

Master Thesis
European Studies

***The European Semester: Analyzing
the relative importance of social and
economic objectives***

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Abstract

Since the onset of the financial and economic crisis in 2007/2008, the European Union has made numerous efforts to reinforce economic governance. One of these has been the creation of the European Semester, a single policy coordination cycle which can be considered to lie at the heart of the new institutional architecture for economic and social governance. The rapid evolution of the European Semester raises questions about the relationships between institutions and member states, and social and economic policies. A qualitative content analysis, guided by a historical institutionalist framework, was conducted in order to analyze to what extent the European Semester has become more social and to what extent the European Commission can be held responsible for this change. Its findings include that, although economic objectives still dominate the European Semester, there is a small and modest change towards more socialization, which coincides with the historical institutionalist concept of path-dependency. Furthermore, although the changes within the European Semester give the European Commission more powers, the findings suggest that the Commission can only go as far as the member states allow.

List of Abbreviations

AGS	Annual Growth Survey
CSR	Country-specific recommendation
EC	European Commission
EDP	Excessive Deficit Procedure
EEC	European Economic Community
EP	European Parliament
EPP	Euro Plus Pact
ES	European Semester
EU	European Union
HI	Historical Institutionalism
MIP	Macro Imbalances Procedure
NRP	National Reform Programme
OMC	Open Method of Coordination
RI	Rational Choice Institutionalism
SGP	Stability and Growth Pact
SI	Sociological Institutionalism
TSCG	Treaty on stability, coordination and governance

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“By bringing the Stability and Growth Pact and Europe 2020 processes together the EU can build on the necessary consolidation measures as essential steps in its longer term growth strategy, building a smarter, more sustainable and more inclusive EU for the future.”
(European Commission, 2010a)

1.1 Introduction

Since the onset of the financial and economic crisis in 2007/2008, the European Union (EU) has made numerous efforts to reinforce economic governance. One of these has been the creation of the European Semester, which can be considered to lie at the heart of the new institutional architecture for economic and social governance. The European Semester is a single policy coordination cycle, which brings together different EU governance instruments; The stability and Growth Pact, the Europe2020 strategy, a Macro-economic Imbalances Procedure, Integrated Economic and Employment guidelines, and parts of the Fiscal Treaty. (Zeitlin and Vanhercke, 2014)

The European Semester is operational since 2011, and gives EU institutions as the European Commission, Council of the EU, and European Council, the opportunity to play a visible and a more insistent role in guiding the economic, fiscal, and social policies of its member states, especially those within the Eurozone. (Zeitlin and Vanhercke, 2014) Within the European Semester, the European Commission, in collaboration with other institutions, outlines the priorities for the Union, reviews National Reform Programmes, and issues country-specific recommendations to the member states.

The rapid change of EU's socio-economic governance, and with that the evolution of the European Semester, raises some important empirical and normative questions about the relationship between, for example, institutions and member states, hard and soft governance instruments, and social and economic policies. (Zeitlin and Vanhercke, 2014) Since the aim of this thesis is to measure policy priorities in policy documents relating to the European Semester in order to create an up-to-date snapshot to get a better picture of the status of social and economic integration in the EU through a qualitative content analysis on the nature of the European Semester, the main focus will lie on the relationship between social and economic policies.

What we know from the past is that, for the last decades, neo-liberalism has been the dominant school of thought within Europe. In other words, one could say that neo-liberalism can be seen as orthodoxy. Neo-liberal policy and political arrangements have an emphasis on

low inflation, and the liberalization of markets. Full employment, which stood in as a proxy for social development, was not longer thought of as an objective that should be pursued by macroeconomic policy. Due to this neo-liberal thought, market-efficiency and growth were being prioritized, whereas long-term economic dynamism, equality and social development were not. This means that social objectives were tended to be subordinate to the economic ones. (Utting et al., 2012: 3-4)

Scharpf (2002) argues that since the creation of the EU, the course of European integration has created a fundamental asymmetry between policies which promote market efficiencies and policies which promote equality and social protection. This is the case because, in the process of integration, economic policies have been progressively Europeanized, whereas social policies largely remained at the national level. (Scharpf, 2002) When the European Economic Community (EEC) was created, the choice was made to give supranational institutions the powers to establish a law-based order committed to advancing economic integration. What followed was the development of a comprehensive Treaty-based framework in the field of macroeconomic policy. (Bekker and Klosse, 2013) On the other hand, member states have been reluctant to let employment/social policies be handled at EU level. At the EU level, employment/social policies are mainly handled through the Open Method of Coordination (OMC), which is based on the voluntary cooperation of member states and “soft law”, which basically means that there are no enforcement mechanisms. (Bekker, 2014)

1.2 Subject and research question

Due to this asymmetry between social and economic policies, it could be expected that the European Semester is based on orthodoxy, which means that social objectives are subordinate to the economic ones. This is also the concern of a lot of critics, as most of them argue that the EU has “forgotten” its social inspirations. (e.g. Clauwaert and Schömann, 2012; Janssen, 2013; Watt, 2013)

Some recent studies, however, suggest that this view is outdated, and that it has changed. Although the new economic coordination has been set up primarily to deal with consequences of the crisis, for example new enforcement mechanisms for euro area countries, fiscal consolidation, and stricter budgetary and economic surveillance, Bekker (2014) and Zeitlin (and VanHercke, 2014), for example, both suggest that the EU has not lost track of its social inspirations. Zeitlin and Vanhercke (2014) argue that, since 2011, there has been a “partial but progressive “socialization” of the European Semester of policy coordination in terms of

increasing emphasis on social objectives and targets in the EU's priorities and country-specific recommendations...[]”(Zeitlin and VanHercke, 2014) Bekker (2014) argues that her research of the 2013 European Semester “illustrates that the EU's social dimension has not been lost totally in the stricter economic governance regime.”(Bekker, 2014) They both thus argue that there is becoming more attention for the social dimension within the European Semester.

A balance between economic and social policies within the European Semester is more than welcome, since the member states are also facing serious problems on the “social side”. The number of EU citizens that is unemployed or at risk of poverty and/or social exclusion, for example, is rising very fast. (Bekker,Klosse,2013, EAPN,2012) Furthermore, in the Treaty of the European Union, it is stated in Art. 3(3) TEU, that “a social market economy, aimed at full employment, social progress and a high level of social protection, is what the Union should strive for”. It is also increasingly recognized that social problems develop faster in a currency Union, because of the fact that severe employment and social problems can generate spill-overs across borders. (Andor, 2013)

Merely more attention for social objectives, however, does not necessarily mean that the European Semester actually has become more social. A recommendation about a social subject, for example, could still be orthodox in nature. Therefore, in order to analyze whether the European Semester has actually become more social, it is necessary to look further than the amount of AGS's and CSRs that *contain* social objectives, as Bekker (2014) did in her research. It is necessary to analyze how many of these recommendations are actually social in *nature*.

Next to the relationship between social and economic policies, this thesis is to a certain extent also interested in the relationship between institutions and national governments; who influences who? According to Costamagna, the European Semester gives EU institutions an unprecedented capacity to shape and control the decisions taken at national level, even in domains that fall within the member states' competence, such as the social one. (Costamagna,2013:13) In other words, the EU semester enables EU institutions to exercise policy formulation, supervision and guidance on issues that fall within the national competences of member states. An example of those issues is the provision of social services. (Costamagna,2013:12).

The framework of the European Semester gives the Commission increased powers to meddle in the economic and fiscal affairs of member states. It is, therefore, highly likely that, if it is true that the European Semester has turned social, the European Commission will be the institution that encouraged all of this. Bekker (2014), and Zeitlin and VanHercke (2014), for example, also suggest that the European Commission is the institution that is responsible for more socialization of the European Semester. They argue that the Commission is a flexible institution, and that it responds to social unrest and political disillusionment, but that socialization is also a product of reflexive learning and creative adaptation. (Bekker, 2014: Zeitlin and Vanhercke, 2014)

On the other hand, however, the Renzi-Merkel deal could suggest that a real opening for the application of social standards in the European Semester was first made possible through international politics rather than EU institutions. Great Britain had started an anti-Juncker campaign, aimed at rejecting Juncker's candidacy for chairman of the European Commission. Angela Merkel, Chancellor of Germany, actively sought Italian support in order to get Juncker appointed. Matteo Renzi, Prime minister of Italy, then created a coalition with Spain, France and other opponents to German-imposed fiscal austerity, and offered Merkel a deal: A firm coalition to back Juncker in exchange for an easing of the fiscal austerity imposed on Italy and France during the Euro crisis. (Kaletsky, 2014)

It has been suggested that this Renzi-Merkel deal created the conditions for a redirection of the economic policies of the EU from demands for fiscal austerity (inspired by Germany) towards a focus on economic growth. This suggests that not the Commission's actions matter, but those of the member states.

The research questions of this thesis are as follows:

Research question 1: How much substance is there to claim that the European Semester has turned social?

Research question 2: How much substance is there to claim that the European Commission made this change possible?

The following sub-questions are formulated in order to help answering the research question(s):

Q1. What impact do the institutional frameworks that are part of the European Semester have

on its nature?

Q2. What is the nature of the Annual Growth Surveys? Are they social or orthodox?

Q3. What is the nature of the final country-specific recommendations in every cycle? Are they social or orthodox?

Q4. Are there any changes noticeable from year to year?

Q5. Are there any differences between the CSRs proposed by the Commission and the CSRs approved by the Council? Are there differing views between the two institutions?

Q6. How much do these recommendations mean? To what extent do the member states follow the recommendations?

1.3 Outline

In the first section, an introduction was given and the research question(s) and sub-questions were introduced. The second section will start with a literature review. Then the theoretical framework (historical institutionalism), and methodology (qualitative content analysis) will be explained. In the third section, one will find a description of what the European Semester is, which pillars of economic governance are incorporated into the mechanism, and whether they bring more orthodoxy into the European Semester. In section four, the Annual Growth Surveys will be discussed in order to see whether they are more orthodox or social. Section five focuses on the Country Specific Recommendations, which are analyzed by conducting a qualitative content analysis. Then, section six will focus on the National Reform Programmes, which will also be analyzed to see to what extent the member states follow the recommendations. Finally, a conclusion will be drawn.

2.1 Literature review

There has been some research on the relationship between social and economic policy coordination within the EU and its member states. In this section, I will highlight, in my opinion, the most important analyses done. Jonathan Zeitlin and Bart Vanhercke (2014), for example, argue that there has been a partial, but progressive socialization of the European semester since 2011 in terms of increasing emphasis on social objectives and targets. It was based on published and unpublished committee documents and interviews with high-level policy makers, which makes it likely that their main focus was solely on the European Commission. (Zeitlin and Vanhercke, 2014)

Sonja Bekker (2014) analyzed the relationship between social and economic objectives in the 2013 cycle of the European Semester. She does so by reviewing which similar employment

and social policy goals are evaluated via different coordination mechanisms and by identifying the legal context of country-specific recommendations on employment and social policies. She used a qualitative content analysis to see how many of the recommendations contained social subjects. (Bekker,2014)

Francesco Costamagna (2013) analyzed the impact of the European Semester on the European social dimension. He argues that during the cycles of 2011-2013 there came more attention for social objectives, and that there are positive signs that point to a more rebalancing of the social and economic objectives within the European Semester. (Costamagna, 2013)

Stefan Clauweart (2013) conducted a background analysis to provide an overview of recommendations to the member states in the field of employment/social policies. He also made a brief statistical comparison between the 2011, 2012, and 2013 cycles. He argues that cycle 2012 contained most recommendations which concern the “social field”, and that the number of recommendations is increasing every cycle. (Clauwaert, 2013)

Most previous research, thus, shows that the amount of social objectives that are being mentioned in the country-specific recommendations is increasing with every cycle. This statement, however, could be a bit misleading because of the fact that the total number of recommendations also increases with every cycle. Furthermore, the mere presence of a social objective in the recommendations does not necessarily mean that the recommendation is actually social. It is therefore necessary to analyze further to what extent one can claim that the European Semester has actually turned social.

2.2 Theoretical Framework

This thesis will be based on middle-range theory. Where grand theory (integration theories) focuses on the nature of the integration process as a whole, middle-range theory tends to focus on how the EU functions and what the EU does. It can tell how much change to expect and how it occurs. This is exactly what this thesis strives for, namely to analyze to what extent the European Semester has changed to a more social institution. With the help of middle-range theory one can assess the amount of change we should expect in this and the reasons why it occurs. One important approach of middle-range theory is New Institutionalism. It has as its core “the assertion that institutions matter in shaping the actions of political actors and in determining decisional outcomes.”(Nugent,2010:437) New institutionalism defines institutions very broadly; it incorporates a wide range of formal and informal procedures,

practices, relationships, customs and norms. (Nugent, 2010:438) The approaches of new institutionalism can be particularly helpful to explain policy change (or lack thereof), since they focus on the processes of institutional reproduction and institutionalization, and how and why institutions are originated, persisted or evolved. (Alley 2001,Vijge, 2012). There are three variants of New Institutionalism; Historical(HI), Rational Choice(RI), and Sociological Institutionalism(SI). These variants share the same focus and a common set of concerns and assumptions, but they have different explanations of institutional origins, continuities, and changes. (Vijge, 2012)

Variations of New Institutionalism

Where RI has a main focus on rational actors who pursue their preferences following a “logic of calculation” within political institutions(defined as structures/incentives), SI focuses on social agents who act according to a “logic of appropriateness” within political institutions(defined as socially constituted and culturally framed rules and norms). HI, lastly, details the developments of political institutions (defined as regularized patterns and routinized practices), following a “logic of path-dependence”. (Schmidt, 2010)

RI focuses especially on the extent to which and the ways in which institutions shape, channel and constrain the rational actions of political actors. SI focuses especially on how institutional forms and practices could be culturally explained. (Nugent, 2010:438) HI, on the other hand, pays attention to the distributions of power that are produced by institutional arrangements, the ways in which these arrangements result in “path dependencies” and “unintended consequences”, and the relationships between institutions and other factors that shape political activities and outcomes such as economic developments and ideological beliefs. (Nugent,2010:438)

Where RI uses a calculus approach, and SI a cultural approach in order to determine actors’ behavior, HI uses a combination of both approaches. The calculus approach holds that actors behave instrumentally and in a strategic way in order to maximize the attainment of their own interests. (Schmidt,2008a,Vijge,2012) The cultural approach posits that behavior is not entirely strategic, but influenced by actors’ worldviews. In short, one could say that historical institutionalists tend to argue that “actors’ behavior is largely determined by institutions influencing their choices as well as their worldviews and interpretations.”(Vijge, 2012).

	Rational choice institutionalism(RI)	Sociological institutionalism(SI)	Historical institutionalism(HI)
Object of explanation	Behaviour of rational actors	Norms and culture of social agents	Structures and practices
Logic of explanation	Calculation	Appropriateness	Path-dependency
Definition of institutions	Incentive structures	Cultural norms and frames	Macro-historical structures and regularities
Approach to change	Static – continuity through fixed preferences, stable institutions	Static – continuity through cultural norms and rules	Static – continuity through path dependency interrupted by critical junctures
Explanation of change	Exogenous shock	Exogenous shock	Exogenous shock
Recent innovations to explain change	Endogenous ascription of interest shifts through RI political coalitions or HI self-reinforcing or self-undermining processes	Endogenous construction	Endogenous description of incremental change through layering, drift, conversion
Actors' behaviour	Calculus approach	Cultural approach	Calculus + cultural approach

Table 1. The three new institutionalisms, based on Schmidt's table (Schmidt, 2010.)

Expectations of change

If one would follow the rational choice approach, change would happen frequently, because of the focus on coalitions; a new coalition often means a change in preferences. Using the sociological approach, on the other hand, would lead to the expectation that it takes a long time to change ideas about policy, since the whole process of policy learning will eventually lead to a new logic of appropriateness. Although it takes a long time, the change that will eventually occur will be quite radical, according to the sociological approach. Following the historical approach, changes are expected to be dependent on both current actions and events, and on (a series of) previous events. (Kickert, 2011) The approach suggests that changing is difficult, and that change will be only modest. (Lindblom, 1959, Kickert, 2011)

Historical Institutionalism

Since this thesis is interested in the institutional frameworks and processes of the European Semester, Rational Choice Institutionalism is not very useful because this approach focuses

mainly on rational actions of actors and the “logic of coalitions”. Also Social Institutionalism will not be appropriate, since it focuses mainly on ideas, and because in this approach existing institutions do not matter that much. Historical Institutionalism, on the other hand, focuses on structures and practices, and on how institutions can affect the behavior of individuals. Furthermore, the Historical Institutionalism’s endogenous description of incremental change can be particularly helpful in explaining change (or lack thereof) within these institutional frameworks, which all have an influence on the nature of the European Semester, and the European Semester itself.

Following HI, then, it is expected that changing is difficult, and that usually only “marginal, incremental, slow, small changes around the “status quo ante” takes place. The concept of path dependency (used by historical institutionalists) can be considered to be a key factor for explaining (incremental) change. It highlights how “the institutional context, which is inherited from the past, influences developments and pushed these along so-called trajectories.” (Vijge, 2012) According to Vijge (2012), path dependency can be considered to be a useful concept in explaining a lack of change. It can, however, also be useful in explaining incremental change.(Vijge, 2012) To historical institutionalists, history matters. Institutional changes also depend on the historical path that led to these institutions. (Kickert, 2011)

Streeck and Helen(2005) distinguished five modes of gradual, but nevertheless transformative change:

- *Displacement*. Discovering and activating alternative institutional forms which did exist before, but were considered deviant or aberrant.
- *Layering*. The creation of new institutions, whereby the existing ones are not abolished. New institutions are added, besides or onto these existing institutions.
- *Drift*. When neglect leads to erosion or atrophy of an institution, this institution will be changed because of insufficient maintenance.
- *Conversion*. A redirection of existing institutions to new goals, purposes, or functions, but they continue to exist.

- *Exhaustion.* Ageing, tiring, and exhaustion can lead to decay. In this case, the institution is gradually exhausted and eventually breaks down (gradually, not abrupt). (Streeck and Helen, 2005)

With these typologies, it is possible to track change in the institutional frameworks that are brought together within the European Semester.

2.3 Research Design – Methodology

As already mentioned above, the aim of this thesis is to measure policy priorities in policy documents relating to the European Semester in order to create an up-to-date snapshot to get a better picture of the status of social and economic integration by answering the research questions.

This research consists of four “cases”, namely four cycles of the European Semester (2011-2014). The number of observations is quite large at first sight, since we are dealing with 22 or more countries per cycle. In this case, however, the size of every specific recommendation is very small, and a selection will be made of the National Reform Programmes, which makes it possible to follow a comparative qualitative method. Quantitative analysis, furthermore, is often concerned with converting data to a numerical format, for example statistical or mathematical data. In order to answer the research questions, it is necessary that this analysis is more deepening than that. Since there could be some coding problems with institutions when following the qualitative method, we will test them against the theories mentioned above, which also makes it a congruence analysis.

In order to find systematically the actors, institutions, and processes involved in the cycles of the European Semester (ES), and to see which impact they have on the ES (orthodox or social), this thesis will conduct a qualitative content analysis. By doing this, we can eventually see how the data reflects the theories outlined above. In this way, “it is possible to draw inferences to the relevance of the theories from the (non-) congruence of concrete observations with predictions deduced from these theories.” (Annamalai, 2013)

Content analysis is defined as a research technique for making replicable and valid inferences from data to their context. (Krippendorff, 2004) Babbie (2010) defines it as the study of recorded human communications, such as books, websites, paintings, and laws. He argues that content analysis is particularly well suited to receive an answer on the following questions: “who says what, to whom, why, how, and with what effect?” (Babbie, 2010:333) Qualitative

content analysis goes beyond merely counting words or extracting objective content from texts to examine meanings, themes and patterns that may be manifest or latent in a particular text. It allows researchers to understand social reality in a subjective but scientific manner. (Zhang and Wildemuth, 2009)

A great advantage of content analysis is its economy in terms of both time and money. Since the resources and the time to conduct surveys are not available for this thesis, content analysis is an interesting research method for this thesis. Furthermore, content analysis has the advantage that the content analyst almost never has any effect on the subject being studied. (Babbie, 2010:344)

Conducting a content analysis gives the researcher the opportunity to correct errors during research. This increases the reliability of the research, since one can recode the original documents from scratch at any time and as often as is needed. (Babbie, 2010) By testing the data against the theories mentioned above, external validity is increased. Internal validity is increased by identifying the important factors in the research question by dividing them in sub-questions, and by analyzing the institutional frameworks that are brought together within the European Semester one by one. By doing this, it is possible to accurately and completely describe the ways in which these factors are reflected in the data. (Guba & Lincoln, 1981:246)

Incorporating process tracing into the content analysis gives one more insight into what happens at what stage, and which actor is responsible for what. In other words, process tracing helps to shed light onto the interaction between actors and institutions. This is why there will also be an examination of the intermediate steps in the process of the European Semester cycle. Process tracing was first used in the United States in the field of cognitive psychology around 1970. In the field of psychology, process tracing refers to techniques used for the examination of intermediate steps in cognitive mental processes in order to get a better understanding of the heuristics through which humans make decisions. In International Relations and European Studies, it nowadays refers to “the examination of intermediate steps in a process to make inferences about hypotheses on how that process took place and whether and how it generated the outcome of interest.” Process tracing can be a helpful tool for this thesis, because the European Semester consists of multiple actors, and mechanisms. (Bennett and Checkel, 2012)

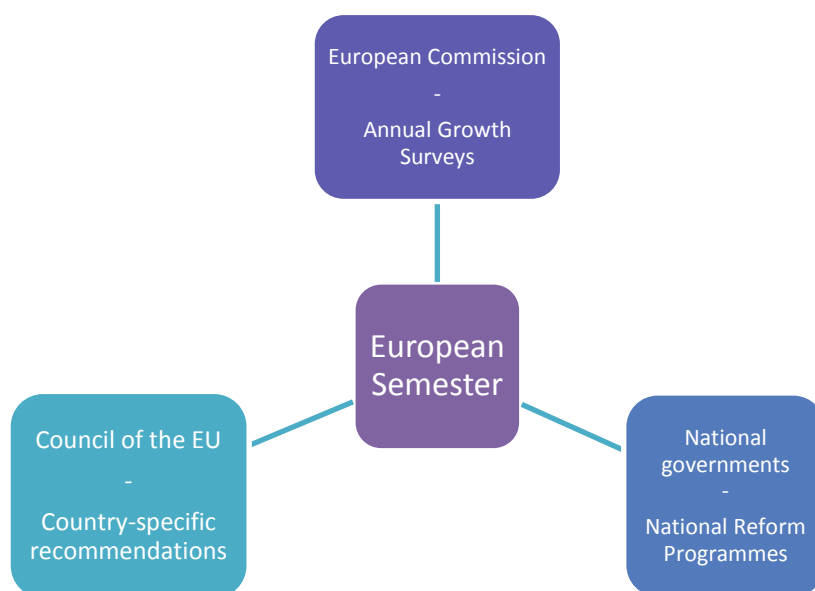
2.4 Research Design – Case selection

As White and Marsh mention, sampling units can be used to identify population and serve as

the basis for sampling. Data collection units are for measuring variables, and units of analysis are the basis for reporting analyses. These units can be the same. Often, the sampling unit can be considered as the documentary container for the data collection unit and/or units of analysis. (White and Marsh,2006:29)

This thesis will first look at the different institutional frameworks, which are combined in the European Semester to get a better view on how these institutions work, what their impact is on the ES, and if they are more orthodox or social. By examining the institutions and processes(which are outlined below) that are part of the European Semester, we can get a better view of their nature of demands.(Orthodox or social, binding or voluntary)

In order to answer the research questions, this thesis will look at three processes:



This thesis will first look at the Annual Growth Surveys (AGS), which lay down the priorities for the Union as a whole. Then, the country-specific recommendations(CSR) as proposed by the EC, and the final ones approved by the Council, will be examined. Because of the fact that Programme countries do not receive a country-specific recommendation, the number of countries with CSRs under investigation will be less than the total amount of EU member states (which was 27 for 2010-2013, and 28 for 2014). Furthermore, we will look at the National Reform Programmes(NRP) of the member states, in order to see whether the recommendations mean anything. The period under study will contain all four European semester cycles. This means that the investigation period will be from 2011 until 2014. The sampling units are, thus, the –official- documents of the EC, Council and Member states regarding Annual Growth Surveys, country-specific recommendations and National Reform

Programmes.

There are more than 22 NRPs available per cycle, which is too many to analyze all. Therefore, four countries have been selected based on three criteria: 1. The countries have received country-specific recommendations every cycle. 2. The countries are geographically spread. 3. The National Reform Programmes are available in English. The selected member states are: Germany, Italy, Finland, and Hungary. Because of the fact that the member states reflect in their NRPs on the country-specific recommendations of the previous cycle, there are only three NRPs per Member state available for this research over a period from 2012-2014. This means that there are only reflections on recommendations from 2011-2013.

For the country-specific recommendations, we will specifically look at the actual recommendations within the CSRs. These recommendations have been counted for every country, as one can see in the table below. The recommendations for the Euro area have not been analyzed, because the main focus lies on the specific recommendations for the member states. For the National Reform Programmes, most focus will be on the paragraphs that contain follow-ups on the CSRs of the previous year. In addition, this thesis will also look at the specific recommendations made for the Euro area. The units of analysis are, thus, the Annual Growth Surveys, the paragraphs within the CSRs which contain a recommendation, and the paragraphs with the NRPs that contain follow-ups on the CSRs. The paragraphs within the CSRs were selected for observation and coding, due to its large N.

Cycles	Country-specific recommendations as proposed by the Commission	Country-specific recommendations after approval of the Council	CSRs Euro area as proposed by the Commission	CSRs Euro area after approval of the Council
2011	118 -22 countries	118*	7	7
2012	139- 23 countries	138	6	6
2013	140- 23 countries	141	5	6
2014	157- 26 countries	157	4	4

*Although the total number of recommendations is equal to the number of recommendations as proposed by the Commission, The Netherlands has one recommendation less in the CSR after approval of the Council, whereas Spain has one more.

Table 2. Country-specific recommendations per cycle.

Example 1: Codebook(excerpt)

Q1. How many of the final recommendations are social and how many are economic?

Country - 2011	Main topic	Orientation
Austria	#1, #2, #3, #4, #5: A= Excessive deficit B= Banking C= Education D= Pensions E= Employment and labour market F= Energy policy G= Taxes H= Poverty/social exclusion I= Competition J= Retirement age K= Wages L= Housing market M= Long-term sustainability in public finances N= Environmental policy O= Corruption/judiciary P= Fiscal policy Q= budgetary framework/budgets R= administrative capacity/public administration S=Healthcare T=Job creation U= Business environment V= Innovation/research W= Infrastructure	1. orthodox 2. social 3. ambiguous

As one can see, documents will be labeled orthodox, social or ambiguous. Social topics can be related to welfare, social security, (un)employment policy, environmental policy, pensions, health care, social exclusion, poverty, educational policy, etcetera. Topics related to budgets, banking, macro-economics, fiscal policy, financial services, etcetera are viewed as orthodox. A recommendation that is about a social topic, however, could still be orthodox in nature. The documents will, therefore, be closely read and eventually labeled orthodox, social or ambiguous based on its nature instead of its topic. The distinction between orthodox, ambiguous and social will be made by answering the following question: Does the recommendation improve social welfare directly?

In her analysis of the ES cycle 2013, Sonja Bekker (2014) also labels recommendations “suggesting to consolidate in a growth-friendly manner” as recommendations that relate to

social policies. She has included these recommendations, because, in her opinion, such growth-friendly consolidation advice can give the member states an opportunity to also invest in their society (for example education). (Bekker, 2014) This approach is not followed in this thesis, because there is no guarantee that member states will actually take such an opportunity to invest in society. The statement is therefore considered to be too vague.

3 What is what in the European Semester?

The European Semester functions as a mechanism to coordinate ex ante budgetary and economic policies in line with the Stability and Growth Pact and the Europe 2020 strategy. (MEMO/11/14). The Macroeconomic Imbalances Procedure can be seen as a third main pillar where upon the Semester rests. Next to this, the Six Pack and Two Pack are also grounded in the European Semester (MEMO/13/138). In order to answer the first research question, – How much substance is there to claim that the European Semester has turned social? – it is crucial to first look closely at all the different institutional frameworks that are brought together within the European Semester. By doing this, one can give an answer to the following sub question: What impact do the institutional frameworks that are part of the European Semester have on its nature? Furthermore, one can see to what extent and how these institutional frameworks are changed, since the global and economic crises made it clear that several new rules had to be created to deal with the severe shortcomings of the economic part of the EMU. (Tutty:2012:5) The institutional change will be analyzed with the help of the five typologies of Streeck and Thelen (2005), which were already mentioned in the theoretical section: Displacement, layering, drift, conversion, and exhaustion.

3.1 The Stability and Growth pact (SGP)

The SGP, signed in 1997, was created with strong enforcement of Germany to ensure that the Euro zone countries would not neglect the anti-inflation policy of the European Central bank by, for example cut taxes and spending without thinking what this could cause in the long run. The SGP lays down that every country is obliged to maintain an annual budget deficit that is at the very most 3% of that country's GDP, and each country cannot have a national debt that is higher than 60% of its GDP. (European Commission, 2013b) Since a high budget deficit and national debt can have a negative effect on the inflation-rate, these rules are also supposed to prevent inflation, which can have a negative effect on price stability¹. The European

¹ Inflation and price stabilities are the main aims of the European Central Bank, who is in charge of EU monetary policy.

Commission is responsible for the supervision of these rules. If a country fails to meet the conditions, the concerning country could face a sanction issues by the European Commission. The SGP contains a preventive arm and a corrective arm. The first one should ensure that fiscal policy is conducted in a sustainable manner. The second one sets out a framework for member states to take corrective action in the case of an excessive deficit. (European Commission, 2013b)

Due to the crises, however, it became clear that the SGP had a lot of shortcomings. First of all, as was stated by the European Commission, it has become clear that the SGP was insufficiently observed by Member States. Furthermore, it lacked strong mechanisms in order to ensure sustainable public finances. The enforcement of the preventive arm, for example, was too weak and Member States failed to use periods of steady growth to pursue fiscal policies that were ambitious enough. Furthermore, the debt criterion of the Treaty turned out not to be operational in the corrective arm. This has led to budgetary slippages during good times, and an inability to decrease the debt levels of highly indebted countries. (European Commission, 2012) The implementation of the SGP was not able to prevent or correct unsustainable national policies and has allowed the build-up of major fiscal and macroeconomic imbalances in some euro area countries. (Salines et al, 2012:675-676) Moreover, when the crisis hit the European Union, a lot of Member States faced large private and public debts, macroeconomic imbalances, and losses in competitiveness. This made them extremely vulnerable. (European Commission, 2012)

The fiscal part of the Six Pack, which is further explained below, reinforces both the preventive and corrective arm of the Stability and Growth Pact. In other words, it strengthens the SGP. Furthermore, it ensures stricter application of the fiscal rules. It does this by defining in a quantitative way what a significant deviation from the MTO or the adjustment path towards it holds in the context of the preventive arm. Furthermore, through the Six Pack, the debt criterion is operationalized, which means that the Excessive Deficit Procedure(EDP) can also be launched on the basis of a debt ratio above 60% of GDP. Additionally, financial sanctions, aimed at euro zone countries, are imposed from the preventive arm to the latest stages of EDP. It may eventually reach 0.5% of a country's GDP. (European Commission, 2013c)

The Six Pack also introduced reversed qualified majority voting for most sanctions. This means that the likelihood of such a sanction increases. Reverse qualified majority voting

simply means that a recommendation/proposal of the EC is considered to be adopted into the Council, unless a qualified majority votes against it. (European Commission,2013c)

Since the Six Pack strengthens the rules of the SGP, which were considered to be too insufficient, one could say that this institution has been changed because of insufficient maintenance. In other words, the SGP's institutional change could be labeled as drift.

As one has read above, the main focus of the SGP is to constrain a high budget deficit and national debt in order to prevent inflation, which can have a negative effect on price stability. Since price stability is the neo-liberal prime core objective of macroeconomic policy(Whyman, 2005:56), the SGP can be considered to be orthodox by nature. Since the Six Pack strengthened its rules, one could say that the (reinforced) SGP brings more orthodoxy into the European Semester.

3.2 Macroeconomic Imbalance Procedure (MIP)

Through the Six Pack, the Council of the EU and the European Parliament introduced a new process, the Macroeconomic Imbalance Procedure (2012), for preventing and correcting macroeconomic imbalances. This new process was created to strengthen the coordination of economic policies. In other words, the Macroeconomic Imbalance Procedure is a surveillance mechanism that aims to identify potential risks in an early stage, prevent the emergence of harmful macroeconomic imbalances and correct the imbalances that are already there. The MIP has both a preventive and a corrective arm. The latter is made operational by the Excessive Imbalance Procedure, which can eventually lead to sanctions for euro area member states if they repeatedly fail to meet their obligations. (European Commission, 2014)

The enforcement mechanisms for the Euro zone countries are stricter than for the rest of the EU members. The process is based on a scoreboard of indicators, which is triggered when values of individual indicators go beyond the thresholds there were agreed. If the Commission views that there are excessive imbalances within one country, it can decide to place this member state under the corrective arm of the macroeconomic imbalances procedure; the excessive imbalance procedure. If a country ends up in this excessive imbalance procedure, the Council can adopt specific policy recommendations. The member state then has to submit a corrective action plan which aims to correct the imbalances. Euro area countries can face financial sanctions when they do not comply. (Eurozone Portal, 2014)

The MIP gives the EC the power to pressure countries to implement austerity policies, for example tax increases or public sector cuts, in order to meet, for example, the deficit targets. The southern member states experience more pressure to implement austerity than the northern countries. This is because they have higher deficits, more (massive) unemployment, and their problems are more severe than in the north. (Ruppold, 2014)

Introduced through the Six Pack in the 2012 cycle, one could say that the MIP has an orthodox background. The focus lies completely on macroeconomic imbalances and excessive deficits, which can threaten the financial stability of member states and the Union as a whole. Coming forth out of this procedure are for example tax increases or public sector cuts, which are orthodox measures, and do not improve social welfare. Therefore, it can be concluded that the MIP makes the European Semester more orthodox. Since the MIP was created besides the other institutions, one could say that the institutional change could be defined as layered.

3.3 Six Pack

The Six Pack contains five regulations and a directive aimed at broadening the EU economic governance framework to include, among other things, the surveillance of macroeconomic trends so as to identify potential risks early on, prevent the emergence of harmful imbalances and correct imbalances that are already in place. (Tutty, 2012)

The package strengthens the European Semester framework and was first introduced in the European Semester of 2012. It includes regulations on the “effective enforcement of budgetary surveillance in the euro area”, “on enforcement measures to correct excessive macroeconomic balances in the Euro area”, on “the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies”, on “the prevention and correction of macroeconomic imbalances”, and on “speeding up and clarifying the implementation of the Excessive Deficit Procedure”. The directive contains requirements for budgetary frameworks of the member states. (Tutty, 2012)

The Six Pack entered into force on 13 December 2011, and applies to all (now) 28 member states. It also includes some specific rules for the Member states of the Eurozone. These are especially focused on financial sanctions. It covers both fiscal and macroeconomic surveillance by introducing new Macroeconomic Imbalance Procedures. (European Commission, 2013c)

The Six Pack cannot be defined by only one form of institutional change, since it consists of parts. First of all, it strengthened the SGP, because it was not working well. This means that we can speak of “drift” in this case. On the other hand, the Six Pack also initiates the creation of the Macroeconomic Imbalance Procedure, which is a new institution that is added besides the other institutions. One could call this layering. Since both the strengthened SGP and the MIP are orthodox in nature, it could be said that the Six Pack strengthens orthodoxy within the European Semester.

3.4 Two Pack

The Six Pack rules are not the only measures that have been taken since the creation of the European Semester. In May 2013, the Two Pack was formally adopted. The Two Pack mainly focuses on coordination. The crisis revealed that coordination and surveillance on the budgets of Euro-area Member States should be improved, since member states are getting more and more interdependent on each other. (European Commission, 2013c)

The Two-pack regulations are built on the pieces of legislation in the Six Pack, and the pack consists of two regulations aiming at strengthening EU monitoring of national budgets by expanding the European Semester, reinforcing the Excessive Deficit Procedure(EDP) and creating a surveillance mechanism for EU member states that face financial difficulties. (DeLaParra,2013)

The Two Pack introduces a new budgetary timeline for the Euro area: Euro area member states must submit their draft budgets for the following year to the commission by 15 October. (EU Commission, 2013c) This means that the Commission has insight into the budgets before they are voted through in national parliaments. The parliaments should adopt the draft budgets by the end of December. In between, the Commission can ask for a redraft when it is of the opinion that a draft budget of a member state is out of line with its medium-term targets. (EU Commission, 2013b)

Furthermore, in terms of macro-prudential supervision, the Two-Pack makes it possible that any member state facing “serious financial difficulties” will be placed under enhanced supervision. Member states that receive precautionary financial assistance will automatically be placed under more intensive supervision. (European Commission, 2013c) More intensive supervision involves, for example, an obligation to rectify the sources of instability, regular inspections, providing a detailed breakdown of data on the financial sector, and quarterly

reports to the Commission and the Eurogroup. Furthermore, member states that are receiving financial assistance, but are not participating in the precautionary programme, are subject to a macroeconomic adjustment programme. States will remain under supervision after the programme until they have paid back 75% of the financial assistance received. Acting on a proposal by the Commission, the Council may decide to extend this period, unless the qualified majority of members decides otherwise.(Lemangnen, 2013)

As the Two Pack builds on the Six Pack, one can label this institutional change as layering. Furthermore, as it has its main focus on coordination and surveillance of national budgets, the Two Pack can be considered to bring more orthodoxy within the European Semester.

3.5 Europe 2020 strategy

As mentioned above, the European Semester coordinates policies also in line with the Europe2020 strategy. Europe 2020 is a strategy to help Europe emerge stronger from the crisis and prepare the EU economy for the next decade. (Delegation of the European Union to the United States, 2010) The Europe 2020 strategy is the successor of the Lisbon Strategy, which was in place from 2000 until 2010. It is based on the Open Method of Co-ordination (OMC), which comes down to “iterative benchmarking of national progress towards common European objectives and organized mutual learning.” (Zeitlin,2009:2) The OMC is furthermore, as already mentioned above, based on voluntary cooperation of member states and “soft law”, which basically means that there are no enforcement mechanisms. By incorporating the Europe 2020 strategy, the social OMC integrated subsequently in the European Semester. (Bekker, 2014)

The European Commission has put forward three priorities for Europe 2020 that are mutually reinforcing: Smart growth (the development of an on knowledge and innovation based economy), sustainable growth (the promotion of a more resource efficient, greener and more competitive economy), and inclusive growth (the fostering of a high-employment economy which can deliver social and territorial cohesion) (European Commission, 2010b)

In order to achieve these priorities, the EC set five headline targets. These consist of the following: 75% of the population between the age of 20 and 64 should have a job, 3% of the Union’s GDP should be invested in R&D, the 20/20/20 climate/energy targets should be met, the same holds for an increase to 30% of emissions reduction if the conditions are right, the share of early school leavers should be less than 10% and a minimum of 40% of the younger generation should have a tertiary degree, and 20 million less people should be at risk of

poverty. Furthermore, the EC introduced seven “flagship” initiatives in order to catalyze progress under each priority theme; “Innovation Union”, “youth on the move”, “a digital agenda for Europe”, “resource efficient Europe”, “an industrial policy for the globalization era”, “an agenda for new skills and jobs”, and a “European platform against poverty”. (European Commission, 2010b)

Furthermore, the Europe2020 strategy incorporates several guidelines into the European Semester. These are:

- 1: Ensuring the quality and the sustainability of public finances.
- 2: Addressing macroeconomic imbalances.
- 3: Reducing imbalances in the euro area.
- 4: Optimizing support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy.
- 5: Improving resource efficiency and reducing greenhouse gases emissions.
- 6: Improving the business and consumer environment and modernizing the industrial base. (Council, 2010a)
- 7: Increasing labour market participation and reducing structural unemployment.
- 8: Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning.
- 9: Improving the performance of education and training systems at all levels and increasing participation in tertiary education.
- 10: Promoting social inclusion and combating poverty. (Council, 2010b)

With a strong focus on improving social welfare by setting environmental, employment, educational, and poverty targets, it could be said that Europe 2020 gives the European Semester also a “social focus”. Since Europe 2020 is the successor of the Lisbon Strategy, that was not such a success, one could say that the Lisbon strategy was displaced by the Europe 2020 Strategy.

3.6 Euro Plus pact (EPP)

The Euro Plus pact and fiscal compact treaty are, together with the SGP, Six Pack, and Two Pack, main pillars of the new economic governance framework of the EU. Although these two are not directly integrated within the European Semester, both are still worth mentioning, because it could be said that the Euro Plus Pact builds on existing instruments, such as Europe 2020 Strategy, European Semester, SGP, and new macroeconomic surveillance framework

(Barnard, 2012,105), and because the Fiscal compact treaty “borrows” most rules from the Six Pack. (Fondation Robert Schuman, 2012)

The Euro Plus pact was signed in March 2011 by 23 member states; it applies to all Euro area countries, and the ones that chose to join: Bulgaria, Denmark, Latvia, Lithuania, Poland and Romania. It is an intergovernmental, thus voluntary, agreement which has as main aim the “reinforcement of the economic pillar of the EMU by defining a set of additional actions to foster wage cost competitiveness and employment growth whilst preserving financial stability. (Bekker and Klosse, 2013:6) It can be said that the Euro Plus Pact primarily focuses on areas that fall under national competence. Since there is no competence at EU level, the Union can facilitate change through peer pressure, targets and guidelines, making the EPP mainly based on the Open Method of Coordination. (Barnard, 2012:105) The participating member states have agreed to take “all necessary measures” to pursue the following objectives: Foster competitiveness, foster employment, contribute further to the sustainability of public services, and reinforce financial stability.

Since the Euro Plus pact builds on existing instruments, one could say that the introduction of this institutional framework can be labeled as layering. Furthermore, the Pact’s main focus seems to be financial stability, which is hard to combine with, for example, the fostering of employment. For this reason, one could say that the Euro Plus Pact is mainly orthodox in its nature.

The impact of the Euro Plus Pact on the European Semester is expected to be not so significant, since it is not officially part of the ES, and there are no binding rules, since it is based on the open method of coordination and addresses issues that fall mostly in the competence of the member states.

3.7 The Treaty on Stability, Coordination, and Governance (TSCG)

Although the TSCG is named a treaty, under EU law it actually is an intergovernmental agreement, since it is not written into EU laws. The TSCG was adopted in January 2012, by 25 member states. The United Kingdom and Czech Republic chose to get an opt-out. The treaty can be seen as a “commitment to govern the Euro zone together, to consult each other on all economic, budgetary and fiscal measures that may affect the other partners and the euro, therefore to bring order to their public finance management and to reduce their debt.”(Fondation Robert Schuman, 2012) The key points of the treaty are: a balanced budget rule that should be incorporated into national legal systems, Eurozone summits should be held

at least twice a year, and a more automatic mechanism to force states to correct budget deficits (this will be the case unless a qualified majority of Eurozone states will vote against it). (European Commission, 2013c)

Furthermore, the European Court of Justice can check whether countries implement budget rules properly, and it can use financial sanctions up to 0.1% of the GDP if countries fail. All major economic reforms or plans for bond sales should be reported in advance to EU institutions. The ultimate aim is to incorporate the TSCG into the EU treaties within five years of its ratification. The TSCG runs parallel to the SGP/Six Pack; both try to reinforce economic governance. Some provisions in the TSCG, however, are a bit stricter than in the SGP/Six Pack. (European Commission, 2013c)

Although the TSCG is not formally part of the European Semester, it is expected that it does strengthen orthodoxy within the European Semester. This is because of the fact that this agreement is layered on to (orthodox) institutional frameworks that are actually part of the European Semester. Its impact is furthermore likely to be rather extensive, because of the fact that it is possible to use financial sanctions against members who fail to meet the agreements. Its nature is rather orthodox, because of the fact that the main focus lies on economic, budgetary, and fiscal measures.

Conclusion

Institution	Nature of demands	Institutional change
SGP	Orthodoxy	Drift
Six Pack	Orthodoxy	Drift/Layering
MIP	Orthodoxy	Layering
Europe 2020	Social	Displacement
Two Pack	Orthodoxy	Layering
Euro Plus Pact	Orthodoxy	Layering
TSCG	Orthodoxy	Layering

Table 3. Nature of demands and institutional change per institution.

In this section, we have outlined all institutions, and we have seen how they can work on the behavior of member states. It has become clear that most institutions make most forceful demands for orthodoxy (with main focuses on financial stability and budgeting), thus strengthening orthodoxy within the European Semester. It is also worth mentioning that the

only institution with a social focus (Europe 2020 strategy) is based on the OMC procedure, which means that it is based on voluntary cooperation of member states. Most institutions are layered besides or onto existing institutions, and give EU institutions, especially the European Commission, more powers. To the contrary, there seems to be little agency from the member states, which feeds to the expectation that the institutions influence national governments instead of the other way around.

Data and Analysis

In the following three sections, we will look at the processes of the European Semester: the Annual Growth Surveys, the country-specific recommendations, and the National Reform Programmes. By examining and analyzing these processes, one can get a better understanding of the interactions between the different institutions and actors involved in the European Semester. It also gives us an insight in how flexible the Commission actually is, and who influences who (Commission versus member states). Furthermore, we are looking for evidence that the European Semester has changed its demands as is suggested by several authors. In other words, the processes will also be analyzed to see whether there is more orthodoxy or socialization.

4 Annual Growth Surveys

Every cycle of the European Semester starts with a preparatory phase. The European Commission analyzes budgetary and structural policies and macroeconomic imbalances, and publishes an Annual Growth Survey (AGS) and Alert Mechanism Report. In the AGS, the Commission outlines the policy priorities of the European Union for the coming year. Member States should take these priorities into account when they outline their national economic policy. The Alert Mechanism Report is used to evaluate macroeconomic developments of individual member states. Based on this report, it is possible that the Commission will conduct an in-depth review on specific countries. These reports often get published in November/December.

After the publishing of the AGS, the Council discusses the document in different formations. Since the European Semester has consequences for a lot of policy areas, several Councils will come together to discuss the AGS; ECOFIN, EPSCO, etcetera. The Council formations also formulate guidelines and conclusions. At the same time, the European Parliament (EP) also discusses the AGS. The EP has a “softer” role, and can (but does not have to) take the

initiative to report. The EP also provides an opinion on the employment guidelines. The European Parliament can stay involved via the Economic Dialogue, in which the EP can recall on the Chairman of the Council, the Commission or the European Council of Eurogroup to discuss matters that are connected to the European Semester. Individual member states also have the possibility to join these discussions. Thus, the European Parliament could function as a forum in which information is being exchanged. Furthermore, the EP could function as a “watchdog” for the relationship between the EC and the Council. (Hallerberg et al,2012)

Every Annual Growth Survey has been analyzed in order to give an answer to the following sub-question: What is the nature of the Annual-Growth Surveys? Are they orthodox or social?

Cycle 2011

At the end of 2010, the European Commission produced its first Annual Growth Survey. This document launched the European Semester for the very first time. In the first AGS, the Commission mentions that it “focuses on an integrated approach to recovery concentrating on key measures in the context of Europe 2020 and encompassing three main areas: “The need for rigorous fiscal consolidation for enhancing macroeconomic stability, labour market reforms for higher employment, and growth enhancing measures.” At the same time, the Commission presented ten priority actions:

1. Macro-economic pre-requisites for growth: Implementing a rigorous fiscal consolidation, correcting macroeconomic imbalances, ensuring stability of the financial sector.
2. Mobilizing labour markets, creating job opportunities: Make work more attractive, Reforming pensions systems, getting the unemployed back to work, and balancing security and flexibility.
3. Frontloading growth-enhancing measures: Tapping the potential of the single market, attracting private capital to finance growth, creating cost-effective access to energy.

(European Commission, 2010c)

Although the priorities of the EU also contain social objectives, these are mainly focused on the labour market. Furthermore, the EC proposes to reform the pensions systems by, for example, increasing the retirement age, reducing early retirement schemes, and avoiding the adoption of measures which will undermine the long term sustainability and adequacy of their public finances. These measures cannot be labeled social, because they do not improve social welfare. Furthermore, the EC states that the most urgent task is “to restore confidence by preventing a vicious cycle of unsustainable debt, disruption of financial markets and low

economic growth”. (European Commission 2010c) It is also worth mentioning that the EC states that the proposed course of action (in the AGS) is especially relevant for the euro area, because they are feeling the consequences of the sovereign debt crisis. (European Commission, 2010c) The main focus of this Annual Growth Survey, thus, is on fiscal consolidation and budgeting. It can therefore be said that the AGS 2011 is mainly orthodox.

Cycle 2012

In this cycle, the Six Pack was first introduced, making stricter rules for the SGP, and creating the Macroeconomic imbalances procedure. It is also the first cycle in which the EPP was operational. In its assessment of the previous 2011 cycle, the EC mentions that the implementing progress of member states is below expectations, and that the 2012 AGS puts a strong emphasis on the need for implementation. The EC argues that the Union should concentrate on the following five priorities:

1. Pursuing differentiated growth-friendly fiscal consolidation.
2. Restoring normal lending to the economy.
3. Promoting growth and competitiveness for today and tomorrow.
4. Tackling unemployment and the social consequences of the crisis.
5. Modernizing public administration. (European Commission, 2011)

As one can see, these priorities are mainly orthodox. The fourth priority is mainly about the labour market, but also has a particular focus on youth employment. Furthermore, it contains a section on “protecting the vulnerable”. There is, thus, more attention for social objectives than in the AGS of 2011. The main focus, however, is still on orthodoxy. The statement of the EC in the “protecting the vulnerable” section strengthens this: “In addition to economic realities, the social tissue of the EU is being put to the test.” (European Commission, 2011) This statement strongly suggests that social objectives come second.

Cycle 2013

In the 2013 AGS, the EC states that “the short-term challenge is to restore confidence and stabilize the economic and financial situation, while carrying out structural reforms which will lay the foundations for a sustainable job-rich recovery and will allow the economy to transform itself in the medium-term. Such an adjustment takes time, so action is needed now.”(European Commission, 2012) The EC is, furthermore, of the opinion that there are positive signs that the initiated 2012 reforms are already having an impact. Therefore, the

priorities that the EC proposes are the same as for the 2012 cycle. These are, thus, again mainly orthodox. The section on the fourth priority is almost the same as in 2012, with a main focus on the labour market, an additional section about youth employment, and a section on “Promoting social inclusion and tackling poverty”. (European Commission, 2012) The main difference with 2012 is that the EC now calls a spade a spade, by replacing the “protecting the vulnerable” section by the “Promoting social inclusion and tackling poverty” section. (European Commission, 2012) The short-term challenge, as identified by the EC, is mainly focused on orthodoxy. As the priorities are basically the same as in 2012, it could be said that the AGS 2013 is mainly orthodox.

Cycle 2014

This cycle included for the first time the Two Pack and a scoreboard of social indicators, introduced by the Commission. In the beginning of October 2 2013, the Commission published its Communication on “Strengthening the social dimension of the Economic and Monetary Union.” (European Commission, 2013a) This “social dimension of the EMU” is defined by the Commission as relating to “the ability of economic governance mechanisms and policy instruments to identify, take into account and address problematic developments and challenges related to employment and social policies in the EMU.” (European Commission, 2013a) The EC argues that this strengthening is necessary because it could help member states to achieve their growth and employment potential, improve social cohesion and prevent increasing disparities, in line with the Treaties and the Europe 2020 Strategy. As Armstrong mentions, the emphasis of the Commission lies mainly on making changes within the scope of the existing structure, and with existing instruments, within the Treaty structure. (Armstrong, 2013) The commission is, thus, trying to socialize the European Semester through an enhanced role for social indicators. This is why the Commission published an assessment on five key social indicators² within the 2014 cycle. (Euractive, 2014)

In its introduction, the EC mentions that “we have reached a turning point in the crisis, but the incipient recovery is still modest and fragile.” It mentions that “the biggest challenge now is to keep up the pace of reform to improve competitiveness and secure a lasting recovery.” (European Commission, 2013a) The EC is of the opinion that member states should make progress in the five priorities that were created in the 2012 AGS. Tackling unemployment and the social consequences is, thus, again part of the key priorities. The focus in this section is on

² Poverty, inequality, household income, employment rates and youth joblessness

employment (labour market and job creation), education and skills performance, and social protection. (European Commission, 2013a) The Commission has now also identified sub-priorities within these five priorities. These sub-priorities, however, as the Social Platform mentions, do not contain any concrete recommendations or proposals that can address the social problems of the Union adequately. (Social Platform, 2013) Furthermore, the main focus of the 2014 AGS is again on orthodox issues as economic recovery or growth. It could therefore be said that the AGS 2014 is mainly orthodox.

Conclusion

As we have seen above, all AGS' are mainly orthodox. Most focus is on fiscal consolidation and budgeting. It is, however, also the case that there is more attention for the social side in cycle 2014 than there was in cycle 2011. This suggests that there has been a (very) small change towards more "socialization" since the first AGS in 2011. In order to see whether this is correct, it is necessary to also closely examine the specific priorities for the member states as proposed and decided by the EC and the Council. This will give us a closer look at the nature of demands of the European Semester.

5. Country-specific recommendations

The AGSs are designed to apply to the EU as a whole, but it is also necessary to adjust it to the specific situation of each member state. (European Commission, 2010c) Before the end of April in every cycle of the ES, the member states have to hand in the following policy plans before the end of April: Stability- and Convergence Programmes, in which the budgetary mid-term strategy of a country is outlined, and National Reform Programmes³ (NRP), in which the structural reform plans of a country are outlined, and with an emphasis on consolidating growth and employment. In May, the European Commission evaluates the national policy plans of the Member states and drafts country-specific recommendations (CSR) for all member states but the so-called "programme countries", who are taking part in the excessive imbalance procedure. In June, the Council of the EU discusses the draft country-specific recommendations and tries to reach a consensus on the final CSRs. These have to be endorsed by the European Council. In July, the Council of the EU adopts the country-specific recommendations, and the member states are supposed to take these into account in the

³ The National Reform Programmes are the main topic of section six.

process of national decision-making on the next year's national budget. (European Commission, 2013b)

The country-specific recommendations for every ES cycle (2011-2014) have been analyzed in order to provide answers to the following, which are already mentioned above, sub questions:

Q3. How many of the final recommendations are social and how many are economic?

Q4. Are there any changes between the different cycles?

Q5. Are there any differences between the CSRs proposed by the Commission and the CSRs approved by the Council? Are there differing views between the two institutions?

We have made a distinction between the recommendations proposed by the Commission, and the final ones agreed upon by the Council. In this way, we can have a closer look at the interaction of institutions. Furthermore the euro area recommendations are not part of the analysis. All country recommendations have been read and examined closely, and have been labeled social, orthodox, or ambiguous. Main topics have been coded.

5.1 What is the nature of the final country-specific recommendations in every cycle? Are they social or orthodox?

Cycle 2011 was the first cycle since the creation of the European Semester. It contained 118 country-specific recommendations for 22 countries (as mentioned above, programme countries do not receive country-specific recommendations). Of these 118 recommendations, 86 were labeled orthodox, 28 were labeled social, and 4 were labeled ambiguous.

Cycle 2012 was the first cycle in which the Six Pack (strengthening the rules of the SGP and creating the macroeconomic imbalances procedure) was operational. The European Semester 2012 contained 138 recommendations for 23 countries, of which 87 were labeled orthodox, 34 social, and 17 ambiguous.

Cycle 2013 contained 141 recommendations for 23 countries. 98 of these were labeled orthodox, 34 were labeled social, and 9 were labeled ambiguous.

In cycle 2014 there were 157 CSRs for 26 countries. For Croatia, who became a member of the European Union in 2013, this was its first full participation in the European Semester. Ireland and Portugal were programme countries in all previous cycles, which means that these

countries received CSRs for the first time. Of the 157 recommendations, 105 were labeled orthodox, 40 were labeled social, and 12 were labeled ambiguous. In this cycle, the Two Pack was part of it for the first time. This also holds for the social indicators introduced by the European Commission.

Although a considerable amount of recommendations was about a social objective, not all were labeled as social. Especially recommendations about pensions and wage growth/indexation often were labeled orthodox. The reason for this has to do with the Euro plus pact. Although it is not a part of the European Semester, the EU institutions often lay an emphasis on its aspects within the country specific-recommendations; (almost) every country that has signed the Euro Plus Pact has a paragraph in its country-specific recommendation in which it is stated that the country has made certain commitments under the Euro Plus Pact, which are then outlined in the remaining of that paragraph.

The following recommendations are examples of recommendations that are about pensions or wage growth/indexation, and that were labeled orthodox.

“Take steps to reform, in consultation with social partners and in accordance with national practices, the system of wage bargaining and wage indexation to ensure that wage growth better reflects developments in labour productivity and competitiveness.” – Recommendation nr. 4 (CSR Cyprus, 2011).

This recommendation was labeled orthodox, because of the fact that in the National Reform Programme of Cyprus, the following (orthodox) initiatives are mentioned:

“The initiatives, which were also taken in the context of the Euro Plus Pact, include the reduction of salary scales for newcomers in the broader public sector by 10% and the total freeze of wages, salaries and pensions for two years.” (NRP Cyprus, 2012)

The total freezes of wages, salaries, and pensions are not measures that improve social welfare, let alone improve social welfare directly. If these measures are necessary to implement the recommendation, then the recommendation is clearly orthodox.

The following recommendation is also a very clear example of its orthodox nature:

“Beyond the current freeze, take further structural measures, in consultation with the social partners and in accordance with national practices, to reform the wage setting system, including wage indexation, to improve its responsiveness to productivity and sectoral developments and labour market conditions and foster competitiveness. Step-up efforts to diversify the structure of the economy, fostering private investment in research, in particular by developing cooperation between public research and firms.” - Recommendation nr. 4 (CSR Luxembourg, 2013)

Most recommendations that are about pensions, address the increase of the retirement age. This is also in line with commitments under the Euro Plus Pact, since the Pact advocates the increase of the retirement age (Euradiaconia, 2012)

“Strengthen the proposed pension reform by taking additional measures to increase the participation rate of older workers, in particular by preventing early retirement, and by taking further steps to increase the effective retirement age, including through linking the statutory retirement age to life expectancy, in order to ensure the long-term sustainability of the pension system.” Recommendation nr. 2 (CSR Luxembourg, 2012)

Measures to prevent early retirement, and the increase of the effective retirement age are targeted at “forcing” people to work longer, instead of enjoying their pension. This clearly does not improve social welfare directly.

Furthermore, a lot of recommendations that were labeled orthodox addressed excessive deficits, budgets, fiscal policy, banking, and competition. Most social recommendations addressed education or employment policy. A relatively small number of recommendations (27 of 554 recommendations) were concerned with poverty and/or social exclusion/inclusion:

“Improve the employability of vulnerable groups, combined with effective child and family support services in order to improve the situation of people at risk of poverty and/or social exclusion, and consequently to achieve the well-being of children.”- Recommendation nr. 7 (CSR Spain, 2012)

Most recommendations that were labeled ambiguous were about taxes. The ambiguous recommendations were labeled that way because these are both social and orthodox. The moving away from taxes on labour is in this case social, because it directly improves social welfare, where the rest of the recommendation is orthodox.

“Ensure a stable, more balanced and predictable corporate tax system. Streamline corporate taxation and minimise distortions of resource allocation created by sector-specific taxes, so as to foster growth and employment. Continue making taxation of labour more employment-friendly by alleviating the tax burden on low wage earners, inter alia by refining the eligibility criteria for the Job Protection Act, and by shifting taxation away to environmental taxes. Fully implement and step up the already announced measures to improve tax compliance and reduce the cost of tax compliance.” - Recommendation nr. 3 (CSR Hungary, 2013)

Some recommendations, however, also combine subjects. Recommendation 3 of the country specific-recommendations 2014 for Poland for example mentions both employment/labour market and pensions/retirement age:

“Continue efforts to increase female labour market participation, in particular by taking further steps to increase the availability of affordable quality childcare and pre-school education and ensuring stable funding. Include farmers in the general pension system, starting by speeding up the creation of the system for the assessment and recording of farmers' incomes. Phase out the special pension system for miners with a view to integrating them into the general scheme. Underpin the general pension reform by stepping up efforts to promote the employability of older workers to raise exit ages from the labour market.” - Recommendation nr 3. Poland (CSR 2014)

The first part about employment can be labeled social, because it directly improves welfare. The second part about pensions, however, recommends to raise exit ages and phase out the special pension system for minors, which does not improve social welfare since it is targeted at forcing people to work longer and get rid of special arrangements for miners.

Conclusion

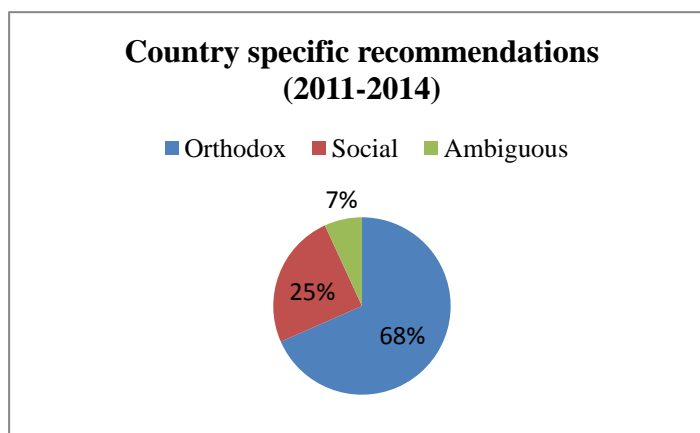


Chart 1. Nature of country specific-recommendations in percentages.

After analyzing all country specific-recommendations of the four cycles, one can conclude by saying that of the in total 554 recommendations, 379 are orthodox in nature, 137 were labeled social, and 38 were labeled ambiguous. This essentially means that overall, 1/4th of all recommendations were labeled social, where somewhat less than 3/4th was labeled orthodox. It is also worth mentioning that the EPP has more impact on the European Semester than first expected. Despite of the fact that the EPP has a voluntary character, it does have a significant influence on the ES.

5.2 Are there any changes between the different cycles?

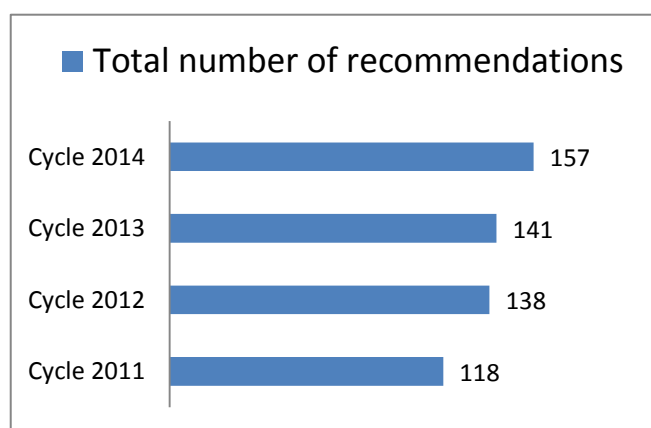


Chart 2. Total number of country-specific recommendations per cycle. N= 554 recommendations.

When we compare the four different cycles of the European Semester, the first thing that catches the eye is the fact that the absolute number of recommendations has increased every year. The total number of recommendations for one cycle has increased from 118 in 2011 to 157 in 2014. Although this is a severe increase in the number of recommendations, it has to be taken into account that the Council issued recommendations for 22 countries in 2011, where it issued recommendations for 26 countries in 2014. The increase in recommendations per member state is, therefore, not as high as the total number of recommendations would suggest.

European Semester	Recommendations per member state
Cycle 2011	5.36
Cycle 2012	6
Cycle 2013	6.13
Cycle 2014	6.04

Table 4. Country-specific recommendations per member state per cycle.

As one can see in the table, there was barely any change in the number of recommendations that one member state received in cycles 2012-2014. The increase in the total number of recommendations is therefore mainly explainable through the increase of the number of countries that received country-specific recommendations.

From the previous section, we already know that overall most recommendations were labeled orthodox. In this section, we take a look at the nature of recommendations **per cycle**.

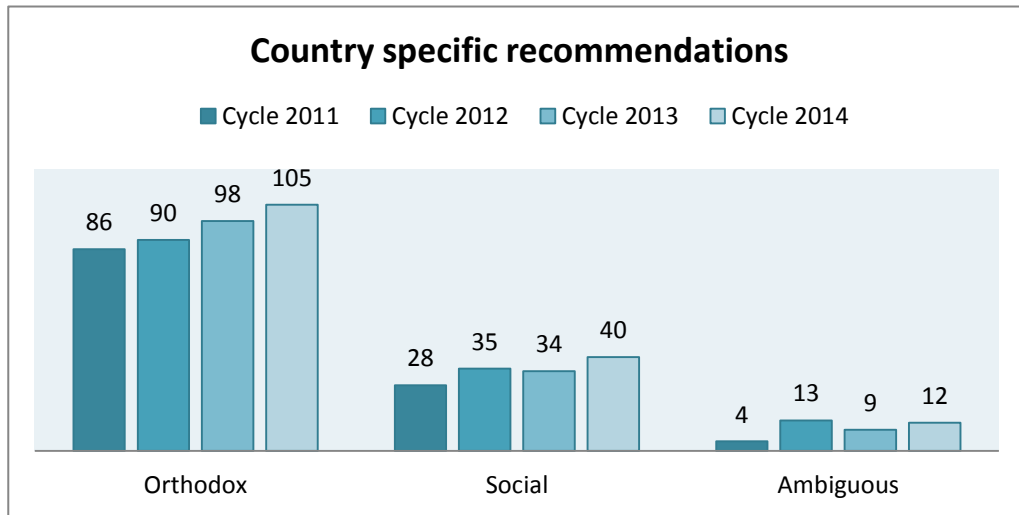


Chart 3. Nature of country-specific recommendations. N= 554 recommendations.

As one can see in the graph, the number of orthodox recommendations has increased every cycle since the beginning of the European Semester. Cycle 2014 contained 19 more orthodox recommendations in comparison to cycle 2011. If we look at the social recommendations, we see an absolute increase of 12 more social recommendations in 2014 than in 2011. Cycle 2013, however, has less social recommendations than 2012 (-1), but more than 2011 (+6). The total number of ambiguous recommendations has increased from 4 in 2011 to 12 in 2014. It varies per cycle, however, how many are ambiguous.

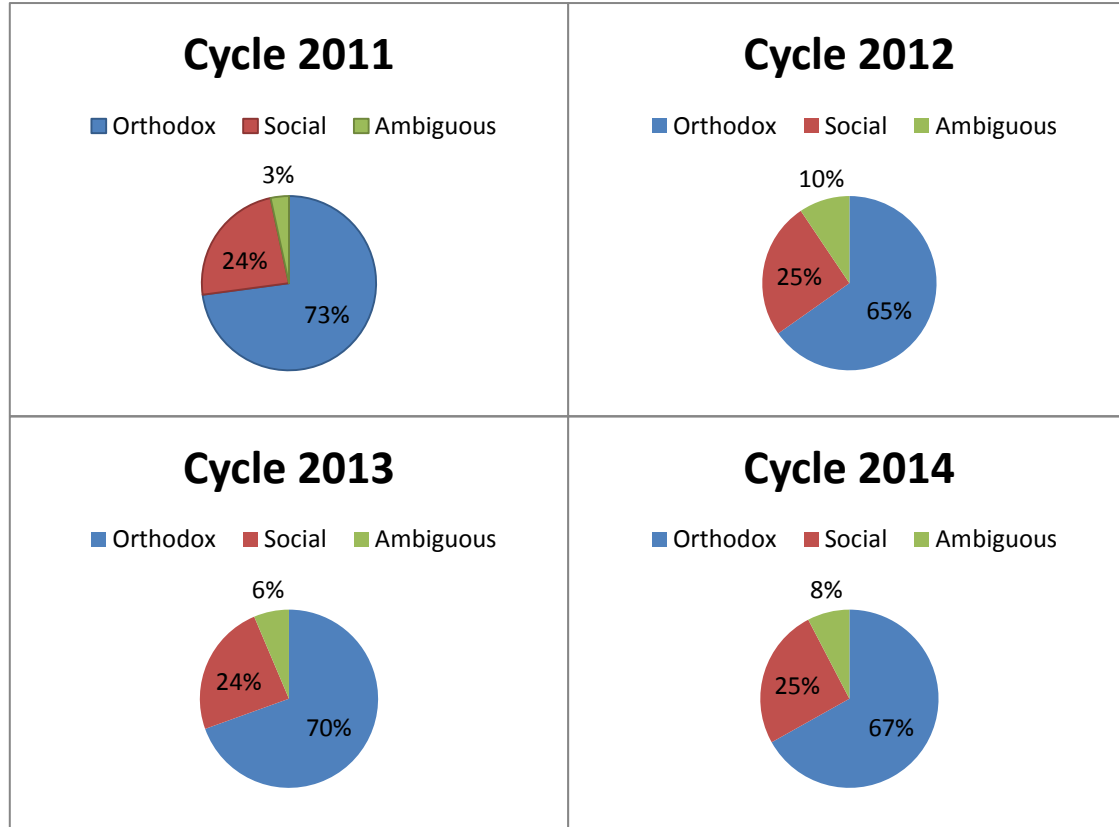


Chart 4. Nature of country-specific recommendations per cycle in percentages.

If we look at the numbers in another way, namely in percentages, one sees that the relative number of social recommendations has not increased. The number of social recommendations per cycle sticks around 24-25%. The number of ambiguous recommendations swings per cycle, but was 3% in 2011, and 8% in 2014. The number of orthodox recommendations has declined from 73% in 2011 to 67% in 2014. There is not, however, a steady decline of orthodoxy per cycle. As we can see in the graph above, cycle 2012 has been the most social with 25% social, 10% ambiguous(which are also partly social), and 65% orthodoxy.

Conclusion

One could conclude by saying that the total number of recommendations has increased every year. This also holds for the orthodox (+19) and social (+12) recommendations per cycle. This leads to the observation that the number of orthodox recommendations has grown faster than the number of social ones. There is, unlike with the orthodox recommendations, no steady increase per cycle of the social recommendations. Finally, if we look at the numbers in percentages, then we see that social recommendations account only for 1/4th of the total amount of recommendations, where orthodox recommendations account for between 65% and 73% depending on which cycle. Based on these results, it is therefore safe to say that the greater part of the recommendations is orthodox, and that orthodoxy has (much) more weight in the European Semester than social objectives. It is, on the other hand, the case that the relative part of social recommendations per cycle has stayed more or less stable over four years, where the relative number of orthodox recommendations has declined. This has to do with the number of ambiguous recommendations, which differs per cycle. As mentioned before, these recommendations contain parts that are social or orthodox. These findings suggest that, although the focus is still mainly orthodox, there is a (very) small and modest change towards more socialization, in the sense that the relative number of orthodox recommendations is declined, and the ambiguous ones have increased from 2011 to 2014.

5.3 Are there any differences between the CSRs proposed by the Commission and the CSRs approved by the Council? Are there differing views between the two institutions?

In order to determine whether there are differences between the CSRs proposed by the Commission and the ones approved by the council, it is necessary to compare both with each other. For some cycles, there are explanatory notes in which the Council explains its changes to the Commission recommendations. These explanatory notes arise from article 2-ab (2)

from Regulation (EU) No 1175/2011⁴, which states the following:

“The Council is expected to, as a rule, follow the recommendations and proposals of the Commission or explain its position publicly.”(Council and EP, 2011)

The consequence of this “comply or explain rule”, established in the end of 2011, is that there are “explanatory notes” for cycles 2012, 2013, and 2014. Naturally, these documents have also been analyzed and read closely in order to see whether there are any differences between the recommendations of the two institutions.

The first thing that stands out when we look at the table, which was already introduced in the case selection section, is the fact that the number of recommendations of the Commission is not always the same as the number of final recommendations (as approved by the Council).

Cycles	Country-specific recommendations as proposed by the Commission	Country-specific recommendations after approval of the Council	CSRs Euro area as proposed by the Commission	CSRs Euro area after approval of the Council
2011	118 -22 countries	118	7	7
2012	139- 23 countries	138	6	6
2013	140- 23 countries	141	5	6
2014	157- 26 countries	157	4	4

Table 2. Country-specific recommendations per cycle.

As already mentioned above, although the total number of recommendations of cycle 2011 is equal to the number of recommendations as proposed by the Commission, The Netherlands has one recommendation less in the CSR after approval of the Council, whereas Spain has one more.

For the Netherlands, recommendation number 5, as proposed by the Commission, was removed by the Council:

“Continue to reduce the high congestion costs in transport networks by shifting from fixed to variable road transport charges, targeted expansion of the rail network and introducing road pricing.” (CSR as proposed by the EC for The Netherlands, 2011)

⁴ This regulation amends Council Regulation (EC) No 1466/97 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies.

For Spain, the Council added one recommendation:

“Following consultation with social partners and in accordance with national practice, complete the adoption and proceed with the implementation of a comprehensive reform of the collective bargaining process and the wage indexation system to ensure that wage growth better reflects productivity developments as well as local- and firm-level conditions and to grant firms enough flexibility to internally adapt working conditions to changes in the economic environment.” (CSR Spain, 2011)

This recommendation was part of Commission recommendation nr. 4, which was split and extended by the Council.

In cycle 2012, the Council decided to merge Commission recommendations 6 and 7 of Italy, which resulted in 138 recommendations instead of 139:

“Implement the adopted liberalization and simplification measures in the services sector. Take further measures to improve market access in network industries, as well as infrastructure capacity and interconnections. Simplify further the regulatory framework for businesses and enhance administrative capacity. Improve access to financial instruments, in particular equity, to finance growing businesses and innovation. Implement the planned reorganization of the civil justice system, and promote the use of alternative dispute settlement mechanisms.” (CSR Italy, 2012)

In cycle 2013, one recommendation was added to the report of Latvia:

“Continue to use micro and macro prudential policies to prevent possible vulnerabilities that could arise from future credit growth and non-resident banking activities.” (CSR Latvia, 2013)

Cycle 2014 contains no changes in the number of recommendations. Unfortunately, the explanations for the merging, splitting, removing or adding of recommendations are not part of the explanatory notes. It, therefore, remains unclear why exactly the Council removes, adds, splits or merges recommendations. The low number of recommendations that were added, removed, split, or merged, however, suggests that the Council agrees to a large extent with the subjects of the measures proposed by the EC.

What stood out during the analyzing of the documents is the fact that the Council often slows the Commission down. One example of this is a 2013 recommendation for Estonia:

*“Improve energy efficiency, in particular in buildings and transport, and strengthen environmental incentives concerning vehicles and waste ~~through considering car taxation and/or higher excise duties on motor fuels~~. Step up the development of cross-border energy connections to diversify energy sources and promote competition in the energy market.”*⁵ (Council, 2013)

The Council is of the opinion that “the recommendation should provide more opportunity to the Member State to choose measures to address the challenge.”(Council, 2013) In other words, the Council only wants the Commission to recommend what should change, and not how.

In 2014, the Council is even clearer about this in the amendment in a 2014 recommendation for Portugal:

“Address the high youth unemployment, notably by effective skills anticipation and outreach to non-registered young people, in line with the objectives of a youth guarantee. ~~Increase the threshold for the eligibility for the minimum income scheme~~. Ensure adequate coverage of social assistance, including the minimum income scheme, while ensuring effective activation of benefit recipients.” (Council, 2014)

The Council gives as an explanation that “this” (minimum income scheme) is “an area of Member State Competence”, and that the text is about the promotion of the adequacy of the coverage of social assistance. (Council, 2014)

This statement of the Council, namely that the Commission is too specific in its recommendations and too much wants to tell the member states how to deal with things, is more or less the *leitmotiv* of the Council in all the amendments. The institution states very often that a recommendation appeared “too prescriptive and narrowly defined”.

Conclusion

One could conclude by saying that the Council does not agree with everything the Commission wants to recommend. As we have seen, the Council added, merged, split or removed some recommendations. Furthermore, it has made some considerable changes to the Commission recommendations. The Council is often of the opinion that the Commission is too specific in how a member state should deal with a recommendations. Therefore, the

⁵ ~~This was erased, and this was added~~ by the Council

Council often slows the Commission down and gives member states more opportunities to deal with the recommendations in their own way.

6. National Reform Programmes

As already mentioned above, Member States have to hand in their National Reform Programs (NRP) in April of every ES cycle. They are supposed to take the CSRs from the previous year into account when formulating these plans. As one has read above, four countries have been selected based on three criteria. The selected member states are: Germany, Italy, Finland and Hungary. Their NRPs from 2012-2014 have been analyzed.

6.1 How much do these recommendations mean? To what extent do member states follow the recommendations?

Finland:

In its NRP from 2012, Finland only mentions that there were given country-specific recommendations by the Council/Commission for the first time and that the government will take, among other things, the recommendations into account. (NRP Finland, 2012) This statement, and the fact that there was no specific chapter on the country-specific recommendations included, suggests that the Finnish government did not take the recommendations that seriously in 2012. In its NRPs of 2013 and 2014, however, Finland has included a specific section on the country-specific recommendations, explaining which measures the government is taking in order to respond to the recommendations. In its 2013 NRP Finland responds to recommendation 5, in which Finland is recommended, among other things “to align wage and productivity developments fully respecting the role of social partners and in line with national practices.” Finland responds to this recommendation that in Finland, wage negotiations are the responsibility of social partners, and that the government therefore will not interfere. ((NRP Finland, 2013)

In its 2014 NRP, Finland also responds quite reluctant to recommendation 5, which, among others, recommends to continue “diversification of industry towards less energy-intensive sectors.” Whereupon the government states that *“Finland’s industrial structure is based on an energy-and raw material-intensive foundation. As a country of abundant, sustainably exploited forest raw material resources and, in European terms, a country of significant*

mineral resources, Finland cannot be directly compared to countries whose natural assets differ from this.” Therefore, the Finnish government is of the opinion that *“those countries where the importance of these sectors is high should be permitted to use a greater amount of energy than average, particularly if the companies operating in these sectors are energy- and material-efficient producers with good environmental performance records.”* (NRP Finland, 2014:28-29) The Finnish government, thus, states quite clearly that it does not agree with the country-specific recommendation on the diversification of industry towards less energy-intensive sectors.

Germany:

Germany created extensive chapters concerning the country-specific recommendations for its NRPs of 2012, 2013, and 2014, explaining in detail the measures the Germans took in order to implement the country-specific recommendations. This suggests that Germany takes the country-specific recommendations very serious. This is also suggested by, for example, the following statements in the NRP of 2014: *“the Federal Government has always been committed to the resolute implementation of the country-specific recommendations.”* (NRP Germany, 2014:13) And *“The federal government welcomes the fact that the country-specific recommendations have become more specific in the past year and takes the recommendations directed at Germany seriously.”* (NRP Germany, 2014:13) This does not mean, however, that the German government always agrees with all country-specific recommendations. In its NRP 2014, the German government responds to recommendation 4, which among others states that Germany should “remove planning restrictions which unduly restrict new entries in the retail sector”, in the following way: *“In the Federal Government’s opinion there are no unreasonable restrictions to market access in the retail sector. (...) An analysis conducted by the European Commission demonstrates that market entry in the retail sector in Germany is possible without unreasonable restrictions.”* (NRP Germany, 2014:23) This statement basically means that Germany disagrees with the recommendation and will not take action.

Hungary:

Hungary has included a chapter on the implementation of the country-specific recommendations in every one of its National Reform Programmes. These chapters are, however, not as extensive as for example those of Germany. In its NRP of 2012, Hungary states that *“the country specific recommendations offered to Hungary are consistent with the main objectives of the 2011 National Reform Programme, and therefore the implementation*

of the measures planned as part of the National Reform Programme broadly represents an adequate governmental response also to the country specific recommendations.” (NRP Hungary, 2012)

This suggests that the recommendations do not carry much weight in Hungary. This is also noticeable in the government’s response to recommendation 6 (NRP Hungary, 2014), in which the government mentions that the recommendations regarding education are fully in line with their national Education Policy. (Hungarian NRP, 2014:20) This suggestion is strengthened by many responses to recommendations. In recommendation 3 (NRP Hungary, 2013), Hungary is, among other things, recommended to alleviate the impact of the tax reform on low-income earners. As an example, the Council/Commission proposes to shift part of the tax burden to recurrent taxes on property. Hungary, however, states that this would be a very bad idea, since the majority of homes are private property and typically are in the possession of the residents. *“Due to their nature, it is not possible to make a connection between the general property-type taxes and the taxable income, or the connection would challenge tax efficiency, neither are they able to consider the fact that the property may serve as financial guarantee.”* Therefore, the introduction of a general property tax not properly reflecting income conditions entails serious moral and economic (real estate, mortgage, and other) risks in Hungary. (NRP Hungary, 2013:38)

Furthermore, Hungary is recommended to ensure the independence of the energy regulator and gradually abolish regulated energy prices (NRP Hungary, 2012). Hungary, however, is of the opinion that *“the gradual elimination of the regulated consumer price provided for small and medium enterprises will be possible only later”*, when they have achieved the full European price convergence with the implementation of a single internal energy market, and when the operation of proper cross-border capacity will start. (NRP Hungary, 2013:43)

The reluctance of Hungary becomes even clearer in the NRP of 2014. In this report, Hungary literally states two times that it disagrees with a recommendation of the Commission/Council, mentioning for example that

“Hungary considers maintaining national jurisdiction in taxation important, therefore welcomes the resolution of the Council of European Union on this matter. However, as declared in its statement at the same time of the approval of 2013 country-specific recommendations, rejects particular recommendations of the Commission regarding taxation, which either reduce or raise existing taxes”. (NRP Hungary, 2014:9).

The same holds for the government's response on recommendation 4:

"As declared in its statement at the same time of the approval of 2013 country-specific recommendations, Hungary disagrees with the recommendation on the reduction of the dominance of public work scheme, as the Government considers it to be implemented only in the long run, in parallel with the long-lasting increase of the labour market demand."(NRP Hungary, 2014)

As a response to recommendation 7, the government states that they do not see an opportunity to phase out regulated energy prices at this moment, since this can only take place when prices converge to a suitable extent. (NRP Hungary, 2014:25)

These responses suggest that the Commission is not as flexible as suggested by other authors, because of the fact that Hungary has pronounced early on that it disagrees with some subjects. This did not stop, however, the EC from creating recommendations on these subjects.

Italy:

As Germany, Italy has included (very) extensive chapters on the implementation of country-specific recommendations in all its NRPs. The Italian NRPs suggest that the recommendations carry much weight in the Italian government. In the introduction of NRP 2014, for example it is mentioned that: *"The national reforms initiated by previous governments and those planned for 2014 are fully consistent with the European Framework. More specifically, the reforms are consistent with the priorities of the 2014 Annual Growth Survey; with the recommendations of the European Commission; with the priorities established within the European Semester; and with the seven flagship initiatives of the Europe 2020 strategy."* (NRP Italy, 2014) Similar statements can be found in NRPs of 2012 and 2013, which emphasize that Italy and Europe are "along the same path".

NRP 2014, however, was written by a new government, which came into place at 22 February 2014, and is led by premier Matteo Renzi. In the 2014 NRP, the government mentions that Italy will become chairman of the Council of the EU, and has as its goal to put issues of growth and the fight against unemployment at the centre of European Union policies. It was to give priority to employment and poverty reduction, to give impetus to the reform process and to find the necessary fiscal flexibility. (NRP Italy, 2014) All these objectives are to a

great extent handled within the European Semester, which suggests that it can be seen as a criticism towards the mainly orthodox attitude of the EU institutions within the context of the European Semester.

Conclusion

Examining the NRPs of Finland, Germany, Italy, and Hungary has made clear that it differs per country how much weight the country-specific recommendations carry, and how extensive the implementation of these CSRs are explained in the NRPs. Especially the examination of the Finnish and Hungarian NRPs has shown that some countries are fine with the recommendations, as long as they “fit” into their national policy. Otherwise, these recommendations can easily be ignored or disagreed with by the member states. This suggests that the several governments see these recommendations as something with a voluntary character, which suggests that the EC can only go as far as member states want it to go.

7. Conclusion

The aim of this thesis was to analyze the institutions and processes within the European Semester in order to create an up-to-date shot of economic and social integration within the EU. The central questions were how much substance there is to claim that the European Semester has turned social, and to what extent the European Commission can be seen as responsible for this possible change. Based on the assumption that changing is difficult, and that change will be modest, and dependent on both current and previous actions/events, a content analysis of the institutions and processes of the European Semester was conducted in order to find out whether the European Semester has become more social, and who influences who (institutions versus governments).

First of all, this thesis looked at the institutional frameworks that are brought together within the European Semester, in order track their institutional change with the help of five typologies (layering, drift, displacement, conversion, exhaustion) and in order to see how they could work on the behavior of member states. The findings include that most institutions make most forceful demands for orthodoxy, with their main focuses on financial stability and budgeting. They, thus, strengthen orthodoxy within the European Semester. Most institutions were layered besides or onto existing institutions, and give EU institutions, especially the EC, more powers.

Secondly, this thesis discussed the Annual Growth Surveys. The findings include that all AGSs are mainly orthodox, with a focus on fiscal consolidation and budgeting. It, however, could also be concluded that there is more attention for the social side in cycle 2014 than there was in cycle 2011. This does suggest that there is a (very) small change towards more “socialization” since 2011.

Thirdly, this thesis has analyzed the country-specific recommendations in order to see whether they are orthodox, social or ambiguous in nature, and whether there are any changes within the cycles. The findings include the fact that of the in total 554 recommendations, 379 are orthodox in nature, 137 were labeled social, and 38 were labeled ambiguous. Furthermore, when comparing the cycles, one could conclude that the total number of recommendations has increased every year. The number of orthodox recommendations (+19) has increased more than the social ones (+12). The relative part of the social recommendations, however, has been more or less the same every cycle, where the relative part of orthodox recommendations has declined. This has to do with the number of ambiguous recommendations, which differ per cycle. Since these recommendations contain parts that are both social and orthodox in nature, this could possibly render an increase of recommendations that contain social parts.

Furthermore, we have looked at the differences between the recommendations as proposed by the EC and the final ones approved by the Council. It has been seen that the Council added, removed, split or merged some recommendations. The institution also made some considerable changes to the recommendations of the Commission, which are all focused on giving the member states more space to deal with the recommendations in their own preferred way. The Council is often of the opinion that the recommendations of the Commission are too prescriptive and too narrow defined. In other words, the Council often has the intention to slow the Commission down.

Lastly, this thesis has looked at a selection of the National Reform Programmes, in order to see whether the recommendations mean anything, and to what extent the member states follow these recommendations. Due to the large amount of NRPs, the Programmes of Finland, Italy, Germany and Hungary were selected to analyze. The findings of this analysis include that it differs per country how much weight the country-specific recommendations carry, and how extensive the implementation of these CSRs are explained in the NRPs. Finnish and Hungarian reports, for example, have shown that some country are okay with the

recommendations as long as they fit into their national policy. Otherwise, these recommendations can easily be ignored or disagreed with by the member states.

Although these findings suggest that there is only little substance to claim that the European Semester has turned social, it can be said that there is a very slow and “shaky” change towards more recommendations that are, often partly, social. This is in line with the expectations of historical institutionalists, namely that changing is difficult, and that only marginal, incremental, slow and small changes around the ‘status quo ante’ can take place. Historical institutionalists state that institutional change also depends on the historical path that led to this institution, the so-called path-dependency. The historical context of this institution is inherited from the past, and influences developments and pushes these along so-called trajectories.

Since the European Semester was created in first instance to deal with the (economic and fiscal) consequences of the global and European crises, one could say that this ‘historical path’ exists of the years before the creation of the ES in which there was the crisis. Following historical institutionalists, then, one could say that the only very small and modest change can be explained through path-dependency. As already mentioned above, new procedures were layered onto the already existing institutional frameworks incorporated within the European Semester. This was mostly done in order to reinforce the original structures, which focus on orthodoxy. It is therefore difficult to think outside the box, and could make it difficult to introduce unorthodox, social proposals which can have an impact on the original structures. In other words, it is therefore difficult to switch to a more social path. The suggestion that there is a (very) small changes towards more (partly) recommendations, coincides to a large extent with the conclusions of other authors who have analyzed (parts of) the ES.

Furthermore, the findings suggest that there is also little substance to argue that the Commission is responsible for this change. On the one hand, the change of the institutional frameworks incorporated in the ES gave the EC more powers and the institution initiated the scoreboard for social indicators. On the other hand, however, we have seen that the Council often slows down the EC in its recommendations, and that the NRPs under investigation suggest that member states often concede with recommendations as long as they fit into their own national policy. These both findings suggest that the EC can go as far as the member states want it to go, at least when we talk about the country-specific recommendations. It is

also not surprising that Germany takes the recommendations very seriously, since it is not a secret that this country is an advocate of fiscal austerity (and thus orthodoxy).

It, however, has to be kept in mind that there are some limitations to this research. First of all, the period under study is only four years. This amount of time seems to be bit short to track change, especially if the change is slow, incremental, and marginal as we have seen in this thesis. Furthermore, the NRPs of only four countries were examined. Although these countries seem to be a good representation of all member states, we cannot with certainty say that the results can be generalized. Moreover, only the NRPs of 2012, 2013 and 2014 are available. This means that only their measures for the recommendations from 2011-2013 could be analyzed.

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All country-specific recommendations and National Reform Programmes can be found at:

2011: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/2011/index_en.htm

2012: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/2012/index_en.htm

2013: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/2013/index_en.htm

2014: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

Annex

Codebook (final)

Q1. How many of the final recommendations are social and how many are economic?

Country - 2011	Main topic	Orientation
Austria	#1, #2, #3, #4, #5: A= Excessive deficit B= Banking C= Education D= Pensions E= Employment and labour market F= Energy policy G= Taxes H= Poverty/social exclusion I= Competition J= Retirement age K= Wages L= Housing market M= Long-term sustainability in public finances N= Environmental policy O= Corruption/judiciary P= Fiscal policy Q= budgetary framework/budgets R= administrative capacity/public administration S=Healthcare T=Job creation U= Business environment V= Innovation/research W= Infrastructure	1. orthodox 2. social 3. ambiguous

Table 5. Final country-specific recommendations 2011

Country-2011	Main topic	Orientation
Austria	#1 A #2 Q #3 J #4 E/C/ #5 I	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Orthodox
Belgium	#1 A #2 M/J #3 B	#1 Orthodox #2 Orthodox #3 Orthodox

	#4 K #5 E/G #6 I	#4 Orthodox #5 Ambiguous #6 Orthodox
Bulgaria	#1 A #2 P/Q #3 J/D #4 K #5 H/C #6 R #7 I	#1 Orthodox #2 Orthodox #3 Orthodox #4 Orthodox #5 Social #6 Orthodox #7 Orthodox
Cyprus	#1 A #2 B #3 M/D/S #4 K #5 C #6 E #7 F	#1 Orthodox #2 Orthodox #3 Orthodox #4 Orthodox #5 Social #6 Orthodox #7 Orthodox
Czech republic	#1 A #2 M/D #3 E #4 E/C #5 U/R #6 C	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Social
Denmark	#1 A #2 E/M/D #3 C #4 I #5 L	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox
Estonia	#1 A #2 E/H #3 F #4 C	#1 Orthodox #2 Social #3 Orthodox #4 Social
Finland	#1 P #2 M #3 E #4 D/J #5 I	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox
France	#1 A #2 E/T #3 E/J #4 G #5 I	#1 Orthodox #2 Social #3 Orthodox #4 Ambiguous #5 Orthodox
Germany	#1 Q/C/S #2 B #3 E #4 I/F	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox
Hungary	#1 A #2 P #3 E #4 E #5 U	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox
Italy	#1 A #2 E #3 K #4 I #5 V	#1 Orthodox #2 Social #3 Orthodox #4 Orthodox #5 Orthodox

	#6 R/H	#6 Orthodox
Lithuania	#1 A #2 D/E #3 E #4 U #5 F #6 I	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox #6 Orthodox
Luxembourg	#1 P #2 D/J #3 K #4 E	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social
Malta	#1 A #2 D/J #3 C/E #4 K #5 F	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox
Netherlands	#1 A #2 J/M #3 E #4 V	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox
Poland	#1 A #2 Q #3 J #4 C #5 E #6 F/W #7 O/R	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Social #6 Orthodox #7 Orthodox
Slovakia	#1 A #2 P #3 M/D #4 E/R #5 C #6 O	#1 Orthodox #2 Orthodox #3 Orthodox #4 Ambiguous #5 Social #6 Orthodox
Slovenia	#1 A #2 J #3 B #4 E #5 E #6 R/U	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Social #6 Orthodox
Spain	#1 A #2 D/J #3 B #4 G #5 K #6 E #7 I	#1 Orthodox #2 Orthodox #3 Orthodox #4 Orthodox #5 Orthodox #6 Social #7 Orthodox
Sweden	#1 P #2 L #3 E	#1 Orthodox #2 Orthodox #3 Social

United Kingdom	#1 A #2 M/L #3 E #4 E #5 B/I	#1 Orthodox #2 Ambiguous #3 Social #4 Social #5 Orthodox
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Table 6. Final country-specific recommendations 2012

Country-2012	Main topic	Orientation
Austria	#1 A #2 Q #3 J #4 G/E #5 C #6 I #7 B	#1 Orthodox #2 Orthodox #3 Orthodox #4 Ambiguous #5 Social #6 Orthodox #7 Orthodox
Belgium	#1 A #2 M/J #3 B #4 K/T #5 G/E #6 I #7 N	#1 Orthodox #2 Orthodox #3 Orthodox #4 Orthodox #5 Social #6 Orthodox #7 Orthodox
Bulgaria	#1 P/Q #2 D #3 E/H #4 C #5 R #6 O #7 I/F	#1 Orthodox #2 Orthodox #3 Social #4 Ambiguous #5 Orthodox #6 Orthodox #7 Orthodox
Cyprus	#1 A/G #2 B #3 D/J #4 S #5 E/V #6 I #7 K	#1 Orthodox #2 Orthodox #3 Orthodox #4 Orthodox #5 Ambiguous #6 Orthodox #7 Orthodox
Czech republic	#1 A/G #2 D/E #3 E #4 E #5 O #6 C	#1 Ambiguous #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Social
Denmark	#1 A #2 E #3 C #4 I #5 L	#1 Orthodox #2 Social #3 Social #4 Orthodox #5 Orthodox
Estonia	#1 P #2 E #3 E/C #4 F/N #5 P	#1 Orthodox #2 Social #3 Social #4 Orthodox #5 Orthodox

Finland	#1 P/M #2 U/R #3 E/J #4 I #5 U	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Orthodox #5 Orthodox
France	#1 A #2 E/K/T #3 E #4 G #5 I	#1 Orthodox #2 Social #3 Ambiguous #4 Ambiguous #5 Orthodox
Germany	#1 P/G/Q #2 B #3 E/K/C #4 I	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox
Hungary	#1 A #2 P/Q #3 E #4 E #5 I/G/U #6 C #7 F	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Social #7 Orthodox
Italy	#1 A #2 Q #3 C #4 E/K #5 G #6 I	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Ambiguous #6 Orthodox
Latvia	#1 A #2 G/M #3 E #4 H #5 F/I #6 O #7 C/W	#1 Orthodox #2 Ambiguous #3 Social #4 Social #5 Orthodox #6 Orthodox #7 Orthodox
Lithuania	#1 A/G/Q #2 J #3 E #4 H #5 U #6 F/I	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox
Luxembourg	#1 M #2 D/J #3 K #4 E #5 N	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Orthodox
Malta	#1 P/G #2 D/J #3 C/E #4 K #5 F #6 B	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox #6 Orthodox
Netherlands	#1 A #2 J/S/M #3 E	#1 Orthodox #2 Orthodox #3 Social

	#4 U #5 L	#4 Orthodox #5 Orthodox
Poland	#1 A #2 P/Q #3 C/E #4 E/J/D #5 U/V #6 F/I	#1 Orthodox #2 Orthodox #3 Social #4 Ambiguous #5 Orthodox #6 Orthodox
Slovakia:	#1 A/P #2 G #3 D/J #4 E #5 C #6 E/C #7 R/O	#1 Orthodox #2 Ambiguous #3 Orthodox #4 Ambiguous #5 Social #6 Social #7 Orthodox
Slovenia	#1 A #2 D/J #3 B #4 E #5 C/E #6 U #7 K/T	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Social #6 Orthodox #7 Orthodox
Spain	#1 P #2 J #3 G #4 B #5 E #6 C/V #7 H #8 F/U	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Orthodox #5 Social #6 Social #7 Social #8 Orthodox
Sweden	#1 P #2 L #3 E/T #4 V	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox
United Kingdom	#1 A #2 L #3 C/E #4 E #5 B/I #6 R/W	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox

Table 7. Final country-specific recommendations 2013

Country-2013	Main topic	Orientation
Austria	#1 A #2 J #3 E/G #4 S #5 C #6 I #7 B	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Social #6 Orthodox #7 Orthodox
Belgium	#1 A #2 J #3 K	#1 Orthodox #2 Orthodox #3 Orthodox

	#4 I #5 G #6 E #7 N	#4 Orthodox #5 Ambiguous #6 Social #7 Orthodox
Bulgaria	#1 P/G #2 J/D #3 E/H #4 C/S #5 U/O #6 P #7 I/F	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox #7 Orthodox
Czech Republic	#1 A #2 E/G #3 J/S #4 E #5 O #6 C #7 E/F	#1 Orthodox #2 Ambiguous #3 Orthodox #4 Social #5 Orthodox #6 Social #7 Orthodox
Denmark	#1 A #2 E/C #3 I	#1 Orthodox #2 Social #3 Orthodox
Estonia	#1 P #2 E #3 E #4 F/I/N #5 R	#1 Orthodox #2 Social #3 Social #4 Orthodox #5 Orthodox
Finland	#1 P/S #2 R #3 E/J #4 I #5 K/U	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Orthodox #5 Orthodox
France	#1 A/D/P #2 E/K #3 U/V #4 I #5 G #6 E	#1 Orthodox #2 Social #3 Orthodox #4 Orthodox #5 Ambiguous #6 Social
Germany	#1 P #2 K/G/E #3 F #4 I	#1 Orthodox #2 Social #3 Orthodox #4 Orthodox
Hungary	#1 A/P #2 B #3 G #4 E/H #5 I/O #6 C #7 F/U	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Social #5 Orthodox #6 Social #7 Orthodox

Italy	# A/P #2 O/R #3 B #4 E/C #5 G #6 I	#1 Orthodox #2 Orthodox #3 orthodox #4 Social #5 Ambiguous #6 Orthodox
Latvia	#1 P/T #2 B #3 E #4 H #5 C #6 F #7 O	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox #7 Orthodox
Lithuania	#1 P/G #2 D/J #3 E #4 H #5 U #6 F/I	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox
Luxembourg	#1 P #2 G #3 D/J #4 K #5 E/C #6 N	#1 Orthodox #2 Orthodox #3 Orthodox #4 Orthodox #5 Social #6 Orthodox
Malta	#1 A/P/G #2 M/D/J/S #3 E/C #4 F #5 B/O	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox
Netherlands	#1 A #2 L #3 D/J/S #4 E	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social
Poland	#1 A/P/M #2 Q #3 E #4 E/D #5 U/V #6 F/W #7 U	#1 Orthodox #2 Orthodox #3 Social #4 Ambiguous #5 Orthodox #6 Orthodox #7 Orthodox
Romania	#1 A/P #2 P/D/G #3 S #4 E/H #5 C/R #6 R #7 U/V/O #8 I/F	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Social #6 Orthodox #7 Orthodox #8 Orthodox
Slovakia	#1 A/M	#1 Orthodox

	#2 G #3 E #4 E/C #5 F #6 R/O	#2 Orthodox #3 Ambiguous #4 Social #5 Orthodox #6 Orthodox
Slovenia	#1 A/P/Q #2 P/J/S #3 E/K #4 B #5 B #6 U #7 O #8 U/R #9 R/O	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Orthodox #5 Orthodox #6 orthodox #7 Orthodox #8 Orthodox #9 Orthodox
Spain	#1 A/P/M #2 G #3 B #4 E #5 E/C #6 H #7 I #8 F #9 R/O	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 social #6 Social #7 Orthodox #8 Orthodox #9 Orthodox
Sweden	#1 P #2 G/L #3 L/I #4 E/C	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social
United Kingdom	#1 A/Q/P #2 L #3 E/C #4 H #5 B #6 F/R	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox

Table 8. Final country-specific recommendations 2014

Country-2014	Main topic	Orientation
Austria	#1 A/P #2 D/J #3 G/E/C #4 I/U #5 B	#1 orthodox #2 orthodox #3 Social #4 Orthodox #5 Orthodox
Belgium	#1 A/p #2 G #3 J #4 E #5 K/C/V #6 N	#1 Orthodox #2 Ambiguous #3 Orthodox #4 Social #5 Ambiguous #6 Orthodox
Bulgaria	#1 A/G/P #2 D/J #3 H/E #4 C	#1 Orthodox #2 Orthodox #3 Social #4 Social

	#5 U/R/O #6 I/F	#5 Orthodox #6 Orthodox
Croatia	#1 A/P/G #2 J/D/S #3 E/C #4 E #5 U/R #6 O #7 O #8 B	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Ambiguous #5 Orthodox #6 Orthodox #7 Orthodox #8 Orthodox
Czech Republic	#1 A/P #2 G #3 D/J/S #4 E #5 C/E #6 F #7 O	#1 Orthodox #2 ambiguous #3 orthodox #4 Social #5 Social #6 Orthodox #7 Orthodox
Denmark	#1 A #2 E/C #3 I	#1 Orthodox #2 Social #3 Orthodox
Estonia	#1 A #2 E #3 E/V #4 F/I #5 R	#1 Orthodox #2 Social #3 Social #4 Orthodox #5 Orthodox
Finland	#1 P #2 R #3 E/J #4 I #5 U/V	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Orthodox #5 Orthodox
France	#1 A/P/Q #2 E/K #3 V #4 I #5 G #6 E #7 C	#1 Orthodox #2 Social #3 Orthodox #4 Orthodox #5 Ambiguous #6 Social #7 Social
Germany	#1 G/P #2 E #3 F #4 I	#1 Orthodox #2 Social #3 Orthodox #4 Orthodox
Hungary	#1 P/Q #2 U/M #3 G #4 E/H #5 I/O #6 C #7 I/F	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Social #5 Orthodox #6 Social #7 Orthodox
Ireland	#1 A/P/Q #2 S #3 E/C #4 E/H #5 B/U #6 B #7 I/O	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox #7 Orthodox
Italy	#1 Q/P #2 G #3 O/R	#1 Orthodox #2 Ambiguous #3 Orthodox

	#4 B #5 E #6 C #7 I/U #8 F/W	#4 Orthodox #5 Social #6 Social #7 Orthodox #8 Orthodox
Latvia	#1 P/G #2 C/V #3 E/S #4 F #5 OR	#1 Ambiguous #2 Social #3 Social #4 Orthodox #5 Orthodox
Lithuania	#1 Q/P/G #2 D/J #3 E/C #4 H #5 U #6 F	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox
Luxembourg	#1 P/G/Q #2 J #3 K #4 E #5 N	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Orthodox
Malta	#1 A/Q/P #2 M/J/S #3 E/C #4 F #5 U/O	#1 Orthodox #2 Orthodox #3 Social #4 Orthodox #5 Orthodox
Netherlands	#1 A/Q #2 L #3 D/J #4 G/E	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social
Poland	#1 A/P #2 E #3 E/D #4 V #5 F #6 U	#1 Orthodox #2 Social #3 Ambiguous #4 Orthodox #5 Orthodox #6 Orthodox
Portugal	#1 A/P/D #2 K #3 E #4 C #5 B #6 F/I #7 L #8 O/R	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox #7 Orthodox #8 Orthodox
Romania	#1 A #2 Q/G #3 S #4 E #5 C #6 H/C #7 R/O #8 I/F	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social #5 Social #6 Social #7 Orthodox #8 Orthodox
Slovakia	#1 A/Q/P #2 G #3 E/C #4 C #5 F	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox

	#6 R/O	#6 Orthodox
Slovenia	#1 A/P #2 D/J #3 K/E/C #4 B #5 U #6 U/O #7 I #8 O	#1 Orthodox #2 Orthodox #3 Ambiguous #4 Orthodox #5 Orthodox #6 Orthodox #7 Orthodox #8 Orthodox
Spain	#1 Q/P/G #2 B/O #3 E #4 E/C #5 R/H/E #6 U/V #7 F/W #8 R/O	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Social #6 Orthodox #7 Orthodox #8 Orthodox
Sweden	#1 P #2 L #3 L #4 C/E	#1 Orthodox #2 Orthodox #3 Orthodox #4 Social
United Kingdom	#1 P/Q #2 L #3 E #4 H #5 B #6 W	#1 Orthodox #2 Orthodox #3 Social #4 Social #5 Orthodox #6 Orthodox