



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

Flexicurity communication a good starting point for Member States’ action

Brussels, 27 June 2007. UEAPME, the European craft and SME employers’ organisation, welcomed the European Commission’s initiative to launch an EU-wide debate on “flexicurity” today (Wednesday). UEAPME fully agreed with the “four pillars” set out by the Commission’s communication on common principles of flexicurity. However, it stressed that flexicurity is a concept that can and should take different forms, rather than a one-size-fits-all solution to modernise labour markets that vary significantly across Member States.

“We must realise that the old rules and practices from the former industrial society no longer fit today’s economic reality”, said **Hans-Werner Müller**, UEAPME Secretary General. *“Employers and workers require more and more flexibility and new types of security to make the most of our modern economy. Combining flexibility and security in a mutually reinforcing way is the main challenge ahead. We are convinced that a comprehensive, tailored and integrated approach is the key to improving competitiveness and creating more and better jobs in the EU. The involvement of social partners at all levels is a prerequisite for success”*, he explained.

UEAPME then went on to comment on the four main “pillars” of the EC communication:

- Flexible contractual arrangements are essential for SMEs, which cannot create jobs without an easy to understand and easy to apply legislation. Legal uncertainties and burdensome costs should be avoided. All types of flexibility must be duly taken into account: internal flexibility on issues such as working time, external flexibility on the type of contract, and numerical flexibility to adapt the company’s staff to changes in demand.
- Lifelong learning is a critical tool to ensure workers’ continued employability. Every effort should be made to put in place a good system of training, retraining, re-qualifying and upskilling of the workforce. In this context, the specific problems of SMEs should be properly addressed. The responsibility for such a system must be shared between businesses, individuals, social partners and public authorities.
- Effective active labour market policies are an indispensable tool against long-term unemployment. “Safety nets” such as adequate unemployment benefits are certainly part of the solution, but these measures should be implemented in an efficient and cost-effective manner, and vigorously aim at reducing unemployment. Nevertheless, any right to unemployment benefits should be assorted with obligations.
- Modern social security systems should definitely provide workers with replacement benefits in case of unemployment or work incapacity, but at the same time they should actively encourage people to look for new job opportunities. Disincentives to active employment must therefore be eliminated. This will also contribute to tackle undeclared work, which creates unfair competition that is particularly detrimental for SMEs.

The right “policy mix” between these four pillars, insisted UEAPME, must be found at national, regional or sectoral level according to the circumstances. The situation in Member States varies significantly because of the different historical, cultural and social developments. Even if the challenges faced are the same, the approach to tackle them will be very diverse. In this respect, UEAPME was pleased with the Commission’s proposal to set up a broad dialogue at national level if not already in place, but warned that these initiatives must respect the autonomy of national social partners in all cases.

“The EC has put forward a number of interesting points for discussion on how to modernise employment relations while ensuring a good level of social protection. The ball is now in the court of Member States, since they are ultimately responsible for reforming their labour markets to increase their performance. We trust that they will endorse a set of useful common principles at Council level”, concluded Mr Müller.

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EDITORS’ NOTES: UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 81 member organisations, which represent crafts and SMEs across Europe, covering over 11 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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