



"The voice of crafts and SMEs in Europe"

Tripartite Social Summit: time to re-think flexicurity, say SMEs

UEAPME calls for reorientation of recovery programmes, more attention to skill needs in EU 2020 goals

Brussels, 25 March 2010 – Social partners must re-think flexicurity to avoid a labour market in which insiders have security but not flexibility and outsiders are left in the opposite situation, according to UEAPME, the European craft and SME employers' organisation. Speaking today at the Tripartite Social Summit ahead of the European Council, President Georg Toifl highlighted the downbeat employment outlook in Europe and called for joint efforts on the implementation of the flexicurity principles agreed by the social partners in 2007. On the EU 2020 strategy, Mr Toifl welcomed the document's main goals but stressed that the education targets must be qualitative as well as quantitative, since the current skills base in Europe is not in line with the needs of crafts and SMEs. On the economic situation, rising business confidence seems to indicate that the worst is behind, but Member States must now mobilise private investments, favour sectors capable of generating future growth and support training and innovation to improve the hopes of an upswing in the near future, said President Toifl.

"The economic crisis has further exposed the unhappy state of Europe's labour markets. Some workers enjoy high levels of security with almost no flexibility, while another part of the European workforce is highly flexible but regrettably insecure. Rising unemployment is likely to make matters worse. We cannot afford this situation any longer", said Mr Toifl. *"We must go back to the drawing board and re-think flexicurity as a state in which all workers enjoy a fair balance of flexibility and security and are ready to respond to the changing needs of the labour markets. The principles agreed by all social partners in 2007 are a good starting point for our debate. We must press ahead and put them into practice",* he continued.

Commenting on UEAPME's recently published Craft and SME Barometer (1), President Toifl stressed that business confidence is on the rise for the second semester in a row, although it is still considerably lower than before the crisis. SMEs are convinced that the worst is behind but are wary about the future, said Mr Toifl, as employment and investment prospects are negative especially in the manufacturing and construction sectors. Against this background, President Toifl reinstated UEAPME's calls for a change of direction in recovery programmes, which must be geared towards mobilising private investments to match the little public money left, supporting promising sectors such as renewable energy and energy efficiency and investing in training and requalification so workers are employable in sectors likely to thrive in the future.

On the EU 2020 strategy, President Toifl recalled UEAPME's full support for the policy agenda, in particular for its emphasis on identifying bottlenecks and delivering results. However, the goal to increase the share of the population having completed tertiary education to at least 40% by 2020 needs a qualitative angle. *"When it comes to tertiary education, quality is as important as quantity. Crafts and SMEs find it often hard to find qualified candidates with the skills they need, as universities keep churning out more political scientists than engineers and vacancies remain unfilled",* stressed Mr Toifl.

Finally, Mr Toifl called on policymakers at all levels to boost confidence in Europe's economy. *"The economic crisis has shaken the confidence of all economic actors to the core. Trust in the financial markets has hit record lows, soaring public deficits are a source of concern and fiscal sustainability is clearly at risk. Policymakers must ensure that confidence is rebuilt by swiftly tackling these problems, starting from the regulation of financial markets and from reasonable consolidation programmes. More confident consumers will tend to spend rather than save. More private demand will boost our companies, which will hopefully start investing and hiring again. Europe must trigger this virtuous circle",* he concluded.

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(1) The full survey results are available at http://www.ueapme.com/IMG/pdf/100323_Barometer_2010_H1_final.pdf

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 82 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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