



*“The voice of crafts and SMEs in Europe”*

## **“Employment package” too shy on SMEs as job creators, warns UEAPME**

*UEAPME welcomes call for labour market reforms; stresses lack of “SME dimension” in today’s communication*

Brussels, 18 April 2012 – The “employment package” presented by the European Commission today is spot on when it comes to addressing both the demand and supply sides of labour markets and encouraging structural reforms. However, it is too limited on the key role of small and medium-sized companies as job creators, according to UEAPME, the European craft and SME employers’ organisation. On the positive side, the association welcomed the strong political signal launched by the EC to tackle unemployment, as well as its call for labour market reforms. It also praised the EC for stressing once again the need for a better involvement of social partners in the macroeconomic governance at EU level, with a stronger focus on wage developments. On the negative side, UEAPME stressed the lack of references to the Small Business Act and to the “Think Small First” principle, which must be taken into account when designing the needed reforms. It also criticised the chapter on skills, as it disregards the importance of vocational education and training and work-based learning, including apprenticeship.

Secretary General **Andrea Benassi** offered the following comments:

*“Our society and our economy cannot function with unemployment rates hovering around double digits. The communication unveiled today by the European Commission is an important political signal in this respect, and a clear call to responsibility for policymakers to deliver, especially at national level. We appreciate the focus on labour market reforms, which are long overdue in many Member States, as well as on the need to act both on the supply and demand sides of job creation. On the other hand, the ‘SME dimension’ should have been much more prominent in the text. Data clearly show that SMEs create the vast majority of new jobs. Between 2002 and 2010, 85% of the total employment growth in Europe was attributable to SMEs. Against this background, the Commission could have gone much further in supporting SMEs’ job creation role, as it did in other policy initiatives, most recently in its proposals for the 2014-2020 financial perspectives.”*

*“On the positive side, the Commission rightly stressed the need to base all reforms on the ‘flexicurity’ principles and to set growth and job creation as their goal. It also pinpointed the important role of active labour market policies and the need to reduce the tax wedge on labour. Once again, the main challenge now is to deliver and implement these recommendations at national level. Another step forward in this communication is the reiterated importance of macroeconomic coordination and of the link between wages, competitiveness and productivity. In a market that is closely linked and very interdependent, the effects of wage developments are not limited to a single country, but affect the system as a whole, as it was demonstrated during the latest crisis. The Commission rightly acknowledges that a serious discussion at EU level is needed, and that social partners must be closely involved. We are ready to do our part in this respect.”*

*“On the negative side, there are no references to the Small Business Act, to the ‘Think Small First’ principle and to the need to seriously take into account the reality of SMEs. No reforms will be successful unless they start from the needs of the companies that are likely to be the most affected. In addition, the chapter on skills rightly identifies the need to bridge the gap between education and employment, but remains unclear and non-committed on work-based learning and apprenticeship, although it is widely recognised and proven that they are a key factor to improve employability, notably for young people. We certainly expected more in this respect, as these issues were clearly identified in the ‘Youth Opportunities Initiative’ recently published by the Commission. We hope that the EC will not put these topics on the back burner.”*

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**EDITORS’ NOTES:** UEAPME is the employers’ organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 84 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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