

Brussels, 19<sup>th</sup> February 2007

## **Joint Employment Report 2006**

### **What does the 2007 Joint Employment Report (JER) assess?**

The JER assesses the implementation of the EU and the employment aspects of each country's national reform programmes according to the priorities set out under the EU's Lisbon strategy for growth and Jobs. The JER does cite certain areas where progress has been made as well as areas where it has been limited or insufficient. It looks at gaps and weaknesses as well as the differences from country to country. This year, the report highlights that significant action has been carried out under the Lisbon priority to attract and retain more people in work. Some progress has been made under the priority to raise investment in human capital with a slight increase in spending. However policy implementation to improve the adaptability of workers and companies is lagging behind.

### **What is the JER's link to the Lisbon strategy?**

The JER is the jobs analysis of the Jobs and Growth strategy. As it is jointly adopted by the Commission and Member States, it is an important step in delivering the Lisbon objectives.

### **Why is the Commission proposing country specific recommendations?**

Alongside the JER, the Commission has proposed country specific recommendations to the Employment and Social Affairs Council for its political endorsement. These recommendations will go to the European Council in March which each year focuses on the Lisbon strategy for Growth and Jobs, allowing Member States to agree together at the highest political level on what they need to do to push reform forward. This will provide a stronger political basis for reform. These recommendations are proposed under Articles 99 and 128 of the Treaty and formerly adopted by Member States.

### **What do the country specific recommendations cover?**

The recommendations cover the three strands of the integrated guidelines for the Growth and Jobs strategy which relate to macro-economic, micro-economic and employment reforms. A proposed recommendation signifies that - in the Commission's view - although there may have been some progress, the Member State concerned still needs to reinforce or speed up its efforts in this area.

### **Are there employment recommendations for all MS?**

No. This year, 19 out of 25 Member States have received at least one recommendation in the area of employment on areas where further implementation efforts are needed. EE, EI, DK, FI, LU and SE do not receive any recommendations this year since their progress in implementing the reform programs has been significant.

### **Improving flexicurity is one of the key messages of the JER – how can flexicurity contribute to Growth and Jobs?**

The flexicurity approach is about combining active labour market policies, appropriate contractual arrangements, lifelong learning and high levels of social protection. Rapid technological progress and increased global competition requires flexible labour markets but this should not mean less security for workers. The aim is for workers to exchange security in a job for security in the job market as a whole, thanks to more and better training (including active labour market policies) and adequate levels of social protection to tide them over between jobs. What is important is that it is an approach that can be adapted to each Member State and tailored to the needs of each country's labour market.

### **Which Member States are doing best and which are not doing so well?**

The APR (Annual Progress Report) assesses the progress on implementation of each country's national reform programmes according to the priorities set out under the EU's Lisbon strategy for Growth and Jobs. All Member States have made progress but have had different starting positions. This is why it would not be useful to compare or point the finger and say a particular Member State is doing badly. There are big differences in the depth and pace of reform and it will be crucial over time to close this gap as all of our economies are interdependent. Prosperity in one creates prosperity in others. Every Member State needs to perform to its full potential.

### **What are the next steps?**

The JER will be adopted at the EPSCO on 22nd February. There will also be a political agreement on the recommendations in the EPSCO council (and in the ECFIN council) which will then be endorsed in the Spring European Council in March and then formally adopted in a following council, which will be the ECFIN council on the 27th of March. In October 2007, the Commission will receive a new set of national reports which will concentrate on addressing the implementation of the recommendations.