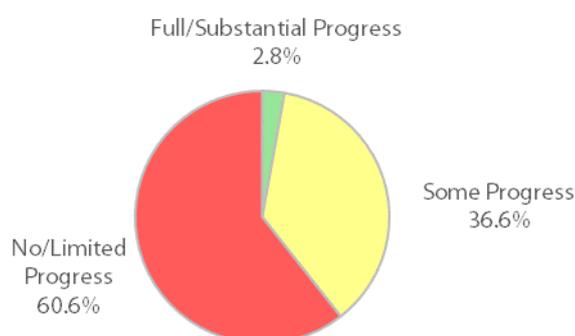


Implementation of the 2018 Country-Specific Recommendations

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 for economic policy coordination 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 annually by the Commission and discussed by the various Council formations. As a rule, the Council is expected to follow the Commission proposal for CSRs or explain its position publicly (“comply or explain” principle). After being endorsed by the European Council and formally adopted by the ECOFIN 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 TFEU¹. The Council and the Commission closely monitor the implementation of CSRs and take further actions as appropriate.

Figure 1: Implementation of the 2018 Country Specific Recommendations



Source: [EGOV calculations](#) based on the Commission [Country Reports](#) (February 2019).

Notes: (1) Based on Commission's assessment of actions taken (rather than outcomes that may materialise with a time lag), assigning identical weights to all CSRs (i.e. irrespective of their institutional and political sensitivities). Where applicable, this overall assessment does not include an assessment of compliance with the Stability and Growth Pact (SGP) that will be made in spring 2019 once the final data for 2018 will be available. (2) Calculations abstract from two CSRs entirely related to the compliance with the SGP (to be assessed in spring 2019). Consequently, the total number of CSRs amounts to 71 rather than 73 (see Table 1 overleaf for more details).

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 (adopted in July) - see a separate [EGOV note](#) for more details.



As indicated by Figure 1, EU Member States made at least some progress on about 39% of recommendations under the 2018 European Semester (as compared to 50% under the [2017 Semester cycle](#)). Euro area Member States have had, taken together, a weaker implementation record than non-euro area Member States (this conclusion does not necessarily hold at individual country level). As depicted in Table 1, countries whose currency is the euro made at least some progress on nearly 38% of the 2018 CSRs (19 out of 50), as compared to about 43% for non-euro area Member States (9 out of 21).

Table 1: Implementation of the 2018 recommendations by EU Member States

European Semester 2018	Full/Substantial Progress	Some Progress	No/Limited progress	Sub-total	Not yet assessed	Total
Belgium	0	0	3	3		3
Bulgaria	0	2	1	3		3
Czech Republic	0	1	1	2		2
Denmark	0	1	0	1		1
Germany	0	1	1	2		2
Estonia	0	2	0	2		2
Ireland	0	2	1	3		3
Greece	Economic Adjustment Programme					0
Spain	0	0	3	3		3
France	0	2	1	3		3
Croatia	0	3	1	4		4
Italy	0	1	3	4		4
Cyprus	1	1	3	5		5
Latvia	0	1	2	3		3
Lithuania	0	1	2	3		3
Luxembourg	0	0	2	2		2
Hungary	0	0	2	2	1	3
Malta	0	0	2	2		2
Netherlands	1	0	1	2		2
Austria	0	1	1	2		2
Poland	0	0	3	3		3
Portugal	0	2	1	3		3
Romania	0	0	3	3		3
Slovenia	0	1	1	2		2
Slovakia	0	2	1	3		3
Finland	0	0	3	3		3
Sweden	0	0	1	1		1
United Kingdom	0	2	0	2	1	3
EU28	2	26	43	71	2	73
<i>Out of which:</i>						
EA-19 Member States	2	17	31	50	0	50
Non EA Member States	0	9	12	21	2	23

Source: [EGOV calculations](#) based on the Commission [Country Reports](#) (February 2019).

Notes: (1) For a detailed description of the categories the Commission uses in its assessment of the CSRs implementation, see the last page of a separate [EGOV note](#); (2) Where applicable, this overall assessment does not include an assessment of compliance with the Stability and Growth Pact (SGP) that will be made in spring 2019 once the final data will be available; (3) The first CSR for Hungary and the United Kingdom are entirely related to the compliance with the requirements under the preventive arm of the SGP.

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