

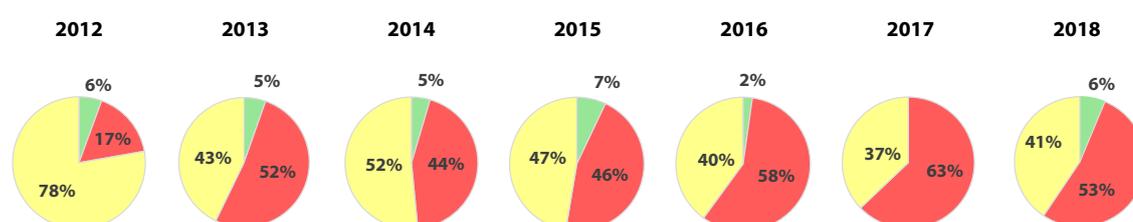
Implementation of Country-Specific Recommendations under the MIP - March 2019

This note provides an overview of the implementation rate of [Country-Specific Recommendations](#) (CSRs) issued under the Macroeconomic Imbalance Procedure (see a separate EGOV note for details on the [MIP procedure](#)). Figures presented in this overview refer only to Member States experiencing macroeconomic imbalances and are based on the implementation assessments performed by the Commission in its annual Country Reports.

For the Member States identified by the Commission as experiencing macroeconomic imbalances, some CSRs are adopted and monitored under the **Macroeconomic Imbalance Procedure** (MIP-CSRs; the document [MIP implementation](#) provides details). The Commission assesses the implementation of CSRs in the [country reports](#), published annually in the context of the European Semester. These assessments enable a 'stylized' comparison of the implementation over time, over legal basis and by distinguishing Euro Area and non-Euro area Member States (MSs). In its assessment, the Commission applies the following categories:

- **No progress:** The MS has neither announced nor adopted any measures to address the CSR.
- **Limited progress:** The MS has announced some measures to address the CSR, but these measures appear insufficient and/or their adoption/implementation is at risk.
- **Some progress:** The MS has announced or adopted measures to address the CSR. These measures are promising, but not all of them have been implemented yet and implementation is not certain in all cases.
- **Substantial progress:** The MS has adopted measures, most of which have been implemented.
- **Fully addressed:** The MS has adopted and implemented measures that address the CSR appropriately.

Chart 1: Implementation of MIP-CSRs in 2012-2018



Total MIP-CSRs	36	56	66	57	45	35	32
Member States	12	13	14	16	13	12	11

Chart 1 (elaborated on the basis of the [EGOV database for CSRs](#)) shows that:

- > The number of MIP-CSRs increased from 2012 to 2014 and then decreased steadily;
- > The share of fully or substantially implemented MIP-CSRs increased from 5% in 2013 to 7% in 2015, fell to 2% in 2016 then to zero in 2017, and increased again to 6% in 2018;
- > The share of MIP-CSRs with no or limited progress varied over the years, topped at 63% in 2017 and decreased to 53% in 2018.

Furthermore, the share of MIP-CSRs over total CSRs for Member States experiencing macroeconomic imbalances steadily increased until 2016 and then stabilized at around 90%.



Chart 2: Implementation of MIP-CSRs in Member States (2014 - 2018)

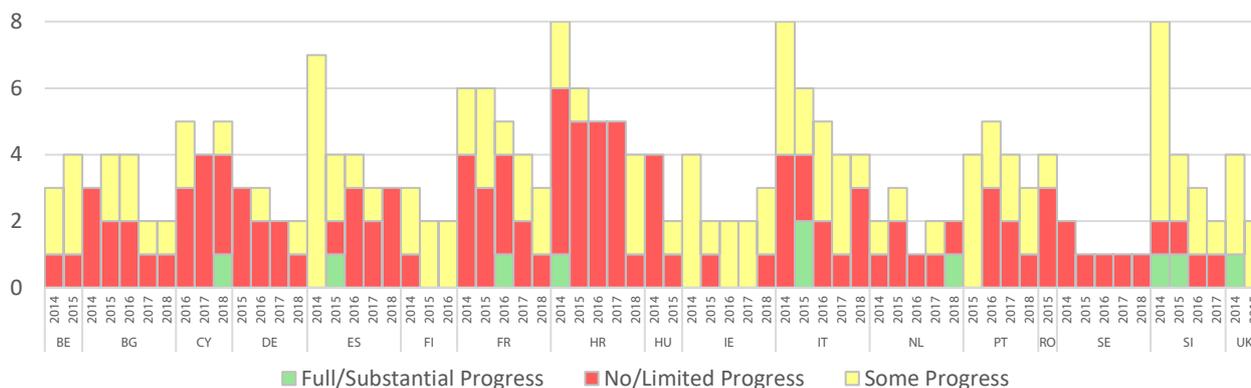


Chart 2 shows the degree of implementation of MIP-CSRs since 2014 in MSs experiencing macroeconomic imbalances. It can be noted that:

- > In 2018, only Cyprus and the Netherlands made “substantial progress” in the implementation of at least one MIP-CSR;
- > Only eight MSs - among the nineteen that have experienced macroeconomic imbalances over 2014-2018 - have fully/substantially implemented at least one MIP-CSR: two in Slovenia (in 2014 and in 2015) and in Italy (in 2015); one in Cyprus (2018), in Croatia (2014), in Spain (2015), in France (2016), in the Netherlands (2018) and in the UK (2014).

In 2018, Cyprus, Croatia and Italy were experiencing **excessive macroeconomic imbalances**. All the 2018 CSRs addressed to them were underpinned by the MIP. Cyprus was the only country to implement fully one CSR. Croatia partially implemented three out of four CSR, and Italy partially implemented one of four CSRs (for the other CSRs there was no or limited progress). In the context of the 2019 European Semester, Cyprus and Italy are still experiencing excessive imbalances, while Croatia moved from ‘excessive imbalances’ to ‘imbalances’.

Table 1: Comparison of the implementation of MIP-CSRs in Euro Area/Non-Euro Area MSs

	Progress	Euro Area	Non Euro Area MSs
2016	Full/Substantial	3%	0%
	Some	46%	20%
	No/Limited	51%	80%
2017	Full/Substantial	0%	0%
	Some	44%	13%
	No/Limited	56%	87%
2018	Full/Substantial	8%	0%
	Some	36%	57%
	No/Limited	56%	43%

Table 1 shows the comparison of the implementation of MIP-CSRs between Euro Area and non-Euro Area MSs in 2016, 2017, 2018. It appears that in 2018, despite showing a higher percentage of fully implemented CSR, Euro Area MSs progressed less than non-Euro Area MSs, contrary to what was observed in 2016 and 2017.

Table 2: Comparison of the implementation of MIP-CSRs and non-MIP-CSRs in EU MSs

	Progress	MIP-CSRs	Non MIP-CSRs
2016	Full/Substantial	2%	3%
	Some	40%	46%
	No/Limited	58%	51%
2017	Full/Substantial	0%	2%
	Some	37%	59%
	No/Limited	63%	39%
2018	Full/Substantial	6%	0%
	Some	41%	33%
	No/Limited	53%	67%

Table 2 shows some figures that allow the comparison of the implementation status between the MIP-CSRs and the other CSRs (those exclusively related to the Stability and Growth Pact or the so-called “Integrated Guidelines”) in 2016, 2017 and 2018. In 2018, MIP-CSRs seemed implemented more than non-MIP-CSRs, contrary to what was observed in 2017 and 2016.

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