

Which reforms are most urgent for Spain's new government?

What is going on with Spain's labor market, welfare state, and other areas of policy reform? The fifth Spanish Reform Monitor takes the pulse of Spain.

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Although it's April and Spain's general elections were held months ago (in December 2015), the country still finds itself without a government.

So, when the new government takes office, which reforms will be most urgent? The fifth release of the [Spanish Reform Monitor, 2016-Q1](#), highlights six policy areas for reform and finds "the risk of moving backwards is non-negligible," especially in two areas: the labor market and competition and regulation affairs.

Gathering the expert opinions of IESE professors and other prominent economists in Spain, the Spanish Reform Monitor, part of the SpanishReforms project, is an initiative of [IESE's Public-Private Sector Research Center](#) in conjunction with the savings bank foundation Funcas.

The first quarter 2016 Monitor highlights:

- Improvement in Spain's economic competitiveness and financial system.
- Deterioration of its welfare state, business regulation and overall reform progress.
- Urgent reforms needed for the labor market, competition and regulation affairs, public finances and the welfare state.

Political uncertainty is taking a toll. To this end, political leaders need to find common ground to push for genuine reforms and progress. "Looking ahead, it is clear that Spain needs a

government in place with a well-defined and agreed upon reformist agenda," professors [Xavier Vives](#) and Ramon Xifré write.

"The worst of the crisis is definitely over but the country is still far from having reasons for complacency, particularly when one looks at the labor market, competition and regulation, public finances and the welfare state," the authors summarize.

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