



"The voice of crafts and SMEs in Europe"

Macroeconomic Dialogue: SMEs call on unions to stop opposing reforms

UEAPME calls for policy mix to restore confidence, undertake reforms and support growth; criticises unions' resistance to reforms

Brussels, 12 November 2012 – To escape the current recession, the European Union needs a balanced policy approach including actions to restore confidence, measures to enhance and support growth and structural reforms in countries lagging behind, according to UEAPME, the European craft and SME employers' organisation. Speaking today at the Macroeconomic Dialogue between the Council, the Commission, the European Central Bank and the European Social Partners, Economic and Fiscal Policy Director Gerhard Huemer illustrated the results of our latest "Craft and SME Barometer", which recorded highly negative turnover figures for the services and construction sectors, a clear result of the slump in internal demand in the EU mainly due to the austerity and consolidation programmes put in place (1). While agreeing with trade union representatives that austerity alone is not a solution at this stage, Mr Huemer criticised workers' representatives for their opposition to structural reforms, which are highly needed and cannot be postponed, especially in the countries suffering the most from the current crisis. These reforms must be undertaken across the board, not only in sectors open to competition, a point which trade unions that are usually present more in "sheltered" sectors do not seem to realise, he said.

"The latest forecasts by the European Commission confirm that we are in a recession. Contrary to the first downturn in 2008, this time the crisis is not due to external shocks, but to a series of internal factors. The austerity programmes rightly put in place to tackle soaring public debts and deficits have dramatically lowered internal demand in the EU, depleting a key source of revenues for many small and medium-sized companies. Despite all the recent initiatives to rebalance austerity with growth, our companies remain quite pessimistic about the current and future outlook", said Mr Huemer.

The first action to get out of the crisis is to restore confidence, continued Mr Huemer. Restabilising the financial sector and sorting out public finances will not only ensure sufficient financing for the real economy, but also reduce the fiscal burden created by high yields on public debts, he explained. *"One cannot blame private companies for not investing and not hiring at the moment. They will do so again only when they are confident that the house is in order",* he commented.

Growth enhancing and supporting measures are the second pillar, continued Mr Huemer. The "Compact for Growth and Jobs" adopted in June contains all the elements to act in this respect, but Member States are not putting it fully into practice, warned Mr Huemer. *"Securing access to finance and investing in energy efficiency, infrastructures and vocational education and training are the most pressing issues for European SMEs in this respect. These measures cannot remain on paper, but must be transformed into concrete commitments as a matter of urgency",* he warned.

Structural reforms are the third element of a balanced recovery strategy. While each Member State is of course responsible for identifying the sectors to target, national security systems, public administrations and labour markets are some obvious examples of areas that need an overhaul, stressed Mr Huemer.

"Structural reforms are crucial to increase competitiveness and to create new business and employment opportunities. Trade unions are right when they stress that austerity alone will not work. However, they are wrong in opposing reforms. Action is needed swiftly and across the board, not only in sectors that are open to competition, but also in the 'sheltered' sectors that are usually unions' strongholds. I hope that workers' representatives will change their stance", he concluded.

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(1) The full survey results can be downloaded at http://www.ueapme.com/IMG/pdf/Barometer_2012H2_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 more than 80 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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