

9 June 1998

**UNICE MESSAGE TO EUROPEAN COUNCIL IN CARDIFF (15-16
JUNE 1998)**

**ECONOMIC AND MONETARY UNION REQUIRES IMPLEMENTATION
OF STRUCTURAL REFORMS TO IMPROVE EMPLOYMENT**

1. On the eve of the European Council in Cardiff, the Presidents of UNICE's 33 member federations, meeting in Council in London on 5 June 1998, appeal to the Heads of State and Government to **continue the process of budgetary convergence and implement the structural and economic reforms necessary for improving the employment situation** (reduce the weight of taxation, streamline non-wage labour costs, implement administrative simplification, and improve the cost-benefit equation in the public sector).
2. The Presidents of UNICE expect the Cardiff summit to clarify the content and scope of the **principle of subsidiarity**, recognising that employment policies remain primarily of national competence. Initiatives taken at EU-level in this area should be strictly limited to adding value to the actions of Member States. In this respect, the **national employment plans** presented by Member States will only usefully serve to create jobs in Europe if they substantially support the guidelines drawn up at the Luxembourg summit. The emphasis should be placed on the development of **entrepreneurship**, on **employability**, i.e. improving the capacity of the unemployed to perform in the workplace (and more specifically young people and the long-term unemployed) and the promotion of **labour flexibility**, i.e. encouraging workers and companies to adapt to the realities of a constantly changing world. Improving employment in Europe depends above all on enabling the private sector to create jobs.
3. The Council of Presidents welcomes the creation of **Economic and Monetary Union**, on a large and stable basis, as a decisive step toward strengthening European competitiveness, and consequently growth and employment. Remarkable efforts have been made by the Member States in reaching this objective. **The current favourable economic climate should be used as a basis for strengthening the foundations of a more competitive Europe - more stable, dynamic, attractive and finally more prosperous for all of its citizens. The Heads of State and Government should resist the temptation to institute shortsighted initiatives, notably in the areas of tax or social policy, which would endanger the progress already made.**

4. UNICE's Council of Presidents believes that **the deepening and widening of the European Union** - the two major challenges for the next millennium (Agenda 2000) - can only be successfully achieved if the Member States are committed to **strengthening the competitive position of European companies**. In the global economy, it is companies who are central to the process of creating the value, goods and prosperity, which all European citizens need, while being **increasingly exposed to fierce competition on all world markets**.
 5. Accordingly, UNICE's Council of Presidents is closely following the work of the EU executive and the British Presidency of the Council to:
 - ✧ **inject dynamism into economic and structural reform alongside industrial change** in Europe, in order to prevent and minimise any undesirable effects;
 - ✧ **fully implement the Single Market action plan before the target date of 1 January 1999**, especially as the introduction of the Euro will further reinforce the need for a well-functioning single market;
 - ✧ **eliminate obstacles to business activity** ("BEST" task force) and **improve the regulatory environment** - removing obstacles and constraints that are particularly damaging to the development of small and medium-sized enterprises;
 - ✧ implement a more **transparent and effective state aid policy**;
 - ✧ follow UNICE's example and use **benchmarking** to strengthen the competitiveness of the economic environment in Europe;
 - ✧ **improve market access** for European companies in third countries.
 6. Lastly, on behalf of the millions of companies of all sizes that they represent, and which will be the first to be affected by the **Year 2000 computer problem (the 'Millennium Bug')**, the Presidents of UNICE's member federations urge the highest authorities of the Union to promote resolution of this problem, using awareness campaigns to ensure the widest possible preparation of all actors concerned.
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