

SPRING 2020 REFORM BAROMETER – SLOVAK REPUBLIC

European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	National reform programme for Slovakia focuses on the main challenges for the future economic and social developments. In some areas, such as the changes in the education, the support for the research and development or the preparation for the digital revolution, the government has outlined specific initiatives, while in others like the stability of budget, there have recently been some drawbacks.
2.	The Commission's country specific recommendations for your country are appropriate.	Yes, absolutely	The country recommendations are appropriately defined and focus on the most important problems facing the country in the current situation and in terms of the possible challenges going forward.
3.	The Commission assessment of reform implementation the year before is appropriate.	Yes absolutely	The evaluation tackles the key weaknesses of the Slovak administration including the lower pace of reforms in education or labour market and the structural problems in the pension and health care systems, which are accepted points. Other issues are less crucial to tackle but it is good to keep a record of them.
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	---

Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Achieve the medium-term budgetary objective in 2020. Safeguard the long-term sustainability of public finances, in particular that of the healthcare and pension systems.	Extremely important	Mixed	Despite the previously stated intent to balance the budget next year, however its social expenditure packages and measures regarding the minimum pension and capping of the pension age have all created systematic hurdles for this. Thus, the current deficits are north of one percent, which makes this target impossible to achieve. The cooling of the economy in Germany has been creating potential problems for Slovak exporters and can affect the country's GDP.
CSR 2	Improve the quality and inclusiveness of education at all levels and foster skills in line with labour market needs. Enhance access to affordable and quality childcare and long-term care. Promote integration of disadvantaged groups, in particular Roma.	Extremely important	Unsatisfactory	The upskilling of the disadvantaged groups is picking up very slowly alongside with the measures such as the affordable and available childcare. The problems arise for the employers which have problems to find suitable employees or keep the existing ones. The country does not reflect the changing needs of employers regarding the necessary skills for the graduates.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on healthcare, research and innovation, transport, in particular on its sustainability, digital infrastructure, energy efficiency, competitiveness of SMEs, and social housing, taking into account regional disparities. Increase the use of quality related and lifecycle cost criteria in public procurement operations.	Important	Unsatisfactory	The investments and reforms measures in healthcare, research, innovation or digital infrastructure are lacking and Slovakia continues to lose competitiveness in comparison to the other V4 and Eastern European countries. The regional disparities are improving in some regions, but the economic deprivation is showing results in the growth of political extremists, which are gaining popularity.
CSR 4	Continue to improve the effectiveness of the justice system, focusing on strengthening its independence, including on judicial appointments. Increase efforts to detect and prosecute corruption, in particular in large-scale corruption cases.	Extremely important	Satisfactory	Justice system has been experienced shakeups in the follow up of the case of the investigation of the murder of a journalist and his fiancé. While the road is still long, a number of changes have started to occur.

Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

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

Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	R&D and Innovation	Government needs to invest in the physical and digital infrastructure and set the standards on which the Industry 4.0 as well as Smart Cities.	No
Priority 2	Consolidation of public expenditures	Government needs to reduce the overall unsystematic spending to prepare the budget for potential future recession and uphold the goal of balancing the budget.	No
Priority 3	Pension and health care reforms	In response to government locking retirement age and setting minimum pension the government must strengthen the public finances and should improve the standing of the second and third pillar as the alternative saving schemes for retirement and increase their attractiveness.	Yes
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Increased efficiency of local and central government and decreased number of bureaucracy necessary to run a business.	Yes
Priority 5	ICT	Support the development of solid education reform in the area of the ICT to prepare graduates of high schools and Universities for the market opportunities and match them with employers' needs	No