



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

## **Tripartite Social Summit: SMEs demand growth-focused measures**

***Fiscal consolidation necessary but not sufficient; EU Social Partners present new work programme; youth unemployment top concern***

Brussels, 1 March 2012 – Structural reforms to stimulate growth and employment in the private sector are needed next to fiscal consolidation, which is necessary but not sufficient, according to UEAPME, the European craft and SME employers' organisation. Speaking today for her first time at the Tripartite Social Summit ahead of the European Council, President Gunilla Almgren stressed that there is no alternative to strengthening economic governance and putting in place consolidation programmes in order to tackle soaring public debts and deficits. However, these measures put a damper on general demand, a key source of revenues for small businesses, as clearly recorded by our latest "Craft and SME Barometer" that registered a decrease in SMEs expecting an upturn, a dramatic decline of output-related indicators and quite negative forecasts for the next months. Against this background, policymakers should follow up with structural reforms to mobilise private spending, encourage SME growth, promote job creation and restore business confidence, stressed our President, who also put forward some concrete proposals to tackle the plague of youth unemployment in Europe. On the joint work programme of the European Social Partners for 2012-2014 presented today, Ms Almgren reconfirmed UEAPME's commitment and welcomed in particular the in-depth analysis announced on the challenges facing European labour markets.

*"The data we have collected in the last months show that needed fiscal consolidation programmes have led to a slump in demand that is putting a dent on SMEs' revenues and investments. We are experiencing a recession that may be milder than the previous one, but remains worrying nonetheless. That is why structural reforms are crucial at this stage, to trigger private spending, restore business confidence and hopefully bring Europe back on the growth path",* said Ms Almgren.

Commenting on our latest "Craft and SME Barometer" (1), which recorded a decline in turnover, employment and orders for SMEs and a growing uncertainty on the future outlook, Ms Almgren pointed out the increasing imbalances across Member States when it comes both to business confidence and economic performance. Fiscal consolidation could not stop these imbalances, she stressed, which is a clear indicator of the need for structural reforms. External aid may be needed in the countries hardest hit by the downturn, but it will only make a difference if countries can properly absorb it.

Also today, the European Social Partners presented their joint work programme for 2012-2014 (2). An in-depth analysis will be conducted by the four on the functioning on European labour markets, a point that was highlighted by Ms Almgren as a key feature: *"We need to explore why some Member States and their labour markets were able to weather the storm better than others, especially in terms of employment and skills. There are clearly lessons to be learned",* she stressed.

Youth unemployment features as number one priority in the EU Social Partners' work programme. At the Summit, President Almgren also presented some proposals to tackle the unbearably high levels of young people currently out of work (3). *"With more than five million young people unemployed right now, we must do our utmost to avoid a 'lost generation'. That is why we have compiled a set of possible measures, based on existing successful practices tried and tested in certain Member States. Support measures including active labour market policies are needed for young people to enjoy an easier access to the labour market, for companies to foster their recruitment and last but not least for Member States to adapt their education and training systems",* she concluded.

\*\*\*\* END \*\*\*\*

(1) The full survey results can be downloaded at [http://www.ueapme.com/IMG/pdf/120228\\_Barometer\\_2012H1\\_final.pdf](http://www.ueapme.com/IMG/pdf/120228_Barometer_2012H1_final.pdf)

(2) The work programme is online at [http://www.ueapme.com/IMG/pdf/EUSD\\_work\\_prog\\_2012-2014.pdf](http://www.ueapme.com/IMG/pdf/EUSD_work_prog_2012-2014.pdf)

(3) Our contribution and proposals can be downloaded at [http://www.ueapme.com/IMG/pdf/120301\\_recommendations\\_YOI.pdf](http://www.ueapme.com/IMG/pdf/120301_recommendations_YOI.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 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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