

AUSTERITY MEASURES IN EUROPE

COUNTRY	SIZE/ DURATION (BILLION EUROS)	CURRENT STATUS OF PROPOSAL	AUSTERITY MEASURES			
			PUBLIC SECTOR EMPLOYMENT/WAGES	RETIREMENT AGE	REVENUE INCREASE	GENERAL CUTS
Denmark	3.2 over three years (2013)	Approved by government, waiting for Parliament	• Ministerial salaries cut by 5 percent	• N/A	• N/A	<ul style="list-style-type: none"> • Cuts in family benefits • Unemployment benefits reduced from four to two years • Freeze on development aid • Abolition of tax rebates
France	5 in cuts in 2011-12	Proposed	• N/A	• From 60 to 62-63	• Income surcharge on high earners	<ul style="list-style-type: none"> • Suspension of the 2009 temporary social measures • Three-year freeze on public spending starting in 2011
Germany	At least 10/ year until 2016	Proposed	• N/A	• N/A	<ul style="list-style-type: none"> • Tax increases • Cuts in environmental taxes for companies • Abolishment of tax exemptions and allowances • Fees on financial market transactions • Increases on highway tolls for trucks 	<ul style="list-style-type: none"> • Ending program to reintegrate unemployed into the workforce
U.K.	7.3 in 2010-11	Proposed	• Freeze on civil service hiring	• Women from 60 to 65; Men from 65 to 66.	• N/A	<ul style="list-style-type: none"> • Blanket cuts in ministerial budgets • Cuts in travel for the government • Delay and/or cuts in government projects • Abolishment of maternity grant
Greece	30 over three years	Passed	<ul style="list-style-type: none"> • Freeze on civil service hiring until 2014 • Abolishment of the 13th and 14th months' salary for civil servants earning above 3,000 euro • 13th and 14th months' benefits capped at 1,000 euros per year for those who earn less than 3,000 euros a month • Abolishment of several bonuses for high-income earners • 20 percent cut in public sector allowances 	<ul style="list-style-type: none"> • Women from 60 to 65 • Term of employment to qualify for pension increased to 40 years (from 37) 	<ul style="list-style-type: none"> • Increase in sales tax to 23 percent (from 19 percent) • Ten percent rise in indirect taxes • Privatization of rail, water utilities and the post 	<ul style="list-style-type: none"> • Reduction of pension allowances (7 percent by 2030) • Private companies may fire 4 percent of workforce instead of 2 percent
Ireland	7 in 2010-12	Passed	• 5-15 percent salary cut for civil servants	• N/A	<ul style="list-style-type: none"> • Income tax increase • Creation of a carbon tax • Creation of a water tax 	<ul style="list-style-type: none"> • Reduction of social welfare payments • Cut in child benefit (16 euros per month)
Italy	24 in 2011-12	Approved by government	<ul style="list-style-type: none"> • Three-year freeze on pay for civil servants • Progressive pay cuts of up to 10 percent for high earners in the public sector, including ministers and parliamentarians • Cuts in public sector hiring (replacing one employee out of every 5 who leaves) 	• Retirement delayed by up to six months for those who reach retirement age in 2011	<ul style="list-style-type: none"> • New taxes for stock options and bonuses • Cuts in funding to city and regional governments (4.5 billion euros per year) • Planned crackdown on tax evasion 	<ul style="list-style-type: none"> • Government ministries required to cut spending by 10 percent per year in 2011-12 • Elimination of 27 publicly funded institutions • Abolition of provincial governments of areas with fewer than 220,000 inhabitants
Portugal	2.5 in 2010	Approved by Cabinet	<ul style="list-style-type: none"> • 5 percent salary cut for public officials and members of the government • Freeze on civil service salaries 	• N/A	<ul style="list-style-type: none"> • Sales tax increased to 21 percent (from 20 percent) • Income tax surcharge for high earners • Creation of a new tax bracket: 45 percent on those who make more than 150,000 euros per year • Income tax increase (up to 1.5 percent) • Corporate tax increase (up to 2.5 percent) • Corporate tax increase on profits exceeding 2 million euros 	<ul style="list-style-type: none"> • Delay in public investments • Sale of state assets • End of some social welfare benefits • Privatization of transport, energy, insurances and post sectors • 40 percent cut in military spending by 2013
Spain	50 over three years; 15 in 2010	Passed	<ul style="list-style-type: none"> • 5 percent pay cut for civil servants • Wage freeze in 2011 • Public sector hiring freeze • Cut in redundancy pay 	• Rise in retirement age from 65 to 67	• Sales tax increased to 18 percent (from 16 percent)	<ul style="list-style-type: none"> • Freeze on pensions in 2011, except for the poorest • End of maternity grant (2,500 euros per birth) • More than 6 billion euros in public investment cuts