

PRESS RELEASE

Globalisation Adjustment Fund: EUROCHAMBRES advises EU not to repeat mistakes of the past

Ahead of the European Council meeting on 15-16 December, EUROCHAMBRES urges the European Commission and EU Member States to drop the idea of a "Globalisation Adjustment Fund" in order not to repeat the mistakes of the past and further increase subsidisation in Europe.

EUROCHAMBRES criticises the idea as ill-perceived and wrongly targeted, as all EU Member States already have in place support measures for their unemployed citizens. EUROCHAMBRES asks the EU to instead focus on creating sustainable growth and employment by increasing European competitiveness.

EUROCHAMBRES' President Christoph Leitl said: *"We do not doubt that the Fund would be a formidable tool for the European Commission to raise its profile with the European public. However, this does not make it the right answer to the question of how to respond to unemployment and other social problems in Europe. Clearly, it is targeting the wrong end of the stick. Further increasing job subsidisation will not lead to what we need most in Europe: regulatory frameworks in which businesses prosper and in which jobs are created."*

Mr Leitl added: *"The European Commission should not miss the chance for regulatory reform in the spirit of the Lisbon Agenda, rather than wasting resources on measures that have proven inefficient in the past."*

EUROCHAMBRES proposes to the EU and its Member States to:

- **Encourage entrepreneurship:** Entrepreneurship is vital to make Europe innovative and prosperous, and is pivotal for job creation. Governments therefore must create a culture which values entrepreneurship by simplifying existing legislation and cutting unnecessary bureaucracy.
- **Increase investment in R&D:** Innovation is essential to achieve competitiveness of European business. R&D spending in Europe is considerably lower than in the US and its growth insufficient to catch up by 2010. Moreover, the average spending on R&D in New Members is lower than in the EU 15, providing a considerable potential for innovation in these countries.

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EUROCHAMBRES has member organisations in 44 countries representing a network of 2,000 regional and local Chambers with over 18 million member companies.

- **Make labour markets more flexible:** More flexibility of the labour market will improve European competitiveness and stimulate the labour market with over 18 million unemployed. The EU needs to find creative future-oriented solutions which meet the needs of both employers and employees. Employers must be encouraged to employ more people by being enabled to adapt to fluctuations in demand.
- **Enforce the internal market:** The internal market is a centrepiece of Europe's prosperity. Common market legislation needs to be transposed quickly and correctly and the internal market for services needs to be completed.
- **Facilitate international trade:** The competitiveness of EU businesses is intrinsically tied to their performance in trade beyond EU borders. The EU needs to focus on the external dimension of the Lisbon process and achieve far-reaching market opening for European goods, services and investment. A successful conclusion of the Doha Round negotiations is of paramount importance to maximise the potential of European businesses worldwide.

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