



## SPRING 2018 REFORM BAROMETER – CZECH REPUBLIC

### 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.	To some extent	<p>SP has welcomed: progress in the combating tax evasion but it leads to higher administrative burden and risks for business.</p> <p>SP has welcomed effort in the field of higher participation of women on the labour market (2014 act of children’s groups) expecting further steps in the building of affordable and quality of pre-school children facilities, enforcement of quality of the schools, new career system for teachers but without any new administrative burden. Development of a dual system in VET is still driven mainly by the employer. SP is satisfied with the amended rules for higher education covering more professional oriented programmes. Measures focused on more inclusive education are leading to a higher segregation between public and private schools. SP has welcomed new migration strategy and support of the legal migration (fast track projects).</p> <p>SP has participated in setting-up of new principles for the future development of the E-Government in CZ (including e-Government cloud). Nevertheless, there is a delay in e-Collection and e-Legislation initiatives.</p> <p>SP has welcomed a deeper involvement in the development and implementation of the Action plan for the development of the digital market and also involvement in national initiative Industry 4.0 and setting-up (February 2017) an Alliance Society 4.0. SP has many times criticized a low progress in the fulfilling of the national energy efficiency targets and need to adopt additional measures.</p>



	<b>To what extent do you agree with these statements:</b>		<b>Detailed comments</b>
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	SP has welcomed particularly focus on removing obstacles to growth, further reduction of the administrative burden on businesses through more effective key e-government services, improving quality of R&D. SP was missing focus on reduction of cost related to fulfilling of the tax liability, on better access of the employers to the labour force with the adequate skills, on progress in the energy saving.
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	EC has pointed for the first time a growing risk of labour market shortages and low labour market relevance of VET criticised by some employer and lack of evidence of skills mismatches. EC has rightly identified a limited progress towards increasing the availability of e-government services, limited progress on strengthening the governance of R&D systems and cooperation between business and academia, the final energy consumption still below the 2020 targets, regulatory and administrative burden hampering the business environment, delay in implementing transport infrastructure projects, limited progress in addressing shortcomings in the construction permit procedure.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.		CZ was not included in the category of EU-countries neither for imbalances or for excessive imbalances.

## Assessment of Country Specific recommendations 2017 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Ensure the long-term sustainability of public finances, in view of the ageing population. Increase the effectiveness of public spending, in particular by fighting corruption and inefficient practices in public procurement.	Important	Excellent/no further progress needed	The long-term sustainability of public finances is an area, where further steps are needed. In the pension arrangement SP is calling the enforcement of III. Pillar. The key issue for business is an effective public procurement. The amended law on public procurement doesn't solved all problems.
CSR 2	Remove obstacles to growth, in particular by streamlining procedures for granting building permits and further reducing the administrative burden on businesses, by rolling out key e-government services, by improving the quality of R & D and by fostering employment of underrepresented groups.	Important	Mixed	All recommendations are corresponding with the SP priorities and challenges for better business climate in the CZ and investment, particularly further development e-government services, where CZ is deep under the EU average and quality of R&D and innovation.



## Reform Progress in your Member State in 2017

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

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

## Reform priorities for 2018

	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 1</b>	Business Environment - Regulatory barriers to entrepreneurship	There must be a strong effort of government to reduce burden, eliminate obstacles and simplify administration requirements faced by business. The business environment is still weighed down by a heavy regulatory burden and administrative barriers. In spite of growth of GDP and sufficiency of contracts according to expert investigation of our Confederation among Czech, entrepreneurs see no improvement in this field. For example, all tax changes must be discussed in advance with social partners, changes and evolution of tax-law must be predictable and systematic. There should be some positive changes related to system of controls, reducing duplications or the approach of the Tax administration. Permitting procedures (construction and related permissions) should be shortened.	Yes, partly



	<b>I. Policy Area</b>	<b>II. Concrete Recommendations</b>	<b>III. Are the proposed recommendations already in the agenda of your Government?</b>
<b>Priority 2</b>	ICT	Not only ICT should be a top priority for Czech Republic, but the digital agenda and digital economy as a whole. Government should establish a clear long-term vision of the digital agenda and the development of digital society in the Czech Republic. Government should also ensure the obligation to create digitally-friendly legislation through clearly defined binding rules. Creating innovation friendly environment for the creation, development and testing of digital services. There is a strong need of setting transparent and predictable legal framework to fulfil these goals. The Government must also continue to implement measures leading to the development of eGovernment.	Yes, partly
<b>Priority 3</b>	Labour market mismatch and labour mobility	The further support for VET and apprenticeship, fostering work-based learning (dual system), forecast of the future skills disparities, enhancing of mobility and supporting legal migration, building of the affordable and quality child care and long care facilities.	No
<b>Priority 4</b>	R&D and Innovation	Government support of R&D through tax deduction must be easier to use by business sector.	Yes
<b>Priority 5</b>	Public investment	Confederation emphasize importance of sufficient investment into infrastructure - transport infrastructure (based on realizable schedule of building of infrastructure), energy infrastructure and telecommunication infrastructure.	Yes