

Implementation of Lisbon targets for employment rates by countries

In the Strategic report on the renewed Lisbon strategy for growth and jobs: launching the new cycle (2008-2010)¹ the Commission in the Statistical Annex provided the results of annual progress for member countries. Any good governance does not use setting of targets only to specify the vision and the desired direction but it also uses the feedback from the implementation to adjust the future actions. We are using the S-time-distance measure to monitor implementation for 27 countries as an easily understandable measure of lead or lag in time against the line to 2010 target for employment rates.

Table 1. Implementation of Lisbon target for total employment rate (70%)

	S-time-distance (in years)						
	2000	2001	2002	2003	2004	2005	2006
EU27	0.0	0.6	1.9	2.6	3.1	3.4	3.1
EU25	0.0	0.5	1.5	2.3	2.8	2.9	2.9
EU15	0.0	0.1	0.7	1.6	2.0	2.0	2.0
Denmark	TA	TA	TA	TA	TA	TA	TA
Netherlands	TA	TA	TA	TA	TA	TA	TA
Sweden	TA	TA	TA	TA	TA	TA	TA
United Kingdom	TA	TA	TA	TA	TA	TA	TA
Austria	0.0	1.0	0.7	0.3	> 4	4.3	TA
Cyprus	0.0	-4.0	-4.8	-5.2	-3.5	-1.6	-3.1
Estonia	0.0	0.3	0.2	0.3	1.2	0.7	-2.1
Finland	0.0	-2.3	-1.3	1.2	2.6	0.7	-1.5
Latvia	0.0	0.0	-0.5	-0.7	0.0	0.1	-1.2
Ireland	0.0	-0.3	1.4	2.4	1.7	-0.1	-1.1
Spain	0.0	-0.2	0.2	0.2	0.3	-0.3	-0.4
Slovenia	0.0	-0.5	1.1	> 3	0.4	0.4	0.6
Bulgaria	0.0	> 1	1.9	1.8	1.8	2.0	1.4
Germany	0.0	0.5	> 2	> 3	> 4	4.1	1.6
Lithuania	0.0	> 1	1.2	1.0	2.0	1.6	1.7
Greece	0.0	> 1	1.2	1.2	1.7	2.1	2.4
Italy	0.0	0.2	0.8	1.4	1.4	2.4	2.9
Slovakia	0.0	1.0	2.0	2.3	3.8	4.3	3.9
Luxembourg	0.0	0.4	1.0	> 3	> 4	3.7	4.7
France	0.0	0.1	0.8	1.4	2.7	3.7	4.8
Hungary	0.0	> 1	> 2	2.4	3.6	4.5	5.2
Czech Republic	0.0	1.0	1.2	> 3	> 4	> 5	5.4
Belgium	0.0	> 1	> 2	> 3	> 4	4.3	5.4
Malta	0.0	0.9	1.9	3.0	> 4	> 5	5.6
Portugal	0.0	-2.8	-0.5	> 3	> 4	> 5	> 6
Poland	0.0	> 1	> 2	> 3	> 4	> 5	> 6
Romania	0.0	> 1	> 2	> 3	> 4	> 5	> 6

S-time-distance: (-) actual ahead or (+) behind the line to target (years)

TA = Target already achieved

> x = actual value is worse then the starting value, S-time-distance is more than x years

¹ Commission of the European Communities (2007), Communication of the Commission to the European Council, COM(2007) XXX final – PART I, Brussels, December 11

Notwithstanding the progress in employment in the last years for total employment rate EU15 is still 2 years, for EU25 and EU27 about 3 years behind the line to target of total employment rate of 70% in 2010. In other words, the actual values for 2006 were envisaged to be attained in 2004 and 2003, respectively. The good message is that the time lag behind the line to target did not increase further after 2004; in the next four years further acceleration might decrease the delay.

Table 1 shows for total employment rate that by 2006 5 countries already achieved the EU target for 2010. Six more countries are ahead of their line to target. For every country the line to target is calculated between the actual for 2000 and the target in 2010 under the assumption of a required constant rate of growth of the indicator in this period. The other 16 countries are behind their lines to target, 9 of them are lagging for more than 4 years.

Table 2. Implementation of target for female employment rate (60%)

	S-time-distance (in years)						
	2000	2001	2002	2003	2004	2005	2006
EU27	0	0.0	0.8	1.2	1.2	0.9	0.3
EU25	0	-0.1	0.2	0.7	0.6	0.3	0.0
EU15	0	-0.6	-0.6	-0.3	-0.7	-1.2	-1.7
Denmark	TA	TA	TA	TA	TA	TA	TA
Sweden	TA	TA	TA	TA	TA	TA	TA
Netherlands	TA	TA	TA	TA	TA	TA	TA
Finland	TA	TA	TA	TA	TA	TA	TA
United Kingdom	TA	TA	TA	TA	TA	TA	TA
Portugal	TA	TA	TA	TA	TA	TA	TA
Austria	0	TA	TA	TA	TA	TA	TA
Estonia	0	-0.7	-1.3	-3.8	TA	TA	TA
Slovenia	0	-1.5	0.7	> 3	TA	TA	TA
Germany	0	-2.2	-2.2	-1.2	-1.8	TA	TA
Latvia	0	-2.2	-3.0	-3.7	-3.7	-3.9	TA
Cyprus	0	-4.8	-6.7	TA	-4.1	-2.6	TA
Lithuania	0	> 1	> 2	-0.1	3.6	-2.4	TA
Ireland	0	-0.7	-0.6	-0.1	-0.4	-2.3	-2.9
Spain	0	-0.1	0.1	0.0	-0.1	-0.7	-0.8
Bulgaria	0	0.6	1.0	0.8	0.6	0.8	-0.3
France	0	-0.7	-1.2	-1.3	-0.7	-0.1	0.7
Luxembourg	0	0.1	0.4	2.1	2.0	1.2	1.2
Italy	0	0.1	0.6	1.2	0.9	1.8	2.3
Greece	0	> 1	1.2	1.4	1.8	2.3	2.5
Belgium	0	> 1	> 2	2.6	2.6	2.1	2.9
Hungary	0	0.9	1.9	1.7	3.0	3.6	4.5
Malta	0	> 1	1.6	2.8	> 4	4.7	5.1
Slovakia	0	0.6	> 2	2.1	> 4	> 5	5.5
Czech Republic	0	1.0	1.7	> 3	> 4	> 5	> 6
Poland	0	> 1	> 2	> 3	> 4	> 5	> 6
Romania	0	> 1	> 2	> 3	> 4	> 5	> 6

S-time-distance: (-) actual ahead or (+) behind the line to target (years)

TA = Target already achieved

> x = actual value is worse then the starting value, S-time-distance is more than x years

The implementation is much better for the indicator female employment rate. By 2006 13 countries already attained the 2010 EU target of 60 %. Only a minority of countries is behind the line to the EU target, 6 for more than 4 years.

At the aggregate level EU is very close to target for female employment rate for EU 27 and EU 25; for EU15 it is even 1.7 years ahead of its line to target. This is a very different situation at the aggregate level than the situation for the total employment rate.

Table 3. Target implementation for older workers employment rate (50%)

	S-time-distance (in years)						
	2000	2001	2002	2003	2004	2005	2006
EU27	0.0	0.3	0.6	0.4	0.8	0.5	0.6
EU25	0.0	0.2	0.2	0.0	0.4	0.2	0.4
EU15	0.0	0.1	-0.2	-0.5	-0.1	-0.5	-0.4
Sweden	TA	TA	TA	TA	TA	TA	TA
Denmark	TA	TA	TA	TA	TA	TA	TA
United Kingdom	TA	TA	TA	TA	TA	TA	TA
Portugal	TA	TA	TA	TA	TA	TA	TA
Estonia	0	-5.0	TA	TA	TA	TA	TA
Finland	0	-4.1	-5.5	-6.5	TA	TA	TA
Cyprus	0	> 1	2.0	TA	-4.3	TA	TA
Ireland	0	-2.3	-3.9	-5.0	-5.0	TA	TA
Latvia	0	0.3	-2.4	-3.1	-4.7	-4.6	TA
Lithuania	0	> 1	0.6	-1.7	-3.1	-4.2	-3.6
Germany	0	0.7	0.8	0.9	0.3	-1.6	-2.8
Netherlands	0	-0.3	-1.8	-2.5	-2.2	-2.0	-2.2
Bulgaria	0	-0.6	-1.0	-1.0	-0.9	-0.8	-1.1
Czech Republic	0	0.3	-1.6	-1.8	-1.0	-1.3	-0.8
Spain	0	-0.9	-0.2	-0.1	0.4	0.0	0.2
Slovakia	0	0.4	1.2	1.3	1.3	1.0	1.0
Hungary	0	0.3	0.3	-0.2	0.0	0.1	1.1
Slovenia	0	-0.4	1.0	2.6	1.0	1.2	1.5
France	0	-0.2	-0.9	-0.9	-0.2	0.4	1.6
Austria	0	0.9	1.8	2.1	4.0	3.2	2.2
Luxembourg	0	> 1	1.2	1.1	2.0	2.3	2.6
Greece	0	> 1	1.8	0.7	3.6	2.4	2.8
Belgium	0	> 1	1.8	2.0	2.0	2.1	3.0
Italy	0	0.8	1.3	1.5	2.4	2.9	3.3
Malta	0	0.5	1.0	0.7	2.2	3.6	5.1
Poland	0	> 1	> 2	> 3	> 4	> 5	> 6
Romania	0	> 1	> 2	> 3	> 4	> 5	> 6

S-time-distance: (-) actual ahead or (+) behind the line to target (years)

TA = Target already achieved

> x = actual value is worse then the starting value, S-time-distance is more than x years

Table 3 shows similar results for the EU target of 50 % employment rate for older workers. EU 27 is behind the line to target for about 7 months, while EU15 is about 5 months ahead of it. Looking at individual countries, 8 of them reached the 2010 EU target of 50 % by 2006, only 3 countries lag behind their line to target by more than 4 years.

In political terms the more relevant comparison in the monitoring process is between the actual country performance and their particular NRP targets, the time distance lead or lag for 16 countries is presented. In the re-launched Lisbon strategy Member States in their National Reform Programmes (NRP) specify their own national targets in line with their circumstances. It is unfortunate that for 11 countries their NRP targets for total employment rate as one of the cornerstone of the Growth and Jobs strategy were not provided in the Report.

Table 4. Implementation of NRP targets for total employment rate for 16 countries which NRP targets were presented in the Commission Report

	S-time-distance (in years)						
	2000	2001	2002	2003	2004	2005	2006
Latvia	0	-0.2	-1.2	-1.7	-1.2	-1.3	-3.3
Spain	0	-0.7	-0.4	-0.8	-1.1	-2.3	-2.8
Estonia	0	0.3	0.2	0.3	1.2	0.7	-2.1
Cyprus	0	-3.0	-3.6	-3.7	-2.1	-0.4	-1.4
Slovenia	0	-1.0	0.8	> 3	-0.8	-1.1	-1.2
Ireland	0	-0.3	1.4	2.4	1.7	-0.1	-1.1
Bulgaria	0	> 1	1.8	1.1	0.6	0.2	-1.0
Greece	0	> 1	0.6	0.0	0.0	0.1	0.0
Lithuania	0	> 1	1.1	0.8	1.7	1.2	1.2
Hungary	0	> 1	> 2	0.0	1.9	2.5	1.8
Finland	0	-0.3	0.7	2.3	3.4	3.2	2.9
Malta	0	0.6	1.3	3.0	> 4	> 5	3.8
Czech Republic	0	1.0	-0.3	> 3	> 4	> 5	4.3
Belgium	0	> 1	> 2	> 3	> 4	4.3	5.4
Portugal	0	-2.8	-0.5	> 3	> 4	> 5	> 6
Romania	TA	> 1	> 2	> 3	> 4	> 5	> 6

S-time-distance: (-) actual ahead or (+) behind the line to target (years)

TA = Target already achieved

> x = actual value is worse then the starting value, S-time-distance is more than x years

Regrettably for about one third of the countries no NRP targets for total employment rate were reported in the Report, among them there were several large countries. The results available for 16 countries for employment rate show that in 2006 8 countries were ahead and 8 countries behind in reaching the envisaged values on their line to target.

1. Policy conclusions

EU is performing better but there is no place for complacency. Monitoring and evaluation of the degree of implementation of policy targets are indispensable phases of the policy circle. At the EU and at the national level good governance implies good communication with many stakeholders and S-time-distance is an excellent easily understood presentation and communication tool. It provides new insights from existing data and it can contribute to the proclaimed need for greater transparency and communication with the public.

At the EU level substantial progress in employment has taken place in the last years yet for the structural indicator total employment rate EU15 is still 2 years behind the line to target of 70 % in 2010, EU25 and EU27 for about 3 years. The good message is that the time lag behind the line to target did not increase further after 2004; in the next four years further

acceleration might decrease the delay. But the dispersion of results across countries is large. Five countries already achieved the 2010 targets, further 6 are ahead of the line to target, but 16 countries are behind their lines to target, 9 of them are lagging for more than 4 years. These results call for a greater mobilisation of efforts.

It is encouraging that the situation is much better for the indicators employment rate for women and for older workers. The EU aggregate is practically on the line to targets of 60 % and 50 %, respectively. By 2006 13 countries already attained the respective 2010 target for female employment rate and 9 countries for employment rate for older workers. Again the situation across countries is varied.

In political terms the more relevant comparison in the monitoring process is between the actual country performance and their particular NRP targets. It is rather strange that for 11 countries their NRP targets for employment rate as one of the cornerstone of the Growth and Jobs strategy were not provided in the Commission Report. It is suggested that together the respective countries and the Commission publicly specify or re-specify them as soon as possible to confirm the overall political commitment to the process.

Further detailed results and the respective graphs for each country can be obtained by interested users by using the free web tool for monitoring at <http://www.gaptimer.eu/content/view/25/33/> . They can also use the web tool to track the implementation for other targets by preparing their input files with own choice of data and assumptions.