



EUROPEAN COMMISSION

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Dear Mr President,

*The European Commission would like to thank the Senát for its document on the 2011 national reform programme and of the 2011 update of the convergence programme. Let me first of all apologise for the undue delay in replying.*

*The Commission fully recognises the importance of active and continuous involvement of the wide political spectrum as there is clear evidence that broader ownership of key economic reforms helps build stability and foster social agreement on major, long-term reform plans. The Commission has repeatedly emphasised that consultations with parliamentary assemblies, social partners and other stakeholders are key to the success of the Europe 2020 strategy.*

*The Senát's Opinion, although rejecting the above mentioned programmes, reveal nevertheless two important elements: the close interconnection between national reform programmes and convergence programmes; as well as their strong political dimension. These elements are at the heart of the concept of the "European Semester" of economic policy coordination – where a coherent and concomitant presentation of reform plans and budget forecast drives a political debate – both at European and at national level. I therefore see grounds for an intensifying political debate in the Czech Republic on the course of reforms.*

*The Senát underlined the importance of accurate assessment of the economic consequences of fiscal restraint on the economy. The Commission services carried out such an assessment and the Commission submitted its proposals for recommendations to the European Council on 7 June 2011. The Council endorsed the opinion that the macroeconomic assumptions underpinning the programme are plausible in the first two years of the programme and favourable thereafter, when assessed against the Commission's medium-term projections of potential output according to the commonly agreed methodology. Sustaining the focus on fiscal consolidation while protecting growth-enhancing expenditure has been identified by the Commission as a major challenge and has motivated one of its recommendations, subsequently endorsed by the Council. The issue of efficiency of Public Employment Services that the Senát highlighted in its Opinion has also given rise to a recommendation.*

*Mr Milan ŠTĚCH  
President of the Senate  
of the Parliament of the Czech Republic  
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PRAGUE 1*

*The updated convergence programme responds to the priorities for fiscal consolidation and structural reform endorsed on 25 March 2011 by the European Council, which underscored the need to reinforce attention to restoring sound budgets and fiscal sustainability, reducing unemployment through labour market reforms and making new efforts to enhance growth. It requested Member States to translate these priorities into concrete measures to be included in their convergence programmes.*

*The Commission is now closely monitoring the implementation of these recommendations, and it will assess, on the basis of the updated reform programme and convergence programme that your country will present in April, the progress made and remaining challenges for the Czech Republic. The Commission is convinced that reinforced economic governance and enhanced economic surveillance constitute important elements in implementing the Europe 2020 strategy. Your assembly has already demonstrated its willingness to contribute to fulfilling this goal, which will allow the EU to become a smart, sustainable and inclusive economy.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*