

SPRING 2018 REFORM BAROMETER – POLAND

European Semester - Overall assessment of 2017 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2017) is appropriate.	Not enough	<p>(1) New investment policy - there is no result (the investment rate in 2017 was lower than in 2016). Lack of investment (public and private) has been the main problem in Polish economy from 2 years. Still because of low utilisation of the EU structural funds and increased uncertainty. Additionally, in 2017 because of the situation on labour market (the rate of unemployment was 4,4% in 2017);</p> <p>(2) Reinforcement of amicable dispute settlement institutions - there is no increasing the importance of mediation, but the programme has started, and - what is important - in cooperation with the business-related institutions and organisations;</p> <p>(3) health care - disaster.</p>
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	All of recommendations were appropriate (may be except investment in transport sector - it was difficult to understand what EC means). Public finance, labour market and investment are the main problems in Poland now.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	The EC pointed the matters that are very important to the business - the growing role of SOEs in Polish economy, VAT gap, and the main problem - limited public consultation on new laws (almost half of all laws passed were formally initiated by parliamentarians from the ruling party and not the government and hence were not subject to the typical consultation process).
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	It doesn't apply to Poland

Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Pursue a substantial fiscal effort in 2018, in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Poland's public finances. Take steps to improve the efficiency of public spending and limit the use of reduced VAT rates.	Important	Mixed	
CSR 2	Take steps to increase labour market participation, in particular for women, the low-qualified and older people, including by fostering adequate skills and removing obstacles to more permanent types of employment. Ensure the sustainability and adequacy of the pension system by taking measures to increase the effective retirement age and by starting to reform the preferential pension arrangements.	Extremely important	No progress	
CSR 3	Take measures to remove barriers to investment, particularly in the transport sector.	Important	Unsatisfactory	

Reform Progress in your Member State in 2017

How would you assess reform progress in 2017, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Unsatisfactory
Labour market	No progress
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 2018 Reform Barometer?

Introduction of 100% tax credit for investment in R&D and wild catalogue of eligible costs in this tax relief

Reform priorities for 2018

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Active labour market policies	(1) reconstruction of vocational education; (2) migration policy, but immediately - the completion of procedures for employing foreigners	Yes (partly)
Priority 2	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	No (housing program should start in 2018)

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 3	Pension and health care reforms	(1) It is necessary to integrate the special pension system for miners with the general scheme; include farms into the general pension system; private health insurance system; (2) The government lowered the retirement age, which had a negative impact on the labour market and on public finances (3) The government introduced changes of the health system, which negatively affected the private health sector. 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 4	Business Environment - Regulatory barriers to entrepreneurship	(1) Lack of predictability in what the government wants to do in the business environment caused in 2016 and 2017 fall in business investment. Plans for government regulatory should be known well in advance, to ensure predictability and stability of business activity; (2) Simplifying contract enforcement and requirements for construction permits (3) Changes in the public procurement system (should be based mainly on the price)	No
Priority 5	Long term investment instruments	(1) Development of voluntary pension schemes designed to make participation in them as common as possible. (2) Introduction of regulatory changes facilitating the issue of mortgage bonds, (3) Enabling (law) creation of REITs	No (1 - there is a concept)