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Conclusions of the European Crafts Conference 2025

The crafts conference in Munich is a sign of the unity of the European skilled crafts sector. It is a strong signal to political decision-makers and elected representatives to take the power of SMEs seriously. The epochal change must also be reflected in economic policy and a clear focus on the 99.8 percent of European enterprises. SMEs contribute to stability in society. The work on strengthening SMEs must be just as ambitious as the work on the goals of security or maintaining Europe's industrial base. The European Union must not be perceived as an institution that merely produces regulation, but as a space for freedom, diversity, creativity and open-mindedness.

Craft enterprises represent the cradle of European entrepreneurship. For centuries, they have been contributing to local and global value chains, providing services, training opportunities, employment and most importantly, creating economic and social wealth across the continent.

European craftsmanship is a multifaceted reality. Craftsmen and -women undertake manufacturing and provide a variety of different services with common characteristics and guided by similar values:

- The business owner is directly and actively involved in every aspect of the production process and has full personal responsibility.
- Craft businesses operate in short supply chains, which makes them sustainable by definition.
- In most cases, these are family-run businesses that support local communities and foster longterm relationships with customers and staff.
- Crafts businesses are a key resource for the economy, as they promote employment, training, and act as a social and professional integration vector, while furthering the development of new opportunities in urban and more remote areas. Crafts contribute in every country to the necessary social cohesion.

Over time, craftsmen and -women have been able to adapt to different changes, picking themselves up in times of crisis and continuing to play their role economically and socially within their community especially in those critical moments.

However, faced with the current challenges, craft businesses suffer greatly from unpredictability and uncertainty. Whilst the general public is slowly rediscovering the added value of locally provided work and products, the political framework is making it increasingly complicated to continue doing business in the future with the same mindset. Craft entrepreneurs across all sectors and across all of Europe, stand ready, on a daily basis, to take responsibility, earning them the trust of their customers, employees and the local community. This reliability and pride in their work brings craft entrepreneurs from all over the EU together in Munich for the European Crafts Conference 2025 in order to be heard by the legislators.

We want policymakers to understand the needs of the realities they represent. The more than 25 million SMEs and craft businesses with more than 90 million employees within the European Single Market require a stable political environment allowing them to fully focus on making use of new opportunities, to grow and to benefit from new concrete measures.

The European Crafts Conference 2025 asks the European policymakers and institutions to specifically work on the following priorities:

Secure skilled labour, preserve high qualification standards

Labour and skills shortages are on the rise in all EU Member States. Nearly two thirds of SMEs are unable to find the talent they need, while the gap between education and training pathways and business needs persists. To tackle these skills shortages, the EU-Commission rightly proposes a Vocational Education and Training (VET) strategy with activities such as promoting the benefits of VET and its positive outcomes to a wider public as well as improving the quality of vocational programs. A fundamental problem of VET is a distinctive lack of social recognition and awareness within society in some countries of the Union. This is the main reason why young people are increasingly choosing academic studies, instead of engaging in apprenticeships and VET. It is therefore key to promote the equal value of apprenticeship training and academic education. VET must no longer be considered as a second, by default, choice, but an opportunity to grow and build a satisfying and interesting career. In this respect, the European Commission should support this message through effective, public campaigns throughout Europe, as is already the case in several European countries, primarily promoting synergies between businesses and schools.

- → The Skilled Crafts Sector stands for high qualification standards guaranteed by the dual education system and complemented by further education and continuous training offers. That is why modern attractive learning places for good vocational training must still be secured.
- → The promotion of excellence in VET is an important aspect for the attractiveness of VET. However, more attention should be paid to the importance of qualifications and higher VET. A "skills first approach" that only focuses on microcredentials is not enough to meet these concerns. Microcredentials can have added value if they complement high-quality qualifications, but not if they replace them.
- → As for reskilling and upskilling with regards to the digital and green transition, the recently introduced Net Zero Industry Academies mainly focus on the needs of industrial players and do not sufficiently take market realities and instruments that have already been developed in some EU-Member States into account.
- → To attract talents from abroad, simplified qualified immigration and the promotion of Europe in partner countries and the development of training and talent partnerships with Africa, Asia, Latin America and the Middle East must be secured. In this context, the recognition of qualifications is important.

Improve the competitiveness of crafts businesses between scaling up and right to stay

To support growth and innovation, the new EU Commission must further prioritise an improved European competitiveness, both from an internal Single Market perspective as well as on a more global scale. In this respect, it is high time for action: the sheer abundance of announcements and promises made since the 2024 European elections must finally lead to concrete visible and effective measures that are closely connected and responding to the daily reality of entrepreneurs. It is crucial that legislators ease the disproportionate, mainly administrative, burden on SMEs and skilled crafts businesses.

- → Planned EU initiatives to improve the competitiveness of the European economy must take micro and SMEs into account from the outset, ensure fair competition within the European Single Market and facilitate the funding of micros and SMEs. The European crafts sector asks for a fundamental change in policy-making based equally on the "Think Small First" principle and on trust towards entrepreneurs. From the start, any legal text needs to be drafted from an SME perspective and in close cooperation with them as they implement legislation on the ground.
- → We must demand a halt to new bureaucratic burdens, committing to European targets for reducing bureaucratic burdens and within a short time frame a scale back of the current burdens. Therefore, we applaud the Commission's aim to secure a 35% reduction of administrative burdens on the SMEs.
- → Craft enterprises play an essential role in their local economy: a better access to European funding, including cohesion funding, is essential to reduce competitive disparities, ensuring both the *scaling up* of businesses wishing to develop and the *right of local* entrepreneurs *to remain*.
- → Craft businesses should be encouraged to participate in public procurement, as a strategic sector of the European Union. Through appropriate instruments (such as quotas), preferential channels should be created for craft enterprises, fostering the local economy and promoting high quality standards.
- → Craft businesses need to be, from the start, provided with appropriate digital tools and support to foster their digital transformation. Crafts is not a merely creative and tradition-bound sector, but also an important laboratory for technological innovation.

Accompanying the environmental transition without merely setting the target

Craft businesses support the goals of the Green Deal. They are enablers of climate mitigation and adaptation: they install sustainable heating and cooling systems, implement energy efficiency renovations, upgrade waste through re- and up-cycling processes and carry out the necessary measures to adapt to the fast-changing climate. Sustainable consumption and business models are in the DNA of the crafts sector. However, overly stringent regulation and reporting requirements that are not adequately proportionate in relation to the characteristics of businesses, negatively impact the role that SMEs can play, and discourage companies on their path to more sustainable business models. For this reason, the focus in the new legislature must be on feasibility: realistic targets, simplified processes and tailored support are the key tools to further enable craft enterprises to push the environmental transition and to deal with the increasing energy poverty.

- → Craft businesses need to be prepared for the negative consequences of climate change; measures such as incentives for climate resilience, access to funds for infrastructure protection, subsidised insurance against environmental risks and customized contingency plans can support them in this crisis and ensure business continuity.
- → Ensuring that craft enterprises and SMEs have access to sustainable raw materials is crucial to reducing environmental impacts and strengthening local production chains. Policies that

- incentivise the circular economy and the valorisation of recycled raw material can make the transition more effective and beneficial for SMEs.
- → Energy communities and support for self-generation of renewable energy represent a strategic opportunity for craft enterprises. Incentivising the use of renewable sources, self-consumption and energy sharing within local networks can reduce energy costs and increase SMEs' resilience in the face of energy market fluctuations.
- → Administrative simplification is essential to enable craft businesses to focus on innovation and sustainability. Clear regulations, streamlined procedures, and reduced reporting requirements are needed to ensure that SMEs can adopt more sustainable business models.
- → In order to enable craft businesses to play a key role in the transformation ahead, they need to be considered from the outset in the design of the legal framework for the green transformation.
- → On-site conditions must be designed in a way that allows craft enterprises to be successful.
- → Public funding is important to bridge the transition financing gap. However, the focus needs to gradually shift to craft businesses and SMEs being able to develop economically viable and stable business models.

Outlook

The 2025 European Crafts Conference marks the start of a wider debate on the future of the sector and the relevant legislation (both at EU and national level). It is a collaborative and joint reflection by entrepreneurs and their representative organisations to identify policies necessary at EU level to create a framework allowing craft businesses to thrive thereby making entrepreneurship attractive again. All these in a broader context of economic convergence within the EU, where the development of one country's craft sector will favour the development of the other countries' crafts sectors.

The conclusions of this conference will feed into the future advocacy strategies of all signatory organisations and contribute to the strengthening and success of the representation by SMEunited at EU level.

The forthcoming conferences on craftsmanship should build on and develop the outcomes highlighted above, while encouraging and intensifying efforts to guide the agenda of the European institutions.

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