



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Tripartite Social Summit: time to restore confidence, say SMEs

- **Labour market reforms, undeclared work, Small Business Act and unfair trade practices key issues**

Brussels, 18 October 2007. The EU must work to fully restore citizens' and small businesses' confidence by delivering concrete answers on a number of key policy issues such as undeclared work, the announced “Small Business Act” and unfair trade practices. This was the message brought forward by UEAPME, the European craft and SME employers' organisation, at the Tripartite Social Summit ahead of the European Council in Lisbon today (Thursday). President **Georg Toifl** reiterated UEAPME's support to the “Reform Treaty”. He called on the EU27 to swiftly close the dossier and then build on this renewed legal framework to make progress on other important policy areas, with the support and in collaboration with the European Commission when appropriate.

“The Reform Treaty due to be approved by the European Council comes at the right time to relaunch the EU. However, more has to be done to regain citizens' and especially businesses' trust”, said Mr Toifl, who then went on to elaborate on the main SME concerns.

UEAPME and the European Social Partners **BUSINESSEUROPE**, **CEEP** and **ETUC** launched at the Tripartite Social Summit their “joint analysis of the key challenges facing European labour markets”. The most important aspect of this text, said Mr Toifl, is that employers and trade unions agreed on a common understanding of the issues at stake, which will provide an excellent basis for future discussions. Commenting on the contents of the text from an SME perspective, Mr Toifl singled out undeclared work as a key concern. SMEs operating in labour intensive sectors are particularly hard-hit by the unfair competition created by the “shadow economy”. *“Taxation and social security systems are often the cause for the recourse to moonlighting, as clearly demonstrated by the joint labour market analysis. It is a pity that social partners were not able to go further and draw up concrete joint recommendations in this respect”*, said Mr Toifl. UEAPME called on Member States to live up to their responsibilities as regards taxation and social security systems, and to collaborate with national social partners to minimise undeclared work and reintegrate moonlighters into the regular economy.

Commenting on the European Commission's “mid-term SME policy review” in presence of President Barroso, Mr Toifl welcomed the announcement of a “Small Business Act” recently made by the EC. *“A successful SME policy cannot be based exclusively on enterprise policy. Small businesses are affected by a much wider range of issues such as social policy, taxation, environmental rules, consumer protection and trade policy, to name but a few. The Small Business Act will only succeed if it incorporates all of these aspects into a coherent set of measures, if it is considered by the EC as a self-binding document – not yet another non-binding communication – and if it wins the explicit backing of the EU Member States on its content”*, warned Mr Toifl.

A final point was made by UEAPME on international trade issues. European SMEs are increasingly worried and threatened by unfair trade practices such as dumping and abuse of intellectual property rights by third country competitors. UEAPME urged the EC to intensify its efforts in fighting against such practices and in defending the interests of European enterprises. *“The political support from SMEs to globalisation and to the internal market largely depends on whether our enterprises feel they are treated fairly in the global arena”*, concluded Mr Toifl.

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EDITORS' NOTES: UEAPME is the employers' organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 84 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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