

SPRING 2017 REFORM BAROMETER – POLAND

European Semester - Overall assessment of 2016 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (February/November 2016) is appropriate.	Not enough	(1) Limiting illegal employment through elimination of so called “first day syndrome” - is done. Lewiatan supported that regulation. (2) Improvement in inter-sectoral mobility of employees - it is important for the labour market. But it is not enough to focus on the farmers, as government did in NRP. There are more sectors (e.g. coal mining) which should have their own programmes for inter-sectoral mobility of employees.
2.	The Commission's country specific recommendations for your country are appropriate.	Not enough	Lewiatan does not accept part of the recommendation (2) "...removing obstacles to more permanent types of employment..." As we mentioned many times, the use of not permanent types of employment (temporary and civil law contracts) in the labour market is the result of high non-wage labour costs in Poland. So, the changes should be done in those costs. In the CSR, there is lack of many recommendations (look at Lewiatan priorities 2016 and 2017 prepared for Reform Barometer).
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The EC noticed that most of its previous recommendation have not been implemented, and decided to repeat part of not-implemented recommendation in CSR2016, but focus on limited number of the most important (from EC perspective) tasks. Unfortunately, the government didn't implement again any one of them. It is interesting how long the EC will be repeating recommendations without any consequences for the lack of their implementation.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	To a large extent	

Assessment of Country Specific recommendations 2016 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve an annual fiscal adjustment of 0,5 % of GDP towards the medium-term budgetary objective in 2016 and in 2017. Strengthen the fiscal framework, including by establishing an independent fiscal council. Improve tax collection by ensuring better VAT compliance, and limit the extensive use of reduced VAT rates. <i>(by the way - repeated from the CSR2015, and should be repeated in CSR2017)</i>	Extremely important	No progress	
CSR 2	Ensure the sustainability and adequacy of the pension system and increase participation in the labour market, by starting to reform the preferential pension arrangements, removing obstacles to more permanent types of employment and improving the labour market-relevance of education and training. <i>(by the way - this is recommendation nr 2 and 3 from CRSR2015 and the EC should repeat it in CSR2017)</i>	Important	Unsatisfactory	
CSR 3	Take measures to remove obstacles to investment in transport, construction and energy infrastructure, and increase the coverage of spatial planning at local level.	important	No progress	

Reform Progress in your Member State in 2016

How would you assess reform progress in 2016, for the following broad areas:

Taxation and Public Finances	Unsatisfactory
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	Unsatisfactory
Innovation and skills	mixed
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BUSINESSEUROPE could highlight in its 2017 Reform Barometer?

Only negative examples.

Reform priorities for 2017

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Labour market mismatch and labour mobility	(1) changes in dismissal rules (more flexible), (2) elimination of pre-retirement protection, (3) government housing program to increase the mobility of workers; (4) reconstruction of vocational education; (5) it is necessary to prepare a migration policy	No (info to (2) the government decided to lower retirement age)

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 2	Pension and health care reforms	(1) integrate the special pension system for miners with the general scheme; include farmers into the general pension system; private health insurance system; (2) the government is preparing a complete change of the health system, which will negatively affect the private health sector benefiting from public funds. At the same time, it does not plan to introduce private health insurance, which could take advantage of existing infrastructure in the private health sector.	no
Priority 3	Business Environment - Regulatory barriers to entrepreneurship	(1) the government should plan the changes in the regulations. The lack of predictability in what the government wants to do in the business environment caused in 2016 fall in business investment. Plans for regulatory government should be known well in advance, to ensure predictability and stability of economic activity; (2) simplifying contract enforcement and requirements for construction permits, changes in the public procurement system (still undone)	no
Priority 4	R&D and Innovation	(1) tax policy (introduce the tax incentives to promote R&D in the private sector) - it was partly done in 2016, but it is not enough; (2) to use the public procurement for promoting investment in innovation; (3) changes in universities (incl. changing rules for assessment of researchers).	Yes (only in tax policy, but it is not enough) No

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Priority 5	Public investment	<p>Poland receives substantial funds. A very large part of that money should be spent on infrastructure investments. We are now in the middle of EU financial perspective 2014-2020. The government has not yet started to invest that money. Investment in railways, roads, telecommunication infrastructure, investments in renewable energy are much needed. Unfortunately, the Government focuses on social spending and it is little money for pre-financing and co-financing of EU projects. It should be changed (it is necessary to simplifying contract enforcement and requirements for construction permits, changes in the public procurement system, what is written in priority 1).</p>	yes