



"The voice of crafts and SMEs in Europe"

Economic crisis: policymakers urged to "think and act small first"

Extraordinary craft and SME conference calls for more action on access to finance and employment support

Brussels, 28 April 2009 – A stronger focus on the real needs of crafts and SMEs is necessary to accelerate Europe's economic recovery, according to the participants to the first Craft and SME Convention that took place at the European Economic and Social Committee yesterday (Monday). Featuring Commissioners Kroes and Verheugen as well as the EIB's Vice President De Fontaine Vive, the event was organised by UEAPME, the European craft and SME employers' organisation. The conference gathered delegates from the EU27 to take stock of the recovery measures put in place so far and discuss what is still missing from a small business perspective. Participants pointed out that there is clearly further room for improvement on issues such as access to finance and employment support measures. They also called on Member States to use all the room for manoeuvre they were given by Europe in the last months to support the real economy, and on policymakers at all levels to "think and act small first" by designing rules based on SMEs' requirements.

Lack of access to finance was once again identified as the first and most obvious effect of the crisis on small businesses. Investments have been put off and day-to-day activities are equally at stake for SMEs, which means that working capital for small businesses must also be secured. Guarantee schemes have proved to be very helpful in this respect, and have been rightly prioritised in the last months by many European policymakers. However, not all Member States have reacted equally. In some countries, the money put aside does not reach SMEs, which are not included at all in other cases. *"SMEs in the EU27 should be granted access to sufficient and inclusive guarantee schemes, and public support given to banks to this end must be now passed on to their clients rather than kept in their coffers. However, it must be clear that we are not asking for money. We are asking for credit and we deserve credit, since we have shown during this crisis to be one of the most important economic stabilisers"*, said UEAPME President **Georg Toifl**.

A second key concern for SMEs is how to keep employment levels stable. Small entrepreneurs have shown so far to be more reluctant to lay off workers compared to their larger counterparts, due both to a closer relationship with their staff and to the need to secure skilled workers for the future. However, small entrepreneurs need support to maintain this responsible behaviour, in terms of flexible working arrangements, temporary unemployment benefits as well as measures for staff training and requalification. *"Everything must be done to avoid losing competences during this downturn, for instance by combining partial or total unemployment with measures to increase and update workers' skills. We also believe that SMEs should be treated equally when restructuring support is given, and that it must be accessible both for SME owners and for their staff"*, continued Mr Toifl, pointing out that unfortunately this has not been the case so far.

On a more general note, the widespread feeling of participants was that despite the very helpful policy responses put in place in the last months, such as the coordinated rescue of the financial sector, the new temporary State aid framework presented by the European Commission and the increase of the SME loan facility by the European Investment Bank, a stronger focus on the needs of SMEs would be more than welcome. On other policies, such as the European Commission's efforts to reduce red tape, participants felt that the situation on the ground has not changed. Criticism was also directed towards Member States for not using all the abovementioned possibilities that were created in the last months.

Finally, all participants agreed that more attention must be devoted to SMEs' specific needs. *"Europe's richest regions are those with a higher density of SMEs, and this is not by chance"*, pointed out Mr Toifl. *"However, too often policymakers indulge in protectionist temptations and give in to larger industries' more vocal calls, rather than designing rules with small businesses in mind at all levels and in all areas. We believe that they should start thinking and acting 'small first' if they are serious about finding ways to get out of the crisis. This was the key message of our conference"*, he concluded.

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EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 83 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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