



THE PARLIAMENT OF THE CZECH REPUBLIC

SENATE

8th term

235.

RESOLUTION OF THE SENATE

delivered on the 9th plenary session held on June 9, 2011

**on the Convergence Programme of the Czech Republic 2011
/Senate press Nr. 83/**

The Senate

- I. reject** the Convergence Programme of the Czech Republic 2011 prepared by the government of the Czech Republic;
- II. approve** the following accompanying statement appended to this resolution;
- III. authorise** the President of the Senate to deliver this resolution including the accompanying statement to the European Commission.

Milan Štěch
President of the Senate

Tomáš Kladívko
Senate verifier

Accompanying statement of the Senate to the Convergence Programme of the Czech Republic 2011

The Senate on its 8th plenary session on May 4 2011 rejected the National Reform Programme of the Czech Republic 2011.

The Convergence Programme that has been tabled fully comes from the above mentioned National Reform Programme.

The Convergence Programme is supposed to lead to fiscal consolidation and it pledges balanced incomes and expenditures of the public finance in 2016.

According to the opinion of the Senate, the measures and legislative plans in the area of economic policy and the macroeconomic scenario itself do not guarantee the target state in 2016.

On the contrary, the so-called reforms prepared and notified by the government without a broader social agreement both with the opposition and social partners, some of them are already being forced through the Chamber of Deputies, will lead to weaker economic performance of our country, stagnation or slump in the living standard of large number of citizens and to increased social tension.

That opinion has been confirmed by the present situation when – influenced by the impact of so-called reforms carried out by the government of Prime Minister M. Topolánek – the Czech economy accomplishes only very low growth after the considerable fall in 2009.

Mild growth of GDP results from the industrial production, mainly automobile industry and export of its production.

On the contrary, the construction industry has been tumbling and the development of household demand and consumption is very unfavourable.

The Senate state that without an unbiased assessment of impacts of existing reforms and lessons drawn from them, without balanced reforms, the present government has been leading our country into economic stagnation.

The Senate are afraid that the Convergence Programme of the Czech Republic 2011 does not fulfil the intentions presumed in the European semester as a new tool of coordination of fiscal policies within the EU member countries.

Those are the reasons why the Senate of the Parliament of the Czech Republic reject the Convergence Programme of the Czech government as well as the National reform Programme.