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The Council's Amendments to the Country-Specific Recommendations: More than just Cosmetics?

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Abstract

Country-specific recommendations (CSRs) are the main policy oriented output of the European Semester economic policy coordination. This article studies the reasoning behind the Council's amendments to the Commission's initial proposals of CSRs. It uncovers internal tensions and disagreement between the two institutions that may severely obstruct the efficacy of the policy coordination process. Ultimately, this article investigates if the amendments are of any substantive relevance or merely cosmetic. Using quantitative sentiment analysis and qualitative case studies, this article concludes that the Council's amendments tend to be of substantive relevance. The main topics of disagreement between the Commission and the Council concern fiscal and social policy issues. Overall, the Council endeavours to ensure national ownership of policy recommendations by emphasising the importance of national traditions and specificities in policymaking practice.

Keywords

Council of the European Union; Country-specific recommendations (CSRs); European Semester; European Commission; Sentiment analysis

The Five Presidents' Report (Juncker 2013) on completing Economic and Monetary Union (EMU) stipulated the need for a stronger coordination of macro-economic policy within the Union, especially in the aftermath of the sovereign debt crisis. To accomplish this, the current (macro-economic) policy coordination framework, notably the European Semester, needs to be further strengthened. The European Semester is an annual economic policy coordination cycle that essentially aims to generate (structural) reforms at the national level. Country-Specific Recommendations (CSRs), proposed by the European Commission and amended and/or endorsed by the Council of the European Union, are the primary policy oriented output of the Semester. Member states are expected to comply with the recommendations to avoid possible sanctions from the EU level (see Zuleeg 2015b; Deroose and Griesse 2014; Darvas and Leandro 2015). CSRs are the focal point of this article.

This article addresses the following research question: are the Council's amendments to the Commission's Country-Specific Recommendations (CSRs) proposals of substantive relevance, and if so, why? The reasoning behind this research question lies in the potentially obstructing relations among the actors involved in the European Semester's processes. In particular, inter-EU institutional dynamics, especially between the Commission and the Council, are of immense relevance for the overall efficacy of the policy coordination process. The transfer of powers from the national to the EU level that would secure effective enforcement and implementation of the Semester's rules, objectives and policy recommendations, is unlikely to occur in the current political environment. Therefore, enforcement and implementation of supranational rules rely on policy coordination and, consequently, on the internal dynamics, notably between the Commission and the Council, which 'own' the coordination procedure. In other words, disagreement over internal coordination procedures and executive powers between the Commission and the Council are a barrier to the effective functioning of policy coordination (Zuleeg 2015b, 2015a).

To answer the research question, I use quantitative sentiment analysis to demonstrate the differences in the two versions of the CSR documents and to detect pairs of documents that differ the most. Subsequently, I perform qualitative case study analysis of selected pairs of CSR documents. The findings demonstrate that the Council's amendments to the Commission's proposals of CSRs are of substantive relevance and not cosmetic in nature. Fiscal, social and labour market policies are focal points in the disagreement between the two institutions. With the amendments, the Council aims to reinforce and ensure national ownership of policy reforms taking into account specific national socio-economic contexts and policymaking practices. Overall, the Council tends to be more optimistic and confident (relative to the Commission's position) regarding the assessment of a member state's economic performance and regarding its ability to pursue the agreed policy recommendations.

This article is organised as follows. The next section depicts the European Semester cycle and the process of CSR formulation. The article then outlines the methodology employed in this paper. The results of the analysis are then evaluated, focusing on the impact of tensions in the Commission–Council relationship. The concluding section discusses the main factors behind these results.

THE EUROPEAN SEMESTER AND COUNTRY-SPECIFIC RECOMMENDATIONS (CSRS)

The current policy coordination framework was established in the aftermath of the Euro crisis. In particular, the so-called 'Six-Pack' legislative package adopted in 2011 was envisaged to strengthen coordination and surveillance with an overarching aim to spur economic growth and competitiveness at minimal cost at the EU (euro area) level (Bouwen and Fischer 2012). Elements of the governance reform package operate within the European Semester, a regime for economic policy coordination functioning on an annual basis (Gren, Jannsen and Kooths 2015). The Semester encompasses three coordination mechanisms, namely the Stability and Growth Pact (SGP), the Macroeconomic Imbalance Procedure (MIP) and the Europe 2020 strategy. The main aim of the Semester is to initiate and/or support policy reform processes at the national level in realms such as fiscal policy, macroeconomic policy, labour market, investment and social policy. The Semester starts with the Commission's proclamations of the Union's policy priorities in the Annual Growth Survey (AGS) followed by the submissions of the member states' stability (euro area countries) or convergence (non-euro area countries) programmes. The annual cycle ends with the Commission issuing the CSRs, the main policy output of the whole coordination process targeted at member states (Gros and Alcidi 2015; Darvas and Leandro 2015; Bénassy-Quéré 2015).

Existing studies debate the European Semester in the broader context of the evolution of EU economic governance after the Euro crisis along three axes (Verdun and Zeitlin 2018). First, they investigate how the Semester balances between economic and social policy priorities and objectives (see Zeiltin and Venhercke 2018; Copeland and Daly 2018). The second axis poses the question whether EU governance and the Semester are becoming more supranational or intergovernmental (see Savage and Howarth 2018). Third, scholars aim to situate the Semester's governance structure between technocratic and democratically accountable governance (see Crum 2018). In addition, scholars focus on the implementation of CSRs at the national level (see Deroose and Griesse 2014; Darvas and Leandro 2015; Alcidi and Gros 2015) to assess the overall effectiveness of the Semester. However, for the purpose of this paper, it is difficult to establish a clear and direct causal connection between implementation rates (overall effectiveness) and inter-institutional disagreement between the Commission and the Council. Instead, this article clarifies the Commission and Council's perception of policy coordination procedures notably through their preferences and opinions stated in the CSRs. Nonetheless, it should be acknowledged that themes such as the success of CSR implementation and the Semester's structure and policy priorities are of immense importance and rightfully deserve careful scholarly attention.

CSRs are anchored in the broader policy priorities determined in the AGS at the start of the Semester cycle and in the Commission President's State of the Union address (Costello 2017; European Commission 2017). In May of each year, the Commission proposes CSRs based on an analysis of risks and challenges in an individual member state with an overarching aim to promote growth, competitiveness, job creation, sustainability of public finances and poverty reduction. CSRs are underpinned by both EU primary (Article 121 and 148 of Treaty on the Functioning of the EU) and secondary (SGP and MIP regulations and integrated guidelines) legislation. Ultimately, CSRs are policy guidelines for the member states designed at the EU level. They are politically (not legally) binding for the member states (Hradiský 2018). Yet, legally, in the situation of non-compliance, the Council may impose sanctions upon euro area countries in the form of a fine. Sanctions are an inherent part of the Excessive Deficit Procedure (EDP) and the Excessive Imbalance Procedure (EIP), the corrective arms of the two main policy coordination mechanisms under the Semester – the SGP and MIP respectively (Deroose and Griesse 2014; Darvas and Leandro 2015; Costello 2017).

Member state representatives in the Council discuss, amend and endorse the Commission's initial CSR proposal, while the European Council adopts the final version a month later. As a general rule, the Council is expected to follow the Commission's proposal (Hradiský 2018: 1). Otherwise, the Council must explain and justify its amendments publicly, according to the 'comply or explain' principle. If this is the case, the Council publishes a report entitled *Explanations of modifications to Commission Recommendations for the Country Specific Recommendations.* In the process of CSR adoption, the Commission and the Council are assisted by the Economic Policy Committee, Economic and Financial Committee, and the European Parliament's Employment and Social Affairs Committee. These committees partake in the process of the so-called multilateral surveillance reviews (MSRs) that evaluate the progress of implementing the previous year's CSRs and guide the design of the CSRs for the upcoming year.

For the purposes of this paper, I distinguish between the policy recommendations and the documents that contain the CSRs. The CSRs are the lists of actual recommendations to be pursued in a certain period (usually one year) by a national government. The lists of recommendations are commonly used as data when analysing implementation rates and the effectiveness of the Semester. What I consider as a CSR document includes the recitals (assessment and analysis of the national economic situation and reform programmes) and the CSRs themselves (a list of specific policy recommendations). Thus, CSRs constitute only one element of a CSR document. Both elements are segments of a single official report. Given that this article focuses upon opinions (sentiments), it is more promising to analyse the whole set of CSR documents rather than just the specific policy recommendations because the documents consist of more textual data, which can provide a deeper understanding of the preferences of the Commission and the Council.

CSR documents cover numerous policy fields such as fiscal policy, investment, business environment, financial sector policy, employment policy and social protection (see Zuleeg 2015a; Gros and Alcidi 2015; Clauwaert 2013 for an overview). They are a promising channel for identifying and explaining internal tensions and disagreements between the Commission and the Council within the European Semester. Moreover, the 'ownership' of the coordination process permeates through the CSRs, as they are the primary policy-oriented output of the Semester framework. As indicated, the Commission has a crucial role in the assessment of national economic performance specifically in the draft version of the CSRs, whereas the Council has the key role in amending and adopting the final version of the CSRs (Alcidi and Gros 2014). Co-executive powers and internal tensions between the two institutions may be an obstacle for an effective functioning of policy coordination (Zuleeg 2015b;

2015a). Thus, a comparison of the Commission's and the (amended) Council's versions of the CSR documents is a useful way to explore and detect sources of disagreement in order to enlighten inter-institutional processes within the European Semester.

METHODS AND DATA

This article combines quantitative and qualitative analysis to answer the research question. First, I carried out a quantitative sentiment analysis. Subsequently, due to the limitations of a quantitative approach to the subject matter, I complement the results of the sentiment analysis with a qualitative case study analysis of the CSR documents. Sentiment analysis encompasses various techniques that identify and extract subjective information (such as opinions and attitudes) by using natural language processing, text analysis and computational linguistics (Mantyla, Graziotin and Miikka 2018). Opinion mining has been used as a synonym for sentiment analysis (see Pang and Lee 2008). Thus, the two terms are used interchangeably in this paper. The proliferation of opinion mining as an analytical tool can be explained by the assumption that opinions are at the core of most human activities and that they influence human behaviour. Research fields applying sentiment analysis include inter alia health science, management, computer science and finance. Political science has also embraced sentiment analysis as a value-added data analysis technique (Zhang, Wang and Liu 2018).

One of the main tasks of a sentiment analysis is to detect polarity in a document, also known as semantic orientation. In particular, polarity classifies an opinion as one of two opposing sentiments. Usually, opposing sentiments refer to the positive/negative dimension (Taboada, Brooke, Tofiloski, Voll, et al. 2011; Cambria, Schuller, Xia and Havasi 2013). This article aims to detect positive/negative sentiments in CSR documents by analysing their textual content. It analyses the text of two abovementioned segments of the CSR documents, namely the recitals and the lists of specific policy recommendations. The analysis aggregates sentiment scores for individual words in each CSR document in order to determine whether the whole document conveys an overall positive or negative opinion/sentiment and, more importantly, to illustrate the difference in opinions between the two versions of CSR documents. I separately calculated sentiment scores for CSR documents written by the Commission and those amended by the Council. The main objective of this sentiment analysis is to detect CSR documents that demonstrate the highest difference in sentiment scores.

This article adopts a lexicon-based approach to calculating and aggregating sentiment scores for each document. The lexicon-based approach calculates sentiment scores based on the semantic orientation of words or phrases in a document (Taboada, et al. 2011). Scores for words and phrases are determined ex ante and incorporated into a dictionary/lexicon (see Table 1 for examples). Assigning scores ex ante is based on the opinion bearing words that are conventionally used to express positive or negative sentiments. Lexicon-based sentiment analysis simply translates the pre-determined scores to actual textual data. However, the lexicon-based approach entails analytical limitations that also hold for other natural language processing techniques, namely negation handling and lexical affinity (see Pang and Lee 2008; Cambria, Schuller, Xia and Havasi 2013 for a detailed example). To illustrate, sentiment analysis would correctly classify the sentence 'today was a happy day' as positive, yet it is likely to wrongly classify the sentence 'today was not a happy day' also as positive (see Banker and Patel 2016). Moreover, sentiment analysis, for the purpose of this paper, is limited in demonstrating and explaining changes in sentiments over time. The reason lies in the so-called streamlined Semester (Hradiský 2018) introduced in 2015 onward which reduced both the detail and number of CSRs. Therefore, changes in the amount of text would contribute more to sentiment scores than actual changes in opinions of the two institutions. Consequently, sentiment variation over time would not be consistent. In sum, despite its limitations, sentiment analysis is appropriate for structured documents covering similar topics (Cambria, Schuller, Xia and Havasi

2013), a condition CSR documents satisfy. This analysis was executed in the *R* software using two packages: *tidyverse* (Wickham 2017) and *tidytext* (Silge and Robinson 2017).

Table 1. Examples of sentiments scores defined by AFINN lexicon

Word	Sentiment score
Fraud	-4
Deficit	-2
Postponed	-2
Support	2
Excellent	3
Outstanding	5

Source: Adapted from Silge and Robinson (2017)

In an attempt to minimise the limitations and to strengthen the robustness of the results, I conduct the sentiment analysis with three different lexicons. In particular, I use AFINN (developed by Finn Arup Nielsen), BING (developed by Bing Liu and collaborators), and NRC (developed by Saif Mohammad and Peter Turney) lexicons (see Silge and Robinson 2017). The lexicons use different criteria and scales to determine ex ante sentiment scores for words and phrases. Subsequently, I perform a qualitative case study analysis to complement the results of the sentiment analysis. The objectives of the qualitative analysis are threefold: to outline thematic sources of disagreement in the Commission's and the Council's opinions stated in the CSR documents; to explain the disagreement; and to highlight possible repercussions of inter-institutional tensions for EU economic governance in general. Ultimately, qualitative case study analysis aims to assess if the Council's amendments in the CSR documents are substantive while taking on board findings from sentiment analysis.

Pairs of CSR documents serve as cases. Each pair consists of a Commission and a Council version of a CSR document for the same member state issued in the same year. I selected five pairs based on the highest differences in sentiment scores between the two versions for the subsequent case study analysis. Data used in the analysis are publicly accessible at the European Commission's official website (see European Commission n.d.). The sample consists of 240 CSR documents issued by the Commission (120) and the Council (120) in English, covering the period from 2011 to 2017. Five CSR documents (Austria 2011, Greece 2012, Finland 2012, Estonia 2013 and Portugal 2013) were omitted from the sample due to unavailability or inability to be read by the software.

RESULTS AND DISCUSSION

This section provides the key discussion with regard to the findings of this paper. The first group of results concerns the insights from the sentiment analysis. Second, I demonstrate and discuss the Council's amendments in five selected pairs of cases focusing on the potential reasoning behind them. Finally, I transpose the issue of inter-institutional tensions to a more general debate on EU economic governance and repercussions the tensions could have.

Sentiment scores in respective versions of the CSR documents

I used three sentiment lexicons (NRC, AFINN, and BING) in the analysis to strengthen the robustness of the results. I considered the positive/negative dimension as the most appropriate to detect differences in opinions. The NRC lexicon classifies words and consequently determines sentiment scores ex ante in a binary fashion ('yes'/'no') for several categories such as positive, negative, disgust, fear and so on. The BING lexicon categorises words and determines their sentiment scores solely for the positive/negative dimension. The AFINN lexicon offers a more streamlined classification of words into the positive/negative categories and the sentiment scores range between -5 and 5. The lower the score (minimum -5), the more negative the sentiment. In contrast, positive sentiment scores indicate a positive sentiment (maximum 5) (Silge and Robinson 2017). I aggregated the sentiment scores into an overall sentiment score for each version of the CSR document. Subsequently, I compared the overall sentiment scores of the documents issued by the Commission and those issued by the Council.

The results demonstrate predominantly positive scores (positive language) for both CSR documents issued by the Commission and those issued (amended) by the Council. However, sentiment scores for the Council are slightly higher (more positive) on average. The sentiment scores from all three lexicons confirm this trend (see Table 2).

Table 2. Average sentiment scores for the Commission and the Council

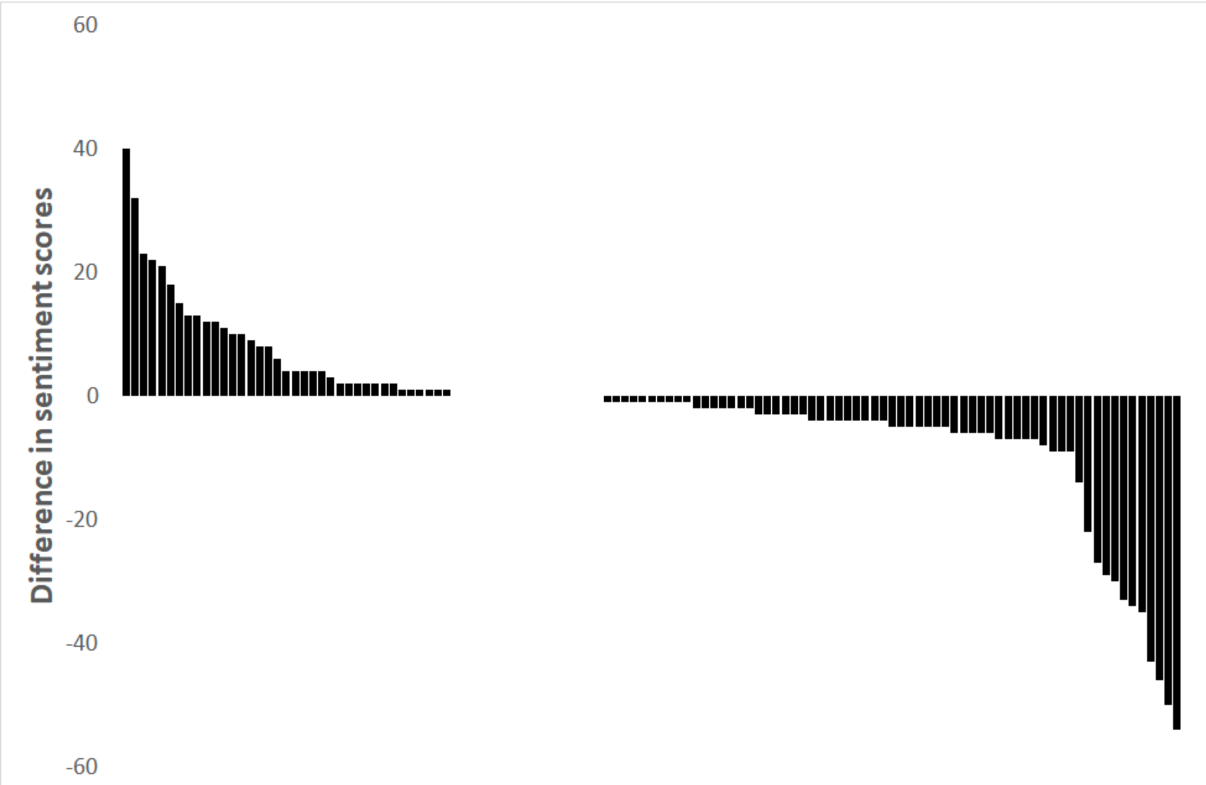
	Average sentiment score	
Lexicon	Commission	Council
AFINN	47.54	50.10
BING	42.74	44.77
NRC	67.63	70.10

Source: Author

Due to the discussed limitations of the quantitative sentiment analysis, it is rather difficult to assess what more positive sentiment scores in the Council's version exactly mean solely by looking at the scores. Superficially, the Council's consistently more positive assessments of economic and policy reform performance in member states may allude to the 'politicisation' of the process. A surprisingly small number of CSR documents with negative sentiment scores may as well contribute to this line of argumentation. Politicisation would essentially mean that the Council (mis)uses its power and right to amend the CSRs in order to postpone or even disregard often politically costly reforms in fiscal and social policy areas proposed by the Commission (see Schuknecht 2000; Milesi-Feretti, Perotti and Rostagno 2002; Fatás and Mihov 2003; Buti and van den Noord 2003; Alesina, Cohen and Roubini 1992). However, the procedural nature of CSR formulation and endorsement questions this line of argumentation. In particular, all amendments made by the Council that are not consensually accepted by the Commission must be explained under the 'comply or explain' principle. Therefore, the sentiment scores assigned along the positive/negative dimension are not sufficient to support the politicisation argument on their own (see McConnell 2010; Marsh and McConnell 2010 for in depth discussion on the concept of politicisation). Perhaps, one may conduct a process-tracing analysis to test such claims.

Nonetheless, sentiment analysis did produce findings of relevance to the research problem of this article in two respects. First, by demonstrating different average sentiment scores of the two versions of the CSR documents, sentiment analysis showed that a certain degree of disagreement between the two institutions exists. However, the difference between the average scores is not significant. This would imply that there should not be major disparities between the Commission and the Council across the middle part of the distribution of difference in sentiment scores. Therefore, for the purpose of this paper, the tails (outliers) of the distribution are of specific interest (see Figure 1). In particular, the subsequent qualitative analysis is based on the right distribution tail as it illustrates the score difference in documents where the Council had the higher (more positive) sentiment score, which is in line with the average trend. Nevertheless, I also address the left distribution tail where the Commission's sentiment is more positive in an attempt to strengthen the overall argument.

Fig 1. Distribution of difference between the Commission's and the Council's sentiment scores



Source: Author
Note: The difference was calculated by subtracting Council's scores from Commission's scores

Consequently, the second contribution of the sentiment analysis is the detection of outliers: pairs of CSR documents that have the highest difference in sentiment scores and are presumably the most disputable concerning changes made in their textual content (see Table 3).

Table 3. CSR documents with the highest difference in sentiment scores (AFINN lexicon)

CSR document	Council sentiment score	Commission sentiment score	Difference
France 2011	56	2	54
France 2015	83	33	50
Finland 2015	85	39	46
Greece 2011	47	4	43
Germany 2015	80	45	35

Source: Author

Case studies: The reasoning behind the Council's amendments of the CSRs

The overarching aim of this case study analysis is to determine if the Council's amendments are cosmetic or substantive. Additionally, the case study analysis outlines and explains thematic (policy) disagreement between the two institutions and highlights possible repercussions of inter-institutional tensions for EU policy coordination in general. As noted, I selected five pairs of CSR documents that demonstrate the greatest difference in sentiment scores between the Commission and the Council as cases (the outliers). I calculated the difference in sentiment based on the scores yielded by the AFINN lexicon, as this lexicon offers a more streamlined score assignment scale (from -5 to 5) along the positive/negative dimension.[1] The selected cases are CSR documents for Greece (2011), France (2011), France (2015), Finland (2015), and Germany (2015). I analysed the pairs of cases from the Council's perspective.

In the case of CSR documents for Greece in 2011, the difference in opinions between the Commission and the Council is not substantive, but cosmetic. The difference occurred solely due to the amount of text and language used in the documents. Therefore, meanings, interpretations and suggestions stated in both versions of the CSR documents are equivalent. This case is a manifestation of the above-mentioned limitations of quantitative text analysis techniques. However, in the other four cases detected by the sentiment analysis, the Council's amendments are of a substantive nature.

CSR documents for France in 2011 demonstrate a meaningful disparity between the two institutions. First, the documents state different interpretations of the occurrence of an economic decline of 2.7 per cent of GDP in 2009 and different explanations regarding resilience to the recent economic and financial crisis. On the one hand, the Commission emphasised a low degree of economic openness, whilst, on the other hand, the Council identified household consumption as the main driving factor of the decline. Second, the Council's assessment of future budgetary projections and expected growth levels in the following year was more optimistic than the Commission initially stated. Moreover, the Council expressed more optimistic opinions on the improvement of deficits stating that despite missing the targets for government deficit and debt in the past, the French government still produced better than expected results in 2010. Third, the Commission questioned the ability of the French government to bring pension system finances in balance by the year 2020. Nevertheless, the Council confidently stated that this objective could be fulfilled as early as 2018. To support the optimistic and confident view on the above issues, the Council repeatedly referred to the legislative package that the French government had enacted, namely the *Multilayer Public Finance Planning Act (2011-2014)*. In the Council's view, the French government specifically designed this legislative package to address the issues the Commission highlights in the initial version of the CSR document. In sum, the substantive amendments made by the Council predominantly concern fiscal policy.

Other changes of substantial relevance occurred in the area of labour market and social policies. The Commission highlighted the unsatisfactory efforts made by the French government to tackle the problem of dualism in the French labour market. Again, the Council referred to the same legislative package (*Multilayer Public Finance Planning Act 2011-2014*) that allegedly consists of necessary measures to address this specific issue. Additionally, the Council was confident that the legislative package would have been sufficient to address the problem of tax and social security exemptions (the Commission considers them a threat to the consolidation of public finances). The above-depicted changes of substantive relevance occurred in the recital segment of the CSR document. Nevertheless, the end product, a list of policy recommendations, was subject to amendments as well. In one policy recommendation, the Council precisely re-emphasised the impact of the abovementioned legislative package. Particularly, it claimed that the implementation of policy measures in the package would have multiple, synergetic favourable effects. For instance, the Council felt confident that lowering the government deficit would positively affect debt reduction.

Moreover, previous efforts to reform the labour market, especially labour segmentation, were seen by the Council as having a positive impact upon human capital potentials in France.

The CSR documents for France (2015) show substantive differences in the same policy areas as those for 2011. To illustrate, concerning fiscal policy, the Council emphasised enacted measures and disseminated an optimistic view on the French compliance with provisions of the SGP. More specifically, it recognised the efforts made by the French government regarding budgetary strategy and its implementation of structural reforms. In addition, the Council provided a more fine-grained assessment of pension deficits. Concerning labour market policy, the Council took a rather cautious attitude toward the Commission's initial suggestion to modify the 35-hour week policy. The reasoning behind a cautious approach was based in the Council's concern for additional costs that such modification could cause.

Detecting France (2015) as the case with one of the biggest difference in sentiment scores illustrates the precision of sentiment analysis, as the case is presumably the most disputed one. The Commission rejected the Council's amendments of the initial CSR document, which enlightens its disputable nature. Consequently, the CSRs for France (2015) were subject to the 'comply and explain' principle. The most disputed policy recommendation concerned spending reviews in the public sector (see Council of the EU 2015). In particular, the Council's amendment considered the inclusion of continuous public policy evaluations as a complement to an effective spending review. The Council justified the change as contributing to the improvement of overall government efficiency. Oddly, the amendment actually reinforced and strengthened the Commission's initial recommendation rather than being opposed to it. Moreover, in another recommendation, the Council emphasised the role of social partners and national practices in social and employment policy reforms. This recommendation suggests that the Council wants to preserve national ownership of the design and implementation of the proposed reforms.

The reasoning behind the Council's version of the CSR document for Finland (2015) follows a pattern similar to the French cases from 2011 and 2015. The Council was far more detailed and specific about measures adopted by the Finnish government by highlighting the effects of the *Strategic Programme* (in the French case the Council repeatedly referred to a specific legislative package as well). For instance, the Council aimed to address the proposed measures by the Commission with a single *Strategic Programme* especially to ensure the correction of the excessive deficit. With regard to the policy recommendations, the Council is more specific concerning fiscal policy and deficit adjustments than the Commission.

As in the French case (2015), one policy recommendation was subject to the 'comply and explain' principle. The Commission recommended that the Finnish government should ensure that wages evolve in line with productivity. The Council amended this recommendation by emphasising the exclusive competence of social partners in wage setting and by clearly stating that the Finnish government could only promote wage developments suggested by the Commission rather than ensure them. As noted above, a substantive change with equivalent reasoning ending up under the 'comply and explain' principle occurred in the CSR documents for France (2015). Here again, in the Finnish case, the national socio-economic context and the insistence upon national ownership of the proposed reforms became points of disagreement. The Finnish (2015) case again demonstrates the usefulness of sentiment analysis as it detected the case as one of the most disputed, based on the difference between the sentiment scores.

The last case I discuss in this article concerns the CSR document for Germany (2015). The difference between the sentiment scores of the Commission and the Council only partially occurs due to substantive matters (partially due to the amount of text and difference in language without significantly changing the meaning). However, the CSR documents for Germany in 2015 are of relevance for this article as one policy recommendation ended up under the 'comply or explain' principle, meaning there was an evident disparity between the two institutions. As in the cases discussed above, the disagreement concerned fiscal policy. Essentially, the Commission suggested that the German government should increase public investment using its available fiscal space (general government surplus). Nonetheless, the Council's version of the recommendation disregards the term 'fiscal space' with the explanation that there would be no official definition of the term under SGP legislation. In other words, the Council is protective of German (non-expansionist) fiscal policy and general government surplus that has been on an increasing path since 2014. Fiscal policy has historically been a salient issue for Germany in the EMU context, as demonstrated by the insistence of German governments upon the Maastricht criteria, ECB monetary policy design (i.e. no monetary financing of government spending) and specifying the SGP rules (see Jones 2002; Buti, Franco and Ongena 1998). Finding a niche in secondary legislation regarding the non-existing definition of 'fiscal space' in order to defend surplus policies is another example of the salience of fiscal policy for Germany.

In sum, in cases where the Council states more positive opinions than the Commission (outliers on the right tail of sentiment score difference distribution), the amendments are of substantive relevance. This does not hold for the outlier cases for which the Council's sentiment scores are lower (more negative) than the Commission's (left tail of the score difference distribution).[2] The only case where the Council's amendments could be interpreted as substantive is Germany (2017). The difference in the other outlier cases on the left tail of the distribution is exclusively due to cosmetic changes. Therefore, the findings from the case studies demonstrate a certain degree of robustness.

Potential effects on EU policy coordination

The insights drawn from the case studies translate into a more general debate on EU policy coordination. Primarily, the case study analysis shows that the Council's amendments tend to be substantive rather than consisting of merely cosmetic changes. In addition, discussions about certain policy areas, notably fiscal, labour market and social policies, consistently occur as points of disagreement between the Council and the Commission. The link between the three areas is a significant political cost of reforms.

Previous developments in EU policy coordination show the perils of inter-institutional disagreement over politically costly policy reforms. In particular, the SGP enforcement crisis and reform in 2005 resulted in legal action initiated by the Commission against the Council (see Howarth 2007; Chang 2006; Calmfors 2006). Interestingly, during the SGP crisis, the wayward member states (France and Germany) appear as cases involving a high level of disagreement between the Commission and the Council, as could be shown in this study. The repeated occurrence of fiscal and social policies as themes of disagreement relates to the longstanding preoccupation with economic stability rather than growth in EU-level macro-economic policy coordination. To illustrate, the Commission's input on fiscal and social policy areas in the CSR documents is driven predominantly by the overarching aim of sound public finances. Thus, sound public finances are a guideline in pursuing all of the proposed reforms. The Council accepts this guideline, yet aims to suggest alternative, less costly means on how to follow and achieve it. The Commission's perception of sound public finances as the 'holy grail' explains why it tends to present rather strict assessments and demands in the CSR documents compared to the Council's softer and optimistic approach (see Howarth 2008). The question here is whether the predominant focus on stability rather than on growth is counter-productive both in terms of the effectiveness of the EU policy coordination regime and the economic development of the member states. Subordination of growth to stability is an additional layer of the economic versus social axis (Verdun and Zeitlin 2018) debate in the context of the Semester mentioned in the introduction.

Moreover, as seen in the French (2011) and the Finnish (2015) cases, the Council tends to emphasise the power of domestically enacted legislative packages to capture all the initial demands proposed by the Commission. These occurrences may be a double-edged sword in the context of CSRs and the Semester in general. On the one hand, the existence of legislative measures indicates that a national government (diligently) undertook required actions to implement CSRs. On the other hand, encompassing various policy recommendations in a single package may also indicate that individual CSRs are unclear, vague and overlap, which ultimately obstructs their implementation. The literature has acknowledged the analytical limitations of CSRs as a policy guideline tool (see Bénassy-Quéré 2015).

Finally, the most evident takeaway message from analysing disagreement between the Commission and the Council concerns the Council's endeavours to ensure national ownership of proposed policy recommendations. Emphasising the role of national social actors and the relevance of historical and traditional national practices in certain policy areas are instances of this claim. Germany's strong national fiscal position, French reservation toward the Commission's proposal for restructuring the labour market, and the dominant role of social stakeholders in wage setting in Finland are concrete examples of a tendency toward national ownership, as discussed in this paper. A discussion about ownership of a policy reform usually occurs in an international policy context with multiple actors involved (see Vanheuverzwijn and Crespy 2018; Koeberle, Bedoya, Silarsky and Verheyen 2005).

Within the scope of this article and its findings, national ownership of reforms essentially refers to two phenomena. First, it refers to the Council's persistent acknowledgement of national practices in reform processes. Second, it concerns the Council's tendency to be more specific than the Commission in individual policy recommendations to limit the scope of the proposed reforms and to curb the extra (political and social) cost of the recommendations. To illustrate, in the case of Finland (2015), the Commission recommended ensuring that the excessive deficit was brought below 3 per cent of GDP. The Council amended this recommendation with more specific tasks, namely achieving a minimum fiscal adjustment of 0.1 per cent of GDP in 2015 and 0.5 per cent of GDP in 2016. Therefore, the reform capacity of the Finnish government was taken into account, presuming that the government aimed at containing the political and social costs of this measure. The evidence about national ownership of policy reforms queries the argument that the Commission's (surveillance) influence increased after the 2011 governance reform (see Guidi and Guardiancich 2018 for exemplification of this argument specifically in the context of pension policy) and presents the Council as the dominant actor in the policy coordination process. However, one ought to inspect other cases and specific contexts of the design of the CSRs to test more effectively the relative weakening of the Commission.

CONCLUSION

This article explored the reasoning behind the Council's amendments to the Commission's proposals of CSRs. CSR documents are the main policy-oriented output of the European Semester. Therefore, they constitute an adequate channel to investigate the efficacy of the European Semester. It undertook an inter-institutional approach by comparing the Commission's and the Council's opinions (sentiments) stated in their respective versions of CSRs documents. The main methods employed were quantitative sentiment analysis and, subsequently, qualitative case study analysis.

The results indicate that the Council's amendments tend to be substantive rather than cosmetic. Sentiment analysis demonstrated, first, that there is a difference between the two versions of the

CSR documents. Second, the analysis detected five cases (Greece 2011, France 2011, France 2015, Germany 2015, and Finland 2015) where the CSR documents differed the most. These findings were then tested and further explored in in-depth case studies, which confirmed the substantive relevance of the Council's amendments. Politically costly reforms in areas such as fiscal, labour market and social policies consistently appear to be points of disagreement between the Council and the Commission. On the one hand, the Commission tends to be rather strict in these policy areas, while persistently referring to the need to respect sound public finances. On the other hand, the Council's amendments seek to circumvent the Commission's strictness and adjust the proposed measures to the current reform capacity of the member state in question. Overall, in its amendments, the Council emphasises the importance of national traditions and practices in policymaking, which the Commission (to some extent) disregards. Consequently, the Council aims to reinforce and ensure national ownership of policy recommendations and their respective implementation. The cases discussed in the article exemplify this endeavour: Finland (2015) and its wage setting policy, France (2015) and its labour market reform and Germany (2015) and the use of its available fiscal space.

These conclusions are statements (appropriately tested on a small number of cases) whose generalisability should be approached with a dosage of caution. An important element that would significantly extend the generalisability of the results, but is not fully considered in the analysis, is the nuanced political (and economic) context of a member state in a given year. For example, taking into account the proximity of the elections and/or political colour of a member state's government may improve explanations of the rationales behind the Council's amendments of the CSR documents for a given year. Nonetheless, in order to take advantage of the specific political (and economic) context, a multifaceted approach to understanding the amendments may be beneficial. The multifaceted approach goes beyond the sole dynamic between the Commission and the Council that this article adopts and may include interactions within a national government (for example among relevant ministries), within the Council itself and with other relevant actors (or institutions) in both supranational and national contexts. This kind of analysis may require different methodological techniques such as semi-structured interviews and/or process tracing with the aim of enlightening the effects of the specific national contexts on the rationales behind the amendments of the CSRs. Therefore, although the conclusions of this article offer stimulating explanations of the issue at hand, they possibly require further research focused on specific national contexts and dynamics among other stakeholders in the coordination process.

Overall, however, this analysis contributes to the existing literature on the European Semester in two key ways. First, it explores and tests sentiment analysis as an innovative and infrequently used methodological technique. Despite its evident limitations, sentiment analysis contributed to the discussion of the presented research problem. However, its explanatory potential is merely descriptive. Sentiment analysis and similar techniques such as topic modelling and measuring distance between documents could take advantage of the abundance of textual content produced within the Semester cycle. Nevertheless, for more in-depth insights into the internal dynamics of the European Semester, one is encouraged to supplement sentiment analysis with other types of qualitative analyses such as process-tracing and discourse analysis, applying a case study design. The second contribution of this article is to add to the EU studies literature by assessing both the tensions between the two main institutions involved in the European Semester policy-making process, the Council and the Commission, and the potential (adverse) effects of these tensions on EU policy coordination in general. As a short introduction into the impact of inter-institutional dynamics on policy coordination within the European Semester, this article invites further examination of these and other, nuanced dynamics.

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ENDNOTES

[1] Three out of five selected pairs of CSR documents display the highest differences in sentiment scores according to the BING lexicon as well.
[2] Five outlier cases on the left tail of the difference distribution are: France (2012; 2017), Germany (2014; 2017), Luxembourg (2017). The average difference score for the left tail outliers is significantly lower (27) than for outliers on the right tail (45.6).

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