



# Legal migration package: one step to fight labour shortages

## Executive summary

- We welcome the European Commission **package on legal migration** presented on 27 April 2022 and we believe it can be part of the solution to **overcome the labour shortages facing the hospitality sector**.
- We fully support the activation of the **Talent Partnership** and welcome the fact that the Commission intends to include the hospitality sector as part of the initiative.
- We call on the European Commission to include the hospitality sector in the **EU Talent Pool** and hope that the sector is part of the pilot project focusing on Ukraine.
- The sector is committed to help the Ukrainian refugees be integrated into the hospitality sector labour market, if willing to. But **support for the training** is needed from national governments and the EU.
- We welcome the revision of the **Long-Term Residents Directive** and of the **Single Permit Directive**, as a way to facilitate the procedures for legal migrants to stay in Europe.
- It is essential that the low and medium skilled people are part of the Talent Partnership, the EU Talent Pool and the legislative proposals.

## Why is legal migration vital to the sector?

HOTREC is the umbrella association of Hotels, Restaurants and Cafés in Europe. Altogether we represent 47 national associations in 36 European countries.

The European hospitality **sector is a major contributor to the EU economy and social fabric**. It provides 11 million jobs, contributes approximately **2 to 3%** to the EU GDP and supports boosting the economy. It is a sector that **is inclusive, promotes gender balance and provides a first work experience to the young**.

HOTREC very much welcomes the **package on legal migration** presented by the European Commission on 27 April 2022.

Before COVID the sector was facing a **lack of skills** (cooking; interpersonal skills; digital; languages). The reasons are related with technological changes (e.g. need for companies to be more active online in terms of marketing; social media) and/or societal changes (e.g. need for companies to comply with new customer's demands, for instance related to sustainability). In fact, while the average job vacancy rate was **3.3%** in the EU in 2021, it reaches 7.6% in Belgium or 6.6% in Austria **in the hospitality sector**.

Nevertheless, after COVID, the sector started facing an even more challenging situation: **lack of labour force**. The situation is very concerning. The sector is still in the phase of recovery and should be delivering services at full speed, as there is demand from the client's side. Instead, it is **reducing its activity** due to the lack of labour and skills. In fact, companies are **adapting their business models** to the current reality. For instance, in some countries, brand new hotels are not able to open; entire floors of hotels remain closed; restaurants need to choose to open either for lunch or for dinner; some restaurants opt to close some days of the week/weekend.

Overall, the lack of labour means less revenue for businesses, but also an estimated **loss in tax** for governments.

On average, there is currently a gap of between 10% to 20% of the workforce in the sector in the EU compared to 2019 levels. For instance, in 2022, there are 200.000 unfilled positions in France, 250.000 in Italy and 33.000 in Austria.<sup>1</sup>

<b>Association/Country</b>	<b>Lack of labour at national level in the sector in 2022</b>
<b>APHA/Austria</b>	The average number of employees missing in the sector is around 33.000. Although more employees are employed in Austria than before the crisis (total amount of 245.000 employees), there is still a high demand for staff.
<b>UMIH and GNI/France</b>	The sector reached a moment when was lacking 200.000 employees. On average, the sector misses 50.000 unfilled positions each year.
<b>HORESTA/Denmark</b>	Lack of 6-10.000 workers. This originates an instant loss of revenue of 400-650 million Euro.
<b>EHRL/Estonia</b>	In total there are around 30.000 people working in sector. On average 1/3 of staff was lost due to restrictions and lack of support measures.
<b>LVRA/Lithuania</b>	There are 42.700 workers employed in the sector and 14.600 vacant working places, compared to 2020.
<b>FEDERALBERGHI – FIPE/Italy</b>	There are 250.000 employees missing in the sector.
<b>IGHP/Poland</b>	Between 40%-50% of employees are lacking in the sector (out of a total of 55.000-60.000 employees).
<b>HCH/Greece</b>	Almost 25% of the total number of employees are lacking in the sector (out of around 55.000 jobs). <sup>2</sup>
<b>IHF/Ireland</b>	Hotels: 10% less employees in the industry now than pre-Covid (previously 70.000 total). Restaurants: lost 25.000 employees out of a total of 40.000 employees.
<b>TGZS/Slovenia</b>	Between 15%-20% of the total number of employees are lacking in the sector (out of 55.000-60.000 employees).
<b>FIHR/Romania</b>	15% of the total number of employees (around 30.000) are missing in the sector.

<sup>1</sup> Hotrec Internal Survey

<sup>2</sup> Figures from 2021.

<b>UPUHH/Croatia</b>	The total employment is around 110.000 workers (annual number based on number of working hours). During the high season, additional 35.000-40.000 employees need to be further employed. Between 5.000-7.000 workers are lacking in the sector. This means a loss of income of 100 million €. The lost taxes are estimated in around 15 million €.
<b>HORESCA/Luxembourg</b>	Lack of 1.500 persons (both qualified and non-qualified employees) in which represents 8% of the total employment.
<b>AHRCR/Czech Republic</b>	90.000 people are missing, out of a total of 270.000 positions.
<b>MARA/Finland</b>	At least 18.000 employees are lacking (out of a total of 83.900).
<b>GastroSuisse/Switzerland</b>	12% of the employees are missing in the sector (out of almost 32.000 people).
<b>UKHospitality/UK</b>	There is an average of 174.000 employees missing in the sector. This leads to an estimated loss of revenue of €21 bn. The estimated loss in tax is of €5 bn.

## HOTREC's position on the legal migration package

We welcome the European Commission **package on legal migration as a way to overcome the labour shortages in the sector.**

Legal migration is a “win-win” solution: it gives the opportunity to those who migrate to improve their quality of life while providing more working force and skills for host countries, who in turn boost the economy for all.

Our sector seeks to attract skills and talent where there are labour shortages and needs. At the same time, by promoting legal migration, we would be creating opportunities for young people and promoting innovative entrepreneurship within the EU.

It is, nevertheless, extremely important that the **low and medium skilled** are also included within the Commission package. The hospitality sector is in need of high and medium skilled (e.g. chefs; professionals dealing with digital marketing skills; languages; soft skills.) But it is to note that 30% of our employees are **relatively unskilled** (while their tasks are very relevant to the good performance of the sector). Examples cover professionals dedicated to cleaning activities, waiters or kitchen support professionals. Therefore, low skills are also needed.

Below you will find HOTREC's general views on the package.



## 1 – Development of a Talent Partnership

The European Commission proposed to step-up operational cooperation at the EU level between the Member States as well as with partner countries to establish **Talent Partnerships** by the end of 2022. Ultimately, there will be a **better match of labour market needs and skills between the EU and partner countries**. The first agreements are envisaged between the Member States and three North African countries, namely Morocco, Tunisia and Egypt. These partnerships would be established based on interest shown by the Member States and existing skills shortages. **We support the initiative and very much appreciate the inclusion of the hospitality sector in such agreements.**

We understand that a partnership should be based on a “win-win situation”. Due to labour shortages, the EU is looking for a workforce in third countries. Companies in the Member States will probably be willing to keep the trained workers in the sector, for as long as possible, to develop a career. At the same time, we understand that third countries will not be willing to completely lose their workforce. Maybe, as a compromise, and for the companies in the EU not to lose talents, **a system based on rotativity** could be established, where the workers would perform their tasks in Europe for some months and after go back to their country of origin during other months (and then come back to the EU again).

Another possibility would be that the EU countries that are interested in the partnership would, for instance, **invest in vocational and education centres in the third countries**, so that locals could access life-long learning possibilities.

### Case study: UMIH/France and Tunisia sign convention to enhance legal migration

In June 2022, UMIH/France and Tunisia signed a convention aiming at recruiting staff for the hospitality sector. Within this framework, candidates are selected by the Tunisian National Agency for Employment and Self-Employment (ANETI). In a second step, ANETI contacts the French Office of Immigration and Integration (OFII), regarding all the necessary legal authorizations needed for the Tunisian potential migrants to work in France. After that, the selected candidates will have their profiles displayed on a national online platform created by the French hospitality sector to benefit all professionals (members and non-members).

Even though there is no simplified access for Tunisian professionals to enter France, UMIH reports good recruiting results during the summer of 2022.

It is to note that France has **three bilateral agreements** signed respectively with Algeria, Tunisia, and Morocco regarding movement, residence and employment of people. These agreements have been signed for more than 20 years.



Overall, we propose the points below.

### HOTREC proposals

- The hospitality sector **to be part** of the development of a talent partnership.
- **Improving the matching** of third-country nationals' with job vacancies in the EU including through the development of a talent pool (*see below for more details*), list of vacancies and skills shortages in the sector.
- EU delegations and the Member States' diplomatic missions to cooperate with public employment services, universities and training providers in third countries, in order for third countries to be aware of the **labour market needs in the EU**.
- Recognition of **qualification certificates** from the third-country nationals.
- HOTREC members are to **contact their respective governments** in case of interest in establishing such a partnership.
- Member States to inform the European Commission (DG HOME) in case of interest.

## 2 – Creation of an EU Talent Pool

The European Commission is also proposing to establish an EU-wide platform and matching tool - the EU Talent Pool, from mid-2023 onwards. The aim is to match job applications of third-country migrants with the needs of European employers. We also support this initiative and hope that the **certification of the skills** of potential employees will be viable via this platform. Above all, we consider it very important that the **medium-skilled** are also part of the initiative and that the **low-skilled** can be included at least in the long run (*please see explanation above*).

We understand the Commission's concerns to avoid brain drain. Nevertheless, our sector is in need of a workforce that is available and willing to work.

A talent pool pilot project is scheduled to start soon focusing on Ukrainian refugees. We welcome this proposal **and ask that employees in the hospitality sector are considered for this pilot project**. Overall, we have the below proposals.

### HOTREC proposals

- **Low-skilled migrants** are to be included in the EU talent pool, at least in the long run.
- The hospitality sector to be part of the **pilot project** focusing on Ukrainian refugees and future activities.
- Possibility for third countries to be informed about **skills shortages** and vacancies in the sector. A match with employers should be easily established.
- The tool should be very **user-friendly** both for employers and third-country nationals.
- A **separation between sectors** should be foreseen (for the right skills and tasks to be easily recognised).
- **Certification of the skills** to be done via the platform.
- The industry to work together with DG HOME on how to define a high, medium or low-skilled worker.

## 3 – Possibility of recruiting refugees from Ukraine

Since the beginning of July 2022, more than five million refugees have been recorded across Europe, according to the UN. Ukrainian citizens can move freely within Schengen for three months. Within this period, they should trigger the **Temporary Protection mechanism** in the Member State where they are. This will give them access to education and working possibilities until March 2022 (this date can be extended, depending on the evolution of the geopolitical situation).

Since the early days of the war, hotels all over Europe have been providing shelter and first aid to Ukrainian

citizens. In a second step, we encourage the sector to fully integrate Ukrainian refugees into society. On one hand, we are fulfilling our social duty as employers. On the other hand, Ukrainian citizens will have a chance of restarting a normal life.

We understand there are challenges: language difficulties; lack of skills; women can be easily integrated into the hospitality sector, yet they come usually accompanied by children (and the children need to be supervised during the day); willingness to come back to Ukraine as soon as possible to safe zones.

Despite these constraints, we still consider that Ukrainian refugees should be supported if willing. We, therefore, recommend national associations partner with national governments regarding the integration procedures. We encourage the development of **language classes**, as well as the deployment of **soft skills training**. At the same time, the **qualifications of the refugees** should be easily recognised in the EU.

### HOTREC proposals

- The EU and national governments to **extend the CARE mechanism**, as long as necessary, for shelter and first aid support to be provided by hotels, if they so wish.
- EU and national funding to be deployed in support of **training activities** (e.g., language courses; soft skills) to help the full integration of refugees into society.

## 4 – Revision of existing EU legislation

### 4.1 – Single Permit Directive Recast (COM (2022)655 final)

The main objectives of the Single Permit Directive are to establish a single application procedure for a combined work and residence permit and to guarantee a common set of rights for eligible third-country nationals, based on equal treatment with nationals of the Member State that grants the single permit.

We very much support the intention of streamlining the application procedures to obtain a single permit and make them more effective.

So far, the overall duration of application procedures deters employers from international recruitment. Reducing this duration is expected to help increase the EU's attractiveness and address EU labour shortages.

Therefore, we welcome the following measures, as a way to simplify and facilitate the application procedures:

- **Scope** – Artt. 3/2/h: beneficiaries of international protection should be able to apply for a single permit
- **Single application procedure:**
  - ◊ Art 4.1: Applicants to be able to lodge applications from both non-EU countries and EU Member States.
  - ◊ Art 4.3: If the requirements for a single permit are met, the entry visa should be provided (and any delay avoided).
- **Competent authority** – Art 5: The competent authority should decide within 4 months of the date on which the application was lodged. We welcome that within these 4 months the authority should also check the labour market situation and issue the visa required in art 4/3.
- **Rights based on the single permit** – Art 11:
  - ◊ Art 11/2: single permit holders are allowed to be employed by different employers in the different Member States.
  - ◊ 11/4: in the event of unemployment the single permit holder will keep his/her status for at least 3 months. After that, the competent authorities should take a decision.
- **Monitoring, risk assessment, inspections and penalties** – art 13:
  - ◊ Preventive measures shall avoid possible infringements by employers of national provisions.
  - ◊ Positive that the legislation leaves it up to the Member States to lay down the rule on penalties applicable to infringements by employers – at the national level there are already comprehensive administrative criminal law regulations on wage and social dumping and illegal employment of third-country nationals.

Nevertheless, we point out that the single permit should as well **be attributed to low and medium-skilled**. These are the skills the sector needs!

### HOTREC proposals

- Extend the scope to the **low and medium-skilled people** (to overcome the labour shortages)
- Introduce all envisaged administrative facilitation procedures to attract skills and talent to the EU.

## 4.2 – Long-Term Residents Directive Recast (COM(2022)650final)

The Directive sets out the conditions under which third-country nationals who have legally and continuously resided in a Member State for at least five years can acquire 'EU long-term resident status' ('EU LTR status'). The advantages of this status are multiple: it is permanent, it grants equal treatment rights in several areas (including full access to employed and self-employed activities), and it ensures reinforced protection against expulsion.

We very much welcome the recast, as a way to improve the attractiveness of the EU as a destination for third-country nationals and to address the hospitality sector concerns about **labour shortages and skills mismatches**, as well as **intra-EU mobility**.

Therefore, we welcome the measures highlighted below.

- **Duration of residence** – Art 4:
  - ◇ Art 4/3: Member States shall allow third-country nationals to cumulate periods of residence in different Member States to fulfil the requirement of duration of residence (provided they have cumulated two years of legal and continuous residence within the territory of the Member State where they have submitted the application).
  - ◇ Art 4/5: Any period of residence spent as a holder of a long-stay visa or residence permit shall be taken into account for the duration of residence.
- **Residence in a second Member State** – Art 17/4: EU long-term residents shall enjoy equal treatment with Union citizens regarding recognition of professional qualifications, per the applicable Union and national Law (to apply for a residence permit in a second Member State).
- Recital 10: **residence for study purposes or vocational training, residence as a beneficiary of national or temporary protection**, or residence initially based solely on temporary grounds can be counted for acquiring the EU long-term resident status.

Nevertheless, we would still like the EU institutions to take into account our proposals below.

### HOTREC proposals

- **Low and medium-skilled should as well be part of the proposal.** Only in this way, a career perspective can be developed in the sector, as well as the feeling of belonging to a team.
- **Investments in training** should be **profitable for employers** in the long run.
- Revisit frequently all the administrative procedures and analyse and discuss if the criteria is fair and up to date (e.g. need to develop labour market tests).



## Annex

In the present annex, we highlight the most prominent skills needed in the sector.

Already before the COVID crisis, the sector had a lack of skills (e.g cooking and digital skills). After the COVID crisis, and also taking into account the need to become more resilient, digital and sustainable, according to the [Transition Pathway for Tourism](#), the sector is now facing the challenge of coping with the skills mentioned below.

- Cooking abilities, in particular commis chefs, chef de parties, breakfast chefs, kitchen porters
- Service to the client, namely Food & Beverage (F&B) waiting for staff, F&B supervisory skills, F&B Managers, Accommodation services of all levels, Reception staff, Front Office Supervisors and Managers, Duty Managers
- Digital skills:
  - ◊ How to organise the content management system
  - ◊ How to manage property management system
  - ◊ How to use social media
  - ◊ Knowledge and application of available digital guest services or Digital Marketing
  - ◊ Understand and use big data and open data
- Languages
- Interpersonal skills
- Accessibility – how to approach clients
- Green skills for managers and employees
  - ◊ How to decrease carbon footprint
  - ◊ How to use circularity: waste management/food management/water management/decrease use of single-use plastic
- Professional cleaning skills (housekeeping and cleaning service staff)

The hospitality sector hopes that the current EU legal migration policy will help the sector overcome the current challenges in terms of labour and skills shortages. We remain willing to participate and contribute to future activities.