



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Tripartite Social Summit: European SMEs call for bold structural reforms

- **Member States’ efforts should focus on energy policy, labour markets, better regulation**

Brussels, 8 March 2007. The EU Member States must live up to SMEs’ expectations and deliver concrete commitments and measures on key topics such as energy policy, labour markets and better regulation, according to UEAPME, the European craft and SME employers’ organisation. Speaking at the Tripartite Social Summit ahead of the European Spring Council today (Thursday), UEAPME President **Georg Toifl** urged the German Council Presidency, the two subsequent EU Presidencies and all Member States to pursue an ambitious and far-reaching reform programme in these areas.

Mr Toifl highlighted that a functioning internal market for energy is essential for SMEs. He backed the European Commission’s proposals for “unbundling” in the energy market, i.e. separating energy production from energy distribution, and called on Member States to support the creation of a strong and independent European regulator. *“The EU Member States must abandon their vested interests and stop protecting their national champions in the energy sector”,* said Mr Toifl addressing Ms Angela Merkel, German Chancellor and current Council President. *“The results of the Energy Council were barely sufficient in this respect. We expect clear progress from the Spring Council, including a commitment to ensure competitiveness and wipe out private monopolies in the energy sector, which have curbed the economic performance of small businesses long enough.”*

Speaking on labour market reforms, Mr Toifl invited Member States to consider new instruments to bring low qualified workforce back into active employment. For instance, he suggested the introduction of “combined salaries”, by which employees receive part of their salaries in form of tax credits, vouchers or social payments. He also called for the revision of national taxation and social protection systems to ‘make work pay’ and insisted on the need to reduce onerous taxes and excessive non-wage labour costs. *“Labour market reforms must ensure that regular work is always a more attractive option than unemployment benefits and/or undeclared work”,* explained Mr Toifl.

On better regulation, Mr Toifl welcomed the recent proposals by Vice President Verheugen to cut the administrative burden for businesses by 25% in the next five years, and stressed that this vision should be strongly backed by Member States. However, continued Mr Toifl, this ambitious goal will not be achieved without Member States’ contribution through concrete measures and actions at national level. In fact, national red tape and gold-plating still make up for the vast majority of bureaucratic obstacles SMEs have to face in their daily business operations, and serious efforts are needed to reduce this burden.

“Europe is presently experiencing a favourable economic upturn – but it is not the right time to stop making efforts. Member States must now work to introduce structural reforms on several important policy aspects to make growth sustainable”, concluded Mr Toifl.

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EDITORS’ NOTE: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 81 member organisations, which represent crafts and SMEs across Europe, covering over 11 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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