



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE RELEASE

#### **European Social Summit: UEAPME welcomes Kok report on employment but warns, “actions must be taken immediately”**

**Brussels, 10<sup>th</sup> December 2003.** “We must congratulate the Kok Task Force for diagnosing the current situation correctly and for sending a strong political message to the Member States: labour market reforms are needed urgently” **Paul Reckinger**, the president of the European SME employers’ association, UEAPME, said on the eve of the extraordinary Tripartite Social Summit.

UEAPME particularly welcomes the report’s emphasis on the necessity for several reforms to be undertaken immediately if the EU wants to reach the targets set out in the Lisbon Strategy. The SME association now insists that the report will not remain a declaration of good intention. “The Kok Task Force report must serve as a basis for a joint effort to improve the employment situation in the EU. It is high time for national governments to undertake the necessary reforms and actions to boost employment in Europe” Reckinger explained.

UEAPME sees three main areas for which action should be taken immediately:

- *Flexibility*: reducing the red tape and eliminating the structural rigidities in labour markets must become the priority for national governments in order to promote the creation of enterprises and to foster employment.
- *VAT*: the experiment of reduced VAT rates for labour intensive services has shown that the decrease of VAT can significantly contribute to the fight against undeclared work and the creation of new jobs, therefore UEAPME urges the Commission to propose an extension of this experiment.
- *Lifelong training*: professional training must be a co-shared responsibility of the whole society as it is something that not only benefits enterprise but also employees.

Finally, as regards the growth initiative, UEAPME reiterates its demands towards the EU Heads of State to allow the European Investment Bank to channel part of its funding towards supplementary financial guarantees for European SMEs. Indeed, using part of the allocated EIB reserves as credit assurance for SMEs would allow a significant raise in investment in enterprises and hence enable a kick-start of the European economy. This is the goal of the growth initiative.

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