**Country Specific Recommendations** (CSRs) provide guidance to EU Member States on macro-economic, budgetary and structural policies in accordance with Articles 121 and 148 of the Treaty on the Functioning of the European Union (TFEU). These recommendations, issued within the framework of the European Semester since 2011, are aimed at boosting economic growth and job creation, while maintaining sound public finances and preventing excessive macroeconomic imbalances. As to the process, they are proposed by the Commission and approved by the Council. In doing so, the Council is expected, as a rule, to follow the Commission proposal or explain its position publicly (“comply or explain” principle). Then, after being endorsed by the European Council and finally adopted by the Council, CSRs are to be taken into account by Member States in the process of national decision making. The Commission also proposes policy recommendations to the Euro area based on Article 136 of the TFEU. The Council and the Commission closely monitor the implementation of CSRs and take further actions as appropriate.

**Figure 1: Implementation of the 2016 Country Specific Recommendations**

![Pie Chart](chart.png)

Source: EGOV calculations based on the Commission Country Reports (February 2017).

Notes: (1) Based on Commission's assessment of actions taken (rather than outcomes that may materialise with a lag), assigning identical weights to all CSRs across and within Member States (i.e. irrespective of their institutional and political sensitivities). (2) Calculations abstract from three CSRs related to the compliance with the SGP that the Commission is to assess in spring 2017 once the final data will be available. Consequently, figures displayed are calculated based on a total of 86 rather than 89 CSRs (see Table 1 overleaf for more details).

Abstracting from three CSRs related to compliance with the Stability and Growth Pact (SGP), which are to be assessed later (in spring 2017), EU Member States fully/substantially implemented 2 out of 86 (i.e. 2%) of the 2016 recommendations (see Figure 1). Some progress has been found on approximately 43% of the CSRs, while about 55% the recommendations have been implemented in a limited manner or not at all. As depicted by Table 1 (overleaf), euro area Member States have had, taken together, a stronger implementation record than non-euro area Member States (this conclusion does not necessarily hold at individual country level). In fact, countries whose currency is the euro made full/substantial or some progress on about 48% of the recommendations (29 out of 61), as compared to 40% in case of non-euro area Member States (10 out of 25). Finally, the euro area as a whole made some progress on four out five recommendations it received in the context of the 2016 European Semester (see a separate EGOV note for more details).

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1 Since the 2016 European Semester, the Commission proposes its recommendations on the economic policy of the euro area at the start of the cycle (in November) to better integrate the euro area dimension into CSRs (issued in May).

2 Out of 27 countries that received CSRs in 2016, only two implemented fully/substantially at least one recommendation (Belgium and France).

3 Six countries (Croatia, Luxembourg, Hungary, the Netherlands, Poland and Sweden) made limited/no progress on all their respective CSRs (abstracting from a subset of CSRs related to the SGP implementation).
Table 1: Implementation of the 2016 recommendations by EU Member States

<table>
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<th>European Semester 2016</th>
<th>Full/Substantial Progress</th>
<th>Some Progress</th>
<th>No/Limited Progress</th>
<th>Sub-total</th>
<th>Not yet assessed</th>
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Source: EGOV calculations based on the Commission Country Reports (February 2017).
Notes: (1) In its assessment of the CSRs implementation, the Commission uses the following five categories: No progress: The Member State (MS) has not credibly announced nor adopted any measures to address the CSR. Below a number of non-exhaustive typical situations that could be covered under this, to be interpreted on a case by case basis taking into account country-specific conditions: (i) no legal, administrative, or budgetary measures have been announced in the National Reform Programme or in other official communication to the national Parliament / relevant parliamentary committees, the European Commission, or announced in public (e.g. in a press statement, information on government’s website); (ii) no non-legislative acts have been presented by the governing or legislator body; (iii) the MS has not credibly announced nor adopted any measures to address the CSR. Some progress: The MS has: (i) announced certain measures but these only address the CSR to a limited extent; and/or (ii) presented legislative acts in the governing or legislator body but these have not been adopted yet and substantial non-legislative further work is needed before the country-specific recommendation will be implemented; (iii) presented non-legislative acts, yet with no further follow-up in terms of implementation which is needed to address the country-specific recommendation. Full implementation: The MS has: (i) announced certain measures but these only address the CSR to a limited extent; and/or (ii) presented legislative acts in the governing or legislator body but these have not been adopted yet and substantial non-legislative further work is needed before the country-specific recommendation will be implemented; (iii) presented non-legislative acts, yet with no further follow-up in terms of implementation which is needed to address the country-specific recommendation. Substantial progress: The MS has adopted measures that, at least in their broad outlines, address the CSR. Some progress: The MS has adopted measures that, at least in their broad outlines, address the CSR. Some progress: The MS has adopted measures that, at least in their broad outlines, address the CSR. The opinions expressed in this document are the sole responsibility of the authors and do not necessarily represent the official position of the European Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the publisher is given prior notice and sent a copy. © European Union, 2017.