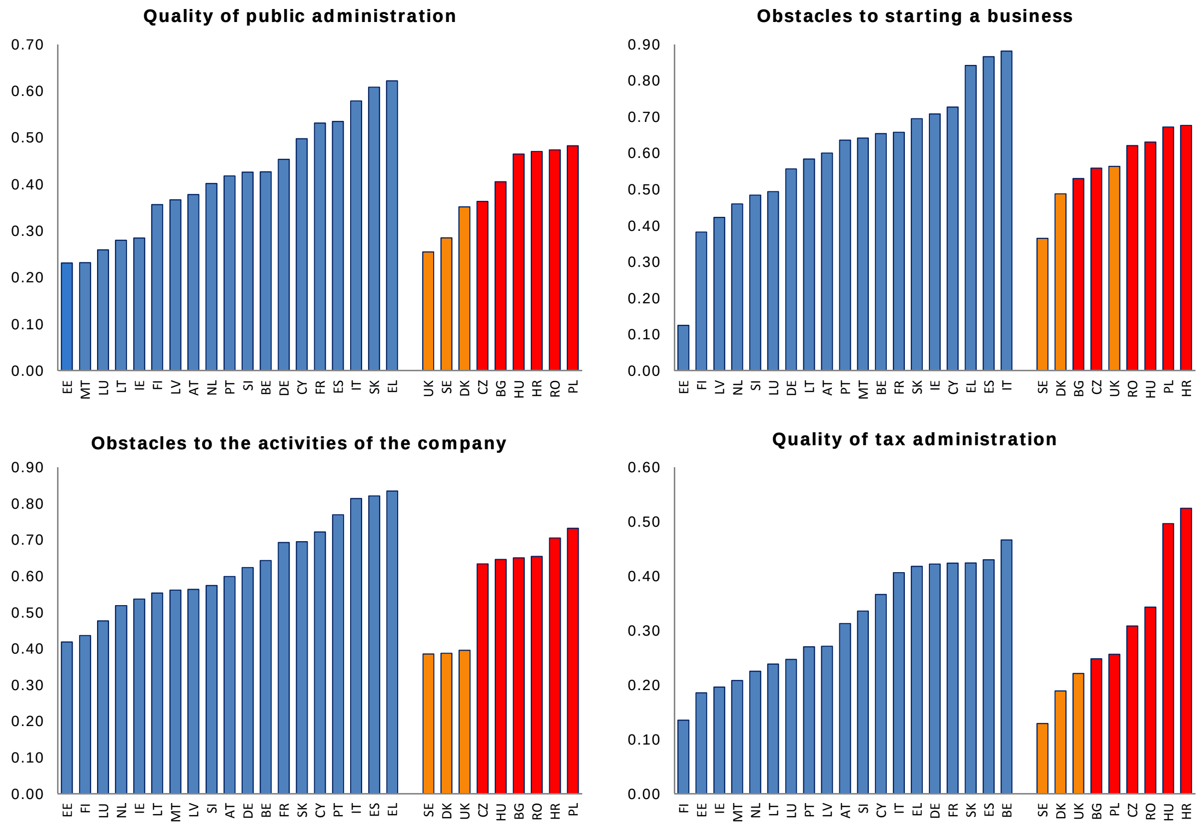
It is possible to summarise the original data through a Principal Components Analysis (PCA). Here, the original variables can be replaced with a reduced set of variables that can provide an appropriate synthesis while limiting as much as possible any loss in overall information. The results of the PCA on the Doing Business indicators show that Member States have worked especially hard in two key areas over recent years. The first relates to the ease of doing business across borders and, in particular, with sub-indicators such as 'trading across borders' and, more specifically, 'time to import' and 'time to export'. The second highlights the relevance of the 'starting a business' variables, with particular emphasis on the 'cost of starting a business' and on the 'number of procedures to start a business'.

II.4. How firms perceive business regulation and quality of public administration

Further insights into the business environment can be gathered by directly asking firms about their experiences ([57]). In 2015, the European Commission carried out a large-scale survey that asked firms a wide range of questions on the obstacles they saw to the business environment in their country of operation. Four subject areas were covered: (1) quality of public administration, (2) starting a business, (3) obstacles to the activities of the company, and (4) quality of the tax administration. Firms were asked for their views on many different aspects of the business environment. Questions on the quality of public administration covered issues such as the efficiency of public administration in dealing with requests, the reliability of information from public authorities and the availability of online public administration services. On the ease of starting a business, firms were asked about the number of procedures, time, cost and capital required to start a business, and on the need for permits and licences. Questions on the main obstacles to the

([57]) This section is based on the large-scale Flash Eurobarometer survey (number 417) on the business environment and quality of public administration among firms in the 28 EU Member States, conducted by TNS Political & Social. The field work was carried out in spring 2015. The survey covered 10 603 firms, varying in size (SMEs and large firms), age and sector.

Graph II.5: **Firms' perceptions of the business environment**



Note: A lower score indicates a better performance. The indicator is the proportion of respondents reporting an obstacle (for example, a value of 0.2 means that 20 % of respondents reported an obstacle).
Source: European Commission calculations based on Flash Eurobarometer 417.

activities of the company covered aspects such as customs controls and import-export formalities, inspections by competent authorities, the existence of an informal economy, health and safety at work requirements, and the predictability and stability of legislation. Lastly, on the quality of tax administration, firms were asked about dealing with the tax authorities, and how easy it was to file and pay various forms of taxes. Graph II.5 shows the proportion, per country, of respondents reporting obstacles in the four subject areas.

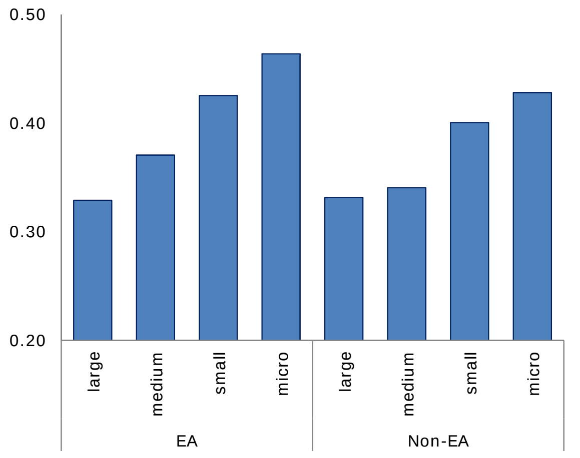
The differences across euro area countries are substantial. On the quality of public administration, about 20 % of respondents from Estonia, Malta and Luxembourg were dissatisfied, as against about 60 % of respondents from Greece, and more than 55 % from Slovakia and Italy. This suggests that exchanging good practices could bring substantial improvements. In Estonia, Finland and Latvia relatively few respondents report obstacles to starting a business, while obstacles are more frequently reported in Greece, Spain and Italy. Estonia and Finland are also among the best performers on obstacles to the activities of the company and quality of tax administration. Whereas countries doing well in one area also tend to do well in others there are exceptions to this, and even the high-performing countries could do better on specific issues (58).

SMEs report barriers more often than large firms, as illustrated in Graph II.6, which shows reported obstacles, by company size, as regards the quality of public administration. This finding is not surprising, as larger companies often have more capacity to deal with red tape. Moreover, the cost (in terms of time and finances) of regulatory

(58) The survey data sometimes yields different results than the data from the World Bank's Doing Business project. This is the case, for example, with the time to start a business and with the performance of Luxembourg. There are several potential explanations for these diverging results, including the different focus and sampling strategies, and the failure of the Doing Business methodology to fully capture implementation lags. In addition, the survey does not include access to finance, which the Doing Business project covers. This further underlines the need to interpret the indicators with caution and conduct in-depth country-specific analyses before drawing policy conclusions.

compliance is, to a certain extent, fixed and thus represents a relatively heavier burden on smaller companies.

Graph II.6: **Firms' perceptions of the quality of public administration**
by company size



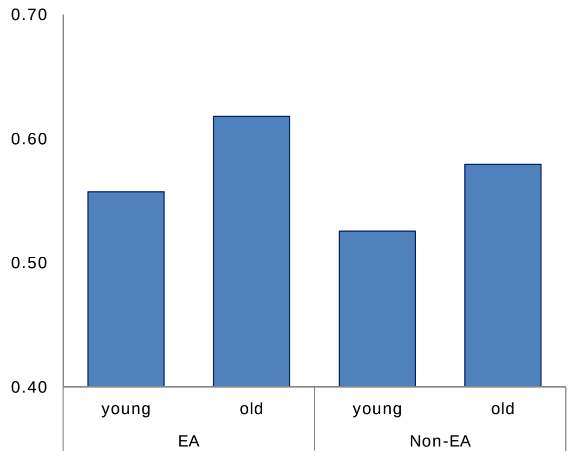
Note: A lower score indicates a better performance. Micro-enterprises have up to 10 employees; small businesses have up to 50 employees; medium-sized enterprises have up to 250 employees; and large firms have more than 250 employees. The indicator is the proportion of respondents reporting an obstacle (for example, a value of 0.2 means that 20 % of respondents reported an obstacle).
Source: European Commission calculations based on Flash Eurobarometer 417.

The survey data also allow for cross-tabulations with respect to the age of a firm. In particular, young firms turn out to be somewhat more positive on the business environment than older firms (see Graph II.7), except on the quality of tax administration. This could reflect a number of factors, including the fruits of recent reforms designed, for instance, to facilitate start-up activity and improve e-government services.

II.5. Impact on economic performance

The business environment can impact economic performance through different channels, for example by making it easier and faster to start a new business and by providing framework conditions conducive to further business expansion (also across borders). Improvements in the business environment and good governance further impact on entrepreneurial behaviour and decision-making, notably by minimising risks associated with legislative uncertainty and by ensuring efficient interactions with public administration and tax authorities. A vibrant business environment can boost resilience through different channels. Some tend to be more important at specific stages in a firm's life; others (for instance, the quality of public administration and tax authorities) have more impact throughout its lifetime.

Graph II.7: **Firms' perceptions of the obstacles related to starting a business**
by firm age



Note: A lower value indicates a better performance. Old firms are firms established before 1 January 2009; young firms are firms established on or after 1 January 2009. The indicator is the proportion of respondents reporting an obstacle (for example, a value of 0.2 means that 20 % of respondents reported an obstacle).
Source: European Commission calculations based on Flash Eurobarometer 417.

This section briefly discusses the economic impact of a better business environment: directly on investment, and indirectly through a variety of other transmission channels.

II.5.1. Impact of regulation on investment

Stringent business regulation has a negative impact on investment. By contrast, deregulation and entry liberalisation are potential drivers for investment and capital formation in the long run ([59]). The effect of regulation on investments is particularly pronounced in the case of investments in intangible assets, which are affected by human capital, public investments in R&D, science-business linkages, regulatory frameworks (product and labour) and financial conditions. In the case of intangible investments, a positive and significant relationship is found with the 'ease of starting a business' indicator. The 'ease of trading across

([59]) A. Alesina, S. Ardagna, G. Nicoletti and F. Schiantarelli (2003), 'Regulation and investment', *OECD Economics Department Working Paper* No. 352; A. Billmeier and T. Nannicini (2013), 'Assessing economic liberalization episodes: A synthetic control approach', *Review of Economics and Statistics*, July 2013, 95(3), pp. 983-1001.

borders' indicator, on the other hand, exhibits a positive and significant relationship with tangible investment ([60]).

Stringent business regulation also makes countries less attractive to foreign investors. Protection of incumbents and other barriers to trade and investment (both taken from the OECD's PMR database) generate negative effects on greenfield foreign direct investment (FDI). Similarly, the costs of enforcing contracts and the ease of paying taxes (both taken from the World Bank's Doing Business) also matter. The empirical results point to sizeable negative impacts on FDI flows from business regulation and poor-quality public administration. A one-point increase in the PMR sub-indicator measuring the protection of incumbents is estimated as equating to a 13 % reduction in greenfield FDI inflows ([61]).

II.5.2. Other transmission channels

Empirical literature has explored a number of other transmission channels through which business regulation and quality of public administration can affect the economy and also potentially impact investment. These include firm dynamics and allocative efficiency.

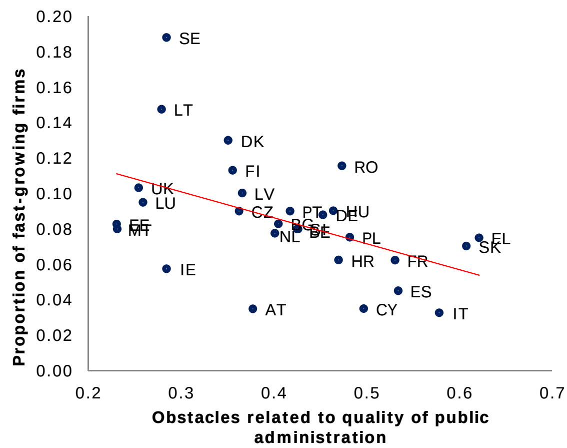
Firm dynamics

Business regulation and the quality of public administration also have an impact on businesses' entry, exit and growth, their productivity and their profitability. The rate of economic growth increases with the birth rate of new firms ([62]). In competitive markets productive resources such as labour and capital are channelled to where they can be most efficient. Barriers to competition can prevent the efficient reallocation of these resources, allowing inefficient firms to survive while hampering the growth of efficient companies. They therefore undermine the 'Schumpeterian process of creative destruction', which is at the root of innovation and productivity gains in modern economies. Related to this, empirical evidence shows that US firms are more likely to expand or contract, while European firms are more likely to stay the same size ([63]).

Empirical literature shows that institutional and policy settings can play a major role in a firm's decision to enter, expand in or even exit from a given market. It has been found, for example, that red tape barriers have relevant negative effects on a firm's entry ([64]).

The above-mentioned Eurobarometer survey on the business environment can also be used to explore the relationship with firm dynamics ([65]). And indeed there appears to be a negative correlation between the proportion of fast-growing firms and reported obstacles. Graph II.8, for instance, shows the negative correlation between firms' capability to scale up and the quality of public administration.

Graph II.8: **Business environment and business scale-ups**



Note: Fast-growing firms are defined as firms reporting more than 25 % turnover growth since January 2012.
Source: European Commission calculations based on Flash Eurobarometer 417.

Allocative efficiency

Allocative efficiency is another relevant transmission channel. As mentioned earlier, in competitive markets productive resources such as labour and capital are channelled to where they can

([60]) A. Thum-Thysen, P. Voigt, B. Bilbao-Osorio, C. Maier and D. Ognyanova (2017), 'Unlocking investment in intangible assets in Europe', *Quarterly Report of the Euro Area* 16(1), pp. 23-35.
([61]) E. Canton and I. Solera (2016), 'Greenfield foreign direct investment and structural reforms in Europe: What factors determine investments?', *European Economy Discussion Paper* No. 34.
([62]) P. Aghion, U. Akcigit and P. Howitt (2013), 'What do we learn from Schumpeterian growth theory?', Mimeo, Harvard University.
([63]) A. Bravo-Biosca, (2011), 'A look at business growth and contraction in Europe', Joint Research Centre, European Commission.
([64]) D. Ciriaci (2014), 'Business dynamics and red tape barriers', *European Economy Economic Paper* No. 532.
([65]) European Commission (2014), 'European Competitiveness Report 2014', Commission Staff Working Document SWD(2014) 277 final.

be most efficient. This can be summarised by the indicator on allocative efficiency (AE), defined in the 2013 Product Market Review ([66]). This indicator measures the extent to which the most productive firms have the largest market share. Low AE scores point to forces in the economy preventing competition from working properly. These include excessive regulation, rent-seeking, ineffective procurement and clientelism.

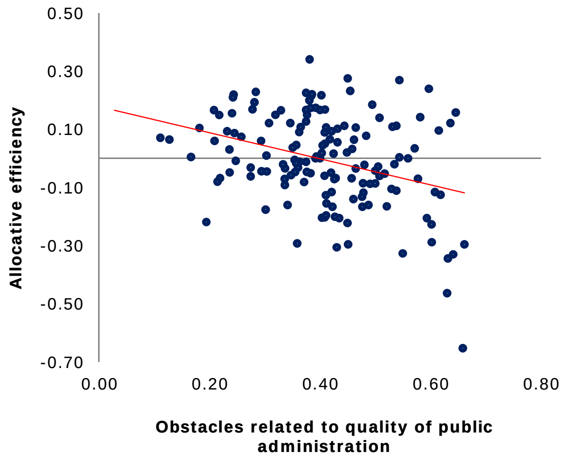
Intuitively, it is very likely that allocative efficiency is closely related to the business environment. This productivity indicator will be affected by firms' market entry and exit, and also by ease of running a business. A simple pairwise correlation analysis reveals that AE is associated with all four subject areas covered in the survey (Graph II.9, for example, shows the negative correlation between AE and the obstacles perceived around the quality of public administration). The observed relationship is quite compelling. The quantitative effects are rather strong: the AE-indicator moves, broadly speaking, between +0.1 and -0.1, which equates to a difference in labour productivity of 14.6 %. Naturally, correlation does not mean causality, and other factors may distort the observed quantitative relationship. As with other relationships assessed in this chapter, further empirical work and multivariate or causal analysis would, of course, be needed to investigate this relationship in more detail.

II.6. Policy implications

Differences in the business environment among euro area countries may have a substantial impact on growth and resilience to shocks. As such, they undermine cohesion in the common currency area and generate differences and imbalances which can make common monetary policy less effective and its transmission potentially asymmetric.

Graph II.9: **Business environment and Allocative efficiency**

Flash Eurobarometer Survey results



Source: European Commission calculations based on Flash Eurobarometer 417 and Eurostat.

Policies aimed at improving the business environment would support the convergence process, and thus foster EMU deepening. Moreover, as also emphasised by the ECB ([67]), the current juncture of accommodative monetary policy creates ideal circumstances for the implementation of structural reforms, as it would help to cushion the potential short-term adjustment costs by supporting demand.

Despite continuous improvements in the euro area Member States, there remains substantial scope for further progress. Some non-euro area EU Member States, along with the United States, actually score better on comparative indicators than euro area countries. Policy measures to improve business regulation and the quality of public administration are part of the structural reform strategy needed to revitalise productivity growth and close the gap in TFP performance vis-à-vis the US. One avenue for fostering progress in the euro area lies in mutual learning and exchanging good practices, while taking into account the importance of country-specific conditions.

Efforts to improve the business environment should generally be comprehensive if they are to be effective. In general, Member States with a less supportive business environment tend to perform poorly in many of its areas. In addition to the

([66]) European Commission (2013), 'Product Market Review: Financing the Real Economy', European Economy series 8|2013.

([67]) Cf. ECB (2016), 'The euro area economy, monetary policy and structural reforms', remarks by Peter Praet at the Observatory Group roundtable in New York, 18 November 2016.

obstacles to starting and scaling up a business, the business environment is shaped by the quality of public administration and tax authorities. Furthermore, benefits from reforming the business environment also depend on whether labour and financial markets can effectively support the gains in activity resulting from a better business environment.

According to the Doing Business indicators, in euro area economies there is room for improvement in policy areas like obtaining credit, protecting minority investors and enforcing contracts. These areas are relevant, as they have an impact on the opportunities for starting and expanding a business; they provide security for investors; and they make market transactions less costly. Improving these areas would contribute to a working financial system and a predictable and accessible judicial system.

Special attention to specific groups of firms (e.g. young firms, fast-growing firms and SMEs) in reform design can be effective, as long as negative side effects (such as growth traps, i.e. negative incentives to expand) are avoided. A survey carried out among firms, summarised in section III.4, has shown that the reporting of obstacles at least partly correlates with a firm's features (i.e. age and size).

These weaknesses are addressed through actions at both Member State and EU level. Examples include the work on the completion of the Single Market (including the Digital Single Market), and the start-up and scale-up initiative. The European Semester and country-specific recommendations can do much to guide Member States in their reform activities, so that they further strengthen their business environments and reap the full benefits of product market reforms.

Despite action taken in recent years by some euro area Member States, in particular those heavily hit by the crisis, the policy areas of business regulation and quality of public administration are generating a high number of country-specific recommendations in the European Semester. At the same time, however, they are among the areas with the lowest rate of policy responses. ([68]) This is all the more concerning because inefficiencies in public administration and an unfavourable business environment are also the most frequent barriers to investment. To address this implementation gap Member States should speed up structural reforms, adopt comprehensive packages of measures and adopt best practices from their peers when relevant. Through its Structural Reform Support Service, the European Commission is taking other steps to give Member States more technical assistance as they implement reforms.

([68]) European Commission (2017), 'Implementation of country-specific recommendations related to the business environment', Note for the Economic Policy Committee, Brussels, 27 February 2017 for further details on the implementation of country-specific recommendations.