Chapter 5. An analysis of the full set of Belgian CSRs

A necessary step in understanding the national influence of the European Semester is the examination of the full set of Belgian CSRs. For this reason, the chapter provides an overview of the CSRs towards Belgium from 2011 to 2017 as well as of their implementation for the period 2011-2016. Having this as its focus, chapter 5 is constructed as follows: first, I take stock of the different classification schemes of the CSRs while adding my own analytical framework. As I continue, I reflect on the various existing implementation schemes on the CSRs as well as their related methods of analysis. Before concluding, I review the few cases in literature where the authors focused on the effects and mechanisms of the European Semester particularly on the Belgian policies.

5.1 Existing frameworks for classifying the CSRs

The fact that the CSRs are multifaceted, scattered and do not have a standardized interface produces a “somewhat puzzling picture” in the words of Degryse, Jepsen and Pochet (2013: 22). It is not uncommon that the national response measures might address several recommendations at the same time - “mixed bags of issues” as Gern, Jansen and Koots (2015: 10) put it. For example, lowering the high taxation on labour is a measure which is counted as progress by the European Commission in both the areas of taxation and active labour market policies. As a result, for reasons of clarity and precision, some of the authors dealing with the subject have developed their own analytical framework for classifying the CSRs.

From the beginning of the European Semester, the European Commission has published its own classification schemes in an annual basis as part of the communication which accompanies the CSRs. However, the classification of the CSRs as portrayed in these schemes has changed over the years: broadly speaking, from 2012 to 2015 these remained the same but for 2016 and 2017 their analytical perspective was substantially upgraded. The number of recommendations reflects this development since for the period 2012-2017 the number of sub-policy areas almost doubled - from 17 to 32 - according to the Commission’s classification (see: European Commission, 2016b: 63; European Commission, 2017a: 7).

In order to give a more comprehensive picture of the European Semester, most authors divide the actual CSRs into multiple sub-recommendations. Clauwaert (2013, 2014, 2016) has produced a series of detailed tables on behalf of the European Trade Union Institute (ETUI) analyzing the recommendations in the social field for the period 2011-2016, but without considering their actual implementation. His social and employment CSRs are classified in a detailed manner, adopting a more analytical approach than this of the European Commission. His categorization is as follows: wages, employment protection legislation, labour market participation, youth employment, pensions, social assistance, child poverty and, finally, labour taxation. But it is notable that Clauwaert’s analysis excludes the CSRs on health and long-term care, and education. Most of these categories are further broken down to ‘measures’: for example, the CSR on wages can refer to the
revision of the wage indexation or/to the revision of the general wage system\textsuperscript{10}. Overall, the author concludes that social CSRs have been given increased attention in the European Semester; in particular for Belgium, at least half of the recommendations were always related to social issues (see: Clauwaert, 2016: Table 2: 11). Most importantly, Clauwaert remarks that for the period 2011-2016 three themes persist in the CSRs: renewal of the wage indexation and wage-setting mechanisms, pension reforms, as well as tax reform away from labour (ibidem: 12).

Based on a report by the European Parliament (2015a), Benassy-Quéré (2015) distinguishes the CSRs of that year into three different policy areas: fiscal and tax-related; labour, wages and education; and ‘other’. In another figure, she classifies them according to their legal basis, namely the SGP, the MIP and the Europe 2020 strategy. Subsequently, the author indicates their number per country, but like Clauwaert, she does not attempt to study their implementation.

From their side, Deroose and Griesse (2014) go further by creating their own analytical table for the assessment of the CSRs’ implementation during the period 2012-2013. According to this table - composed of 29 sub-recommendations- pensions and taxation are included among the sub-recommendations related to public finances while the categories of labour market, education and social policies are further broken down into numerous subcategories. These are: employment protection legislation and framework for labour contracts, unemployment benefits, active labour market policies, incentives to work, job creation and labour market participation, wage and wage setting, childcare, health and long-term care, poverty reduction and social inclusion, education, but also skills and lifelong learning. Apart from social and employment issues, the analytical framework expands to a wide array of policy areas (e.g. public finance and taxation, financial sector, structural policies, public administration and business environment), a fact that renders it one of the most detailed and thorough settings for the study of the CSRs.

With the aim to show the interaction between the different coordination mechanisms of the European Semester, Bekker (2015) presents two classification schemes for the CSRs of 2013. The first one reveals the number of country specific recommendations related with employment and social policies for all 23 MS. During that year, 67 out of the 141 CSRs contained at least one recommendation on social or employment issues. The second table categorizes the employment and social CSRs depending on their legal basis, explicitly referring to the SGP and the MIP (as well as their preventive and corrective mechanisms) but not to Europe 2020. As a result, Bekker finds that 50% of the recommendations are connected with these legally ‘hard’ coordination mechanisms.

Finally, Crespy and Vanheuverzwijn (2017) code all the CSRs of the period 2011-2016 into sub-categories, focusing on those relevant to the welfare state and excluding those ‘related to finance, taxation, the single market, and energy’ (see: note 6: 31). Aiming to debunk the meaning of the ambiguous term of ‘structural reforms’ as it appears in the European Semester, this classification distinguishes between reforms that can be seen as ‘social investment’ and those which are perceived as ‘social retrenchment’, as these are found in the work of Anton Hemerijck. For example in the field of pensions, recommendations which refer to curbing the age-related expenditure belong to the latter category. On the contrary, those referring to the adequacy of pensions or to

\textsuperscript{10} For a full analysis of these categories see: Table 1 Clauwaert (2016: 8).
active ageing measures are part of the social investment recommendations. Furthermore, in another figure the authors classify all the CSRs in which ‘policy reforms’ take place (and not only those with a social character) into nine broad categories: pension/healthcare, labour market/education, single market, social protection, taxation, education/R&D/Innovation, public administration, financial sector, and energy/environment. Based on this figure, Crespy and Vanheuverzwijn conclude that “Labour market reforms as well as reforms of pensions and healthcare gradually lost importance to the benefits of other reforms pertaining mainly to the reform of public administration, on the one hand, and measures related to the financial sector, on the other” (p. 19). They add that environmental CSRs have disappeared — something that is partially at odds with the findings of my classification table — and that the CSRs on the categories of social protection/R&D/education as well as of taxation have not changed significantly over time. Equally important, the authors argue that the CSRs related to social investment gradually held a prominent place in the European Semester, accounting two thirds of the CSRs in 2016. Although this is a positive sign of the Semester’s socialization, they add that “it is premature to conclude on this basis that the ES has moved towards a more social-friendly agenda” (p. 20). First, because this categorization might not be precise in representing the ideational change towards social investment and secondly, because, the CSRs recommending social retrenchment are usually based on more obvious legal bases, such as the SGP.

All these approaches come with their particular strengths and weaknesses. First, by choosing to create sub-categories in the existing CSRs, all authors except for Bekker and Benassy-Quéré opted for enhanced analytical clarity. Even so, this clarity varies among analyses, since some appear as extremely detailed — such as this of Deroose and Griesse. Furthermore, the indication of the broader categories of policy areas in which the sub-recommendations belong gives a more comprehensive picture of the latter’s character. Finally, as an issue closely related to the Semester’s effectiveness, by revealing the legal base of each CSR, Bekker and Benasy-Quéré cast light to an important aspect of the recommendations. As seen in the literature review, many have argued that a recommendation’s capacity derives from its legal basis: thus, it is expected that the goals of Europe 2020 would be implemented less, compared to these connected with the SGP and the MIP. While indicating which CSR is linked with what coordination mechanism, the authors set the basis for further analyzing the development of ‘hard mechanism’ recommendations, as opposed to those connected to ‘soft mechanisms’. On the downside, certain authors have chosen to focus on social and employment issues (like Clauwaert or Crespy and Vanheuverzwijn) while others expanded their scope to all policy areas. This is not necessary a weakness, but in my case where I aim to analyze the effectiveness of the European Semester as whole the latter is certainly a better approach.

5.2 My own classification scheme

Taking into consideration all these schemes, and based substantially on the most recent ones made by the European Commission, I have constructed my own. For reasons of analytical rigor the unit of analysis is the sub-recommendations drawn from the Commission’s existing categorization of the
The tables of Annex I show the sub-CSRs per policy areas (17 in total), of which 10, those with an asterisk, deal with employment and/or social policy issues. Although some policy areas are closely related conceptually, for analytical clarity I have chosen to present them separately. This applies to two pairs of recommendations, the one linked to the taxation system and labour taxation and the other referring to labour market participation and the access of vulnerable groups. In addition, all the sub-CSRs are part of broader thematic categories, as also seen in the Commission’s scheme. Hence, pensions and taxation systems belong to the first category, namely ‘fiscal issues and taxation’, since these have been included in CSR no. 1 in the latest CSR documents. The category ‘labour market, education and social policies’ is the largest, comprising a wide range of recommendations: unemployment benefits, active ageing , labour taxation, active labour market policies, labour market participation, access of vulnerable and disadvantaged groups, wages and the wage setting system, but also education and training. Finally, the broad category of CSRs under the title ‘structural reforms ’ refers to growth-enhancing and long-term competitive measures for the Belgian economy. It is comprised of innovation promoting measures, investment in alternative energy resources, transport infrastructure as well as measures in the retail and services sectors.

As already mentioned in the introduction, several authors indicate (Zeitlin and Vanhercke with Zwinkels, 2015) that the number of CSRs was higher during the Barroso Commission, but this was reduced with the arrival of the Juncker Commission and the streamlining of the CSRs. For Belgium, from 13 in 2012 or in 2014 the sub-CSRs decreased to 9 in 2015 (see Chart 1). Along general lines, two groups of recommendations have persisted over time: those referring to budgetary discipline and long-term fiscal consolidation, namely pensions and tax reform, and those referring to labour market issues (sub-CSRs 6-13 in Table 5, apart from active ageing). But even within the latter category, there is nuanced variation on which sub-CSRs remain, since, for example, the CSRs on active ageing and on unemployment benefits disappeared after 2014 and 2015 respectively. The fact that a past recommendation has been removed by the Commission does not mean that the issue cannot be further addressed. Active ageing was mentioned in the recital of the 2012 CSRs, but officially became a recommendation in 2013 and in 2014. With the streamlining of the Semester, the recommendation was put once again in the CSRs’ recitals in 2015 and in 2016. Likewise, although the CSR on pensions disappeared in 2016, the Commission stated it will continue to monitor closely the developments in that field. Conversely, the CSRs referring to structural reforms , apart from the one related to energy and climate change goals, appeared mostly during the Semester’s two last cycles. In particular, the recommendation on creating fiscal space for transport infrastructure is a novelty and reflects the ever-growing spirit of the Juncker Commission to promote investment measures.

The link between the goals of the Europe 2020 strategy and specific CSRs is not mentioned explicitly in the documents. Nonetheless, it is obvious that certain recommendations incorporate its goals despite the fact that sometimes other coordination mechanisms are also involved. Thus, several subcategories in my classification table reflect the targets of Europe 2020: research and development, education, climate change and energy, as well as access of vulnerable groups in the labour market. Furthermore, the number of CSRs related to the SGP or the MIP changes each year.

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11 Here I distinguish between the Commission’s official CSRs (the numbered recommendations) and my own sub-recommendations (or sub-CSRs) as these can be found in the classification table.
As the notes to my classification scheme reveal, on the one hand, the SGP-related sub-recommendations in each cycle are usually one or two – exceptionally for 2017 these are three. On the other hand, the number of the sub-CSRs related to the MIP ranged between seven and nine for the period 2012-2015. Since the In-Depth Reviews of 2016 and of 2017 did not show any excessive imbalances, Belgium did not have any MIP-related CSRs for the last two years. The sub-recommendations related to the MIP are usually part of one of the broader categories in my analytical scheme, this of ‘labour market, education and social policies’, plus the CSR on competition in services and the retail sector. The sub-CSR referring to Belgium’s sound budgetary and fiscal goals is always related to the SGP. Pensions have appeared as SGP-based recommendations in 2011 and 2015, while the sub-CSRs on the tax system and labour taxation were SGP-based only for 2016 and 2017. But during other cycles, the same policy areas were related to the MIP: in 2013 and in 2015 the CSRs on pensions appeared as MIP-based, while the same occurred with the CSRs on taxation from 2012 to 2015. Interestingly, only in 2015, the recommended measures for pensions were presented as related both to the SGP and the MIP.

My own assessment of the Belgian CSRs’ implementation was drawn from the Commission’s Staff Working Documents, hence adopting its jargon and categorization of the CSRs’ progress. During the seven iterations of the European Semester, substantial progress has been observed only four times. The first one was in 2012, when at the aftermath of the financial crisis the Belgian banks were successfully recapitalized. The second time was in 2013 on the CSR referring to fiscal consolidation, since that year Belgium managed to reduce its headline deficit to 2.6% of GDP, marginally higher than the target set by the Council some months earlier. Substantial progress has been seen also on the CSR of 2014 on pensions due to the combined efforts of the Di Rupo and Michel governments to reduce the gap between the effective and the statutory retirement age. Finally, after years of no progress on the CSR for reforming the wage indexation, the Belgian government made substantial progress in making wage formation more responsive to changes in productivity. As seen in Table 6, the vast majority of recommendations have experienced partial progress over the years, a fact which shows the incremental and ever-evolving nature of the developments in policy reforms. This fact was stressed by the Commission in its recent communication, which declared the adoption of a longitudinal assessment framework (European Commission, 2017a).

In fact, understanding the effectiveness of the Semester is intrinsically linked to the way one assesses the CSRs’ implementation. A longitudinal approach reflects a better understanding of the political economy of national reforms. First, it takes into consideration the change of governments which is a most pertinent factor for the orientation of policy goals. In the case of Belgium these are set in the beginning of each term when all the parties of the government coalition conclude the so-called government agreement, the document which sets the main policy goals for the next four years. In addition, the majority of reforms take several years to unfold. First and foremost, these need to be designed; at a second level, the various consultations with stakeholders, social partners, government agencies is not a linear process. Instead, disagreements and frictions are expected in issues that touch the very core of social justice in modern democracies, such as these related to the welfare system or taxation. My in-depth cases show the complex dynamics of a reform and the reason why significant implementation usually does not come swiftly. Conversely, assessing the progress of the CSRs’ implementation in a year-to-year basis can provide for a more detailed analysis of policy developments, nevertheless, usually the Commission’s Staff Working Documents repeat themselves in case of non-progress.
To complement the picture of the CSRs’ implementation, the evolution of the CSR on healthcare and long-term care deserves particular attention. This may be considered as a special case, since the Sixth-State Reform transferred a big part of the relevant competences from the Federal State to the Regions. The complex institutional landscape of the country did not help the pace of the reforms’ implementation, as the SPC has also pointed out (SPC, 2015a:4). All these factors contributed to the Commission’s decision to eventually stop publishing the CSRs in this area since 2013.

But also the development of the CSR referring to the tax away from labour is interesting: the CSR’s scope gradually expanded and from 2014 the Commission started underlining the need for a broader tax reform that would remove distortive tax expenditures. This came as a result of the reforms of the Michel government on labour taxation, which the Commission deemed them as a promising first step, nevertheless far from an equilibrated tax-reform, meaning budgetary neutral and not growth-enhancing.

Finally, the amendments of the CSRs can reveal a lot about the reflexivity of the European Semester, against the arguments that portray it as a rigid and authoritarian, top-down procedure. The legal framework stipulates that in order for a CSR proposal to be amended, a reinforced qualified majority is needed within the Council. When voting on a proposal that has not been made by the Commission, quality majority comprises 72% of the MS votes which must represent at least 65% of the EU population. Although the voting happens in the Council, it first takes place in the preparatory committees as a signaling device due to the existence of the “comply or explain” rule introduced in 2011. According to it: “the Council is expected to, as a rule, follow the Recommendations and proposals of the Commission or explain its position publicly” in order to promote transparency and rational arguments to the detriment of obscure political motives. Hence, the more an issue for amendment has been discussed during the multilateral surveillance process of the SPC or EMCO for example, the more chances has a MS to amend it later in the Council (Zeitlin and Vanhercke, 2014: 47). The amendment procedure is by design unwieldy, giving the higher ground to the European Commission. Despite this fact, several amendments on the CRs have occurred over the years.

While referring to the nature of these amendments, a Commission official revealed:

The basic philosophy of the recommendations and the amount of recommendations and the themes that they touch upon have never been altered, to my knowledge. Sometimes the formulation, the wording has changed, either of the recitals or the actual recommendations. For the MSs is a big deal, sometimes I think they are right to make it a big deal but most of the time it doesn’t really change that much. They are more concerned about monitoring afterwards... These wordings may sometimes sound trivial, but most of the time these are not trivial, because we follow up on the recommendations the year afterwards. (COM24)

While the EPC and the EFC rarely confront the Commission on this, the SPC has been very active in the recent years. For three consecutive years, from 2012 to 2014, it managed to reframe the proposals on the CSRs which stipulated linkage of the retirement age with life expectancy. As one of the interviewees of Vanheuverzwijn (2016: 15) revealed: “Thanks to our Chairman [of the SPC], we succeeded to reach the reverse qualified majority necessary to modify the CSRs in the area of
to expectancy”. In particular, the 2012 CSR proposal¹² was amended towards a broader scope, not only focusing on the link between statutory retirement age and life expectancy but also mentioning the increase of the effective retirement age. Zeitlin and Vanhercke (2014: 44) state that although that year the SPC proposed amendments on the pensions CSRs, procedural ambiguities blocked them from being discussed in the EPSCO council at the very last minute, allowing to the ECF and ECOFIN to take the final decisions. Under the Irish Presidency in the spring of 2013, the allocation of competencies between the different Council committees became more clear while the actors were pushed to cooperate in issues of overlapping responsibility. The SPC, EMCO and EPC reached in advance an agreement for the amendments they wanted to push in the Council. This helped also Belgium to promote and eventually pass an amendment on its own CSR on pensions. According to the same Commission official:

I remember at the time that the Belgian amendment was only accepted because it was an amendment introduced by many countries. It had to do with the wording of the pension recommendation. If Belgium would have been alone introducing this amendment, no way would it have been amended but because was not alone it did happen. (COM24)

Thus, the scope of the Commission’s CSR proposals to Belgium in 2013 –but also in 2014¹³- was eventually expanded in order to take into consideration the actual retirement age and additional pension benefits when making the link with life expectancy. In 2015 three countries (MT, AT, LU) tried to initiate amendments on their pensions CSRs, but only Malta succeeded to ensure a reinforced quality majority. As the SPC stated in its opinion on the 2015 Semester, the focus of the CSRs must be on the ‘appropriate mix of reforms’ which could enhance the effective retirement age and reform the pension systems according to the demographic and economic projections (Zeitlin and Vanhercke with Zwinkels, 2015:16).

5.3 The different assessment methods of the implementation of the CSRs

The assessment method of the CSRs’ implementation is an issue which has not been given much attention. Given its importance regarding the Semester’s effectiveness, the literature which focuses on its impact has surprisingly little to say specifically about how the Commission assesses the

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¹² CSR proposal 2012: “Continue to improve the long-term sustainability of public finances by curbing age-related expenditure, including health expenditure. In particular, implement the reform of pre-retirement and pension schemes and introduce measures linking the statutory retirement age with increases in life expectancy” vs CSR 2012: “Continue to improve the long-term sustainability of public finances by curbing age-related expenditure, including health expenditure. In particular, implement the reform of pre-retirement and pension schemes and take further steps to ensure an increase in the effective retirement age, including through linking the statutory retirement age to life Expectancy”.

¹³ CSR proposal 2013: “Accelerate the adoption of a decision to link the statutory retirement age to life expectancy” vs CSR 2013: “Increase the effective retirement age by aligning retirement age or pension benefits to changes in life expectancy”.

CSR proposal 2014: “aligning the statutory retirement age and career length requirements to changes in life expectancy” vs CSR 2014: “aligning the retirement age to changes in life expectancy”.

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application of its yearly recommendations. Despite this, few authors have provided rich empirical insights, while confirming the evaluation’s non-formalized character. Deroose and Griese (2014: 3) state that an ‘interdisciplinary team’ composed of country analysts comes together to discuss ‘qualitatively’ the measures which have been recently taken or announced to take place in the member states. Since it is extremely difficult to transform the countries’ efforts into a quantitative analytical table, the team of policy officials focuses on the particularities of each national case. Thus, the Commission’s policy officers enjoy relatively wide discretion to assess the degree of CSR implementation but also to justify their decision. In Zeitlin’s and Vanhercke’s (2014: 34) words “DG ECFIN holds the pen” during the preparation of the Staff Working Documents. Nevertheless, it is based on shared feedback from all relevant DGs, which is then reviewed in SECGEN’s country teams. But since this is a collective process involving several DGs, it entails different—even contrasting—approaches, negotiations and various points of disagreement. As one of the interviewees explains:

I mean these things when you see we use 'substantial progress' they are debated among colleagues and we have guidelines, what is ‘substantial’ what is ‘some’ [progress], what is ‘none’, and so on, and so in case of the tax shift it’s very clear that we are less in agreement with what happened with for instance pension reforms, there we say ‘substantial progress’. ‘Substantive progress’ is not completely the solution to the problem but it's still a higher category than the tax shift and the reasons are indeed the absence of a tax reform, the fact that it’s not budgetary neutral (COM1).

Until 2013 the European Commission used three categories in its Staff Working Documents in order to track reforms: no implementation, partial implementation and full implementation. However, since 2014 the Commission slightly reframed these categories: no progress, limited progress, some progress and substantial progress. We can understand these as levels of increasing intensity, escalating from the least to the most. Apart from the categories at the margins (namely, no progress and full implementation) which are easily detectable, those in between seem like a grey zone, an issue which has raised debates over the precision of the implementation assessment of national policies. Being aware of this problem, the Commission attempted to made clarifications: ‘limited progress’ refers to the announcement of specific national measures “to address the CSR, but these measures appear insufficient and/or their adoption/implementation is at risk”. In a similar manner, ‘some progress’ is applicable when the country “has announced or adopted measures to address the CSR but their implementation is not certain” (Vanden Bosch, 2014a; European Commission, 2015c:65).

As mentioned earlier, in its 2017 Communication accompanying the CSRs, the European Commission emphasized the need to take into consideration the ‘multianual dimension of the European Semester’. According to this approach, for the period 2011-2016, in two out of three recommendations there has been at least some progress, showing a more positive picture on the effectiveness of the Semester. Nevertheless, the pace and progress varies between MSs while the fiscal, financial and active labour market recommendations tend to get implemented more than the ones in competition services and business environment (European Commission, 2017a).

Aside from the European Commission, one of the units in the think tank of the European Parliament publishes its own reports on the effectiveness of the European Semester. The scientific team of the European Governance Support Unit (EGOV) updates the MEPs on the fiscal and economic
coordination developments and, among others, produces yearly studies on the CSRs’ implementation. Nevertheless, these reports restate the Commission’s findings in its Country Reports and do not use an assessment methodology of their own. In the words of one of the think-tank’s officials: “We take from the text of the CSRs, so we go through each and every Country Report to capture the Commission’s assessment” (Europarl18). The reasons for this practice are strategic as well as pragmatic. Legitimacy issues and lack of resources are the most defining factors for EGOV’s approach. As another official from the EGOV unit explained: “We don’t interfere with what the Commission says... Some politicians complaint or want to contest our findings and then we say: look, it’s the Commission that made the assessment...Furthermore, we don’t have the resources to do an analysis from scratch” (Europarl19).

But only for the year 2011-2012, the research team of the Governance Support Unit produced a unique “traffic-light approach” report, which gave a simplified, user-friendly picture of the Semester’s effectiveness according to three categories (fully done, serious work underway, not done). This study is slightly different from the rest, in the sense that it is a product of individual initiative and uses its own assessment on the CSRs implementation, based on more sources - namely the IMF, the OECD and Eurostat apart from the European Commission and the European Parliament. Although it was well-received by the administration of the European Parliament, it did not lead to a follow-up due to particular circumstances. As the report describes, only 20% of the recommendations were fully implemented for 2011, while 35% were on their way towards implementation and 45% remained unaddressed. Likewise, for 2012 only 16% of the CSRs were implemented, whereas 45% of the CSRs were underway and 45% did not get implemented at all (European Parliament, 2014).

In addition, each year the SPC and EMCO prepare reports on the relevant CSRs’ implementation, which feed into the Council sessions before the final adoption of the CSRs. Specifically for the SPC, these reports are based on the input of the Social Protection Performance Monitor (SPPM) profiles, the thematic reviews on MS as well as on the Strategic Social Reporting (see: Zeitlin and Vanhercke, 2014: 48). Over the years, the Council advisory committees have pointed to specific issues without strictly categorizing either the policy areas or the implementation of reforms. But in its multilateral conclusions to the Council, the SPC has regularly taken stock of the gradual pension and the healthcare reforms in Belgium, stressing their good direction (see: SPC, 2012; SPC, 2015a). Similarly, EMCO has underlined the long-term progress on the areas of active ageing, labour taxation and the Belgian wage indexation system, while recognizing the limited effort made in the integration of vulnerable groups but also of migrants in particular (EMCO, 2015; EMCO, 2017a).

Several policy analysts have attempted to give an overview of the CSRs’ implementation based on the previous assessments of the EU institutions. For the period 2012-2014 Gern, Jannsen and Kooths (2015) reproduce the analysis of the European Parliament (2012, 2014, 2015a), which in turn is based on the Commission’s assessment as presented in its SWD. According to them, the percentage of full progress regarding the CSRs was already limited but this dropped from 9.4% to 6.4% over the next two years. On the contrary, the percentage of limited progress increased from 24.5% in 2012 to 44.9% in 2014. Finally, the percentage of no progress on the CSRs implementation was reduced as well, from 4.3% in 2012 to 3.2% in 2014. Gros and Alcidi (2015) also refer to the European Parliament’s analysis in order to underline the declining implementation of the CSRs between 2013 and 2014 (see European Parliament, 2015b). By using its output, they look into the CSRs’
implementation depending the GDP of each country in order to understand whether the size of a member state plays a role. Their weighted analysis shows that the full implementation rate of the 2014 CSRs is even lower than the one calculated by the European Parliament (3% instead of 7%) implying that more economically robust countries do not follow the Commission’s recommendations.

However, there are also authors who have developed their own implementation methodology. Hallerberg, Marzinotto and Wolff (2012) elaborate a singular analytical framework for the implementation of the CSRs on six countries (France, Germany, Estonia, Finland, Hungary, Ireland) for the years 2011-2012. Their assessment is based on two criteria: adherence to policy guidance by the MS and national ownership of the process. The first refers to the policy actions which the countries have taken in response to the CSRs while the second focuses on the internalization of the procedural and substantive requirements of the AGS and the CSRs (as these can be seen in the NRPs). Annex 4 of the study provides an account of their methodology: based on the NRPs and Stability or Convergence Programmes, the authors track the newly adopted measures compared to the goals of the AGS, the prescriptions of the CSRs and the assessment of the SWDs. Their findings point to a low or even moderate general implementation of the CSRs. Despite this, the MS seem to have adapted the NRPs into the Semester’s formal –procedural and substantive- requirements from 2011 to 2012 (see Table 3 p. 67).

Deroose and Griesse (2014) examine the CSRs’ implementation by country groups, policy sector as well as over time. Being aware of the difficulty to quantify the CSRs’ implementation in an accurate but also comparable manner, they construct a synthetic indicator. In their effort to draw a clear line between ‘limited progress’ and ‘some progress’, the authors created a scale from 0 to 100 and assigned each of the five assessment categories -as appeared in the Commission’s SWDs- to a specific range. When the (unweighted) average score of each CSR is drawn, the resulting synthetic indicator appears more refined than the original assessment of the Commission.

All the above show that the majority of analyses draw substantially from the Commission’s findings. Especially those of Gern, Jannsen and Koots as well as of Gros and Alcidi, which do not break down the CSRs to further sub-recommendations, lead to homogenous conclusions on the Semester’s effectiveness. Apart from the original analyses of SPC and EMCO which do not include a classification scheme, these of Deroose and Griesse but also of Hallerberg, Marzinotto and Wolff deserve further attention. The strength of the former lies in the creation of the synthetic indicator, as an unique attempt to quantify the progress of the CSRs’ implementation. But also the positive aspect of the research of Hallerberg, Marzinotto and Wolff has to do with their hands-on approach as regards their methodology, in the sense that they do not rely on the implementation assessment of the EU institutions. However, by comparing the reforms in a year-to-year basis, the authors seem to have a limited understanding but also high normative criteria on the national ownership and implementation of the CSRs.
5.4 Previous analyses of the Belgian CSRs

Research which focuses specifically on the Belgian CSRs is scarce—and even scarcer when it comes to their implementation—nevertheless several authors have attempted to analyze specific developments in the country’s policies in relation to the European Semester.

While focusing on examples related to the EU’s coercive governance mechanisms, Degryse, Jepsen and Pochet (2013) refer to Belgium as a ‘limit case’. The authors claim that the country is an atypical category, since, on the one side, it dealt relatively well with the repercussions of the crisis due to a number of economic stabilizers whereas, one the other, it accumulated an extremely high level of public debt after 2008. While taking stock of the recommendations towards Belgium (many of which were given to other member states too) they focus on those which stand out for the period 2011-2014: the revision of the wage formation system, wage indexation as well as the increase of the effective retirement age. But eventually they do not go further in analyzing the CSRs implementation, concluding that “only the future will tell how Belgium will react and will heed—or fail to heed- these recommendations” (Degryse, Jepsen and Pochet, 2013: 36).

Vanden Bosch (2014a) appears skeptical both as to whether the CSRs have been successfully implemented in Belgium and whether the Semester has the institutional capacities to directly promote their application. According to him, the Federal government in the period 2011-2014 not only failed to take ownership of the suggested measures, but instead adopted an adversarial rhetoric towards those referring to labour market competitiveness and welfare reforms. Nonetheless, he observes that due to reasons of institutional stability but also the pressure exerted by the EDP, the government of Elio Di Rupo stepped up a number of measures, the most important of which were the increases in income tax, taxes on products and reductions in public administration costs, health expenditure and welfare state reforms. But in his assessment, these had an ephemeral character and wide socio-economic reforms came second in line after achieving institutional stability. Vanden Bosch recognizes that the CSRs in general “highlight relevant issues that ought to be addressed, and indicate where scope for national debate exists”—something that Zsolt Darvas, a policy analyst from the Brussels-based think tank Bruegel, has also argued (Euroactiv, 27 June 2014). But as far as the Belgian NRPs on structural reforms are concerned, for Vanden Bosch (2014a: 16) these are merely “little more than a bureaucratic exercise”.

Bokhorst (2017) focuses on the effects of the MIP-related CSRs, particularly on the abolition of automatic wage indexation, a very sensitive issue due to the exclusive competences of the MS and the national social actors. In this case, the added value of the MIP on the effectiveness of the European Semester is related to more elaborate mechanisms which can influence the political actors. As the author explains, the early CSRs on this issue were seen as very prescriptive and intrusive in regards to the Belgian social model. As expected, trade unions saw the recommendation as an effort by the Commission and the European Central Bank (ECB) to destabilize their wage-bargaining strength. The center-left coalition government which was in power at the time (2011-2014) was vocal in disagreeing with the CSR, pushing for its revocation in the European Council but eventually to no avail. With the inauguration of the Juncker Commission in November 2014, the CSRs acquired a softened approach and tone, a fact that reflects the EU institutions’ more open attitude to discuss the issue at a technical and political level. At the same time, the attitude of the new center-right government coalition, which emerged from the elections of May 2014, created an
important opportunity for the advancement of the CSR. Based on its own agenda, the government passed in 2015 the so-called “index-jump”, namely a temporary suspension of all wage indexation agreements until wages would be 2% lower of what they would have grown into, had they been linked with the inflation index. After additional budgetary pressure—which is not clearly connected with the MIP- the Belgian government reformed the old Law of 1996 on wage indexation, so in its 2017 SWD the Commission stated that there has been ‘substantial progress’ on the matter.

With a particular focus on Belgium, Vanheuverzwijn (2016) analyzes the interaction between the European Commission and the involved Belgian actors during the formulation of the Country Reports and the CSRs. Although he does not research on the actual implementation of reforms, he gives an insightful picture of the practices and strategies of all sides in relation to the framing of the Belgian CSRs. His article repeatedly underlines the discursive and interactive character of certain mechanisms of the European Semester. For example, at the administrative level, the particularly cooperative atmosphere of the bilateral meetings between the Commission services and the national authorities allows them to communicate their views and enrich the quality of their technical analyses. At the political level, the Belgian actors aim in transmitting their own frame of analysis to the Commission while showing their progress and good intentions. This does not mean, however, that moments of voiced political contestation are absent. During the Council discussions for the adoption of the 2012 CSRs, the Belgian Prime Minister, Elio Di Rupo, communicated his opposition to the Commission’s recommendation on wage indexation reforms (as Bokhorst’s article also mentions). All in all, Vanheuverzwijn discloses various details on the Belgian mechanisms of change within the European Semester, but as the author himself adds: “future research is still needed to understand how the formulation of the CSRs depicted in this paper can affect their implementation at national level”.

5.5 Conclusions

This chapter is an attempt to assemble and analyze the full set of CSRs towards Belgium. For this reason, I have putted together the various CSRs in a coherent fashion and added the Commission’s analysis on their implementation. From the beginning of the European Semester, numerous bodies, such as the Council’s consultative committees and civil society actors, were involved in the monitoring of the recommendations and the assessment of their implementation progress. The Commission’s framework of analysis evolved, becoming more refined and more analytical over time. At the same time, with the recent adoption of a multi-annual framework of implementation, the Commission acknowledged the existence of the subtle contextual factors which influence the CSRs’ implementation. Nevertheless, the existing literature which focuses on the full set of CSRs can lead to misleading conclusions while amplifying the biases on the effectiveness of the Semester for a number of reasons: first, it does not address the how and the why but only makes an orderly account of the CSRs in a year per year basis. Secondly, the authors take for granted the official assessment of the CSRs’ implementation, without presenting a nuanced justification why the reforms should be deemed partially implemented or not. Finally, the majority of these studies date back to the first cycles of the ES, when the latter was perceived as a more top-down process of coordination, hence playing down its interactive and reflexive nature.
As shown in Chart 1 (in Annex II), the employment and social issues have formed the majority of the CSRs over the years, indicating that much attention is given to these challenges within the Belgian context. From that perspective, socioeconomic issues have always been and still remain at the center of the European Semester. Similarly, the recommendations related to the goals of Europe 2020 strategy are constantly present, in particular the goals of social and labour market inclusion and those related to the environmental policies. But apart from the recent case of Belgian wages, no substantial progress has been observed over the broader category of labour market, education and social policies, certainly linked to the particularities of some of its sub-categories. For instance, in areas such as labour market inclusion or unemployment benefits, the actors involved spread throughout multiple government levels. In addition, some of the goals related to the employment and social issues have encountered technical, legal and political difficulties as subjects of quantification, thus making their full implementation hard to track. For example, the inclusion of vulnerable groups in the labour market is a multidimensional issue and in Belgium is seen primarily from a legal anti-discriminatory perspective. A detailed database identifying the people with a migrant background was inexistent until recently and the task of building it was an extremely time-consuming process which took several years for its completion and still has substantial room for improvement. On the contrary, reaching the fiscal and budgetary goals is much more perceptible, since they are quantifiable and inextricably linked with economic projections.

The scarcity of studies on the causal mechanisms of the European Semester points to the empirical deficit on how national policies are actually influenced by and interact with the EU level. In-depth case studies which trace the causal procedures are necessary to debunk the myths about the European Semester, which the quantitative studies of the early years have helped to consolidate. The following chapters have exactly this aim: by focusing on pensions, the tax-shift away from labour and migrant integration into the labour market, I aim to shed light on how the Semester worked there and how my findings fit with my conceptualization of the Semester’s mechanisms of change.