



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE ISSUE

## **Crafts and SMEs denounce dangers of “employment dilemma”**

**Brussels, 1 February 2008.** European crafts and SMEs are the hardest-hit by the “employment dilemma” facing European companies, which increasingly suffer from a lack of workforce and qualified staff while unemployment remains unacceptably high for categories such as young people, women and older workers. Speaking at the “Social Ministers Troika” with the European Social Partners, the European Commission and the European Parliament that took place yesterday (Thursday) in Brdo, Slovenia, Secretary General **Andrea Benassi** denounced the present risks and put forward the SME perspective on the dangers of segmented labour markets, which are an obstacle to growth and competitiveness to be tackled at European, national and local level.

*“A fluid and reactive labour market is a key precondition to achieve the Lisbon goals and increase Europe’s competitiveness”,* said Mr Benassi, whose speech in Brdo marked his first appearance as Secretary General at EU level. *“Unfortunately, the present situation in Europe is far from being ideal in this respect. Excessively rigid labour laws, the lack of flexible working patterns, the mismatch between available skills and required skills, ill-designed social protection systems pushing people towards undeclared work are all putting a severe strain on SMEs’ economic potential”,* he continued.

Participants at the “Social Ministers Troika” were asked to discuss how the flexicurity principles could contribute to a higher participation rate in the labour market of young people, women and elderly workers. Despite some obvious common factors, such as the ones listed above, specific measures are needed for each particular group, said Mr Benassi. As far as women are concerned, for instance, flexible forms of work are crucial, and so are measures to reconcile professional and private life and a wider offer of childcare services. Young people, on the other hand, must be trained according to the needs of the market from the very beginning, and should enjoy a broader offer of traineeship and apprenticeship opportunities to bridge the gap between education and professional life.

Elderly workers are a major concern for craft and SMEs, since on average they employ an older workforce compared to larger enterprises. Due to their long experience and “savoir faire”, older staff members are key actors both in the productive process and in the knowledge transfer to younger generations. Early retirement schemes, which are often encouraged by Member States’ social security systems, act as a disruptive factor in this respect and should be avoided as much as possible. Moreover, flexible exit schemes should be further developed to allow workers close to retirement age to work part-time without stopping abruptly. Lifelong learning should also be enhanced in order not to leave senior workers disconnected from the real and ever-changing labour market needs.

Increasing the attractiveness of career paths in crafts and SMEs, investing in education, training and lifelong learning (a task that cannot be left to companies alone), reinforcing apprenticeship, favouring the integration of disadvantaged groups are all solutions that must be encouraged, said Mr Benassi. However, it is up to each Member State to find the right policy mix according to its specific needs and requirements, he concluded.

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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 84 member organisations, which represent crafts and SMEs across Europe, covering over 12 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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