

**PRESS RELEASE**

## **Lisbon mid-term review: Chambers urge a fresh start** **5 years of lethargy must be followed by 5 years of** **focus and haste**

Two weeks ahead of the publication of the Lisbon mid-term review by the Kok Group, business leaders throughout Europe have identified the most critical actions each Member State must take to give a fresh start to the Lisbon process. Prime ministers of 29 European countries will each receive letters from their national Chamber representatives which highlight the most urgent fields of action at national level which are necessary to improve European competitiveness.

The business community has some clear messages for decision-makers at European level:

- There has been a failure of political leadership concerning the European economic agenda
- No one, and no institution, has taken the responsibility for driving the agenda forward
- Member States have paid lip service to the process, but have not delivered the tangible legislative reforms necessary to give it 'bite'
- The procedures for delivering Lisbon – such as the Open Method of Co-ordination and the Competitiveness Council – are weak, lack focus and allow slippage without reproach

Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, said: *“The message of European business is clear: political decision-makers must provide a stable and sound economic climate by putting the economy first over the next five years. The 3 pillars of European sustainable development – economy, social model and environment – should be in balance. But they are not. It is increasingly clear that, while Europe leads the world in social and environmental protection actions, we lag behind in economic terms.*

*“This is unsustainable, and the three pillars need to be rebalanced in favour of the economy. This is also the guarantee that our social systems and environmental well-being remain sustainable in the longer run.*

*“We sincerely hope the Kok Group will emphasize the need for an economic focus over the coming five years, and European business sincerely hopes that the political vision of ‘Lisbon’ is turned into practical, tangible benefits for European businesses and citizens.*

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**EUROCHAMBRES** has member organisations in **41** countries representing a network of **2,000** regional and local Chambers with over **17 million** member companies.

EUROCHAMBRES asked its member organisations to rank the 6 Chapters of the Lisbon agenda (“General Economic Background”, “Employment”, “Innovation, Research and Knowledge Society”, “Economic Reform”, “Social Cohesion”, “Environment”) according to their own national priorities and identify the most urgent reforms needed in each field.

European business demands political focus on the following priorities within each Chapter:

- Reduce the over all tax burden (*Chapter: General Economic Background*)
- Reform tax and benefits systems to make work pay, to get into or remain in employment (*Employment*)
- Improve conditions for public and private investment in knowledge and research (*Innovation, Research and Knowledge Society*)
- Reform health care and pension systems (*Economic reform*)
- Adapt education, schools and training to the knowledge-based economy (*Social Cohesion*)
- Facilitate / promote investment in clean technologies and energy efficiency (*Environment*)

*“However”, insists Mr Abruzzini, “Indicating a top-priority does not imply at all that the others are regarded as unimportant. What the report shows is that the decision-making of Member States must improve and that they must accept accountability for the success or failure of the process. We need structural reforms which modernize our educational systems, a more flexible and adaptive labour market and a much more entrepreneurial environment with less and better regulation in which entrepreneurial risks are rewarded and are not overloaded with regulations.”*

EUROCHAMBRES’ report “Time for a fresh start – Recommendations for the 2005 Lisbon Review” can be downloaded from [www.eurochambres.be](http://www.eurochambres.be)

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