



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE RELEASE

#### **UEAPME: Kok Employment Task Force has to recognize the needs of SMEs in its report**

**Brussels, 14<sup>th</sup> July 2003.** During the first meeting between Social Partners and the EU Employment Task Force that took place today, UEAPME, the European SME employers' association urged the high level group to give specific attention to the impact of the new European Employment Strategy (EES) on SME's and in particular on micro-businesses. The association called on the Task Force to recommend the adaptation of the decisions and measures for implementing the EES to the needs of SMEs in its report.

“The EU Council in Lisbon in 2000 officially recognised for the first time that SMEs were the engine of employment in Europe. Therefore, if we want to achieve the goals set in the EES we have to include the lines for action listed in the European Charter for Small Businesses in our reflection” **Hans Werner Müller**, UEAPME's Secretary General told the Task Force, which met with European Social partners in order to discuss the most urgent reforms needed in the EU. The Secretary General further argued that the recovery of the European economy would not be sufficient to boost employment. “Therefore,” he said “it is urgent to speed up the structural reforms in various Member States in order to support competitiveness of enterprises”.

UEAPME lists fiscal charges reforms amongst the priority modifications European SMEs would like to see carried out in the field of employment. Indeed, there is a need to revise the fiscal charges SMEs have to bear and reduce the non-wage costs on low salaries in particular. UEAPME also calls a permanent reduction of VAT rates and a change in the social security system so as to fight undeclared work more efficiently and boost the official labour market.

The association also calls for reforms in the labour market so as to make it more adaptable and flexible. Change being the key pillar in our knowledge based society; it is therefore urgent to remove the rigidity of labour market regulations in order to help small enterprises face the challenges of rapid demand fluctuations and the challenges of globalisation. UEAPME further argues that working conditions and legislation have to be adapted to new forms of work and new types of work arrangements.

Finally, UEAPME calls for a better participation of SMEs representative organisations in the social dialogue at all levels, in order to introduce in some Member States more decentralised collective bargaining and collective agreements that are really adapted to the specific needs of small businesses.

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