



*"The voice of crafts and SMEs in Europe"*

## **SMEs supporting new approaches for welfare and jobs**

*Improving competitiveness to shift consumption towards investments and make private investment more attractive*

Alpbach, 3<sup>rd</sup> September 2015 — At a press conference during the Alpbach Economic Symposium, UEAPME<sup>(1)</sup> President Gunilla Almgren commented – on behalf of European SMEs – on new approaches towards welfare, wealth and work in Europe. Today's main message from businesses is that policy responses to the crisis have so far not been sufficient to bring Europe's economy back on track and ensure sustainable level of welfare for the majority of people in Europe. The two most important elements of a new approach have to be (1) more focus from national governments on investment in future production, and (2) private investment in Europe made more attractive through improvement of European economy's competitiveness.

UEAPME President **Gunilla Almgren** supported the work accomplished by the Austrian Economic Research Institute with the "Welfare-Wealth-and-Work for Europe" project, and by the OECD with its initiative on "New approaches to economic challenges". *"Europe is still not out of its crisis and it seems that the traditional responses are not enough to bring Europe back on track. Therefore, UEAPME welcomes both approaches to ensure higher levels of welfare in Europe."*

Almgren continued by stating: *"in a mid-term perspective, we will only have the level of welfare we are able to produce ourselves. Europe is not in a position to rely on anyone else to pay for our standard of living."* UEAPME therefore fully agrees with the findings of both projects, in that Europe needs more innovation, more qualification and more investment – for example in energy efficiency. In this context, Almgren asked researchers *"to be clear of the fact that there is a trade-off between spending more for future welfare on one side and high levels of current consumption on the other"*, and reassured that *"UEAPME is not arguing on cutting spending in general, but we are asking European and national governments to shift spending from consumption to investment."*

However, Almgren sees another even more important challenge for Europe's economic future: *"in times of tight national budgets, an economic recovery cannot be built on public investments alone. We will be able to ensure future welfare, wealth and work for Europe only if we make Europe a more attractive place for private investments and only if private companies find it profitable to invest in new production facilities and create jobs in Europe."*

Europe has to increase its competitiveness to become attractive for private investors from Europe and from abroad, as well as its productivity and capacity for the production of goods and services. Almgren regrets that *"my colleagues from the trade unions often misunderstand this request and blame us for only wanting to reduce wages and social payments. This is not true as competitiveness means much more to us"*. To do so, this requests the implementation of the needed reforms of goods, services and labour markets, the improvement of the qualification systems, more efficient regulations and more effective public administrations and access to finance for companies and infrastructure projects.

Each of these measures would improve competitiveness of our economy and overall welfare of people in Europe. Furthermore, and addressing the trade unions, she concluded that *"these measures will allow companies to make profitable investments and increase wages, not the other way around."*

(1) the European Craft and SME Association

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**EDITORS' NOTES:** UEAPME is the employers' organisation representing Crafts and SMEs from the EU and accession countries at European level. UEAPME has 80 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information please visit <http://www.ueapme.com/> or follow [@UEAPME](https://twitter.com/UEAPME) on Twitter.

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