

**PRESS RELEASE**

## **European Council** **Don't lose sight of Lisbon themes (and their "BUTs")**

Ahead of the European Council on 18-19 October in Lisbon, all eyes are turned to the discussions about the Draft Reform Treaty. However, other important issues are at stake too, and EUROCHAMBRES urges political leaders not to lose sight of the various items contained in the European Commission document 'The European Interest: Succeeding in the age of globalisation', mainly related to the Lisbon Agenda.

*"EUROCHAMBRES supports the proposed strategy to address both internal challenges, such as the completion of the internal market, and external challenges, such as the conclusion of the Doha round, in a single coherent policy framework. It is only the combination of a well functioning internal market and a mature external policy that will make the European Union succeed,"* said Arnaldo Abruzzini, EUROCHAMBRES' Secretary General.

However, EUROCHAMBRES is concerned that such principles are often no more than paper-promises and do not match with day-to-day reality. For each chapter of the document, a "but" can be identified.

### **'More growth and jobs through improved co-ordination'...BUT coordination still not a reality!**

The new Integrated Guidelines for Growth and Jobs – meaning improved coordination between the European and national levels – are key for the effectiveness of the Lisbon Strategy, and an essential element of its governance. However, Member States should strive to close the 'implementation gap' among them. Moreover, while sound fiscal policies and deep structural reforms ensure Europe's sustainable long-term growth, close policy coordination is fundamental for those countries who share the Euro and a common monetary policy – to both eliminate potential imbalances within the European Monetary Union and foster further growth and jobs in the Euro-area and beyond.

### **'More R&D and innovation'... BUT with an efficient IPR system!**

There is a clear link – highlighted in the Regional Competitiveness Atlas to be published by EUROCHAMBRES end of the month – between investment in R&D and innovation. This consequently boosts employment and growth. There is a need for an increase of investment by the private sector in R&D. The EU can encourage such investment by reforming the Intellectual Property Right (IPR) system, so as to allow companies to turn their ideas into financial assets, and thus benefit of easier access to finance.

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 19 million enterprises in Europe through 46 members and a European network of 2000 regional and local Chambers.

**‘A more dynamic business environment’...BUT with concrete initiatives!**

EUROCHAMBRES regrets the lack of commitment displayed by EU leaders when it comes to actually acting small first. If it was the case, would there not be a full European Parliament Committee dealing with SME affairs? Would there not be a Council devoted to SME matters and a Commissioner only focussed on entrepreneurship? The current pace of change is too slow to reach the Lisbon targets. In this respect, the “Small Business Act” (SBA) for Europe announced by the Commission is to be welcomed as long as it does not remain a declaration of intent.

**‘Greater employability and investment in people’...BUT not only for skilled workers!**

According to the Commission, the employment rate in the EU is 82% among highly skilled, 68% among middle skilled labour force and 46% among low skilled. The risk of being unemployed is thus twice as high for an unskilled worker than for workers with tertiary education. These figures significantly question Europe’s supposition to be a “knowledge-based “society. Moreover, life-long learning measures mainly benefit people who already are highly skilled, rather than people at the lower end of the skills spectrum. That means that the people who need the most of further training, get the least! This poses not only a challenge to Europe’s productivity and competitiveness but is as well a major threat to our conception of social justice. Political leaders must address these issues, translate them in actual policies and provide more and better public spending for the low-skilled.

**‘Energy and climate change’...BUT by joining forces with others!**

Improving linkage between research centres and business to promote innovation, stimulating demand for more energy efficient products and using incentives to encourage more efficient production processes are among the positive suggestions for the future EU sustainable industrial policy. But a necessary complement to this is that the EU works with its international partners, e.g. on common standards for more energy efficient products, and the post-Kyoto framework. Joining forces will increase the positive effects on the environment AND improve competitiveness by creating a level playing field for all companies and opening up new markets for innovative products.

**‘Setting the pace for global Europe’...BUT not with protectionism!**

EUROCHAMBRES is very concerned with the looming signs of increased protectionism. Globalisation has been too often blamed as the cause for problems of development, environment and social unrest. It is important to develop a positive message around the constructive impact which globalisation can have in these areas.

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