Master Thesis- Double Degree in European Governance

Unravelling the Influence of the European Semester and Country-Specific Recommendations in Confronting the Impact of Population Ageing

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Abstract

This master thesis examines the influence of the European Semester and Country Specific Recommendations (CSRs) on policy related to population ageing within member states of the European Union (EU). The European Semester is a framework for coordinating economic, fiscal, employment, and social policy among EU member states. This closely interacts with the impact of an ageing population, an area of increasing importance due to demographic shifts and the challenges posed by an ageing population. The research employs a mixed-methods approach, combining quantitative analysis of CSRs issued between 2015 and 2020 with qualitative analysis of several specific CSR case studies on pension related CSRs. The study aims to identify and analyze the factors of reform which influence the implementation of CSRs and how these reflect instruments such as the European Semester. It is found that ageing is a small component of the recommendations issued to member states and that these CSRs are not well implemented. This has mostly to do with domestic factors, including the (in)stability of government, (the absence of) national ownership, (the absence of) economic crisis and the external factor of (the absence of) conditionality. The role of independent advisory bodies was also deemed important.

Table of Contents

Abstract ***2***

List of Figures and Tables ***5***

List of Abbreviations ***6***

1. Introduction ***7***

1.1 A Note on Demography and Ageing **9**

2. Literature Review ***12***

2.1 The Open Method of Coordination (OMC) and Pension Reform **12**

2.2 The European Semester **13**

2.3 Influence and Effectiveness of the European Semester **14**

2.4 The European Semester and Ageing **16**

3. Theory ***18***

3.1 Political Economy of Reform **18**

3.2 Operationalisation **23**

3.3 Hypotheses and Expected Outcomes **24**

4. Methodology ***27***

4.1 Data **27**

4.1.1 CSRs 27

4.1.2 Case Studies 29

4.2 Data Manipulation and Analysis **30**

4.2.1 CSRs 30

4.2.1 Case Studies 34

4.3 Challenges **34**

5. Results ***36***

5.1 CSR Data **36**

5.1.1 Number of CSRs 36

5.1.2 Assessment of CSRs 40

5.1.3 Indicators and CSR Assessment 43

5.1.4 Multiannual Assessment 46

5.1.5 Data Findings 50

5.2 Case Studies **52**

5.2.1 Case Study 1: Progress and then Regression 54

5.2.2 Case Study 2: Slow (interrupted) Progress 61

5.2.3 Case Study 3: Static No Progress 69

6. Discussion & Conclusion ***75***

6.1 Findings **75**

6.2 Limitations **78**

6.3 Further Research 78
6.4 Implications 80
References ***81***

List of Figures and Tables

Figures

Figure 1 10
Figure 2 36
Figure 3 37
Figure 4 38
Figure 5 39
Figure 6 40
Figure 7 40
Figure 8 & Figure 9 41
Figure 10 42
Figure 11 & Figure 12 43
Figure 13 44
Figure 14 45
Figure 15 46
Figure 16 47
Figure 17 48
Figure 18 48
Figure 19 49
Figure 20 49
Figure 21 50
Figure 22 56

Tables

Table 1 28
Table 2 32
Table 3 33
Table 4 53
Table 5 54
Table 6 61
Table 7 69

List of Abbreviations

Abbreviation	**Definition**
AOW	Algemene Ouderdomswet/ General Old Age Pensions Act
CJEU	Court of Justice of the European Union
CPB	Centraal Planbureau/ Bureau for Economic Policy Analysis
CSR	Country Specific Recommendation
ECB	European Central Bank
EES	European Employment Strategy
EMU	European Monetary Union
EU	European Union
GDP	Gross Domestic Product
IMF	International Monetary Fund
M5S	Movimento 5 Stelle/ Five Star Movement
MIP	Macroeconomic Imbalances Procedure
OADR	Old Age Dependency Ratio
OECD	Organisation for Economic Co-operation and Development
OMC	Open Method of Coordination
PAYG	Pay-As-You-Go
RRF	Recovery and Resilience Facility
SER	Sociaal-Economische Raad/ Social Economic Council
SGP	Stability and Growth Pact
UN	United Nations

1. Introduction

Populations in Europe are ageing, a topic that has increasingly been on the political agenda of European Union (EU) countries in recent years. Alongside gradual improvements in life expectancy, fertility rates are falling across Europe. Over the next few decades, the share of pensioners relative to the working-age population will further increase (European Commission, 2021). This demographic shift poses various substantial socio-economic challenges, including the sustainability of pension systems, a shortage of workers in specific sectors, increasing long-term care costs and different challenges for education and training systems (Marešová et al., 2015; Ogg, 2021).

While the phenomenon of an ageing population can be seen across Europe, there are significant differences between EU Member States in the rate of ageing (Eurostat, 2020) and the challenges that an ageing population poses for a country. This means that the consequences of an ageing society will not be equally felt across Member States. Therefore, diverging policy interests could occur between Member States.

The EU has long had various policies dealing with the consequences of an ageing population. In the 1990s, there were initiatives such as the 1993 European Year of Older People and Solidarity between Generations. The Lisbon Strategy (covering the period from 2000-2010) included the priority of 'active ageing'. Targets were set to increase the EU average employment rate for people aged 55-64 to 50% and gradually increase the age at which people stop working by five years, linked to pension reform. However, later evaluation showed that these targets were not met. Later, during the Europe 2020 Strategy, in light of the economic crisis, priorities shifted to emphasising employable skills for older Europeans and reforms related to pensions and healthcare financing. In addition to framework agreements negotiated with social partners on issues related to ageing, the focus on financial sustainability has remained, with issues related to restoring the balance of public finances and ensuring the sustainability of social protection systems as an important policy goal (Peña-Casas, 2022).

Newer forms of governance can also be used as tools. Regarding socioeconomic governance, the European Semester is an especially useful concept. The European Semester is a framework for coordinating economic, fiscal, employment, and social policy. Coordinating these different policy areas through the European Semester was introduced in 2011 with the aim of increasing compliance with existing cycles as well as introducing new ones. The European Semester lasts about nine months each year and is a dynamic process, with exchanges between actors on different governance levels. The Semester includes the Stability and Growth Pact (SGP), the Macroeconomic Imbalances Procedure (MIP) and the European Employment Strategy (EES). The EES is the oldest, introduced in 1998, and was seen as a form of soft law[1] and experimentalist governance[2] because of the interaction between the Commission and national governments and the non-binding recommendations issued to countries (Bekker, 2020).

On the other hand, the MIP and SGP both have a preventative and corrective arm, with possible financial penalties for non-compliance (partly introduced after the 2008 financial and economic crisis). The Semester combines these different cycles and Country Specific Recommendations (CSRs) are issued once a year in spring (Bekker, 2020). According to the Commission, CSRs "provide policy guidance tailored to each EU country on how to boost jobs and growth while maintaining sound public finances" (Haas et al., 2020, p.332).

The European Semester has evolved, the process being dynamic and responding to the context of the time, as can be seen by the shifts in priorities, such as an increased emphasis on social policy goals following the introduction of the EU Pillar of Social Rights in 2017 (Vesan et al., 2021). The combination of soft deliberative coordination mechanisms and hard rules-based elements within the Semester as well as the difficulty in distinguishing between social and economic domains (which have different EU competencies attached), highlight the complexity of the Semester as well as how it challenges theoretical understandings of EU governance (Bekker, 2020).

This combination of different domains makes the Semester an interesting tool to study concerning ageing in EU Member States. Ageing considerably influences the social, economic, and fiscal domains. The competencies of the EU in this area are, therefore, not clear-cut. Many CSRs issued to countries can relate to the topic of ageing, from recommendations on pension reforms to encouraging participation of older workers in the labour market (Tkalec, 2020).

The prominence of the European Semester has increased, and the stakes have been heightened in recent years. It has been incorporated into the Recovery and Resilience Facility (RRF), which is an instrument central to the European Commission's NextGenerationEU plan. This plan was created in response to the Covid-19 pandemic to help the EU recover and grow from the (economic) pandemic's consequences (De la Porte & Jensen, 2021). The Semester plays a vital role in the identification of challenges facing Member States and areas where reforms are needed. The funds attached to the RRF are often conditional to reforms, meaning the policy coordination under the Semester is becoming more binding (Vanhercke & Verdun, 2022).

Due to the increasing significance of the European Semester process, it is relevant to find out how the CSRs issued to countries through the Semester reflect the issue of an ageing

[1] In the EU, soft law consists of recommendations, opinions or other instruments which aren't explicitly mentioned in Article 288 TFEU. This means soft-law is, in principle, not binding. However, it may still have practical or legal effects (Stefan et al., 2019).
[2] Seen as a deviation of established patterns of policy making, with more emphasis on decentralized policy co-ordination (Bickerton et al., 2015).

society and if this has changed over the past years. Furthermore, the effectiveness of CSRs as a tool to encourage reform in areas related to ageing is just as significant. Even when CSRs are published and agreed upon by the Council, the degree to which Member States follow up on recommendations enormously varies (Al-Kadi & Clauwaert, 2019). The use of the European Semester to ensure the future sustainability of Member States' policies can only be considered effective insofar as CSRs have an actual effect on Member States' policy outcomes.

These considerations result in the following research question:

How do the Country Specific Recommendations proposed during the European Semester influence EU Member States' policies when dealing with the impact of an ageing population?

Sub-questions related to this question include:

- Q1: What types of CSRs reflect the impact of an ageing population? Has this changed over time?
- Q2: Are CSRs related to ageing effectively implemented in the Member States?
- Q3: Do CSRs encourage ageing-related reforms?
- Q4: What factors influence the implementation of CSRs?

To answer this research question, I will conduct an in-depth study of the Country Specific Recommendations issued in the context of the European Semester. The CSRs will first be studied quantitively (Chapter 5.1) before a few specific CSRs are selected and analysed individually (Chapter 5.2) based on factors from theory which are known to influence reform. This combination of quantitative and qualitative research allows for a complementary look at ageing-related CSRs and a deeper dive into the effects the CSR had on the national reform processes. The findings will be combined with insights from the literature on the European Semester, ageing, and reforms in social policy. This literature will first be presented.

1.1 A Note on Demography and Ageing

The age of the average European is expected to increase over the coming decades, from a median of 43.7 years in 2019 to 48.2 by 2050 (Eurostat, 2020). As an increasing share of the population will become older and retire, the labour force in the EU is expected to shrink as a share of the total population (Peña-Casas, 2022). This shift will drive an increase in the old-age dependency ratio (OADR) from 34% in 2019 to 59% in 2070, as predicted by Eurostat (2020). The OADR is the number of people aged 65 and older per 100 people of working age, between 20 and 64. This means there will just be 1.7 working people for each older person (down from 2.9). Comparing the EU's age structure, it is below the Japanese OADR of 52% but above that of many other economies and is expected to increase in future decades. Globally, the United Nations (UN) expects there to be an 18% increase in the OADR (European Commission, 2021). See Figure 1 below to see the developments.

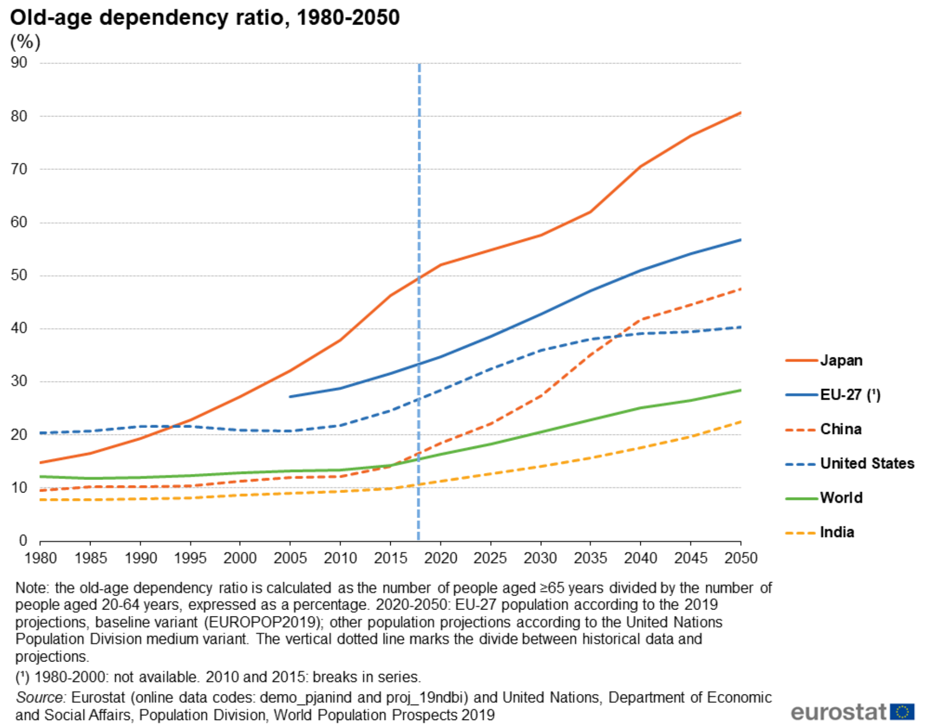

Figure 1
(Eurostat, 2020)

However, these figures represent an average of European Member States. While OADRs will increase in all Member States, there is a stark difference in the rate this will occur between countries. While the OADR is expected to reach above 67% in Poland and Portugal in 2070 and over 65% in Italy, this percentage is much lower in other countries, with Sweden reaching an OADR of 49.8%, Cyprus 50.7%, and Ireland 53%. The Netherlands is expected to have an OADR of 55.2% in 2070, below the EU average of 58.9% (European Commission, 2021).

A wide range of health, social and economic consequences are associated with an ageing population. For example, in the social domain, population ageing has far-reaching implications for the future of family care, living arrangements, attitudes, and intergenerational relations (Tinker, 2002).

For the purposes of this study, socio-economic aspects of ageing are the focus.

There are both positive and negative economic effects associated with an ageing population. On the one hand, people live longer and healthier lives. This enables longer working lives. On the other hand, often-mentioned adverse economic effects include a shortage of workers alongside a change in the quality of the workforce, increased government spending on health care and pensions, chronic degenerative diseases, higher taxes, and the possibility that higher savings for pensions may reduce capital investment (Marešová et al, 2015).

Other economists disagree. In their book, "*The Great Demographic Reversal: Egeing Societies, Waning Inequality, and an Inflation Revival"* Goodhart and Pradhan (2020) argue that demographic changes combined with expansionary monetary and fiscal measures implemented in response to the Covid-19 pandemic led to more investment instead of saving. These pressures will then lead to further inflation and higher interest rates.

Despite these varying viewpoints, the socio-economic challenges of ageing societies will be felt across the EU. This requires different measures to deal with the impact of ageing on public finances, the labour market, social policies, and education systems. In the next section, literature on possible tools for reform are discussed.

2. Literature Review

2.1 The Open Method of Coordination (OMC) and Pension Reform

Since the 1990s, EU integration has increasingly relied on flexible forms of EU action and the balance between the need to respect the diversity of Member States and the need for unity in EU action (Borrás & Jacobsson, 2004). Usually, these new governance modes are introduced after a legislative deadlock and are feasible in areas where policy problems are politically sensitive (Eberlein & Kerwer, 2004). The creation of the Open Method of Coordination (OMC) in the late 1990s reflects this balance and the need to combine social and economic elements of European integration (Borrás & Jacobsson, 2004). Especially in social policy and among the members of the European Monetary Union, these new modes of governance are essential. The phase of integration in the post-Maastricht period is termed 'the new intergovernmentalism' by Bickerton et al. (2015) where policy areas that did not exist (or were very limited) before the Maastricht Treaty have been based on deliberative and consensual coordination among Member States. Since there was little change to the constitutional framework of the Union post-Maastricht and supra-national decision-making and the associated transfer of powers to supranational bodies was avoided by Member States, policy coordination has been intensified between Member States. This is only possible because EU-decision making is both deliberative and consensual.

Authorities in the 1990s and the 2000s knew that a one-size-fits-all approach to fiscal policy and structural reforms was problematic economically and politically. This made deliberative decision-making at the EU level more essential than before, accounting for the increased popularity of more flexible procedures. This can be seen through how EU economic policy expanded into domains of macroeconomic governance, such as fiscal policy, employment policy and questions related to welfare state reform (Bickerton et al., 2015). The OMC can be seen as an example of this trend, where it became evident that "Member States preferred peer pressure and consensus-building under the open method of coordination to the codification of reform commitments under the Community method." (Bickerton et al., 2015, p.709).

The late 1990s and early 2000s were also a period in which there was already a push for pension reform from the EU (Holzmann & Orenstein, 2003). The convergence criteria in the Maastricht Treaty set out the need for governments to keep the fiscal deficit below 3% and the public debt below. 60% of GDP (Protocol No. 12, 2008). Combined with the effects of the OMC, this was the start of external stimulus to countries for pension reform (Featherstone, 2005).

Nevertheless, most of the activity of the Commission in terms of pensions centred around the need to treat people who moved between countries fairly and the creation of a single market for the 2nd and 3rd pillars of the pension system (Dudek & Omtzigt, 2001). From 1999 onwards, the Commission increasingly emphasised the long-term viability of the pension system. In 2000, the Commission published a communication which read:

"While each Member State remains responsible for its pension system, it is clear that they also have much to learn from each other. Furthermore, the sustainability of pension systems will determine to a significant extent, the European Union's ability to achieve the promotion of a high level of social protection, which is one of the fundamental objectives defined in Article 2 of the Treaty establishing the European Community. This is why the European Council has called for co-operative exchange on the future sustainability of pension systems" (European Commission, 2000, p.2)

Following this, there was increased momentum among the EU institutions for a European response to 'Europe's Pension Time Bomb', as referred to in a speech by Commissioner Frits Bolkestein in 2001 (Dudek & Omtzigt, 2001). Against this background, pension (and other social) reforms were increasingly put on the agenda of the OMC. Overall, it was found by Chybalski and Gumola (2018) that the OMC was not effective in leading to better European pension systems in terms of adequacy, efficiency, and modernization. This is likely due to some of the limits of the OMC, already outlined by Holzmann and Orenstein in 2003, including the slow speed of the method, with long gaps between reports and optimistic assumptions. This does not create significant pressure for reform. Furthermore, the implementation of reports is left to national authorities, which indicated that minor reforms were more likely than comprehensive ones. Lastly, the OMC remains focused on national pension reforms and did not create a vision for pan-European pension reforms since this would have faced much political opposition. This also means that 'spill-over effects' (for example, the effects of pensions in one country on the pensions or economy of other member states) are not a considered within the OMC.

2.2 The European Semester

The OMC and the considerations underpinning new intergovernmentalism are still relevant for analysing the most prominent method of coordination that the EU employs today, the European Semester. This Semester revolves around balancing the social-economic, intergovernmental-supranational, and technocratic-democratic axis while reflecting the diversity of Member States (Bekker, 2020). Since its implementation, the European Semester has been extensively studied on these topics. Verdun & Zeitlin (2018) identify five key themes around which this literature revolves.

Firstly, the Semester is characterized as either ‘hard’ and rules-based, which includes the Stability and Growth Pact (SGP) and the ‘softer’ forms associated with it. This results in a hybrid characterisation by some authors (Armstrong, 2013).

Over the years, many scholars have also emphasized that the Semester puts economic goals and actors above social priorities, while others hold that the process has given rise for opportunities to defend EU social objectives (Copeland & Daley, 2018).

There has also been debate about whether the Semester should be considered primarily as a supranational or intergovernmental instrument (Savage & Verdun, 2015).

Another debate has centred around the technocratic-democratic axis, with concern that governance responsibilities have shifted from national parliaments to unelected bureaucrats (Crum, 2018).

Lastly, the focus of this assessment is the topic of the effectiveness of the Semester, with an emphasis on CSRs. Many scholars found that there has only been a limited response by Member States to CSRs (Al-Kadi & Clauwaert, 2019). Eihmanis’s (2017) study on Latvia illustrated the complex interaction between the national and EU level regarding national reforms.

Since the research question in this proposal centres on influence, this last theme will be the focus of this study. However, due to the interconnected nature of the various themes, will be discussed in the course of this paper.

Early during the evaluation of new modes of governance, such as the OMC, questions of effectiveness arose. It can be difficult to assess effectiveness, since national policies are, by definition, indirectly influenced by it (Eberlein & Kerwer, 2004; de la Porte & Pochet, 2002). Furthermore, the causal relationship between European and national levels can be complicated, meaning that national policies may be designed to signal compliance with EU standards but have no real effect. Commission evaluation reports are political and are careful not to excessively contradict Member States’ self-evaluation reports (Eberlein & Kerwer, 2004; de la Porte & Pochet, 2002). Thus, empirically evaluating new forms of governance is seen as problematic by Eberlein and Kerwer (2004).

2.3 Influence and Effectiveness of the European Semester

Yet, despite these difficulties, numerous studies have drawn conclusions about the effectiveness of the Semester process and the implementation of the CSRs. Some studies have noted the low implementation rate of CSRs, particularly social CSRs related to 'hard' economic and political 'tinderbox' issues such as wages and pensions (Al-Kadi & Clauwaert, 2019). While it remains without alternatives, it has been pointed out that the Semester has only received "lukewarm political support” from Member States (Maricut & Puetter, 2018) with criticism on the demanding administration, the tight schedules, oversupply of information and little room for genuine dialogue and policy reflection (Munta, 2017).

When it comes to national parliaments, Maatsch (2017) found that EU policy guidance (through the European Semester) is more heavily contested when national parliaments have more power in budgetary matters. For governing parties, "domestic economic interests proved to be more important than a responsibility to avoid negative policy externalities" (p.15) which "demonstrates that immense difficulty in designing and conducting effective oversight of European economic governance" (p. 15).

Other scholars have indicated that governments are more eager to implement CSRs when there is also market pressure (Guardiancich & Guidi, 2022). It has also been found that implementation rates worsen when the economic environment improves (Mariotto, 2022). Efstathiou and Wolff (2019) find that when recommendations related to the MIP are not implemented faster than those pertaining to fields that are less legally binding, casting doubt on the effectiveness of the Semester.

Casagrande & Dallango (2021) find that there is only a weak connection between CSRs and Member States performance in terms of reconciling economic and social objectives. This indicates that the primary purpose of CSRs is not to solve economic, social, and political issues of a member state, but rather to promote structural reforms to reach specific policy objectives. Casagrande & Dallango (2021) see this as a neoliberal approach which, in their view, does not reconcile with the aims and values of the EU treaties.

In a study of Employment Policy in Croatia, Munta (2017) shows that the European Commission was able to exert adaptational pressure on the implementation of the national Youth Guarantee even though it had no hard tools to enforce these requests, indicative of the "multi-level socialisation in EU's socio-economic governance framework" (p.205). Yet, while this shows EU (Semester) influence, Munta (2017) also notes that this is likely to be more effective as the domestic level was new to the procedure of the Semester, the more accustomed the public administration becomes to these interactions on soft policy matters, it will become more likely that they can develop strategies to avoid unwelcome requests.

Bekker (2021) takes a more nuanced approach, indicating that while CSRs are not always implemented in a strict way right away, the adaptability of CSRs, including their re-formulation and re-interpretation at both the EU and national levels, means that the Semester is moving toward a more mature open coordination cycle which welcomes dialogue, a clear soft coordination tool. Countries understand the need to reform, but implementing CSRs (especially on complex and sensitive dossiers) requires time to account for stakeholder influence and prepare reforms. Countries follow their own path toward reform, and an open dialogue between national and EU-level representatives on policy options is desirable.

D'Erman et al. (2019) note that while the principles of sovereignty and subsidiarity must be respected, in general, the Semester has provided the EU with greater access to, and a more significant role in scrutinizing and evaluating the economic, fiscal, and social policies of Member States.

The Semester has evolved over time, and more recent research suggests that the effectiveness of the Semester is increasing with the Semester becoming a "harder mode of soft governance" due to increased enforceability, including more 'carrots' and 'sticks', in part due to the embedding of the RRF into the Semester framework (Vanhercke & Verdun, 2022, p.219).

Similarly, Bokhorst (2022) finds that the Semester forces national actors to confront the European view of certain policy issues, leading to a higher political cost of non-action. Scrutiny of reforms is far from a-political, and the relevance of the CSRs in the RRF only strengthens this aspect. The increased role of the EU in national reforms can become controversial, with questions about legitimacy, especially when reform conditionality reaches more sensitive policy domains.

One such sensitive policy domain can be pension policy, which is elaborated upon in the next section.

2.4 The European Semester and Ageing

Looking more specifically at the European Semester in relation to the topic of ageing, this has been explored in some literature, mostly in connection to pensions. One example is Tkalec's (2020) exploration of the EU's indirect pressure on pensions through fiscal and economic guidelines within the European Semester. It was noted that these guidelines only have a limited capacity to shape and safeguard pension adequacy, even if there is diligent compliance (though this is very case-specific to countries). Guardiancich et al. (2022) find that Member States pensions are now structurally assessed in a formal evaluation cycle within the European Semester and that this has been gradually constructed over the years, resulting in a streamlined and technocratic approach to retirement policy from the supranational level. They note that while the Semester may have a limited impact on national policy change, there are broader ways to assess a policy's success beyond effective conditionality, such as a functional spillover through evidence-based practice (Guardiancich et al., 2022). Similarly, Guidi and Guardiancich (2018) found that the Commission's role in macroeconomic pension policy surveillance has significantly increased following the EU sovereign debt crisis. Louvaris-Fasois (2018) found that together with the introduction of the European Semester, effectively adopting reforms and keeping the annual deficit contained gained prominence in domestic political debate in Belgium. The learning process within the European Semester should therefore also be seen as complementary to other pressure mechanisms.

In reviewing CSRs related to pensions addressed to the Netherlands, van den Heuvel-Warren (2018) notes that mostly cognitive ideas about pension reform are transferred, primarily linking ageing to government finances. This is not the case for more normative ideas such as the gender gap in pension payments. Through repetition of these cognitive ideas, the Semester impacts the cognitive area of pension reform while reforms related to normative ideas remain secondary.

Guardiancich and Guidi (2022) note that pension reforms are triggered when formal conditionality procedures (such as under the European Semester) are coupled with market pressures and worsening macro and micro policy indicators. The authors suggest further research and case studies into the mechanisms underlying this compliance; do Member States follow CSRs since they internalise the problems indicated by the commission, because they are relying on evidence-based policymaking or because they must uphold a reputation?

This literature review illustrates the active debate that has been ongoing in the literature on the effectiveness of the European Semester as a tool within European governance and the implications for intrinsic questions about the Union's role in coordinating national economic and social policy. This research paper seeks to add to this body of knowledge by looking at ageing as reflected in the European Semester, explicitly studying CSR data quantitatively and pension reforms in case studies qualitatively. This topic is becoming increasingly relevant due to population ageing across the Union and has been dealt with at both the national and EU level and how reforms interact and are influenced by the Semester process will be explored.

3. Theory

3.1 Political Economy of Reform

To understand the conditions under which CSRs are implemented, a more thorough understanding of reform is needed. To adequately implement a CSR, a member state will often have to carry out a reform in a specific domain. Outside of the European Semester context, there have been many factors identified that lead to economic reforms and the conditions in which reforms occur. Research in this field describes the political economy of reform. These factors identified form the basis of understanding the contexts in which it is likely that recommendations issued through the European Semester are likely to be effective.

Haggard and Webb (1993) compile the conditions needed for economic policy reform to be likely. The first group of factors relate to the institutional characteristics of the political system. Certain interest groups may block reforms and people may oppose them altogether, especially if there is uncertainty in advance if a certain reform may benefit them. Due to this uncertainty, even groups who stand to benefit from the reform may oppose it. Electoral cycles also have an influence, where incoming governments have a 'honeymoon' period where short-term economic losses can be traded against political gains and in instances where benefits of reform pay off gradually while the costs must be dealt with upfront. Because parties in power will want to manipulate macroeconomic policy in the run-up to an election to stimulate the economy to maximise their electoral chances, reforms are easier to initiate immediately after an election than before one. Then, partisan orientation and the party system impact the likelihood of reform, with coalition governments being less successful at initiating reform. Furthermore, the discipline and competence of the bureaucracy, including the quality of personnel, efficiency of information collection, how decision-making is organised and the degree to which the bureaucratic apparatus is insulated from corruption and political power have implications for the success of reform (Haggard & Webb, 1993).

The second group of factors is related to various economic conditions in which reforms occur. Firstly, crises increase the government's willingness to reform and increase the public's tolerance of reforms. However, they still might be unpopular and these reforms can be turned back when a crisis winds down, leading to a "cycle of policy deterioration, economic crisis, temporary or partial policy reform, recovery, and relapse" (Haggard & Webb, 1993, p.153). Another aspect is the influence of the memory or perceptions about the outcomes of previous reforms. Economic experiences, from the 'golden ages' to 'nightmares' shape the current decision-making of policymakers. Another factor impacting the success of reform is the distribution of income. When there is unequal income distribution, the social and political divisions undermine consensus for economic reform. Especially when a reform further impacts this income distribution, considerations on redistribution complicate discussions and increase polarisation. The last economic factor are the external influences. This can include the worldwide cycles of supply and demand can influence the chances of reform, but so can "international networks and socialisation that result in the transmission of policy-relevant knowledge" (Haggard & Webb, 1993, p.156) as well as external actors that seek to influence policy more directly, for example through conditionality. Yet there is much debate about the effects of conditionality and the degree to which outside agencies have a real influence on the policy process. External support can allow politicians more room for longer-term plans, on the other hand, conditionality is not always well enforced (Haggard & Webb, 1993). Policy pressure from the EU or through the European Semester process could fall under this category, especially when connected with conditionality.

The last group of factors concerns the design of the reform program. Firstly, there is the question of the pace of reforms. a need for coalition building when introducing a reform, gaining enough support among the winners to compensate or neutralise the losers within the timeframe that is important to a politician. Important here can be a strategy of introducing reform early on, with governments that act without delay strengthening the public's belief that the reform will be maintained over time, as well as enabling the reform to put down roots during the governing period. Yet, there are also arguments for not introducing reform too quickly, with rapid adjustments often provoking more resistance due to them being more unsettling and often having higher short-term costs. Related to the pace of reform is the sequencing of it. Should reform be introduced in a phased way or all at once? It has been argued that through the bundling of reforms, political attractiveness can be increased by offsetting losses associated with one program component with gains in another. The last important aspect of the design of a program is the compensation element. In general, it has been found that compensation may often be crucial to gain political support for the program, or there are clear moral reasons for employing it. There are three counterarguments to compensation. Some types of compensation may undermine the reform, countries might not have the resources to finance the compensation and lastly, the likely recipients of politically motivated compensation might not be those that need it most (Haggard & Webb, 1993).

Based on Tompson's (2009) case study analysis of structural reforms in ten OECD countries, the above list can be further elaborated. Tompson starts with the political factors impacting reform. These include the electoral mandate of the government. When reforms are enacted on a strong electoral mandate, voters are more likely to accept them. The unity of the government is one of the strongest indicators of if reform will be successful, with opponent of reform quickly exploiting a un-united government. The timing of reform is also significant, with governments having a window of opportunity to carry out reform early in their mandate, reflecting Haggard & Webb (1993). Approaching elections make legislators more risk averse. However, there are also cases where upcoming elections spurred reform, but this was mostly the case when the public heavily favoured reform. However, when it comes to pension reforms, this link between elections and reform seems to be less strong. This can be due to the relatively long time it takes for pension reforms to be adopted. The long consultation that is often required in addition to the focus on long-term sustainability means that reforms are not likely to generate payoffs within a single election cycle. 'Windows of Opportunity' for reform may arise when crises or scandals sharpen awareness for the need for change and highlight the problems with the status quo. Reforms are also easier to carry out when the state of opposition parties was divided or in disarray. Another important electoral element is the effect of information asymmetries. It is hard for voters to determine whether a reform incentive is proposed to pursue partisan objectives or out of a desire to increase social welfare. Therefore, it is easier to attain policy change when implemented by parties who before seemed ideologically opposed to it. Lastly, the involvement of different levels of government is an important factor, with these levels of government (especially in countries with federal dimensions) being able to strengthen or weaken the reform agenda (Tompson, 2009).

Tompson (2009) sketches the economic context in a similar way to Haggard and Webb (1993). However. Tomson writes that it is not always a strong link between crisis, or economic downturn as in times when the economy was doing well. Especially concerning pension reforms, they were enacted by governments in a whole range of different economic conditions. Due to the long-term nature of pension costs and benefits, these cyclical fluctuations are not expected to shape the politics of pension reform much. Since many reforms also require up-front costs, it is even the case that sound public finances are associated with more reform. In countries under fiscal strain, reform attempts are both less likely to be initiated as well as less likely to succeed. Similarly, once fiscal pressure ends, reforms enacted during this period may prove harder to sustain (Tompson, 2009).

Economically, reforms in the area of product markets were susceptible to international pressure and links to things such as EU and EMU entry. This was especially true for 'hard' policy instruments and less for 'softer' EU tools. However, these tools, such as the Lisbon Process, were used instrumentally to help policymakers legitimise policy changes they saw as desirable (Tompson, 2009).

As for the design of the reform, Tompson (2009) reiterates that individual reforms are easier to achieve in the context of larger shifts in structural policy. However, on the other hand, it was found that pension-market reforms made successful labour-market reforms a lot harder. As for the speed with which reforms are most effectively implemented, Due to the long gestation times of pension reforms, speed is not always the best path ahead. While governments should seek to capture "windows of opportunity" with pension reforms, excessive haste in both implementation and adoption can lead to failure. Yet also long and careful consultation processes can result in little or no reform. That being said, reforms are most successful where previous reforms have been undertaken or attempted. This can be the case when previous (often piecemeal) reforms made the system worse or were seen as being inadequate. This concept is described as “reform ripeness”. Another strategy is that of picking the lowest hanging fruit first, implementing easy reforms to create momentum for further reform. This strategy is often seen with pension reforms. However, drawbacks include that this might spur opponents to oppose even minor measures out of fear of larger reforms.

Lastly, Tompson (2009) mentions the importance of communication. It is desirable to be transparent to the public and stakeholders to gather support, especially clearly communicating the goals of the reform. It enables authorities to identify potential problems, and reforms based on and backed by policy-oriented research are less likely to be reversed. Individuals or institutions willing to take ownership over reforms, with unity and clarity strongly supports success. Research can also, over time, reshape public consensus on a policy regime. Communication also extends to communicating the problems with maintaining the status quo, since these costs are often poorly understood. Related to the provision of knowledge is the involvement of credible institutions, such as specialised bodies or advisory bodies, with offer advice to governments in specific domains. These can help de-politicize sensitive reform issues. On a similar note, concertation and involvement of social partners can be essential for gaining support, especially successful pension reforms frequently offer a role for trade unions in the new system. Linking a lengthy reform process to the creation of new institutions or actors in early stages help ensure the implementation of the later reforms. Creating these ‘early winners’ can help sustain momentum behind reform and counter ‘losers’ of reform, who are more inclined to mobilize than winners.

Notable, especially for pension reforms, is the concept of grandfathering. Here, large groups currently impacted by a system are largely exempt from reform. This is done to ensure that the reform is adopted. A consequence of this method is that younger generations mostly bear the costs of pension reform. However, notable is that in practice, there is little to no evidence that there is intergenerational conflict in the politics of pension reform (Tompson, 2009).

In their contribution to an OECD study on reforms, Galasso (2010) touches upon many of the already mentioned elements that can encourage or hinder the implementation of reforms. Additionally, it is noted that as opposed to welfare state expansion, welfare state retrenchment is very unpopular with the public, meaning that methods used to study the conditions of welfare state expansion don’t lend well to the comparison with retrenchment. Galasso also explains the paradox that “Reforms are easier to execute in good times, but political support for them is often weaker then” (Galasso, 2010, p.81). There may not be enough political momentum to execute a reform in economically good times, but in economically hard times it is harder to carry out compensatory measures or implement a reform carefully under time pressure. Another interesting factor Galasso adds is the fact that there is an increased incentive to pursue structural reform when a country does not control monetary policy. This is due to the fact that this tool is not available to accommodate negative shocks. For euro area countries this is especially relevant. However, the upfront costs of structural reform are often high and under the euro, it is more difficult to use macroeconomic policy to offset these costs. This leads to a situation where reform is more difficult to attain even though the need for it is higher (Galasso, 2010).

Noting specifically on pensions, Galasso notes that "pension reform is most likely to succeed when the costs can be shifted onto future generations and reforms can be phased in over very long periods. If the financial pressure for reform is such major changes affecting current retirees or older workers are required, their opposition will be very hard to overcome. In short, as retrenchment policies become economically more urgent, they become politically more difficult" (Galasso, 2010, p.82).

As mentioned earlier, it is hard for individuals to see the costs of the status quo. This is the results of loss aversion and the endowment effect. These effects mean that individuals overestimate the risks and underestimate the benefits of reform.

Regarding the structure of a system, countries with more restrictive regulations tend to have better results when they do reform. Galasso (2010) also follows up on Tompson (2009) by elaborating on the importance of communication and consensus building in the domain of pension reform. Policymakers seek a broad consensus with as wide a spectrum of actors as possible. Similarly, broad public awareness of the need to reform fosters cooperation among political parties and social partners on the most effective reforms.

Lastly, a more recent study was done by the European Commission (Aphecetche et al, 2022) on understanding the political economy of reforms. This in light of the RRF which is closely aligned with reforms in Member States. The brief was published in 2022, but many of the factors mentioned in the earlier literature on the topic remain the same. However, this brief focussed on some lessons learnt on reform from EU countries. For example, it was found that Member States with higher needs for reform did reform more, also when there was no conditionality attached (e.g., via various macroeconomic reform programs). Yet, the decline in the implementation of CSRs post-2013 was attributed to reform fatigue as economies emerged from the financial crisis (Aphecetche et al, 2022).

Special emphasis is also placed on clearly mapping out who the 'winners' and 'losers' of a certain reform are and how effective consultation with stakeholders and opposition parties can ensure the long-term sustainability of reforms (Aphecetche et al, 2022).

The study also touches upon the international element of domestic reform. Pressure from other countries can help governments explain the necessity for reform and this also goes for targets set from outside. International policy exchanges and peer reviews, such as under the European Semester can act as a trigger for reform. However, national ownership of reforms remains very important. When this is absent, successful reforms are unlikely to occur (Aphecetche et al, 2022).

3.2 Operationalisation

The research question seeks to answer a question as to the influence of the CSRs on Member States policies dealing with an ageing population. Therefore, it is first necessary to operationalize the term 'influence'. First, in line with the definition provided by Guardiancich and Natali (2021) when it comes to EU influence on pension policy, we can define EU influence as the ability of the EU to reach the policy objectives it sets and thus the capacity of the EU governance to intervene in the reform process. When determining this, it is important to realize that "it is both global and domestic variables that facilitate and/or inhibit how these [EU recommendations] will be implemented by the Member States, thereby affecting the degree of EU influence" (Guardiancich and Natali, 2021, p.407).

Therefore, it is necessary to combine both EU and domestic variables in assessing the processes and actors that lead to or inhibit reform. In this theory section and the literature review, many domestic and EU factors which have to do with reform are identified[3]. In addition to there being many of these factors, there are also interaction effects between them, with factors not existing in isolation of each other. Assessing the CSRs considering these domestic and EU factors can thus serve as an analytical framework for better understanding the influence of CSRs on Member States reform policies. This reflects the approach taken by Guardiancich and Natali (2021).

Much has also been written about the *effectiveness* of EU policy. This term can also be challenging to define and thus operationalize. One of the sub-research questions refers to the effectivity, asking if CSRs related to ageing are effectively implemented in the Member States. Effectiveness is sometimes seen as being a key feature of the 'output legitimacy' of the EU, which according to some (like Scharpf, 1999) is central to the functioning of the EU. However, there is a need to distinguish between policy effectiveness and political effectiveness. Graziano and Halpern (2016) write that "The first type of effectiveness is linked to the need that the policies designed, adopted and implemented at the EU level are effective in the sense that they are (at least) producing the expected results; the second, broader type of effectiveness is linked to the legitimacy needs of the EU multilevel political system, following the understanding that EU institutions will be politically effective when the overall support ('legitimacy') within the affected political community is favorable" (p.10).

[3] Which are presented in section 5 in Table 4.

An important aspect to note is the connection between these two types of legitimacy, it is difficult to achieve policy effectiveness if there is not also political effectiveness, since without it the chances of a policy being maintained are smaller. Yet, while acknowledging the interaction between these two types, when assessing the effectiveness of the CSRs in impacting national reforms, it is most logical to look at the first type of effectiveness, namely policy effectiveness. This is due to the nature of the assessment conducted by the European Commission. When operationalizing this kind of effectiveness, there are some advantages over studying political effectiveness.

A useful toolkit has been supplied by the European Commission itself since it measures the implementation rate of CSRs. Quantitatively looking at the implementation scores can tell us something about how well reforms are carried out. It therefore serves as a first tool in measuring policy effectiveness. Low implementation scores would indicate that the CSR was not very effective at leading to reform. However, this does not paint the whole picture. It is not clear if it is the European Semester itself that leads to a (lack of) reform. If a CSR is followed up by a country and fully implemented, is this due to the semester or was this reform going to happen anyway? And on the other hand, if a recommendation is not (completely) implemented, does that automatically mean that the semester was not effective? These considerations are imperative for understanding the role of the CSRs in national reforms. Therefore, the main research question seeks to look more broadly at the *influence* of the CSRs. Effectiveness is a large part of this influence, but not all of it. Many of the various factors of reform that were outlined in section 3.1 can be impacted by CSRs without this directly having an outcome that can be measured through effectiveness. For example, a stakeholder might be strengthened in their policy position due to a CSR, which, even if it doesn't lead to effective implementation in the short term, does constitute influence. In order to fully evaluate influence, a qualitative analysis which can further tease apart causality is useful.

The research is therefore split into two parts, one part quantitative and one part qualitative. The quantitative part looks at a large database of CSRs and answers the sub-research question related to effectiveness. A second, qualitative part, illustrates this effectiveness by looking at a few case studies of CSRs through content analysis. Bringing these two parts together aims to answer the research question about the *influence* of the CSRs on Member States policies dealing with the impact of an ageing population.

3.3 Hypotheses and Expected Outcomes

Several outcomes are expected in this analysis. These expected outcomes reflect answers to the four sub-research questions. The expected outcomes are formulated in the form of hypotheses with, where relevant, a brief justification based on the existing literature and theory presented above.

Q1: What types of CSRs reflect the impact of an ageing population? Has this changed over time?

H1: There are more ageing related CSRs issued in recent years.
Since Europe's population is ageing and will continue to do so for the next couple of decades, the topic of population ageing is increasingly relevant. Therefore, it is expected that there will be more CSRs related to the topic of ageing published over time.

H2: Ageing related CSRs overlap with those related to pension policy, life-long learning, long-term care, and labour market participation.
Since ageing is an issue that has close links with pensions, life-long learning (to encourage a longer working life), long-term care, and labour market participation it is expected that these topics will overlap with ageing-related CSRs.

Q2: Are CSRs related to ageing effectively implemented in the Member States?

H3: CSRs related to life-long learning and labour market participation are better implemented than CSRs about pension.
Regarding the implementation of the recommendations, it is expected that measures related to skills, life-long learning and other less politically contentious recommendations are more likely to be implemented than measures which are more controversial such as pension reform (as seen in Efstathiou & Wolff, 2019).

H4: Implementation rates vary among Member States.
Due to the different set of domestic circumstances, it degree of implementation is expected to vary between countries.

H5: Countries with more population ageing implement ageing related recommendations better than younger Member States.
It is expected that countries that are more aged will better implement ageing related CSRs since the urgency of reforms is higher.

H6: Countries with a stronger economy implement ageing related recommendations better than countries with weaker economies.
In line with Thomson (2009), countries that have a stronger economy are expected to be better able to carry out successful reforms.

H7: Implementation of given CSRs improves over the years.
It is expected that when looking assessment over time, implementation of a given CSR will improve since countries will have had more time to complete reforms.

Q3: Do CSRs encourage ageing-related reforms?

H8: CSRs on ageing-related reforms will be better implemented when they align with existing national priorities.
Based on earlier studies on the influence of the EU on national policymaking, it is expected that national governments will “cherry pick” from the CSRs, most effectively implementing those that line up with their existing national priorities (in line with Eihmanis, 2018).

Q4: What factors influence the implementation of CSRs?

H9: Domestic factors not related to the European Semester and the CSRs are also influential in impacting reforms related to population ageing.
As outlined in section 3.1, there are many factors outside of the European Semester that have an influence on reform.

4. Methodology

4.1 Data

As explained in the Operationalization section above (3.2), the research question will be answered through a combination of quantitative analysis of CSR data and a qualitative content analysis of case studies of specific CSRs.

4.1.1 CSRs

To conduct this research into the influence of the CSRs, various data sources will be used. The most important source will be the CSRs themselves. These have been published in the form of Council Recommendations each spring since 2011 and are compiled in a database by the European Commission. The quantitative analysis of CSRs has been employed in literature on the European semester (e.g. Al-Kadi & Clauwaert, 2019; Efstathiou & Wolff, 2018) which has allowed for the observation of macro-trends. Employing an analysis of the CSR dataset allows for a comprehensive overview of trends and relationships, specifically focusing on where ageing is reflected in the CSRs. This allows for the answering of some of the sub-research questions as well as establishing relevant examples and trends to be more thoroughly examined in the case studies. Initial data analysis can explain to what degree the process of ageing is reflected in the CSRs and compare this to other topics. It allows for establishing a link between the European Semester and ageing. Furthermore, the degree to which recommendations are followed can be used to assess policy effectiveness, an important part of understanding influence (see section 3.2).

The Commission assesses the progress on implementing previous CSRs in country reports, which are also issued each spring. This assessment is also included in the CSR database. Since CSRs can often be broad and contain multiple individual reforms, they are split up into sub-CSRs in which the various policy areas can be better distinguished. As done in many other analyses of the CSRs (e.g., Casagrande & Dallago, 2021; Haas et al., 2020) these sub-CSRs will therefore be utilized in this study.

To illustrate, an example of a CSR issued to France in 2019 is shown below:

"HEREBY RECOMMENDS that France take action in 2019 and 2020 to:

1. Ensure that the nominal growth rate of net primary expenditure does not exceed 1,2 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP. Use windfalls gains to accelerate the reduction of the general government debt ratio. Achieve expenditure savings and efficiency gains across all sub-sectors of the government, including by fully specifying and monitoring the implementation of the concrete measures needed in the context of Public Action 2022. Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.

2. Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background and address skills shortages and mismatches.
3. Focus investment-related economic policy on research and innovation (while improving the efficiency of public support schemes, including knowledge transfer schemes), renewable energy, energy efficiency and interconnections with the rest of the Union, and on digital infrastructure, taking into account territorial disparities.
4. Continue to simplify the tax system, in particular by limiting the use of tax expenditures, further removing inefficient taxes and reducing taxes on production. Reduce regulatory restrictions, in particular in the services sector, and fully implement the measures to foster the growth of firms." (European Council, 2019, p18-19).

Typically, countries receive between two and four recommendations each semester cycle. Of the four recommendations shown above, each one includes multiple separate recommendations for France. Mostly, recommendations are relatively broad. As mentioned above, it is therefore useful to split up the recommendations into sub-CSRs. This is done by the European Commission when it assesses the implementation of the CSRs. In the Commission's CSR database CSRs are listed in their entirety, as well as by subpart. This generates the following list of CSRs for France in 2019:

CSR No.	Text
1.1	Ensure that the nominal growth rate of net primary expenditure does not exceed 1,2 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP.
1.2	Use windfalls gains to accelerate the reduction of the general government debt ratio.
1.3	Achieve expenditure savings and efficiency gains across all sub-sectors of the government, including by fully specifying and monitoring the implementation of the concrete measures needed in the context of Public Action 2022.
1.4	Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.
2.1	Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background
2.2	and address skills shortages and mismatches.
3.1	Focus investment-related economic policy on research and innovation (while improving the efficiency of public support schemes, including knowledge transfer schemes),
3.2	renewable energy, energy efficiency and interconnections with the rest of the Union,
3.3	and on digital infrastructure, taking into account territorial disparities.
4.1	Continue to simplify the tax system, in particular by limiting the use of tax expenditures, further removing inefficient taxes and reducing taxes on production.
4.2	Reduce regulatory restrictions, in particular in the services sector,
4.3	and fully implement the measures to foster the growth of firms.

Table 1

For this analysis, the CSRs will be analysed at this subpart level, allowing for a more thorough look at the different categories within the recommendations. However, the term CSR will be used throughout the analysis (instead of sub-CSR). This is for clarify, since in this study that always refers to subpart level.

The types of recommendations that are made, what domains they cover, how many relate to ageing, and how these change over time will be explored using the data from the Commission's CSR database. As for the period to be studied, this will consist of recommendations issued for all Member States from 2015 to 2020, covering the period from the start of the Juncker Commission to the last recommendations published that were not completely impacted by the Covid-19 pandemic[4]. This starting point of analysis allows for the incorporation of a couple of Semester cycles before the introduction of the Pillar of Social Rights in 2017. In the period to be studied, 2015 to 2020, this resulted in a total of 1728 subpart CSRs for all Member States.

4.1.2 Case Studies

To get a more holistic view on the process of (lack of) implementation of the CSRs I then conducted a case study content analysis done of three specific CSRs. This fills the gaps left after the quantitative analysis and contributes to fully understanding the influence of CSRs. Conducting these case studies followed the approach taken by various studies into the CSRs. Eihmanis (2018) in his study of Latvian economic policy and the influence of EU economic policy targets. Eihmanis conducted in-depth process tracing based on public policy documents, interviews with officials in both Brussels and Riga and press sources. Louvaris Fasois (2018) also conducts his research on pension reforms in Belgium using a similar process-tracing approach, combining secondary literature, primary EU and national documents with interviews with actors at both levels. Lastly, conducting an analysis of the case studies using factors which are relevant for the (non) implementation of pension reform reflects the tracing of the reform process that was conducted by Guardiancich and Natali (2021) when tracing German and Italian pension reform paths. A simplified form of these different methods has been taken for the current study. The case studies I explored are reliant on public policy documents as well as other (secondary) literature on the topic of ageing and pensions in the countries concerned.

In section 3.1 the factors that can lead to successful reforms are discussed in detail. This theoretic background forms the basis for the analysis of the case studies and the factors identified are presented in Table 4, for each case study identifying the presence or absence of relevant factors.

The specific CSRs that were selected as case studies were chosen to reflect the different patterns of implementation seen in the quantitative first part of the research. These selected

[4] Mostly, only the first recommendation of all countries in 2020 specifically concerned response to the Covid-19 pandemic.

case studies reflect different representative trends of implementation of the CSRs over the years. The case studies selected showed three trends:

- Progress and then regression
- Interrupted progress
- No progress

What these trends mean is further clarified in the presentation of the CSR data and the case studies themselves.

Moreover, all the selected case studies concerned pensions. This was chosen because almost all ageing related CSRs concerned pensions. The ones where pensions were not the focus were the outliers. Additionally, choosing case studies with the same topic makes comparison easier. The literature on economic reform as well as ageing in general has a large focus on the topic of pensions, which serves as theoretical background for conducting the content analysis.

Also, these CSRs were selected because they were published some years ago, enabling more reflection on the (non) reform. Lastly, CSRs were chosen from different countries with different rates of ageing (European Commission, 2021) as well as different types of pension systems (OECD, 2021).

4.2 Data Manipulation and Analysis

To answer the research question, two steps will be undertaken during the research. First, the analysis of CSRs on the topic of ageing and pensions over the years, followed by a case study approach of the three specific CSRs.

4.2.1 CSRs

To analyse the dataset of CSRs, the approach used by other studies concerning CSRs in a certain policy field will be used. These studies (e.g. Guidi & Guardiancich, 2018; Azzopardi-Muscat et al., 2015; Rainone, 2022) all grouped CSRs into categories relevant for analysis or coded according to the presence or absence of the topic at hand. In some studies (such as Guidi & Guardiancich, 2018), the broad category of pensions also included measures related to active ageing and the employability of elderly workers, thus including a broad range of factors related to pensions and ageing, while excluding CSRs related to healthcare. For this study, a similar approach will be taken. Instead of including all policies under the header of pensions, it was chosen to include these under the indicator of ageing/demography. However, many recommendations concern fields that have an indirect effect on the consequences of ageing. For example, a recommendation that encourages supporting disadvantaged youth to enter the labour market is not necessarily related to the concept of ageing. This measure would, however, have a positive effect on the labour market. Therefore, in addition to the ageing/demography indicator, several other indicators were also chosen to be studied. This resulted in the following list of indicators:

- Ageing/demography
- Pensions and pension system
- Labour market participation
- Long-term and elderly care
- Life-long learning and education

To code the CSRs for the presence and absence of these indicators, a selection of CSRs was first made using a key terms search. A general reading of the CSRs and associated literature led to a devised set of key terms that relate to the five indicators. Particularly terms derived from Rainone (2022, table 1, p.9) served as a basis. This list was then inductively expanded upon as other key terms became apparent through the reading of CSRs that had already been coded. This resulted in the following list of terms:

pensions	ageing	wage/wages
pension	education/educational	health
life	older	care
retirement	training	healthcare
long-term	labour	low-income
skills	job/jobs	pay
learning	work	hire/hiring
active	employment	school/schools

Each of the CSRs that appeared as a result of the key terms search was coded with a “1” or a “0” depending on the presence or absence of the five indicators. This means that a single CSR could include multiple indicators. All the CSRs that were analysed based on the presence of a keyword were manually coded and labelled as such with a “1”. The remaining CSRs received a “0” in all the categories. This approach prevented the need to manually code all 1728 sub-CSRs in the dataset. To show what this ordering of the dataset resulted in, an example is given of the coding of the first two French CSRs from 2019 is shown in Table 3.

The CSRs are assessed by the Commission the year after they are issued. The Commission also assesses the CSRs in subsequent years. In this assessment, CSRs are scored into five categories. For analysis purposes (and following the approach of other investigations into CSRs) this categorical value has been translated into a numerical value (see Table 2). Some CSRs are not assessed or marked with a “-“. This has been translated into a NA.

No progress	0

Limited progress	25
Some progress	50
Substantial progress	75
Fully implemented	100
Not Assessed/No Input to Add, - or a blank	NA

Table 2

After this process, the data set was complete and ready for analysis. For the data analysis, the statistical programming language R was used to interpret and present the data. The data analysis focussed on answering the sub-research questions related to what and how CSRs reflect the topic of an ageing population as well as how this compares over time and between countries. Furthermore, the progress toward implementing the recommendations can be tracked through the assessment scores. General and country-specific trends can then be identified.

Additionally, further insights can be gained through the addition of other factors when analysing the implementation scores of the CSRs. This was done by including data on GDP growth, the OADR and unemployment rates. This allows for the analysis of hypotheses 5 and 6 (on effects of ageing and economic situation on assessment of implementation).

When presenting the data, the choice was made not to visually represent all EU countries. This makes it easier to see trends and patterns while not overwhelming the reader with information. The choice was made to include Belgium, France, Germany, Italy, the Netherlands, Poland and Spain in sections where results are split out by country. There were various reasons for this choice. Firstly, the choice reflects some of the largest countries within the EU. The selected countries also reflect different rates of ageing as well as different regions. As the research is done adjacent to a project concerning the Netherlands, this country and its neighbouring countries Belgium and Germany, were also included. In all other graphs, all countries (for which there is data) are included.

Country	Year	CSR No.	Text	Manually Coded	Ageing and Demography	Pension and pension system	Labour market participation	Life-long learning and education	Long-term care and elderly care	Assess-ment	Assess-ment Quantified
France	2019	1.1	Ensure that the nominal growth rate of net primary expenditure does not exceed 1,2 % in 2020, corresponding to an annual structural adjustment of 0,6 % of GDP.	0	0	0	0	0	0	Not Assessed / No Input to Add	NA
France	2019	1.2	Use windfalls gains to accelerate the reduction of the general government debt ratio.	0	0	0	0	0	0	Not Assessed / No Input to Add	NA
France	2019	1.3	Achieve expenditure savings and efficiency gains across all sub-sectors of the government, including by fully specifying and monitoring the implementation of the concrete measures needed in the context of Public Action 2022.	0	0	0	0	0	0	No Progress	0
France	2019	1.4	Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.	1	1	1	0	0	0	Limited Progress	25
France	2019	2.1	Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background	1	0	0	1	0	0	Some Progress	50
France	2019	2.2	and address skills shortages and mismatches.	1	0	0	1	1	0	-	NA

Table 3

4.2.1 Case Studies

The method to be used to analyse the specific CSR case studies will be conducted in two parts. First, the CSR will be briefly explained and contextualised. Then there is a description of the pension system in the associated member state. Following this, (attempted) pension reform in the member state in question is described. This also concerns pension reforms enacted before the CSR was issued when this impacts the trajectory of reform after the issuing of the CSR. This was done by reading the country reports of the European Commission and, where relevant, the National Reform Programs that Member States submit each year. Further information on (attempted) reforms has been gathered from academic literature concerning these specific reforms or news articles on the process, especially when events are more recent.

Once a clear picture has been sketched on the (non) reform process, the factors that impacted the (non) reform were identified. This was be done based on the list of factors influencing reform compiled in section 3.1. Examination of the case studies was be done through close reading of the various documents. It could then be seen which different factors had an influence on (lack of) implementation and if the EU or CSRs itself were a factor in the (non) reform.

4.3 Challenges

Different difficulties were encountered during the process of conducting the research and writing of this report. The first hurdle became the use of data since this was something that I did not have much experience with. Manipulating the data set to make it useful and learning a programming language proved challenging and time intensive.

Due to this process, the choice was made to put less emphasis on the case studies as part of the thesis. While they remain a component of this thesis, they serve as a further illustration and explanation of trends identified during the quantitative part of the thesis and should be seen as a supplement to this rather than a separate study of their own.

Furthermore, the several case studies were intended to illustrate different trends in the implementation of CSRs in the years after which they were issued. A difficultly was encountered during case study one. The Belgian CSR was considered to be the most interesting trend found in the analysis of CSR data, with the CSR moving from fully implemented to limited progress. In the course of the research no clear reason for these assessments could be identified. This can be considered a finding in itself but means that the trend spotted doesn't say much about the influence of CSRs. Instead, it casts doubt on the quality of some of the assessments provided by the European Commission. I discuss this further in section 5.2.1.

A last difficulty centred around the change of the semester process following the Covid-19 pandemic. Since the CSRs issued in 2021 strongly reflected the influence of the pandemic, with many general recommendations made to all Member States it was chosen to have the CSRs issued in the spring of 2020 be the cut-off point for analysis. After that, the embedding of the Semester Process into the Recovery and Resilience Facility meant that older CSRs were no longer assessed after 2021. When looking at the multiannual assessment of CSRs issued between 2015 and 2019 this means assessment stops after 2021. Unfortunately, this did not make it possible to trace commission assessment of these CSRs right up until the present.

5. Results

5.1 CSR Data

This section presents the results of the analysis of the CSRs issued to all Member States (excluding the United Kingdom) between 2015 and 2020.

5.1.1 Number of CSRs

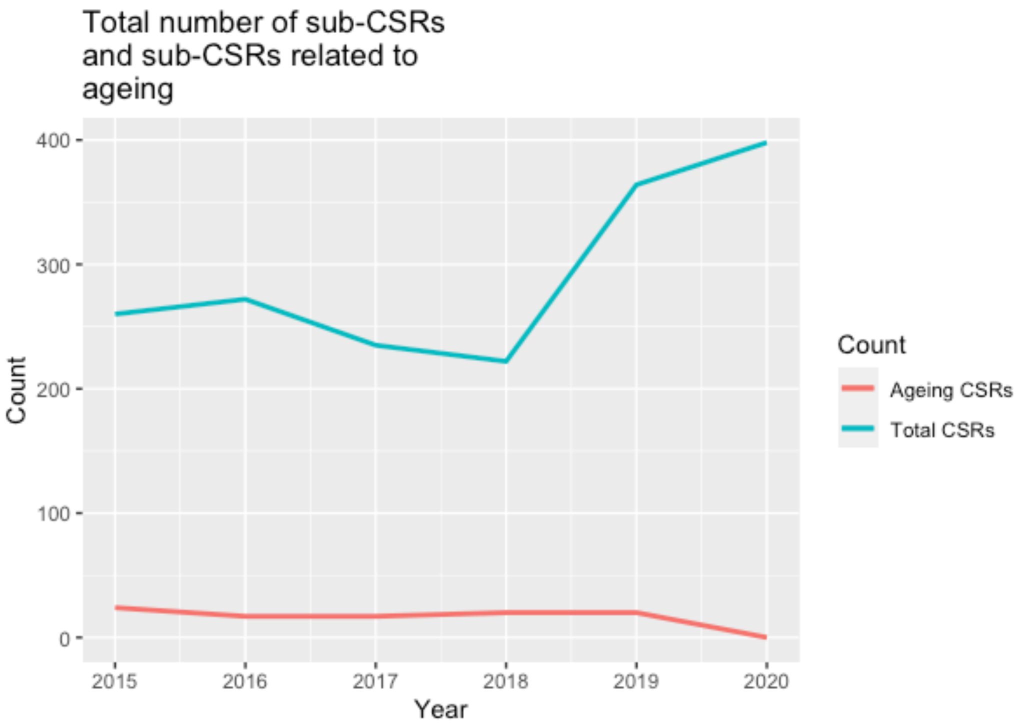

Figure 2

Figure 2 shows an overview of the total number of CSRs issued to Member States between 2015 and 2002. Overall, the number of CSRs has increased since 2018. The red line shows the number of these CSRs that were coded as being related to ageing and/or demography. This shows that recommendations related to ageing are a relatively small and declining proportion of all issued CSRs and their number have decreased over time.

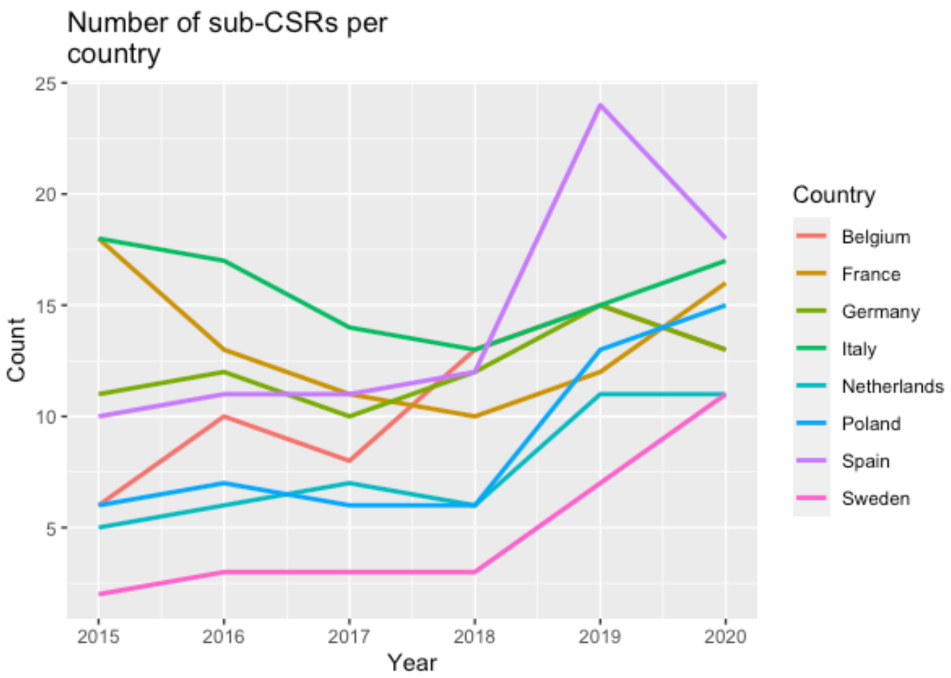

Figure 3

The number of CSRs issued per country varies over the years. Figure 3 shows the number of CSRs for a selected number of EU countries. Since other EU countries are excluded, the totals do not add up to the numbers in Figure 2. However, the general upward trend in the number of CSRs is clearly visible. Another interesting finding is that the number of CSRs issued to countries varies greatly. In comparison to other countries Sweden, the Netherlands have received few CSRs. This is also the case for Poland until 2019. The countries presented in this figure differ in their rate of ageing and are spread across the continent. Populus EU countries such as Germany, France and Italy are included. Further explanation of the choice of countries is given in Section 4.2.1. Of the selected countries, Spain received the most recommendations in 2019 and 2020, peaking in 2019. Sweden has received the least CSRs but has seen an upward trend since 2018.

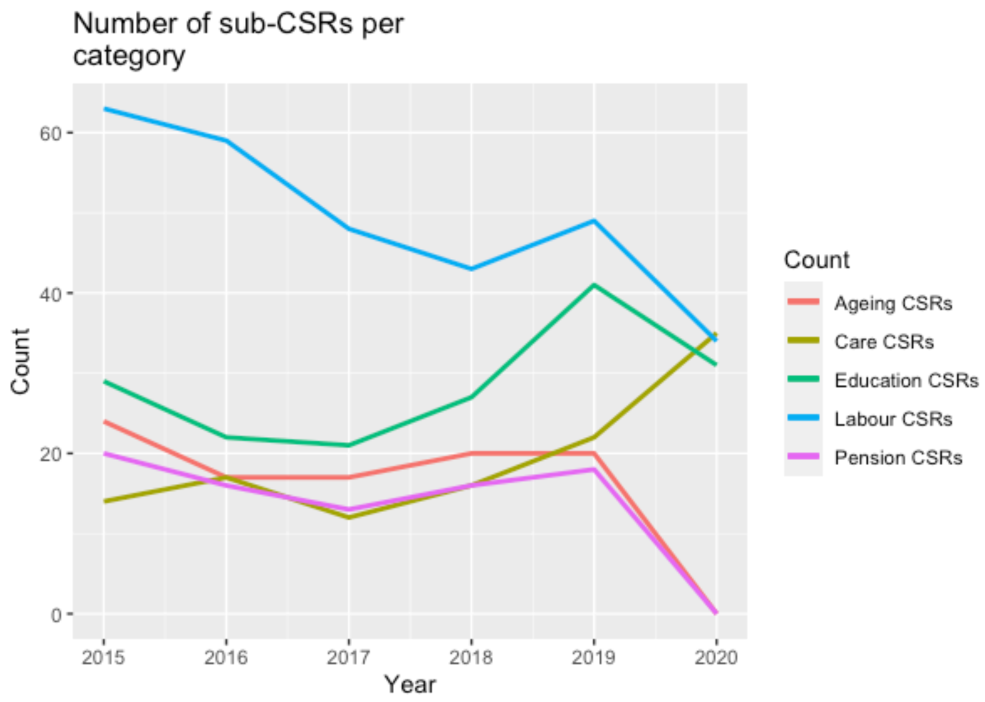

Figure 4

The number of CSRs per category are presented in Figure 4. The count corresponds to the number of CSRs each year that were coded for the presence of a certain category. Since some recommendations do not fit into any of the above-listed categories, they do not add up to the total number of CSRs in Figure 2. Additionally, a CSR can be coded into multiple categories (e.g., recommendation 1.4 for France, see Table 3). It is noteworthy that the number of CSRs related to ageing and pensions is low and even drops to zero in the year 2020. There is also a downward trend in the number recommendations on labour market participation. CSRs related to education and life-long learning were rising before also dropping in 2020. This could be an effect of the Covid-19 pandemic, where attention shifted to other topics. It is notable that the number of recommendations in all these areas declined since the overall number of CSRs over the same time increased. This means that there was more attention for other topics in the CSRs these years.

This suggests that hypothesis 1 (*There are more ageing related CSRs issued in recent years)* is only partially supported by the data. There is not a continuous upward trend in ageing related CSRs.

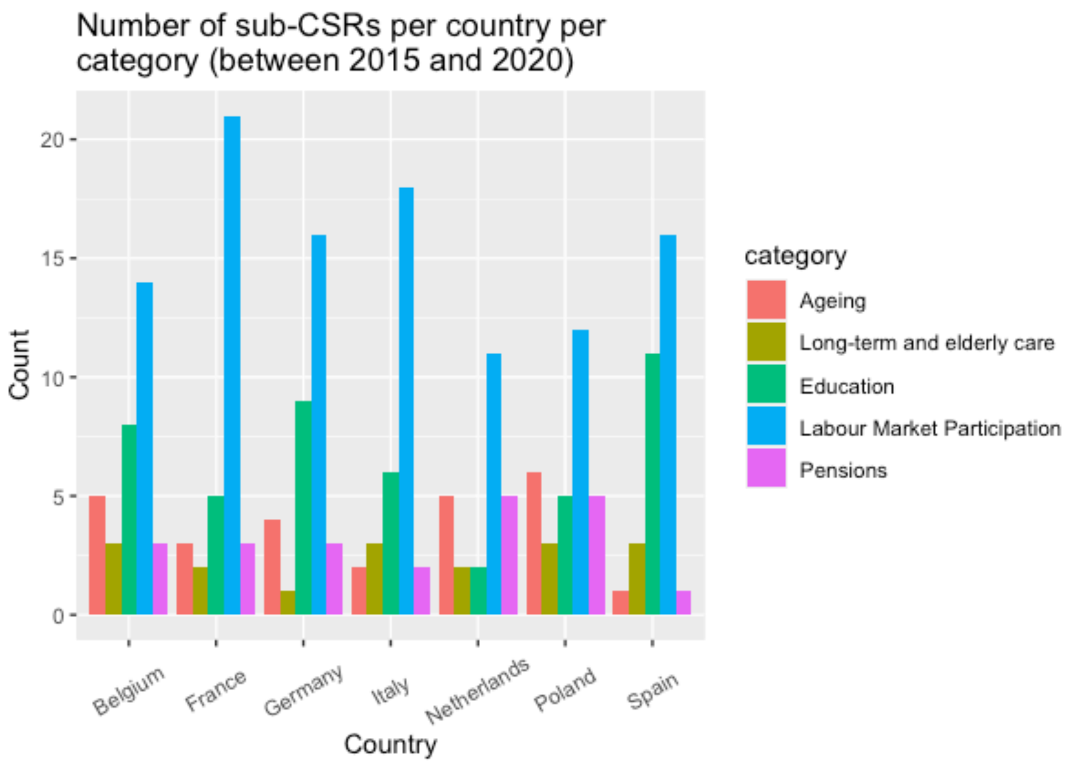

Figure 5

Figure 5 shows the number of recommendations in each category for a selected number of countries. All countries received the most recommendations in the field of labour market participation, followed by education. Substantially fewer CSRs addressed ageing and pensions, with Spain receiving just one pension recommendation over the entire period. Poland received the most recommendations on the topic of ageing, while Spain and Italy received the least. What is interesting is that these are two countries that are quite aged so it was expected that these countries would have received more ageing related CSRs.

5.1.2 Assessment of CSRs

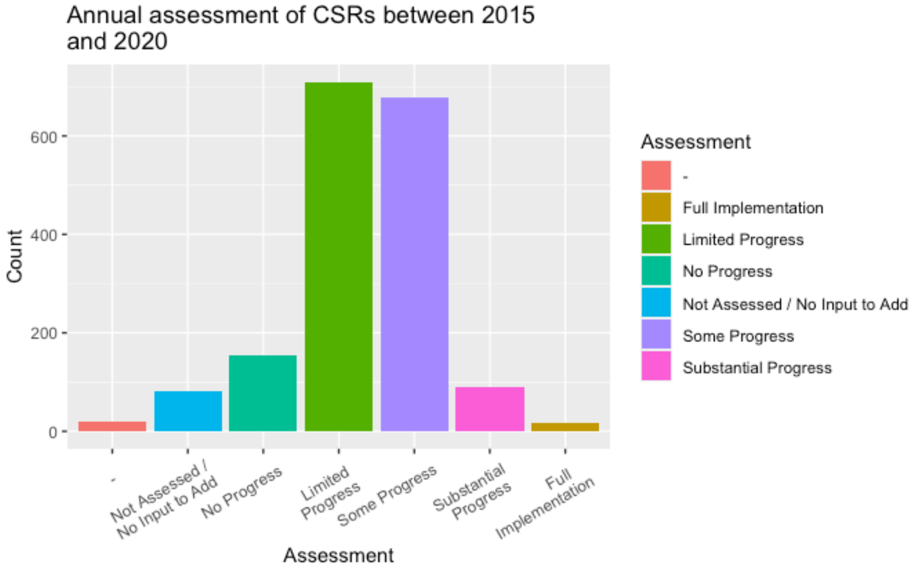

Figure 6

As described, assessment of CSRs is done by rating the CSRs from 'no progress' to 'fully implemented'. Figure 6 shows the range of assessment of all the CSRs issued between 2015 and 2020. In the rest of the analysis all CSRs marked with "-" or "Not Assessed/No Input to Add" were excluded. Figure 6 shows how most CSRs fall into the "limited progress" or "some progress" category. The least frequent assessment is "Full implementation".

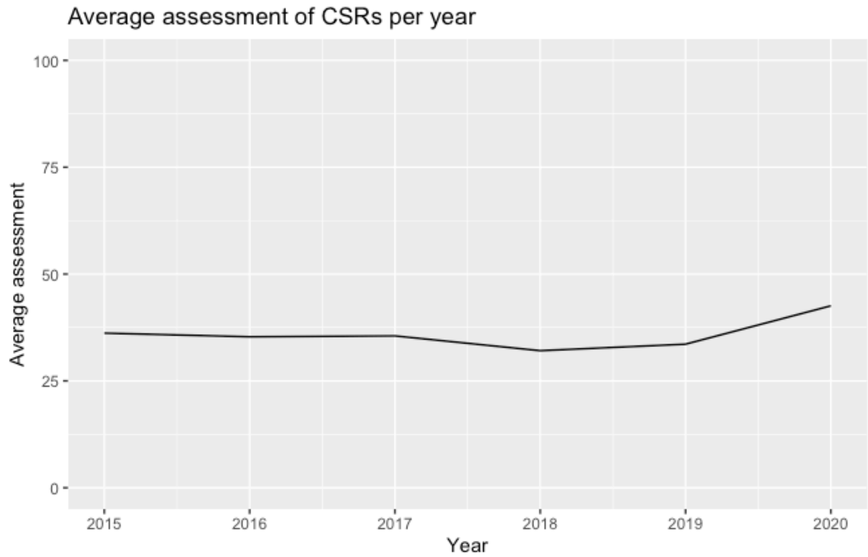

Figure 7

In the dataset, these measures have also been quantified. In Figure 7, the average assessment for all CSRs is shown. This is including CSRs not related to one of the categories relevant for this analysis. CSRs that were not assessed by the commission (e.g., marked with NA) are excluded. The data shows that there was a very slight decrease in the average assessment of CSRs, reaching a low point in 2018. After 2018, implementation rates rose very slightly again. However, the difference between years remains small and overall implementation is low at an assessment of around 30 (between 'limited progress' and 'some progress'). The main trend is thus stability, implementation not greatly increasing or decreasing. What can be interpreted from this is that economic and political circumstances do not necessarily have a substantial impact on the implementation of CSRs on an aggregate level. Otherwise larger differences could be expected over the years as circumstances change.

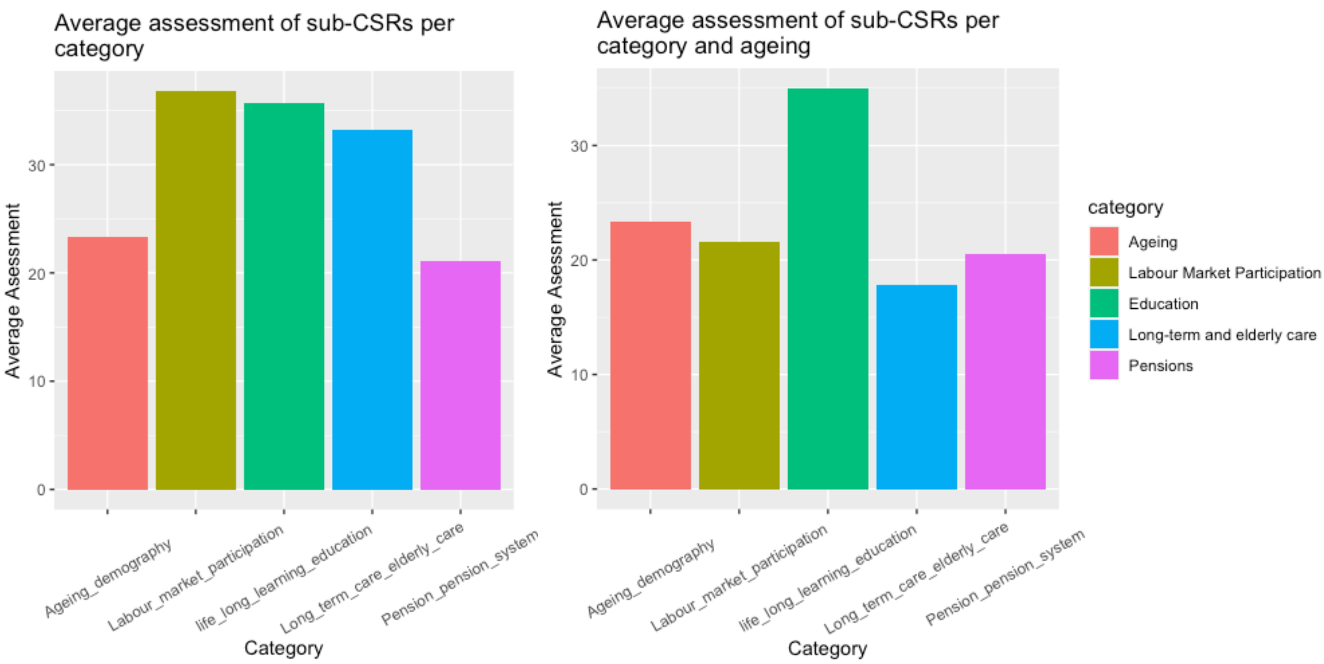

Figure 8 & Figure 9

Figure 8 shows the average assessment as split out by the categories studied. The figures represent all the recommendations issued for these categories between 2015 and 2020. It is striking that recommendations related to ageing, demography and pensions are assessed as being implemented at much lower levels than the other categories. This shows that in addition to there being fewer recommendations on these topics, they are also less well implemented by the Member States. As found in the literature review, pensions and pension reform are so-called 'tinderbox issues' and highly contentious (Guardiancich et al, 2022). Considering this, CSRs on this issue being poorly implemented is not surprising.

Figure 9 (on the right) represents the average assessment of CSRs that fall into both the category of ageing and into (at least) one of the other categories. For example, this would entail a CSR which was coded with "1" for both ageing/demography as well as a "1" for labour market participation. We see that assessment for ageing and demography does not change. This is because these would encompass the same recommendations as in Figure 8. However, for labour market participation and long-term and elderly care, implementation assessment falls when the recommendation also concerns ageing. Implementation for life-long learning and education only slightly decreases. When it comes to pensions, the difference is small, likely due to almost all pension recommendations also concerning ageing.

These finding do agree with hypothesis 2 (*Ageing related CSRs overlap with those related to pension policy, life-long learning, long-term care, and labour market participation)*. Because each of these categories show in Figure 9, this indicates that there is overlap between each of the other categories and ageing. However, it was also found that when this overlap occurs, implementation assessment generally falls. The exception being labour market participation and pensions.

The two figures above also give valuable insights into hypothesis 3 (*CSRs related to life-long learning and labour market participation are better implemented than CSRs about pensions)*. It is true that both CSRs related to labour market participation and life-long learning and education are better implemented than CSRs about pensions. The difference is especially stark in Figure 8. In Figure 9 we see that CSRs about lifelong learning and education that overlap with the topic of ageing are still much better implemented than pension CSRs (difference of almost 15 points). However, this is not the case for CSRs about labour market participation. The drop is sharp and the difference in implementation with pension CSRs is very minimal. Yet overall, the hypothesis is supported.

In Figure 10 below, it can be seen how ageing-related CSRs are assessed in categorical values (as opposed to numerical ones). It is striking that between 2015 and 2020 no ageing recommendations were fully implemented, and it is also noticeable that there were none issued in 2020 (which is why this year does not appear on the graph). A lot of the ageing-related CSRs also get assessed with "no progress."

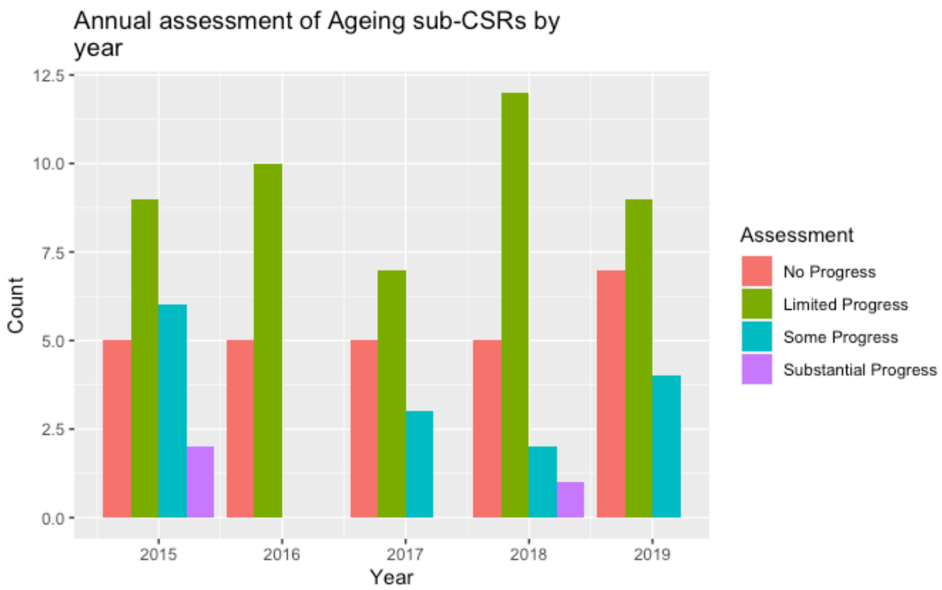

Figure 10

Lastly, the implementation rates per county will be examined. This is shown by Figures 11 and 12. Assessment of implementation varies per country but remains low across the board. France has the highest average implementation, followed by the Netherlands and Italy. Most countries in this selection have a similar average assessment. Poland is the outlier, scoring just over 20 as an average assessment. When just examining the CSRs that are related to ageing, average assessment falls in nearly all countries except France. Most striking are Spain and Italy, which are assessed as having made 'no progress' on all CSRs issued related to ageing. Particularly for Italy, the difference with overall CSR implementation is very large. However, this could be explained by the very low number of CSRs on the topic of ageing that these countries received. Average implementation on CSRs related to ageing drops over 10 points for the Netherlands and over 15 for Poland. This data is in line with hypothesis 4 (*Implementation rates vary among Member States).*

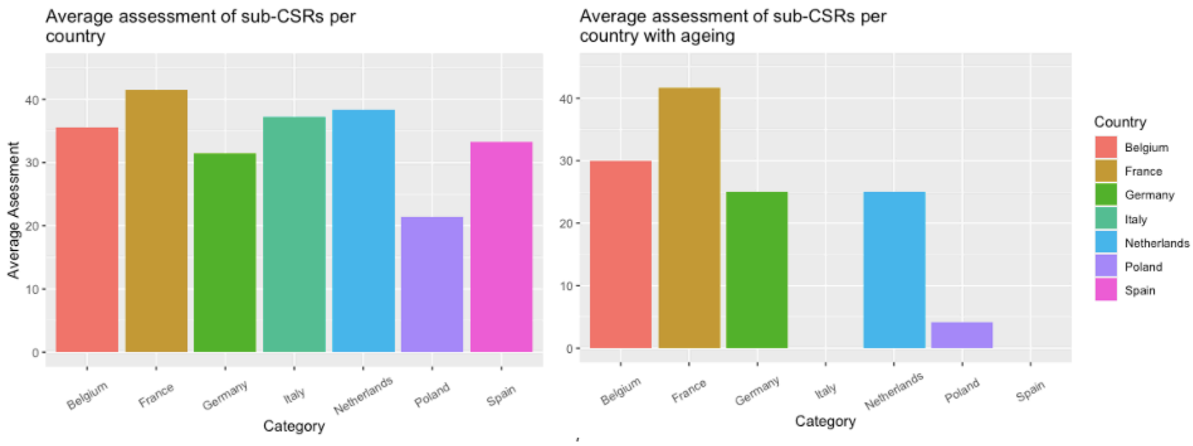

Figure 11 & Figure 12

5.1.3 Indicators and CSR Assessment

To understand the context more fully in which CSRs are issued, extra explanatory factors were added to the analysis of the CSRs. These can shed light on explanations for varying levels of assessment and help study hypothesis 5 (*Countries with more population ageing implement ageing related recommendations better than younger Member States)* and hypothesis 6 (*Countries with a stronger economy implement ageing related recommendations better than countries with weaker economies)*. The indicators that were selected reflect the level of ageing and the general state of the economy (OECD Data, 2023). The indicator that was selected for ageing was the old-age dependency ratio (OADR). The OADR is expressed as the number of older people (those over 65 years) that are dependent on 100 members of the working-age population (aged 20-64). Indicators that were selected for the economy were percentage of GDP growth as well as the percentage of unemployment.

It is expected that as OADR increases, the implementation of ageing-related CSRs will increase (hypothesis 5).

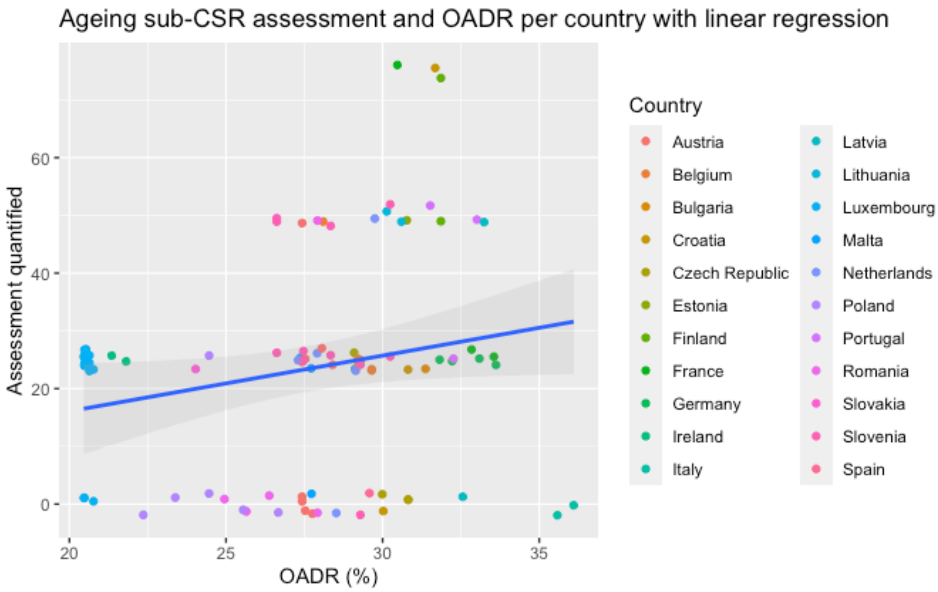

Figure 13

Figure 13 shows the relation between the OADR and the average assessment of CSRs within the category of ageing. Each point on the graph indicates a country for a given year and shows the average assessment of all ageing CSRs in that year and at a specific OADR level (i.e. at the level which corresponds to that year). The blue line shows a linear regression for the data on the graph. Most CSRs are assessed at a low level, with most points around an assessment of 25. The linear regression shows a slight upward trend, which is statistically significant ($p < 0{,}05$),[5] indicating that there is a positive correlation between a higher OADR and the assessment of the CSRs. This means that countries with more population ageing are on average more likely to implement a CSR. Specifically, a 1% increase in OADR translates into an 0.88 higher assessment score. This might not be a very large increase, but when considering the large increases of OADR that are expected over the next decades (25% on average over the EU between 2019 and 2070) (Eurostat, 2020), these small changes in assessment score can add up. The multiple R squared value for this linear regression is 0.05 indicating that most of the variation in assessment scores related to other variables that are not included in this regression. This is unsurprising, since, as seen in the Theory section, there are many factors which influence implementation of CSRs, in addition to the level of ageing analysed in this regression.

[5] The significance level of 0.05 has been widely accepted by researchers in many fields (Lewis-Beck et al, 2004).

In summary, we find evidence for hypothesis 5 in the data. There is a link (though not a large one) between a higher OADR in a country and higher assessment of CSRs. However, as expected, many other factors also matter for the assessment.

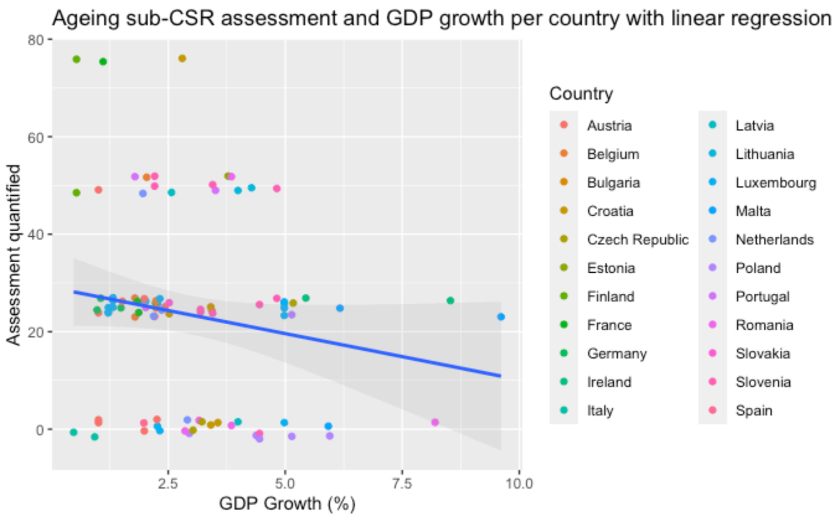

Figure 14

The above figure shows the same type of graph but then for GDP growth per year. Years with lower GDP growth are shown by points on the left side of the figure with years with a higher GDP growth on the right. Each point on the graph indicates a country and shows the average assessment of all ageing CSRs in a given year, and therefore at a specific level of GDP growth. A couple of outliers are seen between 7.5-10% GDP growth but most of the points are at lower levels of GDP growth. The blue linear regression line shows that higher GDP growth corresponds to a lower level of assessment, although this relationship is non-statistically significant ($p = 0.10$). This suggests that countries in which GDP is growing faster do not implement ageing-related CSRs as well as slower growing countries do. For this linear regression, the multiple R squared value is 0.03, indicating only a small proportion of the variation in assessment scored can be explained by the economic growth of a country. Due to this non-statistically significant value, we cannot assume that there is a relationship between assessment score and GDP growth based on this data.

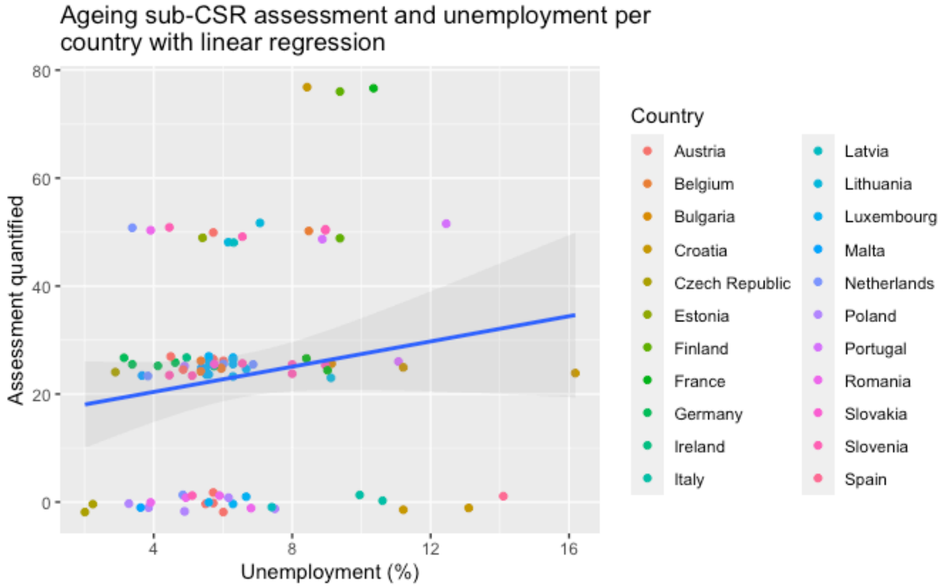

Figure 15

Figure 15 shows the assessment of ageing CSRs and unemployment. Each point represents the average assessment of ageing-related CSRs at a specific level of unemployment. The blue linear regression line indicates that the assessment of ageing-related CSRs is higher when unemployment is higher. For this linear regression, the multiple R squared value is 0.03 and the p-value is 0.13. This is a statistically insignificant value, meaning that we find no connection between unemployment and assessment of CSRs.

Both economic indicators (unemployment and GDP growth) are not statistically significantly linked to average assessment of CSRs. Thus, our data provides no support for hypothesis 6. In other words, based on this data, it cannot be said that countries with a stronger economy better implement CSRs.

5.1.4 Multiannual Assessment

The last part of this data analysis looks at the multiannual assessment of the CSRs. While the previous analysis has all relied on the assessment that was done one year after the recommendations were issued, CSRs are re-evaluated each year. Viewing the implementation assessment over the years can show us if implementation improves over time. To be able to see some trends over multiple years, this multiannual assessment will show the results of the recommendations issued in 2015 and 2016.

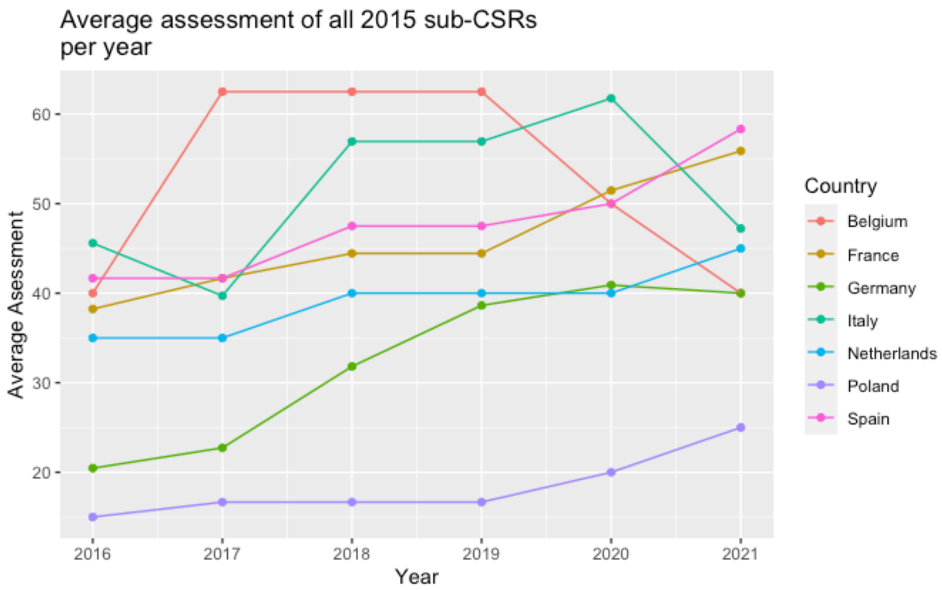

Figure 16

The figure above shows the average assessment of all the CSRs issued to the selected countries in 2015 and changes over time. The 2016 data point is what was included in the previous analysis, the data points for subsequent years are newly added here. The general trend seems to be an increase in average assessment. However, there are also exceptions to this, with some country's average assessment score for the 2015 CSRs decreasing after some years Most notable here is Belgium, with initially a high assessment score, which then falls between 2019 and 2021. It is interesting that a recommendation can initially be followed but then later be undone again. . Thus, policy reform is not a linear process. The next figure also shows the 2015 CSRs, but now only those related to the categories studied (ageing/demography, pensions, education/life-long learning, labour market participation, long-term care). This is thus a subset of all 2015 CSRs.

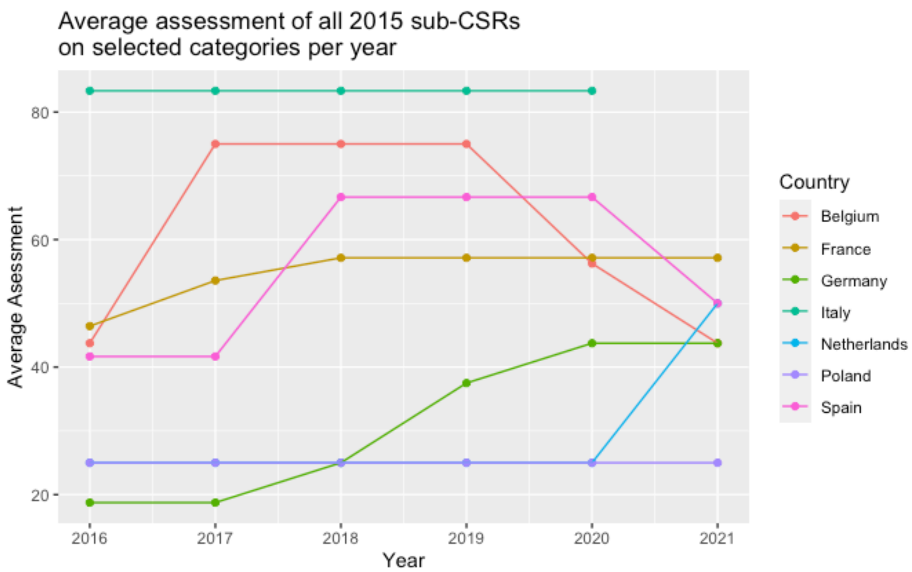

Figure 17

It is notable that the Italian CSRs related to the selected categories are assessed at a high level throughout the years before there not being an assessment done in 2021. Poland is also noticeable, remaining at the same low level over all the years. Again, the stark drop in the assessment of Belgian CSRs is interesting. The slow uptick in assessed implementation shown by Germany, and the late increase by the Netherlands possibly show that CSRs can still have an effect or be topical years after they are issued.

When only looking at the category ageing (Figure 18) the data is a lot more limited since not all countries received a recommendation in this category in 2015. For those countries that did, the data is presented below.

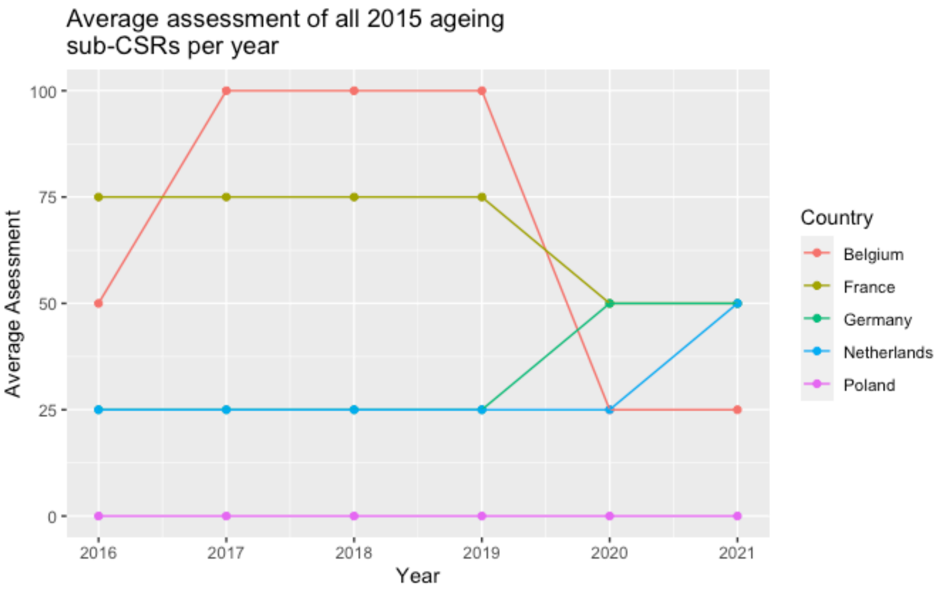

Figure 18

The same graphs will now be shown for the CSRs published in 2016.

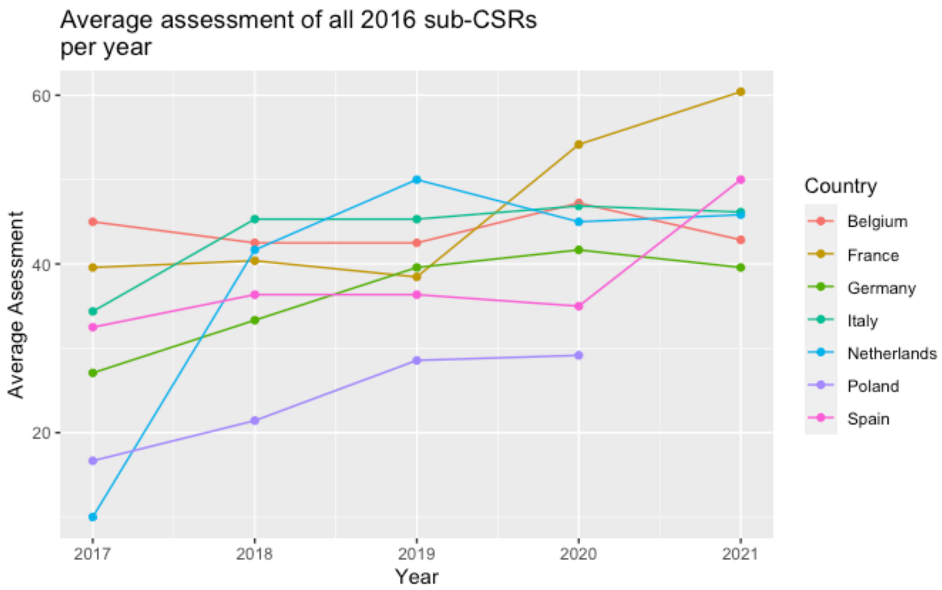

Figure 19

What is most noticeable when first looking at Figure 19, is that the downward trend that is seen for some countries with the 2015 CSRs is not present when looking at the 2016 CSRs. In general, the patterns for the different countries seem to be closer together. Quite surprising is the score of the Netherlands. One year after the recommendations were issues, the average assessment score was 0, meaning there was no progress toward any of the recommendations. One year later this rose to a score above 40. This one example shows the limitations of only looking at assessment one year later. Although the CSR are supposed to be implemented within a year-long period, in practice this may not be achievable in many cases.

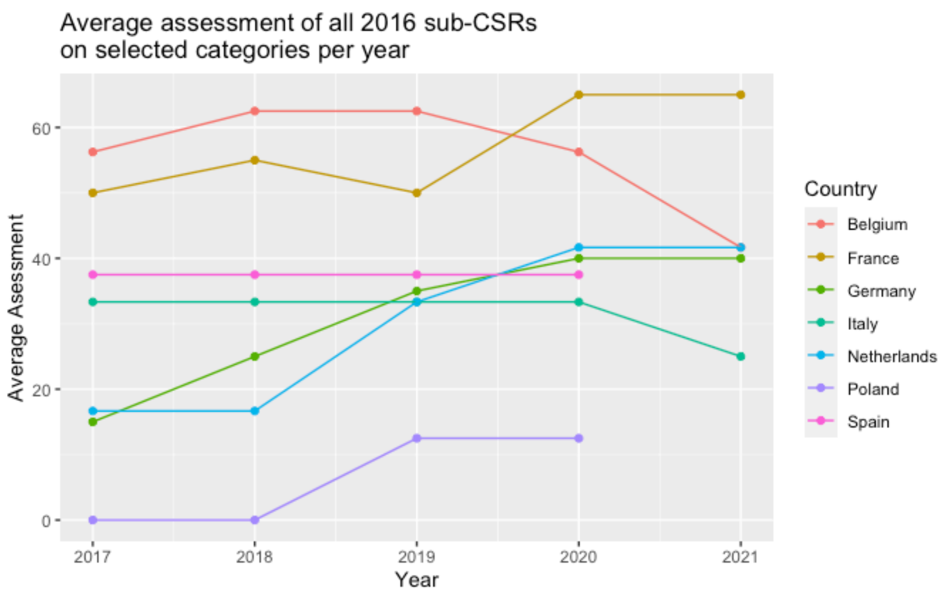

Figure 20

This figure shows the assessment of the 2016 CSRs for a subset of categories (ageing/demography, pensions, education/life-long learning, labour market participation, long-term care). In contrast to the previous figure, here countries do show downwards trends, notable Belgium again. The assessment of France's CSRs declines in 2019 before rising again in 2020.

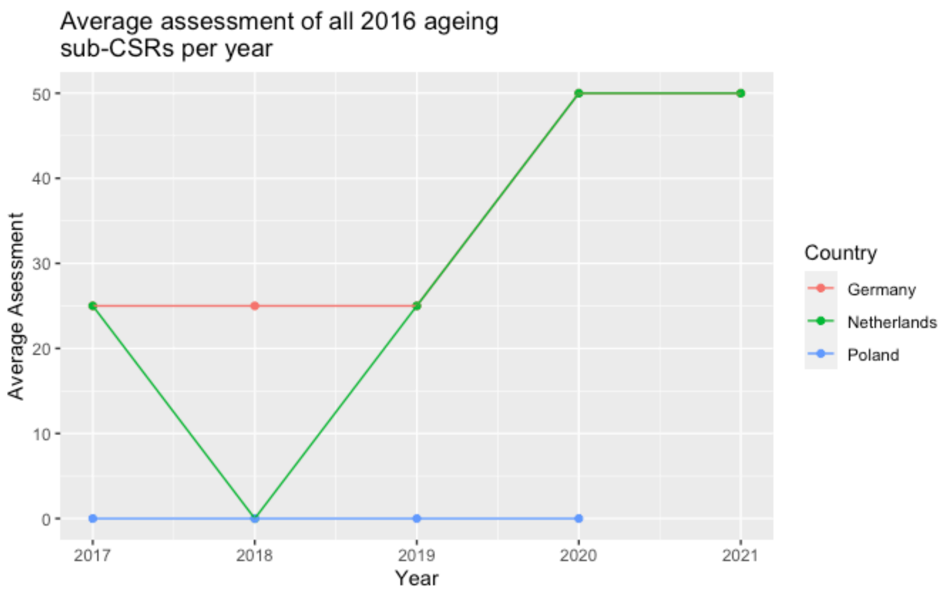

Figure 21

There is only a limited amount of data on the specifically ageing related CSRs issued in 2015. These were only issued for Germany, the Netherlands and Poland. Germany's red line is not visible but increases along the same path as the Netherlands from 2019 onwards (to be fixed so that this is visible). This figure shows how ageing related recommendations are not implemented at all in Poland throughout the entire period. In the Netherlands, assessment falls to zero after one year but then increases again.

Based on these multiannual assessments we can then turn to hypothesis 7 (*Implementation of given CSRs improves over the years).* Through looking at the above figures, we can see that there seems to be a general upward trend when examining all CSRs. However, this trend is much less pronounced when looking at the CSRs for the studied categories (the given CSRs) and even less when looking specifically at the ageing related CSRs. Therefore, while there is a slight link, we cannot overwhelmingly conclude that implementation of given CSRs improves over the years.

5.1.5 Data Findings

The above analysis presents a number of findings that constitute interesting results on their own. These findings also form the basis for the next section, where three specific CSRs are analysed in greater depth. This enables the answering of the last two research questions.

The above findings show that the number of CSRs on ageing in the period studied is low and decreasing while the overall number of CSRs is increasing. Of the categories studied, most recommendations concerned labour market participation. Furthermore, the implementation of CSRs is low. The average assessment of the degree to which recommendations are implemented has not changed much between 2015-2020, though there was a slight increase in 2020. Notably, the average assessment of CSRs related to ageing, demography and pensions is lower than that of other categories. This also goes for CSRs that cover more than one category, implementation is lower when it overlaps with ageing.

As for countries specifically, based on average assessment, France has shown the most progress in implementing CSRs. This assessment barely changes when accounting for recommendations related to ageing. On the other hand, the average assessment is the lowest for Poland. Spain and Italy are assessed as having made 'no progress' on all CSRs issued related to ageing. However, the number of ageing-related CSRs issued to these countries was also very low.

When considering the various indicators, there is a connection between the OADR and assessment of CSRs. 'Older' countries are slightly more likely to implement CSRs. Yet we can also conclude that other factors have a larger impact on assessment, given that only a small proportion of the variation in assessment scores was explained by a country's level of ageing. Based on the data, GDP growth is negatively correlated to average assessment while higher unemployment seems to lead to better implementation. These two indicators of the economy of a country thus point in different directions. However, neither of them is statistically significant. We can therefore say that in this data there is a small effect of OADR on assessment of implementation but find no indication of a link between assessment of implementation and the economic variables.

The multiannual assessment shows that countries often improve the implementation of CSRs over time. However, a reduction of the assessment score is also possible. There is not one clear trend, especially when it concerns CSRs related to ageing.

Based on the above, several trends were identified which will be further explored by selecting case studies that illustrate these differences. The trends that were examined looked at the multi-annual assessment of ageing related CSRs. This is because it gets to the essence of the research question since the CSRs represented in these trends are explicitly coded as related to ageing. The CSRs selected for a case study are selected to represent the range of different trends that are seen after a CSR has been issued. This means that each case represents an archetype as seen in the data. The first case is an example of *progress and then regression* in assessment of implementation. The second shows *slow, but interrupted, progress*. The last case study illustrates the trend of *static no progress*.

The great majority of CSRs in the category coded as ageing are also coded as having to do with pensions. To allow for better comparison between the cases, the three cases are all also pension related CSRs. This is in addition to representing one of the three described trends.

5.2 Case Studies

The three chosen cases were studied based on the trends observed when examining the CSRs over the years, as well as reflecting upon the conditions in which reform usually takes place, as examined in the theory section of this thesis. These factors have been summarised in the table below. The influence exercised on reforms through the EU and the Semester can be seen as occurring through several of these elements, but also constitute a category of its own, which is added to the table as a separate category based on the literature on the European Semester explored through the literature review. These various factors are used to examine each of the case studies for the presence or absence of conditions that led to the (non)implementation of reform/CSR.

Category	Factor	Explanation
Institutional Characteristics of the Political System	Opposition of certain groups	Includes well-organized interest groups or organizations. When opposition parties are divided reforms are easier to carry out.
	Uncertainty	Uncertainty about effects of a reform means that even groups that stand to benefit might oppose a reform.
	Mandate of government	Voters are more likely to accept reforms from a government with a strong electoral mandate.
	Unity/stability of government and coalitions	Coalition governments have a harder time realizing reform. Similarly, unified governments realize reforms more easily.
	Electoral cycles and 'honeymoon' periods	New governments have a so-called honeymoon period where short-term economic and electoral losses can still be remedied in the longer-run. Leading up to elections, governments are more risk-averse and less likely to enact reforms.
	Bureaucracy	The efficiency and quality of personnel impact reforms as well as how isolated bureaucracy is from political influence and corruption.
	Information Asymmetries	It can be hard for voters to determine if a reform is proposed for partisan reasons or to increase social welfare. Therefore, reforms are easier to carry out policy change by parties that were initially opposed to reform.
Economic Conditions	Crises	Increase a governments willingness for reform and the publics acceptance of reform.
	Economic Experiences	Collective memory of outcomes of previous reforms shapes the (un)willingness of reform.
	Distribution of income	Unequal income distribution undermines consensus for economic reform.
	External influences (Can link to EU)	*Economic effects through the world economy or through external actors. Can include the transmission of relevant policy knowledge. This factor would include elements of influence from the EU/European Semester.*
	Conditionality (Can link to EU)	*When certain things outside actors provide (like funding) are dependent on reform. Can also link to the EU/European Semester (e.g., conditions for EU or EMU entry).*
Design and implementation of the reform program	Pace of reform	Timing of introducing a reform important to gather support, compensate or neutralize the opposition and strengthening public support. Yet too rapid reform can unsettle public and lead to higher costs.
	Sequencing of reform	Reforms can be carried out in a phased manner or bundled, both with advantages and disadvantages.
	Compensation	Compensating 'losers' of reform, or 'grandfathering' to exempt large groups from feeling the (immediate) impact of reform help make it more acceptable.
	Reform Ripeness	Implementing 'easy' reforms first to create momentum for further reform.
	Communication	Transparency to the public and stakeholder helps create support, especially when backed by policy-oriented research. These reforms are less likely to be reversed. Input from credible institutions helps depoliticize issues. Emphasis on costs of non-reform.
EU/European Semester	***Conditionality***	*Some elements of EU economic governance have more stringent enforcement requirements.*
	Dialogue	*Discussion on policy options between national and EU level.*
	Learning Process (Evidence based policymaking)	*Learning of best practices, certain issues gaining attention on the national agenda due to a transfer of ideas.*
	Upholding a reputation	*When a member state follows reforms suggested by the commission to uphold a reputation of compliance.*
	National Ownership	*To what degree does what is recommended/encouraged from an EU level match up with national priorities?*

Table 4

Derived from Literature Review (section 2) and Theory (section 3). Italic factors are factors of influence related to the EU.

5.2.1 Case Study 1: Progress and then Regression

The first case that will be examined is the case of a CSR received by Belgium in 2015 recommending the linking of the retirement age to life expectancy:

"Complement the pension reform by linking the statutory retirement age to life expectancy." (Belgium, CSR 1.2 issued in 2015)

The pattern that made this CSR stand out from the rest is how it was assessed as fully implemented by the commission after two years. After this, it shifted back to limited progress from 2020. This shift is shown in the table below.

Year	Assessment	Assessment Quantified
2016	Some Progress	50
2017	Full Implementation	100
2018	Full Implementation	100
2019	Full Implementation	100
2020	Limited Progress	25
2021	Limited Progress	25

Table 5

What this shows is that reforms can be undone, and progress (or even full implementation) of a CSR for a couple of years does not mean that it can be seen as completed, as evidenced by the undoing of progress in this CSR. Yet, this data does not give us any indication as to what happened to make these shifts occur and whether the Semester had any impact on this process. Therefore, a more specific look at the events that took place in Belgium surrounding this particular pension reform will be examined in this section.

I will start by briefly outlining the Belgian pension system, followed by an examination of reforms that took place and the process behind these. Following this, the factors presented in Table 4 will be used to try and understand what impacted this process and whether the European Semester was one of the factors that had an influence.

5.2.1.1 Belgian Pension System

Due to Belgium's complex and multi-layered governance structure, it can be difficult to describe its welfare and pension system clearly. While social security is a federal matter, some systems are governed at a regional level. Due to this structure, change in policies does not happen through big legislative interventions but rather through smaller changes. Additionally, the social partners remain quite powerful and have a high degree of autonomy in social security issues. What is also particularly relevant when analysing pension system change is that much of the welfare system is not codified in law but is set out in royal and ministerial decrees. These decrees do not require parliamentary approval and make the welfare state easy to change. As a result, small, seemingly technical changes happen, which can be difficult to observe for outsiders but amount to meaningful reforms over time (Marx & Van Cant, 2019).

The most important element in Belgian welfare state reform over the past decades has been linked to cost containment, as is the case in many other European countries. Compared to others, Belgium spends a large amount of GDP on social expenditure, namely 29.1% in 2015, compared to 20.1% in the OECD on average. 9.7% of GDP was spent on old-age pensions, compared to an average of 7.4% in the OECD on average (OECD, 2017).

When it comes to pension policy, the Belgian system is based on three pillars. The first pillar is mandatory, and it is the pay-as-you-go (PAYG) publicly financed pension. The first pillar is supplemented with a second pillar of voluntary occupational pension and a third pillar of private pension schemes. Within the first pillar, there are three different public regimes for wage earners, the self-employed and civil servants. The design of this first pillar is co-governed with the social partners. The height of pensions is dependent on the duration of a career, earnings over the years, and the composition of the household. Over the years, more and more people have become entitled to a pension. Time spent on activities seen as 'equivalent' to work counts towards pension entitlements. This includes time spent on unemployment benefits or disability benefits. At the same time, for those with above-average earnings, maximum pension benefits have decreased, becoming a smaller factor of past earnings. Additionally, since the 1980s pensions are not indexed to wages but to prices. Additional measures were introduced in the early 2000s to keep pensions up to date with increases in salaries. A minimum income guarantee for the elderly ensures that there is a minimum level of adequacy for all (Marx & Van Cant, 2019).

Regarding ageing and pensions, a particular vulnerability of the Belgian pension system is the many early-exit options for workers, leading to one of the highest early-exit rates in the EU. Recent reforms have attempted to address this fact (Marx & Van Cant, 2019). Furthermore, Belgium has one of the costliest pension systems in the EU and these costs are expected to rise substantially over the next decades, widening the gap with other countries. While for the EU as a whole, pension spending is expected to rise by 0.1% on average by 2070, this is 3.1% for Belgium, with the biggest increase occurring before 2040 (European Commission, 2023a). Figure 22 below shows this growing discrepancy between Belgium and other EU countries. This serves as an explanation for why Belgium has received numerous pension-related recommendations over the years.

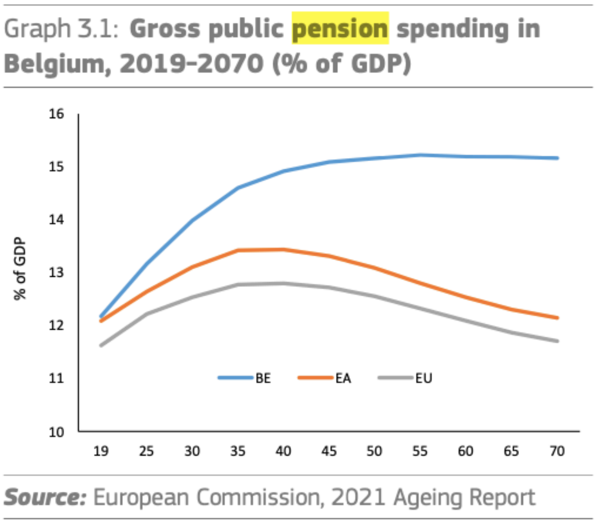

Figure 22

(European Commission, 2021)

5.2.1.2 Reforms

While the projections for pension spending in Belgium are not optimistic as of 2023, there have been reforms enacted in the last years. In 2015, the year the CSR was issued to Belgium, substantial pension reforms were introduced. The most significant reform is the decision to raise the retirement age to 66 in 2025 and 67 in 2030. A measure was also introduced to increase specifically the employment of elderly workers. Income earned through employment for those above the age of 65 or those who have worked 45 years or more is not subject to a limit, as was the case before. Another measure was the increase in the age requirement for survivor's pensions from 50 to 55 years. Lastly, the public pension scheme is being brought in line with that for private sector employees, specifically reducing the number of years spent studying that count towards the minimum career length required for early retirement. These reforms were not without resistance, resulting in strikes, demonstrations, and protests from the trade unions (Marx & Van Cant, 2019).

The reforms were part of the Belgian governmental agreement for 2014-2019 and were implemented relatively early into the government's period (as outlined in the literature, the so-called 'honeymoon' period). However, this was not the end of the (need for) pension reforms. What remained one of the most contentious points is exactly what was also addressed by the European Commission, namely the linking of the statutory retirement age to life expectancy. Despite the increase in the retirement age, the linking of the retirement age to life expectancy was not part of the coalition agreement and was not reformed. Yet this does not mean that there was no debate on this topic during and after the implementation of other reforms.

In 2013, the Belgian government set up a Commission for Pension Reform 2020-2040. The Commission's task was to consider the social and economic sustainability of the pension system in the medium to long term and what reforms would be necessary to achieve this. The Commission consisted of 12 experts from various disciplines. A main finding was that structural change was necessary, in contrast to the parametric reforms that had taken place in the Belgian pension system up until that point. It was also necessary from a long-term perspective to keep reforms outside of the grips of short-run political turmoil. The Commission's final proposal for structural reform included the proposal for a points system in the first (PAYG) pillar of the pension system as well as an automatic adjustment mechanism. Automatic adjustment mechanisms take into account the effects of increasing life expectancy and can therefore (to a certain extent) be seen as 'putting pensions on autopilot'. Many other OECD countries had already introduced automatic adjustment mechanisms at this point (Schokkeart et al., 2018).

The Commission's proposals sought to balance economic and social sustainability since only focussing on economic sustainability can lead to problems with inadequate pensions and undermine the intergenerational solidarity of pension systems (also promising credible and adequate pensions to future generations). The concept of the points system is at the heart of achieving this intergenerational equity and solidarity (Schokkeart et al., 2018). It would mean a shift from calculating pensions based on gross wages to calculating points which are accumulated each career year based on income. Once retirement age is reached, their value is multiplied by a 'pension-point value' which converts to a pension payment. This system would be more transparent and less complex and ensure adequacy in the fact that it would ensure pension income was proportional to the income of the working-age population (Schols, 2022). Another advantage is that the pension-point value can be adjusted to reflect the number of workers, meaning that pensions can fall as there are less workers in comparison to pensioners. This can then be coupled to, for example, life expectancy and so pensions can be reduced in response to changes in balance between pensioners and workers. This would be a form of automatic adjustment. The individual points-based system also means that the amount of pension that will be received is transparent. Important to note is that this structural change would also prevent each new Belgian government from having to carry out parametric reforms (Mahmut, 2016).

The Commission published its findings in 2014 and in 2015 reforms were enacted by the Belgian government. The coalition government agreement, signed in 2014, planned for the introduction of the points-based system which would be voted on during the government's term and start from 2030. Linked to this system would have been the linking of the legal pension age to life expectancy. Yet, in practice, other reforms (described above) such as the increase in retirement age, were enacted in 2015. These included the Commission for Pension Reform's suggestion for a bonus for elderly workers (which aims to incentivise longer working lives), but not the more substantial points-based system. In May 2018, the minister for pensions, Daniel Bacquelaine, suggested that a decision on the points-based system could be passed to the next government (Pacolet, 2018). He suggested that the current reforms already saved Belgium 2% of GDP by 2060, but that more still needed to be done (D'Hoore, 2018).

Ultimately, further reforms were not passed in subsequent years of the government (or the next ones) with no further linkage between life expectancy and retirement age. The current government (De Croo) was formed in October of 2020 following elections in 2019. That same year, the OECD further recommended a linkage of the retirement age for Belgium to life expectancy (De Tijd, 2020). Reforms in 2022 established a minimum of 20 working years to receive a basic minimum level of pension and higher pensions for those working after retirement age, yet more substantial reforms have not occurred (VRT, 2022).

5.2.1.3 Interpretation and Analysis

Based on the development of pension reforms in Belgium and the European Commission's 2015 CSR, the most pressing question is: why was the CSR ever assessed as fully implemented? While there was a movement towards a points-based system with automatic adjustment in the period of 2014-2015, this never materialized.

In 2016, the Commission assessed progress on the Belgian CSR in the county report as follows:

"*Some progress has been made in linking the retirement age to life expectancy. The federal parliament adopted the last part of the pension reform agreed in 2014, notably an increase in the statutory retirement age to 66 years in 2025 and 67 in 2030. On the other hand, no automatic or semi-automatic link has been introduced to adapt the pension age or other parameters further to take account of demographic changes. The government is considering introducing a points system which would facilitate parametric changes." (European Commission, 2016)*

In the following years, from 2017-2019, the CSR was assessed as being fully implemented. Yet, for these multiannual assessments, the Commission does not offer any explanation for its assessment. Therefore, I could not find any information pertaining to why this particular CSR got assessed the way it did for this time period. What is abundantly clear, is that, there was no implementation of a link between life expectancy and the pensionable age since 2016. Other (smaller) changes were made to the pension system since that time, but nothing as substantial as the measures introduced in 2015.

This leads to the conclusion that the assessments of the European Commission in relation to Belgian CSR 1.2 in 2015 do not reflect developments in reality. But did the CSR have any impact on the reforms or discussions that did take place? Based on the developments in Belgium, we can see that the CSR reflected debates already taking place in Belgium at the time. The Commission for Pension Reform 2020-2040 had already suggested a link between life expectancy and pensionable age, and the coalition agreement, signed in 2014, had expressed the intention to act on this. We can therefore see that the 2015 CSR closely aligns with ongoing national debates. This links to a condition that is necessary for successful reforms, namely national ownership. A reform is more likely to occur when an EU recommendation lines up with national priorities. The learning process is also an important element where best practices from elsewhere can influence the national debate. In its country report accompanying the CSRs, the European Commission repeatedly points out Belgium's position in contrast to other EU countries, with high amounts of spending. Furthermore, this data, along with data from other EU countries as collected by the OECD, was used to support the reasoning of the Commission for Pension Reform in drafting their advice for reforms. In terms of communication to the public, the authority of this Commission as well as international institutions should mean that reform is more readily accepted by the public. Yet, while various politicians voiced that the reforms enacted in 2015 were just a first step, and these reforms were not nearly as substantial as the Pension Commission recommended, there was no further serious attempt at further reform. Perhaps this has to do with the concept of a window of opportunity, the government had already agreed upon pension reforms in its coalition agreement and implemented these soon into their term, as the next elections approached, reform became more unlikely.

Ultimately, it can be concluded that the CSR for Belgium had little impact on the subsequent reform trajectory. Mostly, the CSR was issued after the large pension debate in Belgium had passed and interest in linking retirement age to life expectancy had dwindled domestically. The next government did once again adopt modest reforms in 2022, however, these are not considered enough to deal with sustainability issues. This time, however, the influence of the EU might look very different. In January 2023, the EU decided to delay payment of over 800 million euros from the Covid recovery fund in response to the failure of the government to implement more stringent reforms as outlined in Belgium's recovery and resilience plan (Moller-Nielson, 2023). Therefore, the added conditionality can lead to very real incentives to carry out the complete plan, as opposed to the incomplete adoption of reforms in 2015.

What does the Belgian case-study show in light of the hypothesis 8 (*CSRs on ageing-related reforms will be better implemented when they align with existing national priorities)*? The CSR overlapped with debates taking place at the national level, as the 2014 coalition agreement had expressed the intention to act on linking refitment age with life expectancy. Yet, despite it being a topic that was (for a while) prominently on the national agenda, the CSR was ultimately not implemented. This can have to do with the quick shifts occurring in national priorities. Ultimately, this singular case study would not line up with the assumption of hypothesis 8.

Moving to hypothesis 9 (*Domestic factors not related to the European Semester and the CSRs are also influential in impacting reforms related to population ageing)*. In the Belgian case, other factors were certainly significant for the (lack of) implementation of the CSR. We can see in particular the factor of 'the window of opportunity'. When the topic of linking retirement age to life expectancy was prominently on the agenda, other (smaller) reforms were made by the government instead (linked to reform ripeness). Then the government was already further along in its term, passing the decision on retirement age and life expectancy to the next government, having missed the window of opportunity. As indicated by this case, it aligns with hypothesis 9.

5.2.2 Case Study 2: Slow (interrupted) Progress

The second case to be studied is an example where the progress in CSR implementation is momentarily interrupted before it is resumed. But in general, an upward trend was observed. This case concerns CSR 3.1, issued to the Netherlands in 2016:

"Take measures to make the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks" (European Commission, 2016).

It brings up the question, can this CSR be seen as an example of relevant success due to the upward trend after an initial downfall in 2018? The shifts that occurred in the assessment of this CSR are shown below:

Year	Assessment	Assessment Quantified
2017	Limited Progress	25
2018	No Progress	0
2019	Limited Progress	25
2020	Some Progress	50
2021	Some Progress	50

Table 6

5.2.2.1 Dutch Pension System

The Dutch pension system has three main pillars, a flat-rate state pension in the first pillar, which is financed through taxes (PAYG), occupational pension schemes and individual saving schemes (OECD, 2021). The state pension (known as AOW) is available to everyone who lived or worked in the Netherlands and the amount is dependent on the minimum wage (Rijksoverheid, n.d.). While there is no statutory obligation, the second pillar of the pension system can be considered quasi-mandatory since over 90% of employees are covered (OECD, 2021). Most common for occupational pension schemes is that the employee pays in 1/3 and the employer pays 2/3 of the contribution to the scheme. Individual saving schemes can include life insurance and are especially beneficial to the self-employed who don't fall under the second pillar of the pension system (Rijksoverheid, n.d.).

The combination of these private and public pension schemes makes the system relatively resilient in light of demographic change (van Gerven, 2019). The Netherlands spent 6.5% of GDP on public pensions in 2009 while the EU average was 9.9% (European Commission, 2021). At the same time, the net replacement rate[6] (a good indicator of how well

[6] "The net replacement rate is defined as the individual net pension entitlement divided by net pre-retirement earnings, taking into account personal income taxes and social security contributions paid by workers and pensioners."(OECD, 2021).

a pension system replaces earnings) is high at 89.2%, compared to 67.6% in the EU as a whole (OECD, 2021).

5.2.2.2 Reforms

While the system may seem robust when looking at these indicators, reforms have occurred over the years to ensure sustainability in the future. These reforms have concerned both the first (public) and the second pillar (occupational) pensions.

For the first pillar, the main reforms have included the increase in retirement age from first 65 to 66 and after that in steps to 67 years. These were introduced by the Rutte I and II governments (2012-2017). In June of 2015, parliament adopted a bill which planned to link retirement age to life expectancy one on one by 2022. This received fierce opposition (van Gerven, 2019). In the Pension accord of 2019 this was reversed, and it was agreed that for every gain in life expectancy of 4,5 months, the retirement age increases with 3 months (Rijksoverheid, 2022).

Regarding the CSR being studied in this case study, developments related to the second pillar are of greater practical importance, given the importance of the second pillar within the Dutch pension system. Reforms to the occupational pension schemes have received attention since the economic crisis of the late 2000's, where credit crisis, low interest rates and investment losses have raised the attention to the vulnerability of these funds (van Gerven, 2019). Furthermore, an ageing population and the associated increase of retired people compared to working people also have an impact on the second pillar. This means that in cases where the financial markets aren't doing well, pensions can no longer be guaranteed through an increase in contributions from the working age population. This makes it more difficult to make guarantees about pension amounts. Additionally, the system is not very transparent, with it not being clear how much is saved for each individual's pension and how this depends on returns on financial markets. Different groups (mainly related to age) are willing and able to bear different risks when it comes to pensions, this is also not reflected in the system as it is. A last problem concerns the self-employed and the flexibility of the labour market. This flexibility has increased over the years and these changes can have negative effects on the build-up of pensions, especially for younger workers (Knoef & Goudswaard, 2022).

The discussion about reform of the second pension pillar is not new. The shortcomings of the current system have been discussed within the Netherlands for decades. It is important to note that due to the importance of the second pillar for the Dutch pension system, (discussions of) reforms of the second pillar have often gone hand in hand with reforms of the first pillar. Already in 2004, the Bureau for Economic Policy Analysis (CPB) issued a document on the risks facing the pension system and how to keep it strong in the face of shocks (Westerhout et al, 2004). That same year, the labour unions blocked a proposed reform to increase the pensionable age. In the following years, there was much discussion and debate between unions, government, and employers' associations. This cumulated in a radical new pension agreement in 2010. This linked the occupational pensionable age to that of public pensions and coupled pension payments to the returns on investment as part of the occupational pensions, leading to less certainty about pension amounts. There was much opposition as well, with some a leading labour union characterizing these reforms as a "casino pension". The fact that an agreement was reached between all the parties in 2010 was seen as a success for the Dutch polder model, which is based on a method of consensus decision-making (Tamminga, 2019).

Yet the agreement did not last. It was quickly overtaken by the realities of the economic crisis which prevented the planned implementation of some of the reforms while necessitating a faster increase in the pensionable age (Tamminga, 2019).

In 2014, the government started a national pension dialogue to discuss the fundamental aspects of the pension system. One of the aspects of this dialogue was asking the social economic council (the SER) for advice about the future of the pension system. Over the next couple of years, the SER published various documents and advice which shaped discussions surrounding the topic. In 2015, the first advice was published, in which the SER developed multiple different future scenarios for the pension system. The one that was considered most useful concerns a new type of pension scheme where personal pension assets are combined with collective risk sharing. This keeps the strength of the existing system, such as its collectivist nature and risk sharing, but introduces more transparency and customization for the individual (Goudswaard, 2020). The following year, in 2016, the CSR which encouraged reform of the second pillar of the pension system was made. The same year, a new pension premium scheme was introduced, which was implemented as of the 1st of September. Briefly put, this reform allowed for more flexibility in the investment of pension capital after the distribution phase had commenced, meaning pensions can become more variable (Goudswaard, 2020). In July of 2016, the government wrote a note to parliament (perspectiefnota or perspectives memorandum) which indicated several different options for possible reforms which would reflect a changing labour market and the uneven distribution of pension savings between generations. These options reflect those that the SER developed in its advice. However, the note was meant to inform parties of the various options, choices were left to be left to the next cabinet (elections were to be held in March the next year) (Trappenburg, 2016).

In March of 2017 elections were held and in October the coalition agreement for the cabinet of Rutte III was agreed upon. In the coalition agreement, the recommendations made by the SER on a change in the pension system are considered a realistic direction for change (Goudswaard, 2020). Furthermore, a goal of the beginning of 2018 was agreed upon to achieve consensus on the main features of a new system, in which the second pillar of the pension system includes personal pension deposits and collective risk sharing. However, this deadline was not met, and questions arose as to whether personal pension deposits will make the system more resilient. Also, one of the biggest labour unions wanted to include more issues (such as freezing of the retirement age) in discussions (van Wijk, 2023).

Throughout 2018 pension negotiations between the social partners and the government, headed by Minister Koolmees of Social Affairs and Employment, continued. Yet in November the negotiations failed, the different stakeholders were still too split on various issues, including the retirement age, pensions for the self-employed and questions related to pension contributions (van Wijk, 2023). Later, in May of 2019, the pension negotiations resumed. Since the government lost its majority in the senate at the provincial elections that spring, more parties had to be added to the negotiations. In June of 2019 this led to a new pension agreement, however, measures related to the second pillar were largely left to worked out by a new focus group. They eventually came with the proposal of a contract without guarantees, which became known as the 'solidarity premium scheme'. With some changes this was ultimately presented by the ministry of social affairs in June of 2020 with an anticipated starting date of the first of January 2022. After extensive public consultation, majority support of the labour union FNV, the fall of the government and new elections, this was postponed to 2023. Ultimately, the pension law was adopted by parliament in December of 2022, followed by (after much debate) the senate on the 30th of May in 2023. The social partners, pension funds and insurers now have until 2028 to introduce the new system (van Wijk, 2023).

Briefly put, the new system introduces five big changes to the second pillar of the pension system. Firstly, the promise of a certain pension amount is changed to an expectation. This means that people are no longer guaranteed a certain pension payment but are given an expectation. Due to ageing and changing economic realities, the old situation was unsustainable, and the new system also allows to steer pensions more on purchasing power.

Secondly, the requirement that pension funds have large buffers will be suspended. This means that pension payments can be indexed more quickly when the financial markets are doing well (without the need to first build up a buffer), but can also be cut more quickly when the opposite is true. This doesn't make pensions more or less secure, it changes the way that risk is spread among participants. The solidarity reserve can be used to minimize the chance of cuts.

Thirdly, the new system allows for more customization for different groups. Pension premiums paid by young people can be invested with more risks, since they are further away from retirement than older people. By differentiating between these groups, risks for those close to pensionable age are decreased while more risks can be taken by the young. Connected to this point is that young people will no longer indirectly subsize the pensions of older people.

Contributions of younger people can generate returns for a much longer period than of older people, generating more pension. In the old system, these differences were not accounted for, meaning that pension contributions at a later age were seen the same as those made earlier. This led to subsiding of older people by the young. It also led to inequality between those who started working earlier with a wage that stays relatively constant throughout their life, versus a person who enters the working force later in life and experiences steep wage increases even at a more advanced age.

The fourth point is that the system becomes a lot more transparent. Each person builds up their own pension 'jar' (in Dutch: pensioenpotje) and can see how much is reserved for them. This means that they can also see it getting smaller if the investments are not doing well. It remains important that pension funds explain to participants what these changes mean for people's long-term pensions.

Lastly, the system allows people to take up 10% of their pension assets in a lump sum when they retire, allowing for greater flexibility in expenditures (Knoef & Goudswaard, 2022).

While the new system still has downsides and there are worries about the practicality of the massive operation to switch to the new system, it is generally though that the changes make the system more resilient, sustainable, and intergenerationally fair. It remains to be seen how this will look in practice.

5.2.2.3 Interpretation and Analysis

Based on the above description of reforms of the second pillar of the Dutch pension system, it can ultimately be seen as relatively successful. However, this was only very recently, since it was only in 2023 that the senate approved the reforms. In the period that this CSR was assessed, from 2016 to 2021, except for the dip in 2018, the CSR has gradually been assessed more positively over the years.

In the country report in 2017, "limited progress" is ascribed to meeting the CSR. It is plausible that the small steps that were made the year prior can account for this, such as the memorandum which indicated the government was open to reform. This is reflected in the country report. With regards to CSR 3.1, the 2017 country report stated that:

"Limited progress: With the Perspectives Memorandum, the government announced its ambition to reform the second pillar of the pensions system, but the development and the implementation of a reform is left to the next government. This points to limited progress" (European Commission, 2017).

In the subsequent year, the spring of 2018, the Commission assess that there has been "no progress" towards implementing the CSR. While the Commission does not issue reasoning in the multiannual assessment of CSRs, we can gain a better understanding in this particular case. This is the case since a very similar CSR was issued to the Netherlands in 2017, namely:

"Based on the broad preparatory process already launched, make the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks" (European Commission, 2018).

This CSR was also assessed with "no progress" in the 2018 country report, with the reasoning that; "The government has confirmed its intention to reform the second pillar of the pension system, but no measures have been announced so far." (European Commission, 2018). The reasoning for CSR 3.1 of 2017 is likely to be similar, no further steps were made by the time the report was released that led much closer to second pillar pension reforms.

What can be said about the impact of certain conditions that have an influence on reform? What is clear is that the process of reaching second pillar pension reform took a very long time, with various media writing that it is the outcome of a process which has lasted over 15 years (e.g. Marée, 2023, van Wijk, 2023), it being the biggest reform in the pension system since the second world war (Pelgrim, 2023). Various factors from Table 4 can illustrate why earlier attempts at reform, such as in 2010 ultimately stranded while the most recent agreement seems to have succeeded for now. Contrary to other examples, the economic crises seem to have prevented second pillar reforms. While it did cause the government to speed up the raising of the retirement age, the complexity and costs associated with second pillar reforms mean that this did not happen. The nature of the Dutch political system as well as the many parties involved in second pilar pensions also meant that agreement had to be reached between a large plurality of stakeholders, including the social partners, different political parties, and employers' associations.

Throughout the period that reforms were sought, negotiations repeatedly collapsed, as did the government itself (for various reasons). The unity of government is another factor essential for successful welfare state reform. What has seemed to contribute to the success of the reform is the communication of the need for reform. Various institutes recommended reforms, including the previously mentioned SER and CPB. They also came with plans indicating in which direction reforms should be sought.

While the process of coming to an ultimate reform of the second pillar of the pension system was enacted long before the European Semester existed, it can be seen that in later stages of the process the Commissions assessment of the need for reform lined up with national priorities. In the 2017 Country Report, it can be read that:

"Second pillar pension contributions are high and fluctuate with financial market performance and may affect households' spending in a pro-cyclical manner. Moreover, risks seem to weigh disproportionately on the young age groups, as lower indexation and higher pension contributions seem to be the primary ways of adjusting. Importantly, households combine substantial housing and pension wealth with high mortgage debt, but the former are highly illiquid and unevenly distributed across generations. This makes households

vulnerable to economic shocks and accentuates the pro-cyclical dynamics of household finances." (European Commission, 2017)

This analysis lines up with many of the national reasons for reforming the pension system, though the emphasis on high household debt is an element more emphasized by the commission than by the national government.

A way in which we can observe increased prominence of the EU in the national pension debate concerns the RRF and the Dutch pension reforms. Due to recommendations issued to the Netherlands on reforming the second pillar of the pension system over the years, the intention to enact these reforms was included in the Dutch Recovery and Resilience plan (Ministerie van Financiën, 2022). The Netherlands seeks 4.7 billion euros in grants from the fund, and because of the inclusion of pension reform as part of the plan, receiving the full amount is contingent on the implementation of the new pension reform. This shows how an issue which, despite EU recommendations on the subject, remained mostly a national debate, has, due to the changed role of the semester, suddenly gained external conditionality at the last moment (van Alfen, 2023).

While we cannot say that there was definite extra pressure from the semester to encourage reforms in the Dutch second pension pillar for most of the period studied, van den Heuvel Warren does write that the Commission clearly communicates cognitive ideas which link ageing with government finances and the need for reform. This aligns with domestic ideas in the Netherlands. Van den Heuvel Warren sees an opportunity for more normative ideas, such as the gender gap in pensions, to be transferred. Now, these remain secondary, but the EU can use this knowledge to shift its approach to addressing more equity based aspects of pension reform (van den Heuvel Warren, 2021).

What does this case-study show in light of the hypothesis 8 (*CSRs on ageing-related reforms will be better implemented when they align with existing national priorities)*? This case is an example of where alignment of national priorities with the CSRs, can, in the long run, lead to reform. Even when the CSR was issued, there was already much national attention in society for second pillar reform. While the CSR was far from implemented right away, the process towards implementation continued over the years as the topic was a priority of multiple governments. For this individual case, alignment with national priorities did aid the implementation of the CSR.

Moving to hypothesis 9 (*Domestic factors not related to the European Semester and the CSRs are also influential in impacting reforms related to population ageing).* The fact that the CSR lined up with national priorities (hypothesis 8) already indicates that there were domestic factors at play with were influential in impacting reform. There were, for example, a broad array of national stakeholders involved in the discussions and the pace toward a reform was slow. From the literature it was seen that this often makes a pension reform more successful.

5.2.3 Case Study 3: Static No Progress

The last example that seeks to illustrate the different trends observed in CSR implementation concerns a CSR where throughout the period studied, there was no progress observed at all. This was the case for Italian CSR 1.4 in 2018:

"Reduce the share of old-age pensions in public spending to create space for other social spending."

While this concerns a very broad recommendation, with many ways to go about implementing it, assessed over three years, there was no progress observed at all. This is shown in the table below:

Year	Assessment	Assessment Quantified
2019	No Progress	0
2020	No Progress	0
2021	No Progress	0

Table 7

This last case study seeks to understand the lack of progress towards pension reform and see whether there was an influence of the Semester on the national debate surrounding this issue.

5.2.2.1 Italian Pension System

The Italian system is known for providing very generous state pensions and consists of a mandatory pay-as-you-go (PAYG) scheme. In 2020, old-age pension requirements are 67 years of age with a minimum of 20 years of contributions to the scheme. This increases in line with developments in life expectancy. There are also options for early retirement, some measures which were introduced temporarily. Some of these temporary retirement options were set to expire in 2020 but were extended. This concerns people who are unemployed, disabled or giving care, have worked in arduous occupations for long periods of time or workers in companies undergoing restructuring (OECD, 2021).

Reforms in the 1990s sought to increase enrolment in supplementary pension schemes. As of 2018, 7.9 million workers (30.2% of the labor force) were enrolled in such schemes, accounting to 4% of Italian households financial wealth. This limited amount means that there is still much room progress, since especially vulnerable groups, such the self-employed, women, small firms' employees, young people and people in southern Italy lag behind in participation in these schemes (Franco & Tommasino, 2020).

The generous Italian system does also has high costs attached to it. In 2019, Italy spent a whopping 15.9% of GDP on pensions, compared to an average of 7.7% in OECD countries.

This expenditure also means that Italy spends the most on pensions out of the entire EU (OECD, 2021). Furthermore, Italy's OADR is also set to increase substantially, from 34 in 2015 to over 60 in 2050, putting even more pressure on pension spending (Tagliapietra & Chiacchio, 2018). This raises big questions about future sustainability of the pension system.

5.2.2.2 Reforms

Due to the costs of such a generous system at times of demographic change, the Italian system has been under pressure for continuous reform since the 1990s. However, due to the extremely long phasing in periods of reforms put in place in the 1990s, the system is constantly changing. The Amato (1992) and Diti (1995) reforms replaced the single social insurance pillar with a multi-pillar design while also changing the formular for how pensions are calculated, linking contributions paid with future benefits. Reforms since this point have, according to Guardiancich and Natali (2019), rarely been coherent, but aimed at increasing the take-up of supplementary pensions.

Interesting are the reforms that took place in the wake of the financial crisis since these occurred mostly under external pressure. In Italy, "the carrot of ECB financial support and the stick of potential IMF involvement explain the country's pension and labour market reforms during the crisis" (Guardiancich and Natali, 2021, p.407).

Additionally, a ruling by the Court of Justice of the European Union (CJEU) found that it was discriminatory to have different retirement ages for men and women working int eh public sector, which led to the Berlusconi government equalizing these ages in 2009. To stabilize public deficits, an automatic mechanism was introduced to link statutory retirement age to life expectancy. While both these measures were first to gradually be introduced over a long period, the continuing recession meant that these measures were implemented faster, by 2012. This was exasperated by the technocratic 'save Italy' government led by Mario Monti. Numerous radical reforms were announced in December of 2011 (known as the Fonero-Monti reform) which was expected to lead to substantial savings after 2012. The downside of the reforms was a drop in pension adequacy, especially for workers with low wages and interrupted careers. A 2018 European Commission estimate expected a drop in replacement rates of pensions of 14.6% (Guardiancich and Natali, 2019). This negatively impacted the retirement plans of many workers and led to social tensions (Franco & Tommasino, 2020) such as protests by trade union members (Scherer, 2012).

This is why, in the following years, adjustments were made to indexation, taxation of pensions, and earlier retirement possibilities for certain groups of workers. This led to increases in public spending (Guardiancich and Natali, 2019). These measures were introduced to counter the sudden increase in retirement age in certain age groups due to previous reforms. Ultimately, these reforms (known as the 2016 Renzi-Poletti reform) is calculated to increase public spending by 7 billion euros (Guardiancich and Natali, 2021). This can be considered concerning due to the lack of fiscal space. For example, Franco and Tommasino (2020) stated that Italy should improve the design of non-pension welfare benefits and focus on active labor market policies.

This takes us to the points around which the 2018 CSRs were issued to Italy. This year also saw national elections in which two populist parties gained large shares of the vote. These were the Five Star Movement (M5S) under Luigi di Maio and League (Lega) under Matteo Salvini. Both parties stressed the need for increasing pension spending and stopping austerity in welfare policies in their electoral manifestos. They ultimately formed a government coalition (Guardiancich and Natali, 2021).

The new coalition adopted a new expansionary pension reform in 2019 (known as the Di Maio- Salvini reform). After those adopted by previous governments, this was the third expansionary intervention. The interventions seek to tackle old-age poverty and ease access to early retirement options. One intervention ("Quota 100 Pension[7]") makes it possible to retire before reaching both the pensionable age and the contributory period for early retirement. It was introduced as a pilot to last three years from 2019 to 2021. It is not dependent on changes in life expectancy. Additionally, the link between life expectancy and early retirement options was also temporarily suspended. The reform also introduced a citizenship pension, a means-tested benefit for everyone who has lived in Italy for ten years or more, is aged 67 or above and has an annual income under 9,360 euros. They receive a monthly benefit of 630 euros plus a 150 euros housing benefit (Jessoula & Raitano, 2019). The cost of the citizenship pension is estimated at 33 billion euros in the first three years (Guardiancich and Natali, 2021). Additionally, costs associated with the "Quota 100 Pension" amount to "4 billion Euros in 2019, 8.3 in 2020, 8.7 in 2021, 8.2 in 2022, 7 in 2023 for measures aimed to facilitate early retirement" (Jessoula & Raitano, 2019). While the reforms address issues related to the social condition of older Italians, they do not seem to "be the most effective strategy to combine economic-financial sustainability with equity issues" (Jessoula & Raitano, 2019).

Once the Quota 100 pension was set to expire at the end of 2021, the Draghi government introduced a new rule for 2022 alone. Draghi's goal was to ultimately return to the system under the 2011 Foreno law. This was politically unattainable and under negotiations with Lega and trade unions the "Quota 102 Pension" was introduced, which allows retirement at age 64 with 38 years of contributions in 2022 alone (L'Union Sarda, 2021). Further negotiations stalled under the Draghi government. When the Meloni government took over, it introduced the "Quota 103 Pension" for 2023. Had a new agreement not been put in place, the practice would have reverted to the Foreno law where retirement is mostly only possible from 67. The "Quota 103 Pension" allows retirement at age 62 with 41 years of contributions. However, those

[7] Allowing people to retire at 62 if they had paid 38 years of contributions.

who chose to retire early won't receive the full pension until reaching the statutory retirement age of 67. It was also decided to index pensions to inflation. The citizenship pension was also extended. It is unclear whether the Foreno law will continue to apply in subsequent years (Serenelli, 2022). Further reforms are being negotiated with the unions (Serenelli, 2023).

5.2.2.3 Interpretation and Analysis

The developments in terms of pension policy in Italy over the last couple of years can be seen as very dynamic, with the Quota pensions changing each year and the pension system clearly being expanded in the post crisis years, with consequences for economic sustainability. While the Foreno law is officially still the default, with a pensionable age of 67, this keeps being postponed or replaced by temporary measures. Therefore, since the "Quota 100 Pension" was introduced in 2019, it is not surprising that the Commission has assessed there was no progress towards the CSR on reducing the share of old age spending as part of public spending. In the 2019 country report, the Commission wrote: "No Progress Old-age pension expenditure has actually been increased through the introduction of a new early-retirement scheme" (European Commission, 2019). Other parts of the report are also very critical of the pension reforms, stating that they worsen debt sustainability and have negative effects on growth potential.

In 2019, Italy was issued another pension related CSR; "Implement fully past pension reforms to reduce the share of old-age pensions in public spending and create space for other social and growth-enhancing spending". This was assessed as no progress in 2020 with the following explanation:

"The 2019 budget introduced several provisions which partially reversed past pension reform by broadening possibilities for early retirement, including by creating a new early retirement scheme ("quota 100") and suspending the indexation to life expectancy of the minimum contribution requirement needed to retire under the existing early retirement scheme. The 2020 budget law confirmed the new pension measures implemented in 2019 and even extended to 2020 the temporary early retirement schemes for women and for employees recently dismissed or performing heavy works ("APE sociale"), further increasing pension expenditure." (European Commission, 2020).

The continuation of the "Quota" scheme thus clearly does not line up with progress towards the issued CSRs.

While later years didn't see pension recommendations for Italy, the most recent 2023 Country Report did state that: "To ensure Italy's pension system is sustainable over the long term, it is essential to implement the 2011 reform in full" (European Commission, 2023b).

Looking at factors that led to the reforms (in this case expansionary and undoing reforms that focused on pension retrenchment) a couple of factors stick out. Firstly, the initial reforms were clearly put in place in response to the financial crisis. The literature reflects that these types of reforms are more likely to be undone after the crisis period ends. Furthermore, the large number of governments that occurred in Italy throughout the period 2016-2021 mean that there was a lack of a unified coalition to be able to enact larger reforms. Additionally, some of the external pressure (such as from the IMF and EU) which was present and led to reforms during the crisis years subsided which encouraged investment in pensions again. Furthermore, there seems to have been little national ownership of the initial pension reform enacted during the crisis, which meant it wasn't robust in the long term. The story of this CSR, which was thus assessed with no progress for multiple years, shows that with the absence of national factors steering toward reform and in the absence of EU conditionality, other mechanisms through which the EU seeks to influence reform are not so effective if they do not line up with national priorities.

In the context of the RRF, what it quite notable is that pension reform is not included in the Italian recovery and resilience plan. This means that receiving funds is not dependent on reforms in this area. Since countries (together with the commission) drafted these national reform plans, it is in this sense not surprising that this is a topic that was avoided. Notably, during the negotiations about the coronavirus recovery fund in 2020, Salvini reacted to the demands of northern 'frugal' countries during negotiations as "an unconditional surrender" for Italy. He accused leaders of these countries of trying to dismantle his pension reforms, stating "Any Rutte that comes along next spring and says, 'I won't give the money to Italy if they don't cut the pensions' can do it." (Roberts, 2020).

This clearly shows how sensitive the topic of pension sustainability got in the EU context. Yet, as shown by the absence of pension reforms in Italy's plan, this fear did not come to fruition. Ultimately, Italy is the biggest beneficiary of the RRF, having the opportunity to receive 200 billion in loans and grants from the 800 billion fund (Kazmin & Ricozzi, 2023). Before the 2022 elections, Meloni indicated that her party was willing to work with the Commission and comply with plan (Kazmin, 2022). So far, Italy has received 67 billion euros, of which it has spent 12 billion, but has asked for more flexibility and time to spend in light of new priorities since the Russian invasion of Ukraine (Kazmin & Ricozzi, 2023).

What does this case-study show in light of the hypothesis 8 (*CSRs on ageing-related reforms will be better implemented when they align with existing national priorities)*? The Italian example clearly shows the importance of there being alignment between national priorities and the CSRs for there to be a chance at implementation. The pension reforms that took place in Italy in the years after the issuing of the CSR were completely opposite to the reforms that were suggested in the CSR. Looking at the previous reforms that had occurred during the crisis, the Monti-reforms, we can see that a great deal of national ownership was absent here too, with much opposition from the population. The turning back of these reforms through (repeated) temporary suspensions is thus more in line with national priorities than the CSR. This specific case therefore aligns with hypothesis 8.

Moving to hypothesis 9 (*Domestic factors not related to the European Semester and the CSRs are also influential in impacting reforms related to population ageing)*. Since the CSR was not implemented, there were clear other domestic factors at play in the pension reforms that occurred in Italy after the CSR was issued. One is the stability and unity of government. Since 2018, Italy experienced many different governments which also regularly fell. This is a factor that makes comprehensive reform harder to achieve and can be a reason that the current reforms have to be renewed at a last-minute moment each year. The negative view of the Monti-reforms can also have had an impact on new reforms being viewed unfavourably. Ultimately, the Italian case lines up with hypothesis 9.

6. Discussion & Conclusion

6.1 Findings

This study aimed to shed light on the question:

How do the Country Specific Recommendations proposed during the European Semester influence EU Member States' policies when dealing with the impact of an ageing population?

Throughout the thesis, this question was approached through answering the sub-research questions and testing assumptions related to these questions. Most were answered through a quantitative analysis of the CSR data. The last two, more interpretive questions, required a look into case studies of specific CSRs. The combination of this research answers the overarching larger research question. The following represents an overview of the findings.

<u>Q1: What types of CSRs reflect the impact of an ageing population? Has this changed over time?</u>

H1: There are more ageing related CSRs issued in recent years.

This was not the case, the number of CSRs related to ageing was relatively stable over the years, even falling to zero in 2020 (Figure 2). This hypothesis has been falsified.

H2: Ageing related CSRs overlap with those related to pension policy, life-long learning, long-term care, and labour market participation.

There is overlap between each of the other investigated categories and ageing (Figures 8 & 9). However, it was also found that when this overlap occurs, implementation assessment generally falls (Figures 8 & 9). For example, CSRs related to education and life-long learning fall from an implementation assessment of over 30 to under 20 when they also concern ageing. The exception to this is are the categories of labour market participation and pensions.

<u>Q2: Are CSRs related to ageing effectively implemented in the Member States?</u>

H3: CSRs related to life-long learning and labour market participation are better implemented than CSRs about pension.

It is true that both CSRs related to labour market participation and life-long learning and education are better implemented than CSRs about pensions (Figures 8 & 9).

H4: Implementation rates vary among Member States.

This hypothesis was found to be true, with some countries better implementing CSRs than others (Figures 11 & 12). Of the countries studied, France, the Netherlands and Italy perform best on implementing CSRs in general. Poland performs worst. However, for ageing-specific CSRs Italy and Spain perform worst, while France still performs best.

H5: Countries with more population ageing implement ageing related recommendations better than younger Member States.
When a country has a higher OADR, assessment of CSRs is slightly higher, meaning that they are better implemented (Figure 13). While this link is not especially strong, it is statistically significant. There are other factors also important for assessment of implementation of CSRs.

H6: Countries with a stronger economy implement ageing related recommendations better than countries with weaker economies.
Both economic indicators (unemployment and GDP growth) are not in a statistically significant way linked to average assessment of CSRs (Figures 14 & 15). Based on this data, it cannot be said that countries with a stronger economy better implement CSRs.

H7: Implementation of given CSRs improves over the years.
Through looking at Figures 16-21, we can see that there seems to be a general upward trend when examining *all* CSRs. This trend is much less pronounced when looking at the CSRs for the studied categories. It is even less so when looking specifically at ageing related CSRs.

<u>Q3: Do CSRs encourage ageing-related reforms?</u>
H8: CSRs on ageing-related reforms will be better implemented when they align with existing national priorities.
In each of the three case studies it was found that the alignment of the CSR with national priorities looked different. For the Dutch case, there was an alignment with national priorities and the assessment of the implementation of the CSR rose after a couple of years. With regards to the Italian case, the opposite was true. There was no progress over the years and the CSR did not align with national priorities. The opposites that these two CSRs represent provides support for the hypothesis. However, there is a bit more ambiguity with regards to the Belgian CSR. While, to some extent, the CSR reflected debates and consensus that also existed at the national level, there was ultimately no successful implementation of the CSR. This case can also be seen as a bit of an outlier, due to the uncertainty of why this CSR was assessed as fully implemented for a couple of years. Therefore, disregarding this CSR when testing this hypothesis can be justified. Based on the other two, we can tentatively conclude that this hypothesis is supported.

<u>Q4: What factors influence the implementation of CSRs?</u>

H9: Domestic factors not related to the European Semester and the CSRs are also influential in impacting reforms related to population ageing.
In all three of the case studies, it was found that there was substantial influence of factors that were not related to the CSRs. This was the case when the CSR aligned with national priorities as well as when they did not. Due to this, it can be concluded that domestic factors are more important than EU factors or the CSRs in influencing reforms. A potential element that can shift this balance is conditionality since this factor is especially closely linked to domestic economic factors (such as in the case of an economic crisis).

Other important factors examined through the cases included the stability of government and communication. This included the communication of independent bodies of research-backed policy advice (e.g. the SER in the Netherlands and the Commission for Pension Reform 2020-2040 in Belgium).

By taking all these findings together, an answer to the research question can be given. In relation to this question, there are several elements that are important to note. Firstly, the limited number of CSRs related to ageing, also when compared to the total number of CSRs and the number of CSRs in other (adjacent) domains, show that the overall focus of the European Semester on the domain of ageing is small. Considering the far-reaching consequences of ageing and the fact that all EU Member States have to address it, this is a first indication that the CSRs cannot be the only source of influence on the range of policies dealing with the consequences of ageing in the Member States.

Furthermore, it was found that CSRs are not assessed by the European Commission as being well implemented. This is especially the case for CSRs that have to do with ageing specifically, with implementation falling across all other categories when there is an overlap with ageing. For ageing-related CSRs, there is also no strong trend of improvement seen when examining trends in specific countries over the years, meaning that time does not necessarily lead to better implementation.

Based on the data it was found that specific economic indicators could not, and OADR and the passing of time could only partially, explain implementation of CSRs. Through applying factors of reform (identified in the theory) to case studies of CSRs that presented archetype trends in the data, further factors were identified that were influential on CSR implementation. In general, it was found that alignment with national priorities (related to the idea of national ownership) was very important for CSRs to be implemented. Furthermore, the combination of various domestic factors was found to more present in the national reform process than external EU factors. The only possible exception for this is the factor of conditionality, which acts strongly and overrides other factors. However, the absence of conditionality with the three CSRs studied meant that their implementation was not directly impacted by it.

Ultimately, based on the data and case studies examined, the CSRs only influence a member states policies to a slight degree, as indicated by low implementation assessment. (Somewhat) successful implementation depends on a range of different factors, of which the CSRs, and the associated European Semester process, is just one. Alignment with national priorities can help a CSR be implemented but, without domestic factors of reform or external conditionality, CSRs do not have a large influence on national reform policies concerning an ageing population.

6.2 Limitations

There are several limitations in this thesis that need to be identified. Challenges included difficulties in understanding the multiple factors and complexity of processes that lead to the (non) implementation of CSRs or their influence. The long list of factors that was generated from the literature on welfare (and pension) reform was very abundant but difficult to apply in its entirety on each of the case studies.

A second limitation is the low number of case studies. This means that the results will not necessarily be representative of all EU Member States. Therefore, these case studies should be understood as illustrations of the phenomena described in the quantitative section of the thesis as opposed to a complete review of CSR implementation and reform factors in the Member States. Conducting a larger number of case studies is recommended as follow-up research.

Approaches for the coding of the CSRs was done reflecting methods employed in the existing literature. However, to a certain degree, the coding of CSR according to the five indicators retains a certain subjectivity, with implications for reliability. Further research could quantify this component of reliability by having multiple researchers independently code CSRs.

Due to complexity and time constraints, only a limited number of factors could be statistically evaluated in relation to the CSR data. Ageing (measured by OADR) and the economy (measured through GDP growth and unemployment rate) were chosen. These are more indicators available for both these factors (e.g. average age in a country, HDI index etc). Plotting more indicators would have given a more complete picture of the effects of ageing and the economy on implementation of CSRs.

6.3 Further Research

There are many further questions that arose during the writing of this thesis. Many of these questions warrant further study. For example, it would be interesting to examine how the incorporation of the European Semester process into the RRF will influence the implementation of (ageing related) CSRs. To what extent will CSRs concerning social policies still be issued to begin with? Do country's plans also include more contentious issues such as pension reform? Is the increased conditionality that comes attached to CSRs (in the form of RRF funds) democratically legitimate? And is the increased conditionality effective, in the sense that it leads to better implementation compared to recommendations without conditionality? These are just some questions that arise concerning the future of the Semester.

To be able to see trends in the European Semester process over time, the choice has been made to look at specific CSRs in this research. The downside of this approach is that there is a lot that does not make it into the CSRs since they are often already the product of negotiations between the Commission and national governments (Bekker, 2020). Not all, or even the most pressing, socio-economic challenges therefore always make it into the CSRs. Examining the drafting process of the CSRs would therefore also be a relevant field of further study, for those interested in the effects of the European Semester on reform in member states.

As an extension of my study, there is a particularly compelling way to expand the research. I have quantitatively investigated certain variables that could be important for the implementation of CSRs. This showed that ageing itself (in the form of OADR) as well as the passing of time has a small link to assessment of implementation. However, my research also showed that there must be other factors of importance given that most of the variation was not explained by ageing or economic variables. The theory section of this thesis highlighted many of these potential factors, which were also reflected in the case studies. Specifically, these factors included the (in)stability of government, (the absence of) national ownership, (the absence of) economic crisis and the external factor of (the absence of) conditionality. The role of independent advisory bodies was also deemed important. Including these factors into a formal statistical model similar to the ones I have analysed here could therefore constitute an extension of the research, and would also represent a novel approach in this field at large[8]. It would require researchers to find variables to operationalise each or some of these factors, either using quantitative or dummy variables (yes/no or presence/absence) or for some variables potentially categorical variables (e.g. left, centre and right-wing governments). This seems very feasible for at least some of the other potential factors, although it may prove more challenging for others. Specifically, I would recommend starting with the five variables mentioned above since they prominently appeared in the case studies. However, other factors from the literature could be added to such an analysis, such as investigating the effects of different political orientations of governments (e.g., related to Euroscepticism) on implementation of (ageing-related) CSRs.

[8] While macro-policy fundamentals have been investigated by Guardiancich & Guidi (2022) this has not been done for other factors.

Of specific interest in the upcoming years would be the factor of conditionality. The RRF means that increased conditionality is added to CSRs that are included in Member States' National Reform Programmes. In a couple of years, implementation assessment of these CSRs can be compared to those not included in these programmes as well as to CSRs issued during an earlier period (such as the period studied in this thesis). Quantifying conditionality would help to further understand how substantial its influence is.

6.4 Implications

The significance of the European Semester as a tool for European governance and policy coordination is currently expanding through its incorporation into the NextGenerationEU and the associated RRF with funds and grants amounting to over 800 billion euros. The process is suddenly more important than it ever was. Research into the RRF has already started but its novelty means that much remains to be seen as to its impacts. What is clear is that understanding how the semester has functioned in the past can help us assess its influence in the future.

NextGenerationEU is set to run until 2026. Yet due to the many challenges and shocks facing the EU in an ever-changing world, it is not strange to assume that having mechanisms in place that can help EU countries deal with these changes is essential for European integration as we go forward. The European Semester is one of these instruments. This means critically analysing its influence remains more important than ever.

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