



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE RELEASE

#### **Trade Unions and employers must work together to end economic blockage**

**Brussels, 12th May 2003.** “A compromise between the demands from trade unions for short term measures to revive the economy and the demands for structural reforms backed by employers associations are necessary to come out of the current economic impasse” **Hans Werner Müller**, secretary General of the European SME employer’s association, UEAPME, said at today’s Macro-economic dialogue meeting.

During his intervention at the meeting that brings together the president of the European Central Bank, the EU finance ministers and representatives from the European Social Partners, UEAPME’s secretary general proposed a 3-point roadmap to revive the European economy. It combines short-term measures to strengthen the current economic situation and strong structural reform proposals to tackle longstanding problems.

First, UEAPME’s representative called on the ECB to reduce its interest rates in order to give a necessary boost to consumption, investments and export activities in Europe. “In view of the current evolution of the Euro in relation to the Dollar and the low level of private consumption it is quite surprising to see that the ECB keeps its interests rates at a constant level” Müller argued. In UEAPME’s viewpoint a reduction of the interest rates by 0.5% is very unlikely to cause inflation because of the low demand level at the moment.

Secondly, Müller demanded the establishment of concrete short-term measures to foster economic recovery. In that perspective, UEAPME called for more room for Member States in fiscal policy and urged the Commission to better differentiate cyclical and structural budget deficits before launching warning procedures.

Finally, UEAPME’s secretary general urged trade union representatives to abandon their protective attitudes with regard to the much-needed reforms in the social security systems in Europe. Indeed, whilst the majority of trade unions recognise the need for such reforms, they seem much more hesitant when it comes down to their implementation. The numerous strikes organised in Member States currently undergoing such reforms demonstrates this ambiguous attitude.

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