

HOW TO REGULATE ONLINE PLATFORMS?



Online platforms became an issue of communal elections which will take place in the Czech Republic this autumn. The society agrees there is a need to regulate the sector but at the same time it should not hinder its development. The question is on which issue the regulation should focus: better consumer protection, taxation, noise, parity of business conditions for online and offline businesses, etc. In the Czech Republic, there are already laws that regulate this business but the problem is with the control and enforcement. Last October, the financial administration issued a clear methodology regarding the tax obligations of those providing accommodation through Internet platforms but the competent authorities do not have sufficient information and better cooperation with online platforms on data sharing is needed. The traditional businesses request the same control and same obligations for the online platforms. We need a clear distinction between a regular business and occasional renting. The European Commission commissioned a study across the EU to see what kind of regulatory practices exist. The Commission does not want to regulate the online platforms at EU level and leaves this competence up to the Member States but provides them with some guidance. The practice

shows there is a need to find an appropriate regulation locally due to the differences in the businesses in tourist hotspots and those in rural areas. The concept of a sharing economy should not be destroyed but it is important to draw the line where the occasional revenue starts to be a real business. To draft the definition is a "casse-tête" but it is very important in order to allow this new business model to develop and at the same time ensure that the traditional businesses can compete and survive.

MEP CORNER



"A shared economy is a consumer-driven process. The consumer chooses and evaluates the service. I agree with the need to clarify the definition of shared economy and welcome the fact that the EU is not going to regulate this sector at EU level."

Dita Charanzová
(ANO 2011/ALDE), Vice-Chair of
IMCO Committee of the European Parliament

EU BUDGET FRAMEWORK NEGOTIATIONS BEGIN

At the beginning of May, the European Commission published its proposal for the future Multiannual Financial Framework (MFF) for the period 2021-2027. Although the proposal needs to be discussed and approved by the European Parliament and Member States in the Council, it has already triggered lively discussions. Therefore, the future MFF has been the main topic of a debate organised by the EC Representation in Prague, Information Office of the European Parliament in Prague, Confederation of Industry of the Czech Republic and CEBRE on 25th May in Prague. To create a balanced budget proposal, the Commission had to react to new challenges

but also continue supporting successful ongoing initiatives. Furthermore, the gap of 84 bn. EUR in the budget created by Brexit had to be taken into account, therefore some cuts were necessary as well, mainly in the cohesion policy and common agricultural policy. Furthermore, the budget line focused on security, defence and border management had to be strengthened. The number of programmes was reduced from 58 to 37, added Petr Mooz from DG Budget of the European Commission. For MEP Martina Dlabajová, the MFF is the key topic that will have major effect on the future of the EU. Therefore, she welcomes the idea of supporting projects with the

News FLASH

>CZECHS CONTRIBUTING TO THE FUTURE OF EUROPE

The Czech Republic joined the pan-European Citizens' Consultation Initiative, launched by the French President Emmanuel Macron. The debate was kicked off in Prague on 10th May in presence of French Minister Nathalie Loiseau.

>300 THOUSANDS MISSING WORKERS IN CZECHIA WILL BE FILLED BY THIRD-COUNTRY NATIONALS

The Czech government has extended the scheme "Rezim Ukrajina" to Mongolia and the Philippines. The scheme serves for the targeted and selective reception and processing of working card applications for nationals of Mongolia and the Philippines who will perform qualified work in the Czech Republic (1000 applicants for each of the two countries). Czech Chamber of Commerce is one of the guarantors of collecting employers' requests for specific foreign employees and scrutinizing Czech companies.

>ARCELORMITTAL OSTRAVA FOR SALE

ArcelorMittal in Ostrava will be sold as a part of the compensation package in connection with the purchase of the Italian steel factory Ilva. ArcelorMittal in Ostrava has 6500 employees in the Moravian-Silesian Region and produces over two million tons of steel annually, mainly for construction and engineering. New investors might be large multinational steelworks, including Chinese.

biggest European added value. The Czech Republic welcomes the idea of increasing effectiveness and overall simplification in the budget. However, it is eagerly awaiting the most important part, specific proposals defining the details of various programmes.

EC RECOMMENDATIONS ON THE CZECH NATIONAL REFORM PROGRAMME

The European Commission recommends that the Czech Republic takes action in 2018 and 2019 to improve the long-term fiscal sustainability, in particular of the pension system. It should also address weaknesses in public procurement practices, notably by enabling more quality-based competition and by implementing anti-corruption measures. It is also important to reduce the administrative burden on investment, including by speeding up permit procedures for infrastructure work. In the area of R&D, it should remove the bottlenecks hampering research, development and innovation, in particular by increasing the innovation capacity of domestic firms. It also recommends to strengthen the capacity of the education system to deliver quality inclusive education, including by promoting the teaching profession. The Czech Republic is experiencing strong labour market performance. Employment has risen steadily over

the past six years and unemployment has fallen considerably. The potential of women, the low-skilled and disabled people remains nonetheless underutilised. Against the background of labour shortages, there is clear scope for increasing their labour market participation. All these priorities completely reflect the priorities promoted by Czech business organisations. The business also add that the process of granting work permit to third-country nationals should be eased in order to aid the flow of new workers into the Czech labour market. In the field of education business would prefer more focus on work-placed learning including dual elements and better matching with the labour market need rather than general statement on quality and inclusiveness. The EC recommendation published on 23rd May are based on the complex analysis of the Czech economy which was published by the Commission in March and will be endorsed by the European Council

and adopted by ECOFIN during the summer. In its Convergence report 2018, the Commission also evaluated the progress of the Czech Republic on its path to the introduction of euro. According to this year's report, the Czech Republic fulfils the criterion of public finance and long-term interest rates, on the other hand it does not fulfil the criterion of price stability and the exchange rate. Its legislation is also not fully compatible with the rules of economic and monetary union.



EESC CORNER: DOES UNION NEED A NEW EU "AUTHORITY"?



The tensions around the revision of the posting of workers directive, which divided Member States and social partners across Europe, inspired president Juncker's idea to establish the European Labour Market Authority (ELA). Intra-EU labour mobility involves some 12 million citizens who are working, seeking a job or are being posted in another Member State. An extensive body of EU legislation establishes workers' rights in cross-border situations and coordinates social security regimes. EU law also sets out specific provisions to support the implementation of rules and facilitate the exchange of information between Member States - Enforcement directive on the posting of workers (2014/67/EU). National authorities are in charge of rule enforcement in line with Treaty competences. Nevertheless the Commission considers that there is a need for a European structure to support systematic cooperation on cross-border activities involving labour and social security matters between Member States. On 13 March 2018, under the European fairness package, the EC published its proposal for a regulation on the establishing of the European labour authority with the aim to ensuring fairness in the single market. The proposal aims to improve access to information by individuals and employers regarding their rights and obligations in the area of labour mobility and social security coordination. It is also intended to strengthen operational cooperation

between authorities in cross-border enforcement of relevant Union law, including facilitating joint inspections and providing mediation and facilitating solutions in case of disputes between national authorities and cross-border labour market disruptions, such as restructuring of companies affecting several Member States. On the request of the Commission, the EESC Section for employment and social affairs (SOC) has started its work on the gathering of opinions about the potential role of the European Labour Authority. It seems there is no common voice. The employee's representatives welcome this initiative as one of the tools delivered under the European Pillar of Social Right. The employers support the initiative focusing on the better functioning of the single market, including the free movement of workers, and the effort to combat fraud in cross-border situations. Nevertheless they are full of scepticism about the added value of a new EU supervisory body acting in an area where the Member States and social partners have responsibility for industrial relations. They doubt if it is an efficient and cost effective way of achieving the objective and are asking for an alternative which would streamline the relevant existing bodies. The proposed Authority is set to have a significant budget of 50.9 million euros per year once fully operational, planned to be by 2023. These financial resources could be used more effectively for providing information and assistance to European

companies and workers about the rules applied in cross-border situations. The main concern of the Employers is the role of the ELA in dispute resolutions, which they say must be removed from the scope of the proposed Authority. Also the mediation function should respect the national authorities' competences and shouldn't lead to any power to resolve such disputes. It is also essential that the labour inspections remain the competence of national authorities. The Employers also don't support the proposed Authority's role in suggesting a concern or instigating a joint inspection of its own initiative to the authorities of the Member States. If the ELA is established it should not overreach into the areas that are within the competence of either Member States, their national authorities or social partners and companies, such as working conditions, health and safety, restructuring and third country nationals that are not mobile.



Vladimíra Drbalová
EESC Member and Vice-chair
of the Group I - Employers

CEBRE CALENDAR:

- 15th June – CEBRE founders meet Czech MEPs (Prague)
- 28-29th June – CEBRE meets Czech exporters to Belgium (Prague)

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CEBRE was founded in 2002 by the three most important Czech business organizations – Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.