



## 2016 policy proposals to boost job creation in the hospitality sector through 5 pillars: Digital, labour law, skills, taxation and the promotion of the sector's image

The tourism industry provides close to 13 million jobs to the European Union (Link – Eurostat statistics) and is the third socio-economic activity after the retail sector which employs 32.8 million people, and the construction sector (20 million). The hospitality industry alone employs 80% of the total EU tourism workforce, which represent 10 million jobs, from which up to 60% are held by women and up to 20% by people aged under 25 years. The sector is inclusive, as it provides jobs to all types of workers – 33% being relatively unskilled. Moreover, the hospitality industry which remained resilient during times of crisis, created 2.5 million jobs between 2000 and 2010 (a 29% growth versus the 7% in the overall economy), and still keeps creating tens of thousands of jobs every year. Hospitality is therefore an entry door to the job market, a major contributor to youth employment and to the overall EU economy.

However, the hospitality industry could be an even stronger driving force for job creation, if its potential were not hindered by several factors, to which HOTREC and UEAPME have been developing the following policy proposals.

### DIGITAL

Due to the massive development of digitalisation, the face of tourism has changed dramatically, being transformed by technology, therefore changing the way we work and the way we connect. With new businesses models in place, tourism offers become even more fragmented and new forms of competition have emerged, bringing a set of new challenges including unfair competition. Indeed if not swiftly addressed, it could strongly jeopardise the creation of new jobs by responsible tourism businesses.

**Action:** HOTREC and UEAPME call for the establishment of a level playing field for all tourism stakeholders including new providers using collaborative platforms, so that customers are protected, employees are fairly treated and entitled to their rights and responsible businesses enjoy a fair and competitive environment.

## TAXATION

High tax wedge on labour constitutes a strong disincentive for companies to recruit and create more jobs. Especially when taking into account that the hospitality industry is composed for 91% by micro-sized enterprises (1.7 million), high tax burdens on labour constitute not only a barrier to growth and innovation, but also a barrier to invest in further training and to retain workers, and even more to invest in additional workforce.

**Action:** National Public authorities should reduce the tax wedge on labour and shift taxation away from labour. Ensuring a more favourable tax framework for SMEs in the tourism sector will contribute to keeping in the long term Europe as world's number 1 tourist destination.

## LABOUR LAW

One of the biggest challenges faced by tourism SMEs is seasonality, the reason why many companies cannot afford to propose permanent contracts. Moreover, customers expect hospitality businesses to be open outside normal working time, week-ends included. For these reasons flexibility is needed.

**Action:** EU and national public authorities as well as social partners should secure the possibility of using flexible working arrangements. Moreover, a new concept of flexicurity should contribute to maintain the attractiveness of different forms of employment contracts for employers and workers while ensuring adequate protection for workers, to facilitate transitions between them.

## SKILLS

The hospitality sector is currently facing a huge shortage of skills in particular in ICT, despite the high level of unemployment in Europe. Technological changes have created new needs for further training for instance to respond to customers' needs and also be more visible online. Societal change drive as well new demands, for instance in food services where chefs and qualified personnel are strongly missing. While the average job vacancy rate is 1.7% in the EU, it reaches in the hospitality sector 3% in Belgium; 4% in Germany; 7% in Greece and nearly 4% in Austria. In fact, tourism SMEs are willing to create more jobs but are unable to find the skilled employees they need. This important skills mismatch needs to be addressed.

### **Action:**

- EU and national funding should be redeployed to make new investments in further training more attractive for SMEs. Training and upskilling employees is critical to create more employment, deliver quality service, and retain employees in the sector. Online training is part of the answer, as it is accessible everywhere and it does not require the trainee to be away from work;
- The EU, national authorities and social partners to continue promoting the quality, cost-effectiveness, and attractiveness of apprenticeship schemes in the tourism sector;
- Public authorities and social partners should facilitate the transition from education to work and Partnerships between businesses and training providers to better meet labour

market needs should be strengthened;

- Existing tools, such as the [European Hospitality Skills Passport](#), should be further promoted, to ease employers and job seekers match on the labour market;
- Emerging skills needs should be early detected and anticipated in order to train employees and employers on the industry's requirements (e.g. fast track procedure of chefs in Sweden, where skills are validated in the mother tongue of the worker).

## IMAGE OF THE SECTOR

The hospitality industry created 2.5 million jobs between 2000 and 2010 and is one of the few sectors which still keeps creating tens of thousands of jobs every year. Despite this excellent track record, the hospitality sector finds it difficult to attract new talents, and even to retain skilled staff who tend to leave for other sectors. The workforce with the new skills needed is especially sensitive to a perceived lack of attractiveness of the sector, which must be swiftly addressed.

**Action:** Public authorities should make funding available in view of establishing a strong partnership with the tourism sector in order to jointly promote the image of the tourism and hospitality sector towards existing and potential new employees.

## CONCLUSION

HOTREC and UEAPME count on the EU Institutions and national public authorities to take into account the above recommendations for renewed policies for the hospitality sector to continue flourishing and to keep creating even more jobs.

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