



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE ISSUE

## **Lisbon progress report a wake-up call for more action at national level**

- **UEAPME calls on the Summit to commit itself on “Small Business Act” and “global governance”**

**Brussels, 12 December 2007.** The report on the revised Lisbon strategy released by the European Commission yesterday (Tuesday) shows undeniable progress but calls for a better and more integrated implementation process at national level, according to UEAPME, the European craft and SME employers’ organisation. Although some Member States have swiftly responded to the Commission’s calls for reform, others are worryingly lagging behind in applying the “flexicurity” concept, tackling undeclared work and bridging the gap between “insiders” and “outsiders” in their labour markets. UEAPME called on the upcoming European Council to endorse the EC conclusions and give a clear political signal on its willingness to pursue the required reforms.

*“The reform path set by the revised Lisbon Strategy is clearly one of the key components of Europe’s current economic upturn”,* said UEAPME Secretary General **Hans-Werner Müller**. *“However, the overall positive results must not detract attention from the mixed performances of Europe’s Member States, some of which do not seem to have taken full ownership of the Lisbon Strategy yet. This is a disturbing signal for small businesses, which require a level playing field and a steadier reform pace across all of the EU”,* he continued.

Mr Müller then elaborated on the main SME concerns. UEAPME agrees with the Commission’s decision not to amend the “Lisbon guidelines” adopted in 2005, he explained, but much remains to be done when it comes to implementing them, particularly in some key policy areas. First of all, only half of all the EU Member States have adopted policies based on the “flexicurity” concept, while the other half has remained silent on the topic despite the recent adoption of common principles in this field by the Employment Council. According to UEAPME, the consensus reached at European level should act as a catalyst to move from rhetoric to action.

Secondly, UEAPME called for more efforts to tackle undeclared work, which the EC recently estimated at twice the average EU unemployment rate. Measures to reduce moonlighting by reviewing social security systems and reducing taxation on labour are badly needed but apparently not very popular, commented Mr Müller, since even less than half of all EU Member States have taken some form of action in the field so far.

Thirdly, highly segmented labour markets remain an obstacle in a significant number of cases. Unacceptable differences still remain between well-protected “insiders” and precarious “outsiders”, a situation which is detrimental for workers, employers and for the national economic performance as a whole. Fourthly, UEAPME was pleased by the importance attached once again by the European Commission to the forthcoming “Small Business Act”. However, Mr Müller warned that it will become a powerful tool only if it earns the full support of all Member States in the Council, which should include this item in its discussions and conclusions.

Finally, Mr Müller commented on the upcoming Summit’s agenda, which should tackle the “external dimension” of the Lisbon Strategy and improving “global governance”. UEAPME fully shares the Commission’s objective to combine openness with the legitimate defence of the European interest, he stressed, a goal which must be explicitly backed by the Council. Mr Müller singled out unfair trade, counterfeiting and dumping as key concerns for crafts and small businesses. Regarding “global governance”, UEAPME sees the need to strengthen the EU capacity, especially in relation to financial markets, trade negotiations and climate change.

*“The European Commission has made an honest assessment of the current situation and put forward a number of sensible suggestions to improve it when needed. We now call on the Heads of State and Government meeting in Brussels tomorrow to follow suit, without further hesitating or cherry-picking the easiest objectives. European crafts and small businesses expect an unambiguous commitment to action, which is the only way to achieve all of the ambitious goals set by the Lisbon strategy”,* concluded Mr Müller.

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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 12 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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