



“The voice of crafts and SMEs in Europe”

Tripartite Social Summit: reforms are needed to avoid risk of recession, warn SMEs

UEAPME calls for fiscal consolidation, stronger economic governance and debate on wage developments; employment key concern

Brussels, 17 October 2011 – Fiscal consolidation and a stronger economic governance are needed to overcome the crisis and boost small companies’ confidence, according to UEAPME, the European craft and SME employers’ organisation. Speaking today at the Tripartite Social Summit for Growth and Employment organised by the Polish Presidency of the EU, Secretary General Andrea Benassi warned that the risk of another recession is looming over Europe unless action is taken swiftly. The sovereign debt crisis has shown the importance of stable public finances, a goal that must be accompanied by structural measures capable of stimulating growth and employment, he told participants. The current labour market situation and youth unemployment in particular are an additional source of concern, said Mr Benassi, highlighting the importance of vocational training and apprenticeships in this respect. The Secretary General also stressed that a successful and effective macroeconomic policy coordination at EU level must include wage developments while respecting social partners’ autonomy. Finally, he highlighted the importance of mobilising all the EU financial tools towards structural reforms and employment.

“The sovereign debt crisis and financial markets’ volatility in the last months have further dampened small companies’ hopes in a robust recovery anytime soon. The risk of a second recession is clearly present and cannot be underestimated. Against this background, SMEs expect decisive action from policymakers. The recent agreement on the ‘six pack’ measures and President Barroso’s strong stance in his State of the Union speech are positive signals in this respect, but much remains to be done. Fiscal consolidation and a stronger economic governance are the top priorities”, said Mr Benassi.

Alongside fiscal consolidation, small companies expect measures capable of stimulating growth and employment, continued Mr Benassi, in particular by stimulating private spending. Returning on the results of our latest “Craft and SME Barometer” (1), the Secretary General highlighted SMEs’ poor expectations on employment, which is set not to grow in the next semester. Small companies cannot be expected to hire new workers in the present economic climate, without adequate labour market regulations and especially without the skills they require, he explained. That is why reinforcing vocational training systems and notably apprenticeships is the best way forward. Small companies are already working hard as training providers and should be strongly supported to increase their capacity in this respect, said Mr Benassi.

On a related note, Mr Benassi also stressed that unsustainable wage developments played a key role in creating the current imbalances in the Euro zone. In a very interconnected and interdependent market such as the EU’s, wage developments in one country have an effect on the whole system. That is why the macro-economic policy coordination at EU level must necessarily include the issue of wage developments, stressed Mr Benassi. While the autonomy of social partners must be respected, sustainability must be ensured, he said, calling on social partners to act responsibly to this end.

Finally, Mr Benassi highlighted the importance of mobilising the European financial instruments towards structural reforms and SMEs. In this respect, he welcomed the plans recently announced by the European Commission for a new cohesion policy, with a clear focus on SMEs’ competitiveness and on innovation and enhanced possibilities to use structural funds for the creation of financial products, for instance to build guarantee schemes that are very useful to back up SME loans.

“Next Sunday’s summit will tell whether Europe is capable of putting an end to uncertainty and taking the right decisions to avoid the looming risk of another decline. With business confidence at a standstill everywhere and clearly receding in the countries hardest hit by the sovereign debt crisis, we hope that policymakers will rise to the task of stabilising the markets, regaining competitiveness and securing growth. As social partners, we are ready to do our part”, concluded Mr Benassi.

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(1) The full survey results can be downloaded at http://www.ueapme.com/IMG/pdf/111011_Barometer_2011H2_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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