



# Employment and industrial relations in the hotels and restaurants sector

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*The hotels and restaurants industry (Horeca) is a labour-intensive sector, dominated by small businesses and characterised by low levels of affiliation to employer organisations and trade unions. Working conditions in the sector can be very different from those in other service industries. This report describes and analyses the main challenges facing the sector, such as the impact of the crisis on employment, undeclared work, employment of young workers, seasonal work and working hours, qualifications and skills development, and health and safety at work. The study explores the state of social dialogue in the sector, highlighting the contribution of the social partners to addressing the current challenges. Based on contributions from the national centres of the European Industrial Relations Observatory (EIRO), the study covers the sector across EU27 countries and Norway.*

## **Introduction**

This report on the Horeca sector includes in its analysis catering services, hotels, restaurants, cafés, canteens, short-stay accommodation and similar establishments. It is a sector largely dominated by small and medium-sized businesses (SMEs). The hospitality industry is very labour-intensive, which means that growth has a strong impact on employment. Hotels and restaurants are major employers of young people and there are more women than men working in the sector. Large numbers of seasonal workers are hired in addition to permanent staff during peak periods ([European Commission, 2003](#)).

With regard to working conditions, the European Working Conditions Survey 2005, [A sector perspective on working conditions](#), confirms some findings from previous studies. For example, the sector is relatively young and is characterised by shorter-than-average periods of job stability. In general, lower levels of formal education are also more common in the hotel and restaurant sector than in the whole economy. The sector is not among those with a more unfavorable physical environment. However, some occupations report considerable levels of ergonomic risk. And as far as working time is concerned, workers are more likely to work non-standard hours. However, overall the total weekly working hours have been reduced.

Tourism activity is an essential characteristic of the Horeca sector, which contributes to the creation of jobs and economic growth. Therefore, tourism policy developments are relevant for the sector. In a [Communication adopted in 2003](#), the [European Commission](#) called for an EU-wide drive to enhance the economic, social and environmental sustainability of European tourism.

Five key issues were identified to ensure sustainability and competitiveness of the sector: information, training, quality, sustainable development and new technologies.

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The latest Commission communication on the tourism sector, [Europe, the world's No 1 tourist destination - a new political framework for tourism in Europe](#), has the objective of maintaining Europe as the world's top tourist destination.

According to this communication, the rapidly changing worldwide economy impacts on the tourism sector, by prompting changes in tourist behaviour and the origin of markets. Considering challenges such as seasonality and an ageing population, the Commission document outlines a policy that aims to support this essential sector of the European economy. It proposes initiatives to promote the sector's competitiveness, its sustainable and quality-based development and the visibility of Europe as an outstanding tourist destination. The Commission believes social partner organisations have an important role to play in shaping the attractiveness of the sector as a source of employment, as well as in tackling some of the challenges of the sector: flexible working time and contracts, undeclared work, training and health issues among others. With the recent economic crisis, new issues became relevant, such as the access of young people to the sector because of negative growth observed in tourism during the first years of the crisis, especially in Central, Eastern and Northern Europe, as shown in a February 2010 [European Commission report](#) on the impact of the economic crisis on key sectors of the EU.

## Aim of the study

The main objective of this Comparative Analytical Report (CAR) is to gather up-to-date information and analyse the evolution of employment and industrial relations in the hotel, restaurant and catering sector in the 27 EU Member States and Norway. Within this framework, the report aims to identify the contribution of employers and trade unions to address the main challenges of the sector.

The objectives of this study are to:

- gather information on the levels of employment and other relevant indicators on employment in the Horeca sector;
- obtain a picture of the main challenges with regard to some relevant working and employment conditions in the sector;
- map the industrial relations landscape in the Horeca sector: relevant social partner organisations, collective bargaining, industrial action and bipartite/tripartite structures;
- describe the contribution of social partners in addressing challenges in the sector with regard to employment and working conditions.

The sector, as covered by this report, comprises hotels and other short-stay accommodation, restaurants, cafés, bars, catering and canteens. With regard to the NACE statistical classification of activities, NACE rev.2 classes 55-56 (mainly equivalent to NACE rev.1.1 class 55) most closely

cover the sector, including hotels and accommodation, restaurants, catering, cafés, canteens, short-stay accommodation and similar establishments.

**Table 1: NACE codes included in the Horeca sector**

<b>Section I – Accommodation and food service activities</b>		
<b>NACE division</b>	<b>Group</b>	
<b>55</b>	<b>Accommodation</b>	
55	1	Hotels and similar accommodation
55	2	Holiday and other short-stay accommodation
55	3	Camping grounds, recreational vehicle parks and trailer parks
55	9	Other accommodation
<b>56</b>	<b>Food and beverage service activities</b>	
56	1	Restaurants and mobile food service activities
56	2	Event catering and other food service activities
56	29	Other food service activities
56	3	Beverage serving activities
56	1	Restaurants and mobile food service activities

This report is based on contributions provided by the national centres of the European Industrial Relations Observatory (EIRO) network. It includes contributions from Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Germany, Greece, Finland, France, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the UK and Norway. In order to complement the national contributions, in some areas EU-level information from various sources has also been analysed.

## **Sectoral context**

The Horeca sector can be divided into three subsectors, namely:

- hotels and other short-stay accommodation;
- restaurants, bars and cafés;
- catering and canteens.

Subsectors of the Horeca sector, most notably hotels and restaurants, are closely linked to the tourism sector, constituting over 70% of the EU tourist sector, while other subsectors like canteens and catering do not have such a strong link to the dynamics of the tourist industry. Therefore, many hotels and restaurants are highly seasonal, with summer being the peak season. Another characteristic of the sector is that it is very sensitive to business cycles and to political events.

## **Main drivers of change**

In a 2009 European Commission study on economic activities in the EU, the ageing population, changing lifestyle, the growing use of ICT and economic development and globalisation were identified as the main drivers of change in the sector.

Regarding the ageing population the study refers to statistics from Eurostat (2008) suggesting that the share of people aged 65 or older will rise from 17% in 2000 to 28% in 2040. This demographic change may make it harder to recruit employees for the Horeca sector as the workforce tends to be relatively young.

The attractiveness of the sector has been an issue for a long time and the image of jobs may be problematic. To attract workers the sector might have to change its image in terms of providing professional jobs rather than 'side' jobs, and giving more career opportunities. In this regard, in some countries such as Austria, the Netherlands, the UK and France, labour shortages due to the unattractiveness of the Horeca sector have been reported. In these countries there are some difficulties recruiting motivated and qualified workers, particularly among young people.

Changing lifestyles also has an impact on the sector, for example in the field of health services, sports, rural tourism and developments in working patterns and the economy. In the UK there has been expansion in large restaurant chains and take-away establishments, related to a fall in disposable income that has changed consumer behaviour, as shown in [a 2008 report](#) by the sector skills council People 1<sup>st</sup>.

The growing use of ICT offers advantages to both providers and consumers. Advertisements on websites are likely to be seen by a larger clientele. Consumers can also choose between a broad range of offers as information is easily accessible in the internet, including personal reviews about hotels and restaurants from other customers.

Economic drivers of change include, most notably, the financial crisis and globalisation. Globalisation has a big impact on the Horeca sector as the opening of markets enables providers to reach more customers, facilitates labour migration and increases competition between providers on a larger scale.

All the drivers mentioned (ageing, attractiveness of the sector as an employer, changing life styles, new technologies and globalisation) are having an impact on the Horeca sector across Europe and imply a need for a qualified workforce with updated skills, ensuring a high standard in terms of competitiveness.

## **Impact of the crisis on the sector**

The hotel and restaurant sector is important for the European economy due to the large number of enterprises and their high level of employment.

The number of enterprises increased steadily between 1999 (1.36 million in EU25) and 2003 (1.55 for the same area). For the EU27, the number continued to grow up to 2006, reaching 1.68 million. [According to Eurostat data](#), the number of enterprises remained quite stable during the first three years of the economic crisis, between 2007 and 2009 (1.72 million in 2007 (NACE 1.1)), slipping back to 1.70 million in 2008 and up again to 1.75 million in 2009 (NACE Rev.2).

The increase in the number of enterprises between 1999 and 2006 is partly due to the enlargement of the European Union in this period. However this positive trend changed with the economic crisis. As mentioned before, in most European countries the Horeca sector is strongly linked to tourist activity. According to [a Eurostat report from June 2011 \(133Kb PDF\)](#), the tourist accommodation sector was one of the most severely affected sectors in the tourist industry between 2008 and 2009. It started to recover in 2010.

The information included in the national contributions for this report show that the crisis has had a strong impact on the economic activity in the entire Horeca sector in the Eastern European countries, especially in the Baltic states. These countries have a recent history of growing tourism activity, particularly helped by visitors from abroad. However there are examples of a new downward trend.

In Hungary, according to a 2011 [report by Colliers International \(69Kb PDF\)](#), while new hotels have been built, there is evidence of relatively lower occupancy, which could in the future lead to strong price competition. Companies have also ceased trading at a high rate.

Statistics from Latvia ([CSB](#)) show that before the crisis the sector showed a positive trend in the number of undertakings, turnover and employment. However, because of the crisis, 2009 brought a sharp decline in the mentioned indicators as a consequence of the reduction in tourism activity.

In Romania (Bucharest, The National Institute for Statistics, [INS](#), Institutul Național de Statistică, București, 2011), 2009 brought along a downturn on both gross added value and turnover for the companies in the sector losing one fifth of the previous year's turnover. In the Romanian accommodation subsector, the rate of occupancy dropped from 35% in 2008 to 28.4% in 2009 and this downward trend continued in 2010.

According to their national statistics, The Czech Republic ([Czech Statistical Office](#)), Lithuania ([Lithuanian Statistics](#)) and Slovenia ([Statistics Office of Slovenia](#)), also experienced a downturn after several years of positive developments in the hotels and restaurant sector.

With regard to countries from other areas in the European Union, the general picture suggests a downturn in 2009, followed by a recovery in various indicators in 2010 or 2011. This is the case, for example, in Germany ([DEHOGA](#)), France ([CPIH](#)), Spain ([IET](#)), Portugal ([WTTC Travel & Tourism 2011 - Economic Impact 2011](#)) and Italy.

In some countries the crisis did not have a significant impact, at least before 2011. In Austria the impact of the crisis on the tourist industry was not as extreme as feared in terms of decline in overnight stays and employment, according to [Statistics Austria](#).

Against the overall trend in the sector, some regional or sub-sectoral differences were reported in national contributions. It seems that in some countries, for example the UK and Norway, the crisis had a bigger impact on small hotel and restaurant establishments, whereas the bigger companies coped better with the situation, as reported by People 1<sup>st</sup> in 2008 and the [Norwegian Hospitality Association](#) in 2009.

In Spain, [the Ministry of Industry, Energy and Tourism](#) reported that hotels recorded an increase of 2.7% in annual turnover in 2010, whereas restaurants, bars and cafés recorded an annual drop of 3.5%.

In Latvia, the crisis hit accommodation activities harder than food and beverage services in 2009, with a 12% drop in undertakings compared to a 2% fall, according to the Central Statistical Bureau ([CSB](#)).

Finally, in Sweden, Statistics Sweden ([Sco](#)) showed that between 2008 and 2009 the economic turnover of hotels and camping dropped compared to previous years, while restaurants experienced no significant change.

The decline of economic activity in the sector led to cuts in employment at the beginning of the crisis in a number of countries. However, in some (e.g. Italy, Romania, Poland and the Czech Republic), the reduction in the sector's activity due to fewer visitors did not have a strong impact on employment levels for the period 2008–2010 and they continued to grow (Figure 1).

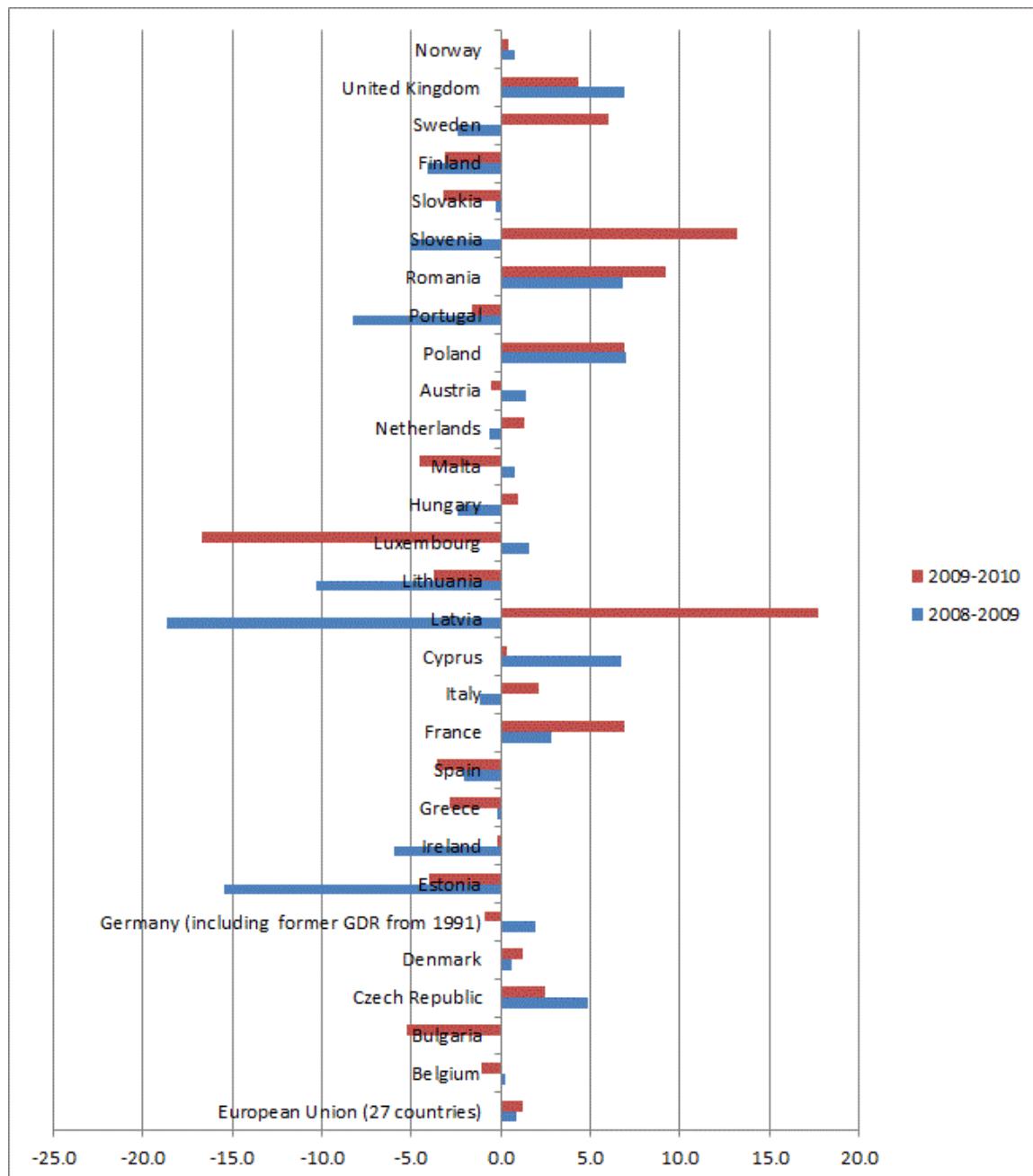
In Poland, the reason for this could be preparation for the UEFA European Football Championship. The Czech Republic experienced a relative increase in domestic tourism compensating somehow for the reduction in the number of foreign visitors, which could also

have had an impact on maintaining employment (study on [Domestic and outgoing tourism in 2009, the attendance figures for the Czech Republic in 2009](#)). It is important to note that of all EU members, Romania and Poland have the smallest share of workers in the Horeca sector as a percentage of workers in the economy, and they may still have a potential for growth in the coming years (Figure 2).

According to [Eurostat](#) (Figure 1) the Baltic countries in 2009 experienced a big reduction in the number of employees in the Accommodation and food services activities (NACE code definition of the Horeca industry), although the downward trend improved in 2010. With regard to other eastern countries, generally they suffered a small decrease in employment, except in Romania and Poland with net growths. Other countries which suffered certain decline in terms of employment are Greece, Spain, Hungary, Malta, Finland and Sweden. Employment in a number of countries continued growing during the period of time 2008-2010: Cyprus, Poland, Romania, France, Czech Republic and United Kingdom. Interesting is the development in Latvia, where after a decrease in employment by 18% in the period 2008-2009, the country experienced a similar positive growth from 2009 to 2010. In Luxemburg the decline in the employment in the Horeca sector did not start until 2010.

In general, although most countries have noticed an impact on employment from slower or negative growth, the pace, volume and time of change has been different. Most probably this diverse behaviour is related to the different social, political and economic environments and the distinctive characteristics of the Horeca sector in various countries. At EU level, total employment was stable without significant growth or decline from 2008 to 2010.

*Figure 1: Employment change (%) in accommodation and food services activities (NACE Rev.2) from 2008 to 2010 in EU27 and Norway*



### **Figure 1 Employment change (%) in the Accommodation and food services activities (NACE rev. 2) from 2008 to 2010 in EU27 and Norway**

Source: Eurostat, 'Employment by sex, age groups and economic activity (from 2008, NACE rev.2)', 2011

As a consequence of rising unemployment in several countries, labour shortages might be less significant than in the past and employers might find it easier to recruit qualified workers, although there is still a need for skills upgrading to recruit young qualified people.

### **Views of the social partners on social and economic trends**

To understand the situation in a particular economic sector it is important to know the views of social partners about the social and economic trends. At EU level, there are two European Social Dialogue Committees covering the sector – Horeca and Contract Catering committees. Social partners at EU level in the sector are the European Federation of Trade Unions in the Food, Agriculture and Tourism sectors ([EFFAT](#)) on the employee side and Hospitality Europe ([HOTREC](#)) on the employer side.

Regarding Contract Catering, EFFAT represents labour and the European Federation of Contract Catering Organisations ([FERCO](#)) represents business. The views of social partners with regard to recent trends and the crisis differ in some aspects, although they coincide in the diagnosis of some challenges and the need to improve the skills of the workforce.

#### **Box 1: Statements reflecting EFFAT views**

In a statement EFFAT emphasised that in order to make employment in the hotel and restaurant sector more attractive and sustainable, employment conditions need to be improved in terms of stable employment, working hours favourable to work-life balance and appropriate remuneration and social security. EFFAT also stated in a 2006 report, [Demands Tourism – Key to Growth and Employment in Europe, 2006 \(26Kb PDF\)](#) that ‘every strategy which aims at improving competitiveness must start with qualifying and motivating staff’.

In her speech at the International Conference of the Czech EU Presidency ‘Tourism industry: employment and labour market challenges’ in Prague on 10–11 June, 2009, Kerstin Howald, Tourism Sector Secretary of EFFAT, said that the ‘crisis is [being] used to undermine social achievements’ as companies try to use the crisis as an excuse for excessive cut-backs in jobs and wages, and restructurings. This leads to a deterioration in working conditions as well as causing a decrease of the purchasing power which will damage the whole economy even further. Fair wages and the safeguarding of jobs are therefore crucial to sustain the purchasing power.

#### **Box 2: Statements reflecting HOTREC views**

Martin Couchman, chairman HOTREC sectoral social dialogue committee, firstly highlighted in his [speech at the European Tourism Forum in Brussels \(9<sup>th</sup> October 2009\)](#) the importance of the tourism industry for young and unqualified people to enter the job market. As this sector was severely affected by the crisis, he also emphasised that governments need to support businesses in terms of wage payments. This is important for keeping good, qualified employees such as chefs at their working place to prevent employers losing these workers and not being able to replace them when business improves again.

HOTREC stated in its [reply to the Commission’s consultation on the EU 2020 strategy](#) that ‘the hospitality industry is constantly in need of new skills and talents to match the constant evolution in its clients’ needs and demands (e.g. for spas, sports activities, environmentally friendly services, etc.)’. In this regard focus should be put on adequate training and life-long learning.

HOTREC considers the use of ICT and the adequate training for using it to be very important to strengthen the competitiveness of the tourism industry. HOTREC emphasises that there is a need to adapt to this trend rapidly, which may pose problems especially for SMEs as they might not have the necessary capacities or resources. ([HOTREC Response to Communication on a new framework for tourism in Europe COM \(2010\) 352 final](#)).

Boxes 1 and 2 show that social partners at EU level have identified the following challenges:

- making the sector more attractive;
- improving the conditions of employment;
- working hours and work-life balance;
- competitiveness;
- maintaining wages;
- adapting to new customer needs;
- use of information and communication technologies in SMEs.

In order to address these challenges, measures for qualifying the workforce seem to be highlighted by both sides of the industry.

Across Europe, national employer organisations in the sector have been trying to promote economic activity, competitiveness and growth by focusing on several aspects that were on the agenda before the crisis in some countries.

These include improving the quality of services, attracting airlines as a source of incoming visitors, commercialisation through the internet, marketing campaigns promoting tourism and lengthening the tourist season.

The need for and the implementation of some of these activities have been reported in Latvia, Germany, Lithuania, United Kingdom, Slovenia, Spain, Malta and Romania. In Cyprus, the employer organisations in the sector, specifically the Cyprus Hotel Association ([PASYXE](#)) and the Association of Cyprus Tourist Enterprises ([ACTE](#)) link the phenomenon of seasonality with a range of problems in the sector, such as the erosion of competitiveness and the decrease in productivity. They have set a basic objective of stopping the downward trend in the sector by increasing the flow of tourists and lengthening the tourist season to include the winter months.

Another preoccupation of employers and workers is related to the continuation of economic activity because of labour shortages. It seems that despite the crisis, labour shortages will be a long term challenge for the sector. In Austria organised business sees difficulties recruiting young workers as a major problem in the sector. In particular the Austrian Hotel Association ([ÖHV](#)), which represents first and foremost the upmarket hotel sector, is experiencing an acute need for qualified personnel.

Another concern in the sector is the Value Added Tax (VAT) rate. VAT increases have been reported in Lithuania and Latvia , while VAT reductions were reported in France, Germany and Finland in 2010. In Finland the reduction of VAT in restaurants was one of the most important reforms in the Horeca sector in 2010. According to the Finish Hotel and Restaurant Association [MaRa](#) and the [Service Union United PAM](#), this gave welcomed resuscitation to the entire sector.

In other countries the VAT increase has not materialised, but the Czech Confederation of Commerce and Tourism ([SOCR ČR](#)) and the [Association of Hotels and Restaurants](#) issued a declaration in March 2011 in which they recommended improvements in tax collection rather than an increase in VAT. In Belgium all the employer federations would like to benefit from a VAT reduction, without any success for the moment.

In some countries, unions are concerned with the trend towards outsourcing employment which, they say, is causing a decline in working conditions as well as difficulties organising workers. They say that when employees from different employers work in the same workplace, this presents a barrier in terms of organising employees and defending working conditions. Examples of these views were mentioned in the national contributions from Norway, Slovenia and Belgium. Moreover, according to some union representatives, one of the consequences of the crisis is the worsening of some working conditions, particularly with regard to wage cuts and workload.

It is important to prevent these developments as unions want to maintain the quality of working standards that existed before the crisis. This type of information has been reported in Slovenia, Ireland, Romania, Estonia and Portugal. In the latter country the Federation of Unions in Food, Beverages, Hotels and Tourism ([FESAHT](#)) expressed its concern about the strong pressure of international price competition, resulting in a constant increase in workload for each employee and a proliferation of precarious jobs.

Other issues raised by the unions in some countries are:

- Undeclared work with its consequences on employees' rights, such as unemployment and pensions benefits in Austria (vida and GPA-djp);
- A growing number of so-called 'mini-jobs', that are part-time jobs of short duration and therefore with low wages in Germany (NGG);
- Seasonal workers need more effective measures to support them during unemployment periods in Italy (Filcams-Cgil; Fisascat-Cisl; Uiltucs-Uil).

Common concerns of both sides of the industry seem to be workforce training and health and safety issues.

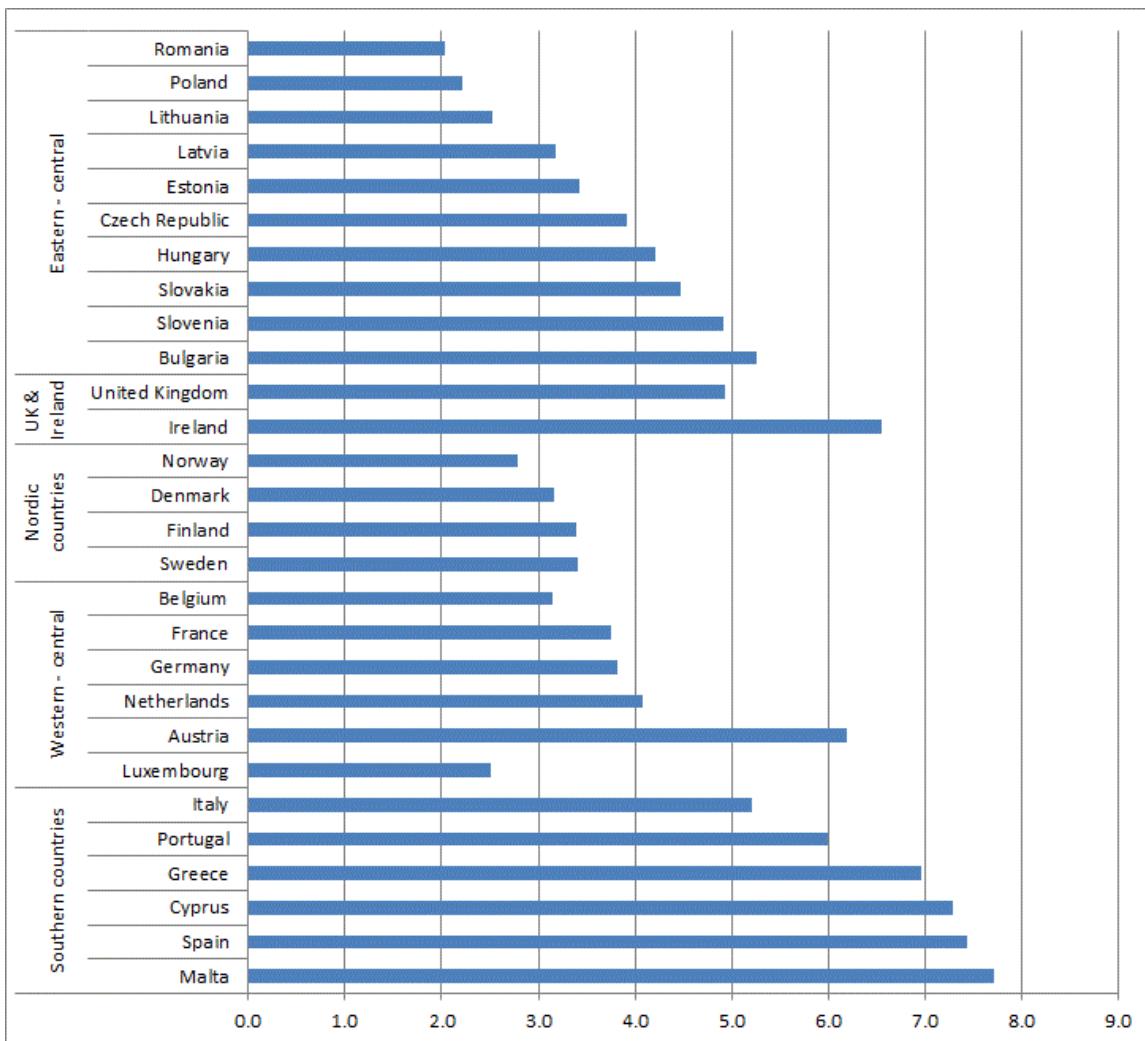
## **Characteristics of employment and working conditions**

This section uses [Eurostat](#) data on the key employment indicators for 2010. For some countries and some indicators, the data from national contributions is included. In these cases the most recent data available has been used, either from 2010 or in some cases 2009. The available information from different countries with regard to certain working conditions is given: undeclared work, young workers, seasonal work and working hours, qualifications and skills development and health and safety. These issues have been reported by the social partners as important for the sector, see section below on ‘Views of the social partners on the sectoral trends’.

### **Employment in the sector**

The importance of the Horeca sector as an employer varies among European countries (Figure 2). Higher shares of employment (between 5% and 8%) are found in countries in southern Europe (Malta, Spain, Cyprus, Greece, Portugal and Italy), all of which have figures above the EU27 average of 4.4. Ireland and the UK also have a high percentage of workers in the sector. Austria and some Eastern European countries, namely Slovenia, Slovakia and Bulgaria, are also among those with employment shares above the EU27 average. The lowest shares are in Romania and Poland (around 2%) and Scandinavia.

*Figure 2: Share of employment of the Horeca sector in national economies (2010)*



**Figure 2: Share of employment of the Horeca sector in national economies**

Source: [Eurostat 2011](#)

With regard to the employment of women in hotels and restaurants, the percentage of women working in the sector across the EU27 is 54%, while in the whole economy it measures 45% of workers. There is a group of countries with a very high share of women in the sector (between 68% and 78%): Latvia, Lithuania, Estonia, Finland and Poland. The countries with the lowest percentage of women (from 32% to 51%), are located in the south and in Benelux: Malta, Greece, Luxembourg, Belgium, France, Italy Cyprus and Netherlands.

Another distinctive characteristic of the working population in the Horeca sector is the high percentage of foreign workers. Among the countries with data available, high shares of foreign workers are found in the following countries:

- Cyprus (35%) ([Labour Force Survey Department of the Statistical Service of Cyprus, 2010](#));  
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- Austria (29%) (average data for 2008 from Statistik Austria, Arbeits- und Lebenssituation von Migranten und Migrantinnen, 2009);
- Estonia (31%) ([Statistics Estonia](#));
- UK (21%) ([UK Labour Force Survey](#), October-December 2010);
- Norway (27%) (Statistics Norway, [Register-based employment statistics](#), 4th quarter 2009);
- Spain (28%) ([Spanish Labour Force Survey](#) (EPA), Second Quarter, 2010).

In all of these countries this percentage is higher than the share of foreign workers in the national economy. The lowest share is in the Czech Republic where only 3.3% of those employed in the sector are foreign workers ([Czech Statistical Office](#)).

With regard to contractual employment relationships, there are two types of contract that are more typical in this sector than in the economy: fixed term and part-time contracts.

In most countries, a high proportion of employees have temporary contracts. At European level (EU27), 22% of employees are under fixed-term contracts, whereas in the whole economy the rate is 14%. Looking at temporary employees, eight countries are above the EU27 average. Poland has the highest rate (43%), followed by Netherlands, Sweden, Spain, Slovenia, Portugal, Greece and Italy. The high rate of temporary work is an indication of the level of seasonal work in the sector.

With regard to part-time work, 30% of employment in the sector in the EU27 is part-time, whereas in the whole economy the total is 19%. The highest rates are found in the Nordic countries (except Finland), Netherlands, UK and Ireland. For example, in the Netherlands 70% of workers are employed part time, and in Denmark 55%. The lowest levels are found in some southern and Eastern countries: Slovakia (4%), Portugal and Greece (9%). Other countries, like Italy, Finland and Austria are close to the EU27 average for part-time workers. There is no data available for Bulgaria, Estonia, Latvia, Lithuania and Romania.

Eurostat does not provide self-employment data for some of the countries at sectoral level. At EU level self-employment is 2.6% higher in the Horeca sector than in the whole economy. The greater shares of self-employed are found in Belgium (32.5%) and in the south of Europe (Greece, Italy, Spain and Portugal) with percentages between 30% and 20%. The lower shares of this type of work are in the UK, Denmark, Bulgaria, Ireland and Slovenia (ranging from 9.3% to 11.9%).

In general, according to the employment figures, although there are general sectoral characteristics which are shared by most countries (large proportion of women and foreign workers in employment, high rate of temporary and part-time employment) there are also differences. Similarly, the importance of the sector in terms of employment varies from country to country in the EU27, ranging from 2% to almost 8%.

**Table 2: Countries with highest relevant shares of workers under different employment indicators**

<b>Share of employment in the economy</b>	South Europe, Ireland, UK, Austria
<b>Employment of women</b>	Baltic countries, Finland and Poland
<b>Employment of foreign workers</b>	UK, Cyprus, Austria, Spain, Norway and Estonia
<b>Part-time employment</b>	Scandinavian countries, Netherlands, UK and Ireland
<b>Temporary employment</b>	Poland, Netherlands, Sweden, Spain, Slovenia, Portugal, Greece, Italy
<b>Self-employment</b>	Belgium, Greece, Italy, Spain and Portugal

*Source: Eurofound elaboration from Eurostat data and national contributions for EIRO report on Employment and Industrial Relations in the Hotels and Restaurants*

### Prevalence of undeclared work

Data or information about undeclared work is very difficult to gather. In a 2007 [Eurobarometer survey on undeclared work in the European Union](#), individuals were asked about issues around undeclared work. About 5% of the people surveyed said they had been engaged in undeclared work during the past 12 months in the EU27. The most frequent activities that were carried out undeclared were household services (19%), construction (16%), personal services (9%) and work in hotels and restaurants (8%). As expressed in the EFFAT-HOTREC joint statement (2010), the European Parliament is of the opinion that simplifying or reducing administrative burdens and procedures especially for small and medium sized enterprises would diminish the use of undeclared labour and promote business activity in the Union.

Interestingly, big differences between countries can be observed: undeclared work in the hotel and restaurant sector seems not to be as prevalent in continental, eastern, central and northern European countries, whereas the hotel and restaurant sector was declared to be the second most important category in southern Europe in this regard. This may be due to seasonal work, predominantly used during the summer holiday season.

According to the national contributions that provide information on undeclared work, the hotel and restaurant sector is considered to be one of the sectors where this is more prevalent (in Italy, Norway, Sweden, Finland, Portugal, Slovenia, Hungary, Lithuania, Slovakia, Malta, Cyprus, Estonia and Denmark). Data normally comes from labour inspections or is estimated, because of the difficulty in obtaining data on undeclared employment. There is no data available for some

countries. One example of Labour inspection data comes from Malta. Here ETC (Employment and Training Corporation) inspectors in 2009 identified a total of 2,049 infringements related to undeclared work, of which 1,121 occurred in the hospitality sector, as reported in the [ETC Annual Report, 2009](#) (1.5 Mb PDF).

The German Hotels and Restaurants Association ([DEHOGA](#)) and the Trade Union for Food, Beverages, Tobacco, Hotel and Catering and Allied Workers ([NGG](#)), claim that undeclared work in hotels and restaurants is associated with low wages, no access to unemployment and social security benefits, and involves mainly young people and foreign or illegal workers.

Two examples of countries with a high incidence of undeclared work in the sector are Estonia and Denmark, but they have shown different developments. In Estonia the recession has caused a decrease in the amount of undeclared work in the sector, while in Denmark undeclared work remains as high as ten years ago. Here the hotel and restaurant sector has the highest prevalence of women working undeclared.

Research on the [undeclared economy in Estonia](#) (154Mb PDF) indicates that the highest share of undeclared work was in hotels and restaurants from 2000–2006. In 2006, the share of undeclared work across the whole economy was 5.2%, while the share of undeclared work in the Horeca sector was 25.5%. In 2009, research on the [undeclared economy in Estonia](#) (47Mb PDF) by the Estonian Institute of Economic Research indicated that undeclared work was highest in construction and services, but is falling in the Horeca sector due to a falling number of jobs in this sectors as a result of the recession.

In Denmark, according to a 2010 report [Undeclared Work and the Danes](#) by the Rockwool Foundation, 30% of those interviewed in the sector had performed undeclared work during the last 12 months. From a sectoral perspective, women in hotels and restaurants have the highest incidence of undeclared work, while men are mainly moonlighting in the construction sector. According to the report, the level of undeclared work has not changed much since 1990.

## Working conditions of young workers

The Horeca sector is characterised by a young workforce. A 2008 report by OSHA, [Protecting workers in hotels, restaurant and catering](#), shows that in general, young workers (16-24 years old) are predominantly employed in restaurants and bars, while canteens and short stay accommodation tend to employ older workers (45 to 64 years). However, in southern Europe, young persons work mainly in restaurants and canteens.

This tendency to employ young workers in the hotel and restaurant sector may be due to the demand for unskilled and low-paid labour in this sector, which enables unqualified young workers to enter the labour market. A 2004 [Eurofound report on the sector](#) shows there is also a high demand for seasonal work in this sector: young people have the possibility to work during peak seasons and earn some money during school or university holidays. Furthermore, young people without family responsibilities tolerate unsocial and long working hours more than other

workers and are not as dependent on a stable or higher income. Finally, the jobs in this sector are in general physically demanding.

Eurostat data for 2010 shows that at EU level, Horeca as a sector has a high proportion of young workers compared to the rest of the economy. However there are significant differences between countries. According to HOTREC, one explanation that the sector employs many young workers can be that of due to the working hours (e.g. during the weekends) and the difficulties to reconcile private and professional life.

Across the 27 members of the EU, the average percentage of workers aged 15–24 is 21%. Most of the southern countries (Portugal, Spain, Italy, Greece and Cyprus) have a share below the EU average, for example, the share of workers aged 15–24 in Spain is 11.5%. However in some northern countries the percentage reaches between 34% and 48% (Sweden, UK, Norway, Netherlands and Denmark).

These differences could represent an indication of the existence of longer careers in Mediterranean countries in hotels and restaurants than in other countries and the fact that more young students are temporarily working in the sector in countries in north Europe. In some countries most notably in northern and central Europe (Sweden, Norway, Finland, Slovenia and Slovakia), young students work in the sector for a period of time until they can get another job in industries more related to their qualifications. Most of the time young students work seasonally, with part-time and/or temporary contracts, and in some cases they have a lack of knowledge about regulations.

Some national contributions show that in general young workers in Horeca are more likely to have temporary jobs and lower wages, as is the case in most sectors. In Spain it is reported that the percentage of young workers in the sector has decreased in the last four years, as it has across all sectors, with a rise in youth unemployment. The share of young workers was 16% in 2006 and 11% in 2010 (Spanish Labour Force Survey, Second Quarter 2010).

In 2006, monthly wages for workers aged 16–24 were lower in the Horeca sector than across all sectors (€1,108 compared to €1,228), and lower than the average for all workers in the Horeca sector (€1,222) (Source: [Wage structure survey 2006](#)).

With regard to temporary work, the rate for young workers in Horeca is 55% (slightly lower than in the whole economy), whereas for all workers it is 35% (higher than in the whole economy) (EPA). These conditions can make the sector less attractive as an employer.

In a few countries, policymakers are concerned about the role of the Hotels and Restaurants sector in integrating young workers into employment, especially in the context of high rate of young unemployment (e.g. France), from [a 2010 study by FAFIH](#), the joint body for the promotion of vocational training in the hotel industry.

## **Seasonal work and working hours**

As the Horeca sector is partly linked to the dynamics of the tourist industry, the sector has a high share of seasonal employment, particularly in restaurants and hotels. ([EMCC, 2005](#)). On average, employees work 39.6 hours per week in the EU across all sectors. Working hours tend to be longer in the hotel and restaurant sector as about two thirds of the EU25 lies above the EU average, according to OSHA's 2008 report [\*Protecting workers in hotels, restaurants and catering\* \(1.83Mb PDF\)](#). In most of the countries where information is available, seasonal work and long working hours are key characteristics of the sector.

Seasonality leads to a higher rate of temporary contracts compared to other economic sectors. In Spain an indicator of seasonal work is the percentage of employees with 'discontinuous open-ended' working contracts over the total of workers with open-ended working contracts. The discontinuous open-ended working contract was created with the Royal Decree 1/1995 of 24 March 1995 for seasonal jobs, allowing employees to work some months every year and entitling them to unemployment benefits during the remaining months. This contract is much more common in the Horeca sector (12.5%) than in the rest of the economy (2.2%), as shown in the 2010 [Spanish Labour Force Survey](#) (EPA).

In some countries seasonal work is associated with youth employment or hiring foreign workers (Norway, Register-based employment statistics, 4th quarter 2009, NACE code 1, 15-74 years), ([France, FAFIH, study 2010](#)) and Slovenia (National Contribution). Moreover, seasonality is one of the reasons why employers make use of flexible patterns of working hours (Finland, National Contribution), ([Ireland, Failte Ireland, 2009](#)), (Slovakia, National Contribution) or unsocial working hours in many countries. In Slovakia and Estonia the employees working unsocial hours have increased, probably because of the crisis.

In Finland seasonal work is very typical phenomenon in Horeca sector, according to the [Service Union United PAM](#). During recent years there has been a notable increase in different kinds of flexible working arrangements. By using a flexible working time bank, employees can ensure they have constant employment and avoid being laid off during the low season, which used to be a typical situation. From the employer point of view, these arrangements ensure the accessibility of a workforce. Many successful examples of new kinds of flexible working time arrangements come from the Horeca sector, especially in Lapland where the sector has a particularly seasonal character.

In Germany in 2009 the catering and canteen industry suffered by a high rate of short-time working schemes implemented in the manufacturing industry. As a consequence, also in the canteen industry short-time work has been put in place ([Statistisches Bundesamt, destatis](#)).

Another consequence of the cyclical aspect of the sector is the presence of migration flows between countries. For example in Hungary, the sector is characterised by high mobility of workers including migration to other countries or even daily commuting, for example to Austria,

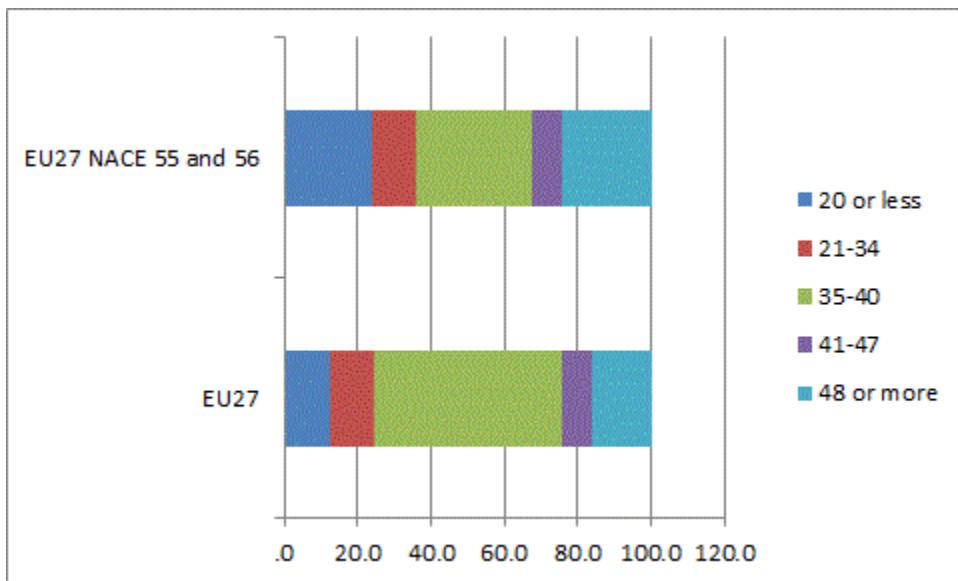
because of higher salaries and better working conditions. This migration is also true in the catering and canteens sector, where employees are usually hired on nine month fixed-term contracts during school terms.

In Austria, when there is a temporary additional need for labour that cannot be met with domestic workers, the Federal Ministry of Labour, Social Affairs and Consumer Protection ([BMASK](#)) can issue a decree on quotas for fixed-term, temporary workers and harvesters. Such decrees are regularly issued in the tourism and agriculture and forestry sectors. There are separate annual contingents in the tourism sector for the winter and summer seasons.

In terms of daily working time, the existence of long working hours has been identified as an issue in the Czech Republic, Poland, Austria, Lithuania and Germany. In the Netherlands the Labour Inspectorate raised this as an issue in the Horeca sector, especially with regard to young workers ([Inspectie SZW, 2008](#)).

Figure 3 shows that workers in the Horeca sector, compared with the whole EU27 economy, are concentrated in the lower and upper end of the working time scale, which means there is a large proportion of workers working 20 hours or less and working more than 40 hours a week. This pattern is typical of high levels of part-time work and long working hours as has been raised by a few countries.

*Figure 3: Distribution of workers according to weekly working hours*



**Figure 3: Distribution of workers according to weekly working hours**

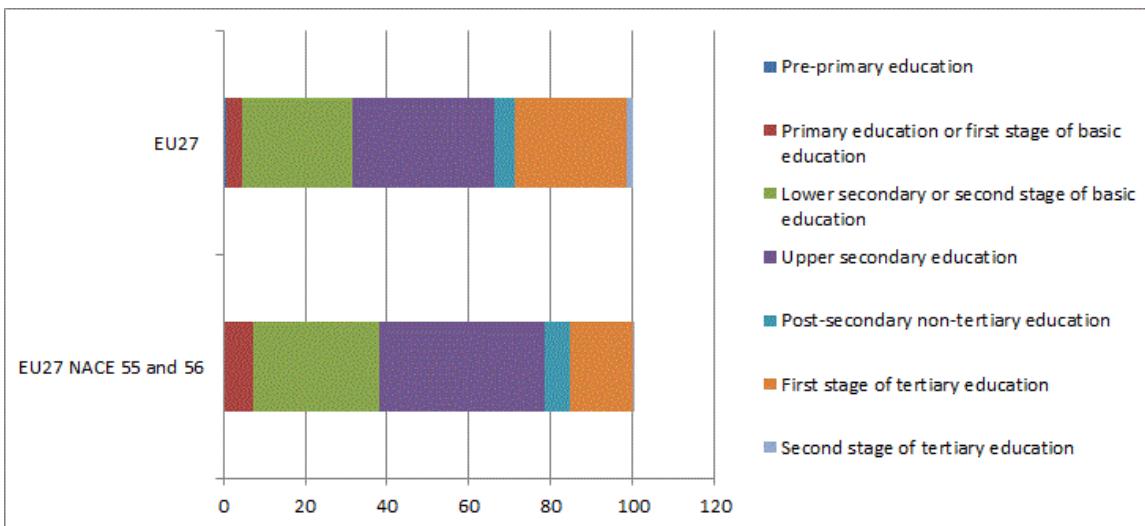
Source: European Working Conditions Survey (EWCS) 2010

### **Qualifications and skills development**

The general level of education remains lower in the Horeca sector than in the whole EU27 economy, according to the EWCS 2010 (see Figure 4). The sector also appears to be struggling to find a qualified workforce, particularly among young people. Social partners in the sector put this down to issues with education and training, as well as issues around the attractiveness of the sector as an employer. Long working hours, seasonal, part-time and temporary work can all lead to prospective employees choosing to look elsewhere in the economy for employment.

Most workers in hotels and restaurants have a level of education that corresponds to 'lower secondary' or 'upper secondary' and this group is larger than in the overall workforce of the EU27.

**Figure 4: Distribution of workers according to their educational level**



**Figure 4: Distribution of workers according to their educational level**

**Source:** EWCS 2010

In Belgium and Spain ([EPA](#), Second Quarter 2010) workers in the sector experienced a general improvement in educational levels since 2004 and 2006 respectively until 2010, but it is still lower than in the rest of the economy. In EU27 and Norway, social partners have recognised skills development as a crucial activity for the development of the sector.

From the available information, in some countries the education and vocational training systems include a noteworthy offer of Horeca sector related qualifications (Hungary, Latvia, Slovenia, Malta, Estonia and Slovakia). However, it is reported that in some of these countries the training has failed to provide the skilled workforce that the sector needs, either because there is a decrease in registered students (as in Estonia, according to the Estonian Trade Union of Commercial and Servicing Employees ([ETKA](#)) or because the courses are not adapted to the actual required competences in the labour market (as in Slovakia, says the Trade Union Association of Workers in Commerce and Tourism ([OZPOCR](#))).

As a consequence, it can be seen that in several European countries the education system is not adequate enough to provide a qualified workforce. In Germany, the only apprenticeships available are in catering activities ([NGG](#)) and in Austria new apprenticeships are due to be developed in order to tackle the problem of job vacancies ([ÖHV](#)). In Italy, the sector has a specific lifelong provider ([Fondo.For.Te.](#)) working to provide appropriate training.

In Cyprus, the Cypriot Union of Hotel and Recreational Establishment Employees of Cyprus ([SYXKA](#)) notes that some students are leaving hotel and restaurant courses early, and students are also choosing to look for jobs in other industries, again making it hard for the sector to hire the required number of qualified workers.

The situation shows that the labour market is dysfunctional, in the wider context of higher youth unemployment. The need for more qualified workers in the sector has been identified at least in Austria, Germany, Slovenia, Poland, Czech Republic, Hungary, Lithuania, Slovakia and Cyprus.

In Denmark, Horeca training institutions also identified this problem and have made changes. According to a [2007 report \(225Kb PDF\)](#) ordered by the Committee for further training in the kitchen, hotel, restaurant, confectioner and meat sectors, there is a need for more and better focused vocational training. It also says that while the industry was growing steadily the intake of new trainees was unchanged during the last decade.

As a consequence, social partners sitting on the industrial committee for vocational training in hotels and restaurants have introduced more innovative skills to training courses, such as relevant IT knowledge for all levels of employees, ecology, food and health, how to operate as chef and manager at the same time and not least social skills such as language.

With regard to the training of workers at EU level, it seems more workers in the Horeca sector take part in training than in the economy as a whole (14.4% compared to 12.9%), as shown in the 'Accommodation and food service activities' data provided by Eurostat (Participation in education and training by NACE Rev. 2 - %, 2010).

There are seven countries, however, where the pattern is the opposite and the participation is lower in Horeca than in the whole economy. They are: Austria, Belgium, Cyprus, Czech Republic, Latvia, Portugal, Slovakia and Spain. In Italy an uneven distribution of courses has been identified as most training courses have been organised by firms with more than 250 employees (Isfol, 2010).

## **Health and safety at work**

According to the EWCS 2010, the percentage of workers in hotels and restaurants reporting that their health and safety is at risk is lower than in all sectors (17.2% compared to 24.2%). The situation is similar when they are asked if work negatively affects their health: 21.7% of workers in hotels and restaurants said it did, compared to 25% in the whole economy. Although workers in the sector do not seem overall to be at more risk than other workers, some specificities regarding health and workplace accident can be seen.

In some EU countries health and safety in the Horeca sector is not mentioned as an important concern, either because it is believed to have a safe environment or because health and accident indicators are not higher than the average in the economy (Slovakia, Poland and Lithuania).

The [Labour force survey 2007 ad hoc module on accidents at work and work-related health problems \(177Kb PDF\)](#) offers a good picture of health and safety at sectoral level in the European countries.

Concerning risk exposure, 32.4% of those employed in the hotel and restaurant sector in 26 EU Member States (excluding France) reported to have been exposed to workplace factors that can have a negative impact on *physical* health during the last 12 months. Among women, the hotel and restaurant sector is one of four sectors with the highest exposure rate, whereas among men, several other sectors – in particular mining, fishing and construction – were recorded more frequently in this regard than the hotel and restaurant sector.

Exposure to factors affecting the mental well-being of workers such as time pressure and work overload was experienced less frequently in the hotel and restaurant sector than in other sectors. 21.6% of workers reported being exposed to factors that negatively affect *mental* well-being.

At national level, exposure to risks has been identified in several countries. Overall, the risk exposure is not higher than in the whole economy. However, stress at work and psychosocial risks have been identified as a concern in Spain, Austria, Cyprus, Romania, Germany, Denmark, Sweden and Norway.

For instance in Spain [a report \(2007\)](#) on health in the sector carried out by the social partners CHTJ-UGT, FECOHT-CCOO, CEHAT and FEHR emphasises high levels of stress and dissatisfaction regarding work content. Long working hours and changing working hours, pressure and work overload contribute to the cited risks.

Violence and harassment is an emerging risk in Finland says PAM. Other relevant issues are heavy lifting, and also passive smoking at workplaces in countries where it is allowed.

Ergonomic risks (the major physical risk) and associated MSD disorders are an issue in a number of countries (Germany, Hungary, Norway, Sweden and Romania). For instance in Germany because of the risk of musco-skeletal disorders, the sector is targeted by the [2009-2012 work programme](#) of the Joint German Occupational Safety and Health Strategy (GDA). [BGN](#) also focuses on these physical disorders.

With regard to accidents at work, in the Labour force survey 2007, 3.2% of those employed in the hotel and restaurant sector in 26 EU Member States (excluding France) reported to have had an accident during the last 12 months at their workplace. With regard to accidents at work, the most common types are falls, slips, trips, burns and cuts, according to Sweden's Work Environment Authority and the UK's Health and Safety Executive, HSE. Data shows a low incidence rate of fatal accidents.

Regarding work-related health problems, 6.1% of persons employed in the hotel and restaurant sector in 26 EU Member States (excluding France) reported in 2007 that they had suffered from work-related health problems during the last 12 months. When comparing 15 sectors in this survey, workers in the hotel and restaurant sector suffer less frequently from work-related health problems such as back, bone, joint or muscle problems, or stress or depression, than those employed in 11 other sectors, though musculoskeletal conditions are the most common

work-related health problems they face. Workers in the sector have a similar rate as employees in financial mediation and real estate, renting and business activities.

Apart from health and safety legislation, concern for and legislation regarding consumer protection may have positive consequences for the health of workers. According to the national contribution from Belgium ([CSC Alimentations et Services](#)), legislation relating to food hygiene and the traceability of products, designed to protect consumers, has had a positive impact on working conditions in the sector, as has the smoking ban.

## Industrial relations in the sector

Trade union density is relatively low in the Horeca sector. Given that the large majority of companies in the sector has less than ten employees, the context is not favourable for high trade union density. With this in mind, it would be wrong to ignore other larger companies, which provide for 45% of jobs in the sector, as defined in [research conducted on behalf of the Commission \(345Kb PDF\)](#) in 2001. The contract catering sub sector, for example, is strongly characterised by large companies of this type.

The first section that follows presents overall trade union density figures and how they tend to vary with type and size of company and for different groups of employees within the Horeca sector. The occurrence of trade union pluralism is also analysed.

### Trade union representation

Looking at trade union density across the Horeca sector in the EU27 plus Norway, it can be seen that overall density is relatively low, irrespective of the diversity within the Horeca sector in each country. In most EU Member States, trade union density in the sector is less than 15%. This is relatively low compared to the overall European average trade union density of 23%, as reported in the [ICTWSS database](#).

Table 3 breaks down countries by their trade union density in the Horeca sector. It illustrates that in five countries the trade union density is 1% or lower, while for five other countries it is between 1% and 5%. Only for seven countries, being Belgium, Denmark, Slovenia, Cyprus, Finland, Sweden and Italy trade union densities found to be above 30%.

These variations are in line with [overall trade union density figures](#) per country, though for all countries the Horeca density rate is lower than the overall trade union density rate. In table 3 a comparison is made between countries with similar degrees of trade union density and the overall density rates in those countries.

**Table 3: Trade union density in the Horeca sector**

Horeca sector trade union density rate	< 1%	1% - 5%	5% - 15%	15% - 30%	>30%
	Lithuania	France	Spain	Luxemburg	Belgium
	Estonia	Latvia	Austria	Malta	Denmark
	Slovakia	Germany	Netherlands	Greece	Slovenia
	Czech Rep.	Bulgaria	Romania	Norway	Cyprus
	Poland	UK	Hungary		Finland
			Portugal		Sweden
					Italy
<b>Compared to overall trade union density rates</b>	varies between 5% and 21%, except for the UK with 27% density rate	Varies between 16% and 35%	Varies between 40% and 53%	All above 54%, except Slovenia with 41%	

Source: Eurofound Horeca CAR 2011, [Horeca REP 2001](#), Horeca REP 2011 (to be published 2012)

Company size certainly matters when it comes to trade union density figures. It is generally known that larger companies are more often unionised compared to smaller companies. In Ireland the larger catering companies are more likely to engage with trade unions, while only very few restaurants would recognise unions. Also from Cyprus, we know that micro and family run enterprises are traditionally not unionised, leaving 40% of hotels and 70% of restaurants non-unionised. The size effect is also found in Bulgaria, where only 2.9% of Horeca employees are unionised, while among those working in companies with more than 250 employees the trade union density is 56%.

This shows the diversity within the Horeca sector, which overall density figures do not reveal. The diversity is in the size of the companies, but also in the different types of employees in the sector. In Norway, for example, trade union density is reported to be the lowest among younger workers, especially workers who combine studies with part-time jobs in the Horeca sector.

In the majority of European countries there is trade union pluralism in the Horeca sector, while in 10 countries there is only one trade union organising employees in the sector. For another 10 countries this is done by two trade unions, while for seven countries there are more than two trade unions in the Horeca sector.

**Table 4: Number of Horeca sector trade unions per country**

Only one trade union in Horeca sector	Two trade unions in Horeca sector	More than two trade unions in Horeca sector
Czech Republic	Austria	Belgium
Denmark	Estonia	Bulgaria
Finland	Ireland	Cyprus
Germany	Luxemburg	France
Greece	Malta	Spain
Hungary	Netherlands	Sweden
Latvia	Norway	Italy
Poland	Portugal	
Romania	Slovenia	
Slovakia	UK	

*Source: Horeca CAR 2011, Horeca REP 2001, Horeca REP 2011*

For some countries the different unions clearly cover distinct membership domains. In Austria, for example, [VIDA](#) trade union covers blue collar employees in the Horeca sector, while white collar employees are organised by [GPA-djp](#). Another demarcation of membership domains is found in Estonia, where [ETKA](#) only represents employees in the hotel sub-sector. The other Estonian trade union [ESTAL](#), however, is also represented in the big hotel chains, which provides an overlap of membership.

Most other countries with more than one trade union don't show formal demarcation between members. An example of this is provided by the three trade unions in Cyprus and the two unions in the Netherlands or the UK.

The situation for self-employed workers is diverse across Europe. A few countries, like for example Malta and Spain, have a specific trade union organisation for self-employed Horeca workers. In Denmark there is DRC, a trade union specifically for smaller companies like pizzerias. In Austria self-employed workers are represented by GPA, but they also have to register directly with [WKO](#), the federal economic chamber, which is the umbrella organisation of all sectoral employer organisations. Both the sectoral employer associations, FVG (for restaurants) and FVH (for hotels), are also affiliated to WKO.

## **Employer organisations**

In most European Countries, Horeca sector employers are organised in fragmented ways, due to various factors including:

- the number of employer organisations per country;
- their specific subsector membership domain;
- their density rates;
- the difference in their status; either as employer organisations entitled to conduct collective bargaining or alternatively as associations of a specific business group.

Employer organisation density rates are calculated in two ways; as a percentage of the overall companies in the sector and as a percentage of the number of employees working in the companies affiliated to the organisations ([EIRO](#)).

Generally, coverage in terms of companies is lower than in terms of their employees, because larger companies are more often affiliated to employer organisations than smaller ones. This explains why, for the Horeca sector with a high number of very small companies, precise data is not available for all countries on the organisation rate of sector employer organisations.

On the basis of the proportion of companies affiliated to employer organisations, two groups of countries can be distinguished: those countries where less than 30% of companies are affiliated to employer organisations, and the countries where this is the case for more than 30% of companies. The countries for which this data is available are included in table 5 below. Austria is the only country where membership of a Horeca employer organisation is obligatory, bringing its density rate up to 100%.

**Table 5: Employer organisation density in the Horeca sector**

% of companies affiliated to employer organisation	<30%	>30%
Sectoral density rates	Czech Republic Slovakia Romania Bulgaria Denmark	Austria Cyprus Sweden Netherlands France

	UK	Germany Finland Italy
<b>Subsectoral or organisational density rates</b>	Estonia – Nace 56 food & beverages  Lithuania – Nace 56 food & beverages	Lithuania – Nace 55 Hotels  Estonia – Nace 55 Hotels  Ireland – restaurant subsector

*Source: National contributions Horeca CAR 2011*

Diversity within the Horeca sector is illustrated in employer density rates from Lithuania, Estonia and Ireland. The hotel subsector employers (Nace 55) in Lithuania and Estonia show much higher organisation rates than the employer organisations for the food and beverages subsector (Nace 56). For Ireland only restaurant subsector density figures are available.

In 10 of the 28 countries there is one single employer organisation, and in another eight countries there are two or more employer organisations, but with clear demarcation of membership field. Adding both groups of countries gives 18 of the 28 where there is no employer organisation pluralism. In Poland there is no employer organisation for the Horeca sector. The remaining nine countries have employer organisation pluralism, with an overlap in membership and thus some potential for employer organisation competition. These nine countries are marked with an asterisk in Table 6. This situation differs from the other side of the negotiating table, where the majority of European countries experience trade union pluralism with overlapping membership domains and the potential for trade union competition.

**Table 6: Number of Horeca employer organisations per country**

0	1	2	More than 2
Poland – no employer organisation for the Horeca sector, only for the tourism	Bulgaria  Estonia  Finland	Czech Republic  Denmark  Germany	Austria – 3  Belgium – 4 *  Cyprus – 3

sector (PZPPT)	Greece	Luxembourg	France – 5 *
	Hungary	Norway	Ireland – 6
	Lithuania	Romania *	Latvia – 5 *
	Netherlands	Slovenia *	Malta – 4 *
	Slovakia		Portugal – 3 *
	Sweden		Spain 3 – *
	UK		Italy – 3

Source: National contributions Horeca CAR 2011

\* = lack of a clear demarcation of membership fields

Combining the number of employer organisations present in a country with their density rates, we see high densities both in the countries with single organisations and in countries with more than two organisations. In countries with one single employer organisation Finland, the Netherlands and Sweden have density rates above 30%. Also for the hotel subsectors in Estonia and Lithuania this is the case. For the countries where there are more than two employer organisations there is a density rate above 30% in Austria, Cyprus, France and in the Irish restaurant subsector.

The countries where employer organisations organise less than 30% of the Horeca sector, companies have just one or two employer organisations. Bulgaria, Slovakia and the UK have one organisation organising less than 30% of Horeca companies, while the Czech Republic, Denmark and Romania have two organisations, also organising less than 30% of the companies.

## Collective bargaining in the sector

In 20 EU Member States and in Norway, there is collective bargaining at Horeca sector level. In 15 of these 20 EU Member States, this sector-level bargaining is carried out in combination with company-level bargaining, while in five Member States and Norway it exists on its own. The last column in Table 7 lists the countries where there is no Horeca sector collective bargaining, but only collective bargaining at company level.

The countries that have collective bargaining only at company level mostly concern only one or two larger Horeca companies. As indicated in table 7, there is only one company in Latvia, Poland and Slovakia. In Poland this company is [Orbis](#) and in Slovakia this is the [Sorea](#) hotel chain. The fact that there is only collective bargaining in Poland at Orbis helps to explain the absence of a Horeca sector employer organisation in this country. Company-level collective bargaining in Luxembourg and Estonia takes place in just two companies, which in Estonia can explain the low 0.3% trade union density. In Lithuania, where there is no trade union organisation in the Horeca

sector, there is also no collective bargaining taking place. For Malta and the UK, the number of company-level collective bargaining agreements are not counted. We know however that for the UK, company-level collective bargaining agreements cover 5.4% of Horeca sector employees.

**Table 7: Level of collective bargaining in the Horeca sector**

<b>Both sector and company-level collective bargaining agreements</b>		<b>Sector-level bargaining only</b>	<b>Company-level bargaining agreements only (no. of companies)</b>
Austria *	Germany	Finland *	Latvia – 1
Belgium *	Greece	Hungary *	Luxemburg – 2
Cyprus	Portugal *	Netherlands *	Poland – 1
Czech Republic	Romania	Norway	Slovakia 1
Denmark	Slovenia	Bulgaria	Malta *♦
Estonia	Spain *		UK ♦
France *	Sweden		Estonia – 2
	Italy		

*Source: National contributions Horeca CAR 2011*

*Notes: Lithuania has no collective bargaining practice in the Horeca sector; In Ireland, some collective bargaining applies at company level only.*

*\* = countries which have extension mechanisms giving sector-level collective bargaining agreements 100% coverage*

*♦ = no. of companies not specified*

It was reported that in Lithuania there is no collective bargaining practice at all in the Horeca sector. The absence of an employer organisation in Poland is in line with the fact that there is only collective bargaining in one single company. With no coverage at all for collective bargaining in Lithuania, and only weak coverage for countries like Poland, other countries where there is sector level collective bargaining have a much wider coverage.

### **Collective bargaining coverage in the sector**

For nine countries there are extension mechanisms giving sector level collective bargaining agreements 100% coverage. These countries are indicated with an asterisk in Table 7 above.

For the other 12 countries with sector level collective bargaining, but without such extension mechanisms, data is only available for seven on the coverage of those agreements. According to the available data, before 2011 in Denmark, Norway, Sweden, Slovenia and Italy this coverage was above 50%, while for Germany it was less than 50%. For the countries with sector level collective bargaining, the coverage of the resulting agreements depends on whether those agreements are extended or not. In Greece, Norway and Slovenia, there is a theoretical possibility to extend agreements, which is in practice never used. In Slovenia the coverage is around 90%.

All Scandinavian countries and Norway have bargaining agreements that cover more than 50% of employees, with 100% covered in Finland.

In Table 8 the coverage rates are considered as a percentage of the overall employees in the Horeca sector. The coverage rate can also be expressed as a proportion of companies. This is generally speaking lower, since the larger companies are more often covered by collective bargaining, and because the sector counts a lot of very small companies. In terms of companies, agreements are estimated to cover 30-40% of companies in Norway and 25-31% of companies in Sweden.

**Table 8: Coverage rate of collective bargaining in the Horeca sector**

100%	>50%	<50%
Austria	Denmark	Germany
Belgium	Norway	Ireland
Finland	Sweden	UK
France	Slovenia	
Hungary	Italy	
Ireland		
Netherlands		
Portugal		
Spain		

*Source: National contributions Horeca CAR 2011*

For the seven countries where there is only company level collective bargaining, data is only available on coverage for the UK, being 5.4% of employees in the sector. In most countries this company level collective bargaining concerns only a limited number of companies. Where information was available on the number of companies covered by company level collective

bargaining, this is mentioned after the country in Table 7. For Latvia, Poland and Slovakia collective bargaining takes place in only one company, and for Luxemburg and Estonia it is practiced in two companies. For Malta and the UK, the number of company level agreements is not counted. It is however clear that in the countries where there is only company level bargaining, it covers only a very small fraction of overall Horeca sector employees.

Given this limited number of companies covered by collective bargaining in these countries, it can be assumed that this coverage falls below 50%. Indeed, most of the employees in the sector work in smaller companies for which company bargaining is not an option.

### **Correlation between collective bargaining and organisational density rates**

The presence or absence of sector collective bargaining, with or without extension mechanisms for the resulting agreements, explains for a large part the coverage of collective agreements. Further explanation can be added from looking at the organisation density rates of trade unions and employer organisations. The fact that there is only collective bargaining in Poland in the [Orbis](#) company, helps to understand the absence of a Horeca sector employer organisation in this country. For Estonia the absence of sector collective bargaining relates to the 0.3% trade union density. In Lithuania, where there is no trade union organisation in the sector, no collective bargaining takes place at sector or company level.

The countries with sector level collective bargaining and a wider coverage of the resulting agreements are also found to have higher organisational density rates. In Denmark for example, all the employees of companies that are affiliated to Horista, the Danish Horeca sector employer organisation, are covered by the bargaining agreements they sign. As such, 70% of Danish Horeca sector employees are covered by those agreements.

### **Conflict and industrial action in the sector**

In most of the countries no conflicts or industrial actions were reported, as is indicated in Table 9. This is in part a consequence of the high presence of SMEs, with much lower trade union density rates. In most cases the notice of industrial action leads to the matter being solved by social partners, eventually with the help of some kind of mediation. In Belgium, Cyprus, the Czech Republic and Finland, examples were reported of how disputes got solved this way.

In four other countries only one industrial action for the period from 2006 to 2010 was reported. In Sweden, for example, the Hotel & Restaurant Workers' Union ([HRF](#)) organised a campaign in Gothenburg in 2006 and a conflict arose, where a company refused to sign any collective bargaining agreement. The union subsequently started a hiring blockade and caused a total work stoppage. The matter was solved when the company was sold in early 2007 and the new owner signed a collective bargaining agreement. The incident was called a matter of principle, as the company to start with only had one employee, and received nationwide media attention. Similar single incidents were reported in France, in Germany and in Ireland.

Two or more incidents or actions happened in Denmark, Poland, Romania, Portugal, Slovenia and Spain.

**Table 9: Conflict and industrial action in the Horeca sector**

No conflicts or industrial actions reported	Tension or dispute or threat of action, solved through mediation but without action	One single action reported	Two or more actions reported
Austria	Belgium	France	Denmark
Bulgaria	Cyprus	Germany	Poland
Estonia	Czech Republic	Ireland	Romania
Hungary	Finland	Sweden	Portugal
Latvia			Slovenia
Lithuania			Spain
Luxemburg			
Malta			
Netherlands			
Norway			
Slovakia			
UK			
Italy			

*Source: National contributions Horeca CAR 2011*

### Specific forums for social dialogue

Social dialogue exists in the Horeca sector in a number of different formats across EU Member States: tripartite social dialogue structures, bipartite structures, informal and-hoc cooperation or indirect contact via for example participation in national level social dialogue or through the joint management of specific organisations.

Forms of tripartite social dialogue are reported in Cyprus, Denmark, Hungary, Latvia, Romania, Slovenia, Spain, UK and for the catering subsector in Luxemburg. These are mostly tripartite consultations of Horeca sector social partners held by public authorities.

Bipartite structural social dialogue is basically focused on health and safety issues or on issues related to training or skills development in the sector. Such a body dealing with training issues is reported in Estonia, France and Spain, while in Germany and the UK there is an institutionalised social dialogue in Health and Safety association (carried out in a tripartite setting in the UK). In both Denmark and Spain there are bipartite social dialogue structures for both training issues and health and safety issues. In France there is also a bipartite social dialogue body for employment issues. In Italy, a feature of the Horeca sector is the presence of joint bodies (Enti Bilaterali), usually set up at regional level and responsible for the provision of a number of services including training, social security and health insurance.

In the countries where there are no structures for a Horeca sector social dialogue, there are usually informal and-hoc exchanges or cooperation. Examples of such informal and-hoc exchanges are reported in Austria, Belgium, Greece, Norway and Portugal.

For some countries the Horeca sector social partners are involved in national cross-sectoral structures, especially when Horeca issues are on the table. This is the case in Bulgaria, Czech Republic, Hungary, Latvia, Malta and Slovakia. Other examples of similar structures include:

- Slovenia, with Horeca social partner representation in a parliamentary committee;
- Belgium, where indirect opportunities for social dialogue contacts are provided by meetings related to the joint management of a welfare fund;
- the Netherlands where contact is related to a training institute ;
- in Germany social partners are involved at local level in vocational training committees.

In some countries this is done across the whole tourism sector, involving Horeca social partners. This is the case in for example Latvia, Romania, Slovenia and Spain.

## **European social dialogue in the sector**

At European level there are now two separate sectoral social dialogue committees, one in the hotel and restaurant sector between EFFAT and HOTREC established in 1999, and another for the contract catering sector between EFFAT and FERCO established in 2007. This began with informal sectoral social dialogue since 1983 between EFFAT and HOTREC, which turned into [a formal sectoral social dialogue committee in 1999](#), and informal dialogue since 1999 between EFFAT and FERCO, which in its turn was transformed into a formal sectoral social dialogue committee in 2007.

In 2008, this new sector social dialogue committee worked on issues concerning the awarding of public and private contracts for contract catering services, which [resulted in a joint contribution to a European Commission consultation](#) on socially responsible public procurement in 2009.

In Table 10 a list of joint declarations is presented, illustrating that European social dialogue was not only formalised in terms of structure, but also in terms of its outcome.

**Table 10: Joint declarations of European sectoral social dialogue**

<b>1999</b>	EFFAT-HOTREC <a href="#">Joint declaration on the promotion of employment in the Horeca sector</a>
<b>1999</b>	EFFAT-FERCO <a href="#">Agreement on vocational training in the European contract catering sector</a>
<b>2000</b>	EFFAT-FERCO <a href="#">Joint declaration in favour of higher food safety and hygiene standards and their proper implementation</a>
<b>2001</b>	EFFAT-HOTREC <a href="#">Joint declaration on the effects of VAT on activities and employment</a>
<b>2002</b>	EFFAT-HOTREC <a href="#">Joint declaration on EU enlargement</a>
<b>2003</b>	EFFAT-HOTREC Joint declaration in favour of a reduced VAT rate for the restaurant sector
<b>2003</b>	EFFAT-FERCO <a href="#">Joint declaration in favour of a reduced VAT rate for the contract catering sector</a>
<b>2003</b>	EFFAT-FERCO Study on collective bargaining in the contract catering sector in Europe
<b>2004</b>	EFFAT-HOTREC <a href="#">Joint recommendations with guidelines for training and development, especially in SMEs, in the hotel, restaurant and café sector</a>
<b>2004</b>	EFFAT-HOTREC <a href="#">Initiative for improving Corporate Social Responsibility (CSR) in the hospitality sector</a>
<b>2006</b>	EFFAT/HOTREC Joint statement on their 2006 discussions and their 2007 plans in relation to a ' <a href="#">European Qualifications Passport</a> '
<b>2006</b>	EFFAT-FERCO <a href="#">Guide to the economically most advantageous offer in contract catering</a>
<b>2007</b>	FERCO-EFFAT <a href="#">Agreement on corporate social responsibility (CSR) (106Kb PDF)</a> in the contract catering sector
<b>2007</b>	FERCO-EFFAT <a href="#">Common statement on obesity</a>
<b>2008</b>	Joint declaration <a href="#">Towards responsible awarding of contracts</a> (UNI-Europa, EFFAT, ETUF-TCL and COESS, FERCO, EFCI, EURATEX)

<b>2009</b>	EFFAT-FERCO <a href="#">Joint contribution to the guide on socially responsible public procurement</a>
<b>2010</b>	EFFAT-HOTREC <a href="#">Joint statement on undeclared work</a> in the European hotel and restaurant sector
<b>2011</b>	EFFAT-FERCO Joint statement on socially responsible public procurement
<b>2011</b>	EFFAT-FERCO Online training tool launched: <a href="#">Food hygiene training for all</a>

## **Contribution of social dialogue to addressing challenges in the sector**

Some issues have already been mentioned as challenges for the Horeca sector, which is characterised by high seasonal activity and small establishments.

With regard to working conditions, there is a wide variety of working time schedules and the constant need for skills development and jobs for young workers are key aspects for the sustainability of the sector.

Recently, in some countries because of the economic crisis, companies have faced increased competition and wages have been affected. Social partners are aware of the challenges and in some countries have set up bodies to deal with some of these (mainly training and health and safety). Or, they have included clauses in collective agreements to address other issues, such as working time and wages, in some cases with the contribution of governments. Finally, single union or employer organisation initiatives have been outlined, which address some aspects of employment and working conditions.

### **Minimum wages**

As described earlier in the report, wage developments and working time are key issues facing the Horeca sector. Not all developments in these areas result from Horeca sector collective bargaining, at sector or at company level. This section focuses on arrangements in collective bargaining agreements that have been reached to regulate minimum wages or working time.

In relation to minimum wages, substantial differences are observed. Among the 20 countries in which there is sector level collective bargaining for the Horeca sector, there are minimum wage provisions reported in sectoral agreements in only six countries: Austria, Bulgaria, Czech Republic, Estonia, France and Romania. The Estonian minimum wage is set at €278 Euro a month. In Austria it is €1,200 a month.

In France the Horeca sector minimum wage is made 1% higher than the overall minimum wage, and in Romania it is 10% higher than the national minimum. In Romania, on top of this basic minimum wage, coefficients exist: 1.0 for unskilled workers; 1.4 for skilled labour; 1.3 for

administrative personnel with post-secondary (high school) education; 1.45 for administrative personnel with tertiary education; 1.7 for highly skilled technical personnel (graduates of technical school); 1.9 for holders of bachelors degrees and 2.1 for graduates with masters degrees.

The situation in France and Romania, where minimum wages in the Horeca sector are higher than at national level, contrasts with information from Estonia and Slovenia, where Horeca sector wages are lower than national averages. In Estonia, the average wage in the Horeca sector is €514, while at national level it is €783. In Slovenia, the average monthly net pay was €747 – the lowest of all sectors – and the average gross pay €1,100.

In Spain, minimum wage setting varies according to region. The highest minimum wage is fixed in the Regional Agreement of the Balearic Islands (€1,024 in 2008 for the lowest professional category, with an annual increase of the same percentage as the real inter-annual inflation set in March plus 0.5%). As far as other agreements are concerned, the minimum wage oscillates between €720 in Madrid and €800 in Malaga.

In some countries, like the Netherlands and Malta, minimum wage setting is done at national level by law, while in Latvia it is settled by a national level collective bargaining agreement. As such, most countries do not have a specific minimum wage for the Horeca sector.

As for wage increases, they are agreed in sector level collective bargaining agreements in just five countries:

- in Austria there was a wage increase of 1.6% for 2010 and 2.05% in 2011;
- in Cyprus the Horeca sector collective bargaining agreement covers 2009–2012 with a fixed increase of €120 for the first year and 1.5% increases for the following years;
- the collective agreement in Finland provides an increase of 0.8% for the first year, while subsequent increases need to be agreed at the beginning of each year;
- in France an average wage increase of 5% is foreseen. And in consideration of the reduced VAT rate to 5.5% on 1 July 2009, hotels, cafés and restaurants have to pay a specific premium to employees who have at least one year of service (maximum €500);
- in Romania, fidelity bonuses vary from 5% for 3 to 5 years' service to 25% for length of service of more than 20 years.

For the countries where only company level collective bargaining exists in the Horeca sector, wage setting can only be agreed at that level. In Slovakia, for example, there is a collective agreement for the SOREA hotel group providing for a 2% average wage increase for all employees.

In some countries like Italy, Belgium, Bulgaria, the Czech Republic, Ireland and Romania, sector level collective bargaining agreements contain provisions on working time. These provisions relate to the length of specified weekly working hours and for shift regimes. They also include conditions for unevenly distributed working hours, for overtime work and for night work. Such provisions are often linked to legislation, which limits the relevance of Horeca sector collective bargaining.

In Romania, the collective agreement for tourism 2009-2010 stipulates that, for example, a weekly working schedule of 36-44 hours may be agreed, provided that the weekly average per month is 40 hours and that the schedule is made known one week in advance. The daily length of the working time may not exceed 10 hours and work performed between 1000 and 0600 hours is considered night work.

In Ireland statutory machinery (Joint Labour Committees) for setting minimum rates of pay and conditions of employment has applied in the hotels and catering sectors (although excluding hotels within the municipal boundaries of Dublin and Cork). These Committees (JLCs) are comprised of employer and trade union representatives and an independent chairperson. They typically exist in employments where collective bargaining is poorly established and are designed to protect vulnerable workers. . The Committees operating in the Catering and Hotels sectors altered the provisions for the payment of a Sunday premium in 2009. However, the legally binding minimum wages and conditions set by JLCs were suspended in 2011 following a court ruling that declared the regulatory process for fixing and enforcing pay rates to be unconstitutional.

## **Work-life balance**

Working hours in the Horeca sector can facilitate arrangements that favour a good work-life balance; however, long and variable working hours can pose difficulties in balancing work and family life.

Improvements in gender equality and work-life balance arrangements are only reported in Italy, Belgium and Romania in the Horeca sector collective bargaining agreements. There are, however, examples of provisions in national level and company level collective bargaining, as well as other social partner actions developed outside collective bargaining agreements.

In Italy, the new sector collective agreement provides that parents of children up to 3 years can request for their employment contract to be changed, on a temporary basis, from full time to part time. However, no more than 5% of all workers in the relevant workplace can benefit from this provision.

In Belgium, the Horeca sector collective bargaining agreement includes provisions to facilitate people with young children taking their annual holiday as much as possible when schools are closed. Within SMEs (an average of 10 workers employed), a right to a work time reduction is

given to at least one employee (with at least five years' continuous length of service). This time reduction could be given for a period of two years.

The Romanian collective agreement for tourism 2009-2010, stipulates that employees who waive their childcare leave, which is due to them under law for children under two years old, can enjoy a two hour reduction of their daily working time, with no correlative reduction of base salary or length of service. Upon the worker's request, a non-standard (flexible) working time schedule may also be approved.

In Malta, there are two company level collective bargaining agreements regulating working time. The collective agreement covering 2005–2010 signed in February 2008 between the [Corinthia Hotels International](#) (CHI) and the GWU has introduced a reduced working hours system and the establishment of a strategy to implement further family friendly measures. CHI is the largest private company in Malta and operates two 5 star hotels and a holiday resort. This collective agreement covered 619 employees. Another collective agreement signed between [Le Meridien Phoenicia Hotel](#) and UHM, for the period 2007–2009 includes the provision of paid leave for adoption, where women are granted four weeks and men five working days.

As part of Norway's equal pay fund in the 2010 national bargaining round ([NO0911019I](#); [NO1006019I](#)), the parties within the hotel and restaurant sector (as in other sectors) agreed on putting NOK 0.50 (€0.06 as of 15 Jan 2011) an hour for each employee aside at each company. The money should, through local negotiations, be used to (partly) neutralise gender differences. However in the hotel and restaurant sector there were hardly any gender differences, so most of the money was distributed equally to all employees. This might be a consequence of the fact that wages are set in a collective agreement at central level, and not subject to collective bargaining at the workplace, as is common in many other sectors in Norway.

In other countries improvements in gender equality and work-life balance arrangement are not part of the collective bargaining process. There are reports from specific social partner projects or actions aimed at improving gender issues from Austria and the UK.

In Austria there was an Interreg pilot project entitled [ProFIT](#) (Pro Family in Tourism). This was a tripartite initiative with participating partners from the [WKO](#), [AMS](#), Federal Chamber of Labour ([AK](#)), regional authorities and other partners in the western part of Tyrol (Landdeck).

In the UK, the sector skills council People 1st has created the initiative [Women 1st](#) to encourage gender equality in the sector. This seeks to address inequality and redress the fact that only 6% of senior board members are women in Horeca. The initiative combines government funded mentoring and personalised training, awards in recognition of achievement and campaigns to raise awareness within the sector.

## **Migrant workers**

A high percentage of migrant workers is a characteristic of the employment in the sector in some countries.

For migrant workers there are information or advisory services developed by trade unions in Austria, Cyprus and Spain. In Malta, English language courses are available, and in Austria German language courses. The Austrian initiative gives information in a brochure on Austrian labour law, living costs, bureaucracy, lodging, health care and other issues. In Denmark, the trade union offers support and advice in individual cases.

In Italy the joint paritarian bodies develop services to help migrant workers carry out administrative procedures linked to the issue of work/residence permits and the introduction of language courses for migrant workers.

## **Undeclared work**

In some countries the phenomenon of undeclared work represents a substantial part of the economic activity and work in the sector.

In most countries the Horeca sector social partners recognise the problem of undeclared work, though special measures aimed at tackling it are not applied in sector level collective bargaining agreements. It is difficult to get a true picture of the situation however, , as illegal workers tend to keep quiet about their situation and may form their own closed communities.

Most of the initiatives and actions reported in this field are not specific to the Horeca sector but cover the whole economy in the countries concerned. Such actions most often take the form of demands for increased inspection. An example here is found in Cyprus where there were ad hoc meetings between the social partners and the [Ministry of Labour and Social Insurance](#), requesting better coordination of efforts to tackle undeclared work.

The two Horeca unions, OYXEB and SYXKA/[PEO](#), were attempting to exert pressure on labour inspectors to carry out more regular and more frequent controls in workplaces, to ascertain the magnitude of the problem as well as to convey the message that constant controls are being carried out.

Another example is the [fairplay-campaign](#) from Denmark, which aims to prevent and reveal social fraud and tax evasion, of which undeclared work is a part. Organised controls in certain sectors are frequent – the most visited are construction sites and restaurants, pizzerias and cafés, and the agriculture sector. Undeclared work is known to be frequent in hotels and restaurants, but for some reason hotels are not visited to the same degree as restaurants.

The Danish [fairplay campaign](#) is a cooperation between the National Directorate of Labour, the Police, the regional food control authority, the municipalities' social services department, the Danish Immigration Service and the tax authorities. The trade union movement has its own

'undeclared work patrol', in some cases supported by the employer organisations that see undeclared work and social dumping as a threat to their members. If measured by how many people are caught, the campaign is seemingly successful.

On top of this, the trade union 3F has its own patrol that is trying through various measures to detect undeclared/illegal work. However, these efforts take place in other sectors than hotels and restaurants.

In Italy, in summer 2011, [Filcams-Cgil](#) launched a national campaign against undeclared work in the tourism sector: [Salvàti dal lavoro nero nel turismo](#) (Freed from irregular work in tourism). This is an awareness-raising campaign that aims to draw attention to a phenomenon which, according to the union, has been growing in the recent economic downturn and which negatively affects both employment and working conditions as well as the quality of tourist services.

## **Seasonal work**

The seasonality of employment is a distinctive characteristic of the Horeca sector in some European countries. In addition, this form of employment is related to other issues like migrant workers, income during periods of unemployment and training and skills development.

Social dialogue has introduced initiatives or clauses in agreements to try and improve the employment and working conditions of seasonal employees in the following countries: Austria, Cyprus, Germany, Finland and France.

In Austria, new regulations (see [AT1006011I](#) and [AT1105011I](#)) apply for migrant workers and therefore for seasonal workers coming from neighbouring countries in the light of the opening of the Austrian labour market to New Member States. Following a social partners' agreement, the aim of this regulation is to protect those workers from underpayment.

In Germany, the issue is developed under the working time clauses in the collective agreement, and in France, a report on seasonal employment, [Sectoral Progress Report, 2010](#), was published at the end of 2010. Commissioned by FAFIH, it contributes to the development of an ambitious training programme dedicated to seasonal workers in the sector.

In Italy, new provisions introduced in 2010 in the collective agreement include a derogation to the maximum duration of fixed-term contracts with the introduction of a preference clause in favour of former fixed-term workers in new recruitment procedures. This provision is meant to increase job security for fixed-term workers in a context of high seasonality. This rule was already present for seasonal workers and is now extended to all fixed-term contracts.

In the Cypriot tourism and catering sector, there is a practice called suspended employment, based on an agreement between the Ministry of Labour, employer organisations and the unions. It has been applied for at least 20 years, with the aim of continuing the employment

relationship between the employer and employee and paying the employee an income during the low tourism season (from 1 November until 31 March). Through this agreement the seasonal unemployed worker receives income from the employer and unemployment benefit from the Social Security Fund ([CY0311102N](#)).

In some countries unions are currently studying, or planning to study the incidence and conditions of seasonal workers in order to understand their situation (Cyprus, Hungary). In general, it seems that unions deal with this issue at collective bargaining level. One special initiative is found in Norway, where the Norwegian Confederation of Trade Unions ([LO](#)) has an initiative called summer patrol. Representatives from the union visit work places in the summer to give information and advice to seasonal workers, mainly aiming at young people with summer jobs.

With regard to employer organisations, no significant initiatives have been found addressing solely seasonal work. Few examples have been reported that are related to labour market shortages (Malta) and migrant workers from New Member States (Austria).

## Promoting the employment of young workers

In the context of the economic crisis, the Horeca sector can bring job opportunities to young workers. However, the rather negative image it has among some young people can cause labour shortages. In this context, some European countries (mostly from EU15) address at sectoral level the issue of access to employment for young workers.

At EU level, EFFAT and HOTREC, the European social partners for the hospitality industry, expressed their support for the European Youth initiative in 2005. According to the document [Young people and the hospitality industry – Contribution to the European Youth Initiative \(31Kb PDF\)](#), it is important to stimulate employment for young people, as this is a key factor in promoting future economic growth. In this document the partners highlight the importance of improving the quality of training in the tourism sector and have developed a survey and subsequent guidelines. Moreover, they point out that in the framework of corporate social responsibility, trainees and apprentice schemes should be developed but not replace permanent, skilled staff.

Social partners in Austria, Belgium, Denmark, Germany, France, Italy, Netherlands, Spain, Slovenia and the UK have joint initiatives or agreements with the aim of fostering apprenticeship in the sector and improving working conditions for young workers to make the sector more attractive.

In Austria, the sectoral collective agreement gives provisions for paying apprentices, which can be improved through company level agreements. In Denmark the union [3F](#) and the employer organisation [Horesta](#) promote training in certain occupations in order to make them more popular among young people. Social partners recognise the high importance of education and training of young workers.

The other seven countries mentioned above are aware of the importance of promoting apprenticeships at sectoral level, but only a few of them have implemented a programme. In Spain, the sectoral agreement the Fourth Frame Agreement for Accommodation and Food Services Activities ([ALEH](#)), stipulates that workers under the work experience contract and training contract (two types of apprenticeship) have priority with regards to job vacancies.

In Germany, the NGG union reports that some regional organisations of the employer organisation DEHOGA want to jointly address the problem of shrinking numbers of apprentices and the high rate of drop-outs among apprentices. However, so far no concrete agreements or initiatives can be reported.

Initiatives reported by national contributions from trade unions in the Horeca industry are very scarce. They exist mainly in the Scandinavian countries: Denmark, Sweden and Norway. In Denmark, 3F actively promotes employment possibilities through campaigns, while in Sweden the Hotel and Restaurant Workers' Union ([HRF](#)), and in Norway Fellesforbundet and LO develop campaigns among workers to increase membership.

In some countries, employer organisations in the Horeca sector try to attract young people through cooperation with vocational training systems or schools, to facilitate access and motivate young people to study related subjects and start a career in the sector. Austria, Cyprus, Estonia, Germany, Slovenia and Norway are countries where this type of approach has been reported. The Austrian employer organisation WKO implemented initiatives to make employment in the sector more attractive for young apprentices, including projects and image improving campaigns at provincial level, called 'Get a Job', ([Glücksbringer](#)).

## **Improving access to career development and lifelong learning**

In several countries, the general low level of education and skills and employment shortages have encouraged social partners (sometimes with the cooperation of government) to address the issue of continuous lifelong learning. Another common challenge is the development and provision of formal recognised qualifications within the education and training system.

There are different levels of developments. In some countries it is an issue only at workplace level and not for sectoral initiatives. In others the need for workers' training is included in the sectoral collective agreement without any specific action. Examples of further developments like the creation of bipartite or tripartite bodies for qualification and training of the workforce can be found in the following countries:

- Austria – Austria's Public Employment Service ([AMS](#));
- Belgium – [The Centre for education and training for the hotels and restaurants sector \(Horeca Vorming-Horeca Formation\)](#);
- Denmark – [The Kitchen, Hotel and Restaurant Education Secretariat](#);

- Netherlands – Stichting Vakbekwaamheid Horeca, [SVH](#);
- France – Fafih [report](#) 2010;
- Ireland – the Hotel Industry Forum, [Annual Report 2009 employment issues](#);
- Romania – [CNFPA](#);
- Slovenia – the Culinary Arts and Tourism Academy, CATA;
- Italy - [Fondo For.Te](#);
- UK – People 1<sup>st</sup>.

In the UK, the sector skills council, People 1<sup>st</sup>, is an organisation designed to help improve the skills base of the sector through training and lifelong learning. The organisation conducts research to assess the skills needs of the sector, co-ordinates training and apprenticeships, has drawn up a national strategy for the sector and campaigns for qualification reform.

People 1st has identified that although there is a good level of participation in training (over two-thirds of employers in the Horeca sector provide training), very few courses (just 3%) result in a recognised qualification. The council is reviewing the qualifications available to the sector as well as the National Occupational Standards for Horeca.

The organisation reports a skills shortage in the sector, particularly around management and leadership, chef skills and customer service skills. There is growing concern that staff do not have the skills to meet business needs. Research in 2009 by People 1st suggests that 180,000 people are not fully proficient in their jobs and that this is a growing skills problem for the sector.

In some countries, apart from joint initiatives between employer organisations and trade unions, social partners are developing unilateral initiatives. Two examples are included in this section.

In Romania in 2008, the National Trade Union Confederation Cartel Alfa ([CNS Cartel Alfa](#)) started a project called 'Professional Managers for Tourism, Hotels and Restaurants', designed to provide training, over a period of three years, to 1,500 trainees from all over Romania. The general aim of the project, which is financed from the European Social Fund, is to contribute to the improvement of entrepreneurship and management skills, and to develop new competences among tourism workers. Another, specific, aim of the project is to create the conditions for an exchange of experience, knowledge and good practices at transnational level. To give a lasting effect to the project, a 'Handbook of Tourism Managers' will crown its completion. In addition to CNS Cartel Alfa, the projects benefits from the participation of a corporate owner of a hotel chain in several European countries, a company specialised in the development of human resources and a centre specialised in vocational training activities.

In Spain, the unions play an important role in providing training and life-long learning to workers by means of their participation in the implementation of active labour market policies. In this sense, in 2010, [FECOHT-CCOO](#) launched a training programme plan, consisting of 87 courses, for the sectors of commerce and accommodation and food services activities.

Employers are concerned about the importance of addressing the issue of poor qualifications and skills in the sector. In some countries they are involved in setting national configurations for the vocational and education system for Horeca occupations. It is also interesting to note that in some countries, like Hungary, larger companies are organising training for themselves. Employer organisations in several countries are also developing their own initiatives at sectoral level.

For example, in Germany the BDS and DEHOGA employer organisations have developed their own training activities for workers in the sector.

BDS notes in its annual business report for 2009–2010 that together with the vocational training schools (Berufsschulen), it supports several competitions for apprentices who learn the profession of ‘specialist in systems catering’ (Fachmann/-frau für Systemgastronomie). Since 2008 the BDS has supported a special university course for Management in Hotel and Tourism and Food, Beverage and Culinary Management. During these studies students get a university education and can take part in training programmes in catering companies. The BDS points in particular to its Charter of Systems Catering (Charta der Systemgastronomie). The charter is signed by major companies within BDS and contains a commitment to collective bargaining and to apprenticeships and further training.

Some of DEHOGA’s important initiatives revolve around training and apprenticeships. On its website DEHOGA provides information about career opportunities and apprenticeships in the sector and offers links to regional DEHOGA websites, which also give information about job opportunities in the sector. In May 2010 DEHOGA started an initiative on the quality of apprenticeships (Initiative Ausbildungsqualität), which aims to support instructors and supervisors in training establishments, to improve the quality of training and apprenticeships. The goal is to reduce drop-out rates and job exits. Whether these initiatives will have an impact remains to be seen in the light of future developments.

From information available in national contributions, it seems that when initiatives or training programmes exist at sectoral level, they are developed in the framework of social dialogue and in cooperation with governments.

At EU level, the EFFAT-HOTREC issued a joint statement on the continuation of their work to further develop and implement the [European Qualification and Skills' Passport](#) (2008). Countries involved by December 2009 were Italy, Spain, Malta, Hungary and Ireland. The aims of this passport in the context of high level cross-border vocational mobility are:

- to allow workers to document their qualifications and skills acquired through education, vocational training and on the job;

- to allow employers to assess the skills and experiences of job candidates from their own and other EU countries;
- to facilitate a better match of offer and demand in employment in the hotel and restaurant sector.

## **Improving health and safety**

In some countries, social dialogue in the sector has addressed health and safety issues.

There are some countries without a specific collective agreement, or social dialogue at sectoral level, and therefore no specific initiatives created by social dialogue have been implemented (e.g. Latvia, Lithuania and Luxemburg).

In others, it seems that health and safety it is not a relevant issue for joint actions at sectoral level (e.g. Poland, Portugal and Norway).

Among those countries with bipartite actions on health and safety, issues regarding smoking in the workplace and food safety and hygiene (in accordance with Directive 93/43/EEC), along with worker health have been the subject of initiatives.

In Austria, a collective agreement (*Kollektivvertrag für die Angestellten im Hotel- und Gastgewerbe*, 16 December 2008) was concluded between social partners including the right to severance pay if a worker terminates his employment relationship due to smoke nuisance. Furthermore, access to diagnostic measures is eased and special protection rules for apprentices and youth workers apply.

More general initiatives have been developed in United Kingdom, Spain and Sweden. In the UK the Health and Safety Executive ([HSE](#)) operates the Hospitality Industry Liaison Forum with the participation of representatives from industry trade associations, trade unions and industry stakeholders. This forum provides guidance on risk assessments, major risks, case studies and resources to help the Horeca sector reduce accidents at work.

In Spain, the National Framework Agreement for the sector ([ALEH 2010](#)), set up a bipartite board composed of union members and employers. The actions agreed by this board will be implemented in small companies with fewer than 50 employees. In this country the most important initiatives are taken jointly by the social partners (e.g. risk guides or research about the causes of sickness in the sector).

In Sweden, trade unions [Unionen](#) and the Hotel and Restaurant Workers' Union ([HRF](#)), together with the employer organisation Swedish Hotel and Restaurant Association ([SHR](#)), initiated a programme in 2008 called [Better everyday life](#). The programme is aimed at providing employees and employers in the sector with advice and recommendations for reducing risks factors in the workplace and for improving the work environment.

According to the national contributions, in some countries there are specific union initiatives in the field of health and safety (Denmark, Greece, Ireland, and Malta). In several countries either the initiatives are taken jointly with employers or none have been reported. In some cases, the lack of union organisation or of a strong structure, limits the possibilities for such initiatives.

However, taking into account the characteristics of the sector, The Norwegian United Federation of Trade Unions [Felles forbundet](#) asked the government to extend the regional safety representatives scheme to cover the hotel and restaurant sector. The scheme already operates in the construction industry, and the plan is to appoint 11 regional safety officers in the hotel and restaurant sector. The most important task of a regional safety officer is to monitor the working environment in premises where there are no health and safety representatives, particularly in smaller enterprises.

After negotiations with the employers failed, in May 2011 the Ministry of Labour decided that the officers would be employed by the Labour Inspection Authority and not by the relevant trade unions (as is the practice in the construction sector). Finally the decision was accepted by both sides of the industry.

Employers in a few countries have developed actions to improve the health and safety of workers. For example, in Cyprus in 2009 the Association of Cyprus Tourists Enterprises ([ACTE](#)) organised a competition for the purpose of awarding businesses that implement good practice in the area of workplace health and safety. In France, the food safety commission of the fast-food sector's employer organisation has developed a guide for good hygiene practices along with reference texts for hygiene and safety. In Spain, the FEHR signed [a collaboration agreement with the Ministry of Health](#) to prevent the consumption of drugs and encourage moderate alcohol consumption among Horeca workers. The agreement aims to establish a certificate for 'enterprises collaborating in the prevention of drug consumption', to offer training courses to workers in the sector and to make it possible for workers in the sector to act as 'health mediators' in some cases while they carry out their professional activities.

## Commentary

The hotel and restaurants sector faces many challenges that impact on its sustainability in the future.

The sector is experiencing labour shortages in some countries, especially for some qualified job profiles, which is problematic in the context of a lack of apprenticeships and training and education systems that are failing to address the needs of the industry.

In addition, demographic changes will pose more difficulties for the recruitment of young workers and therefore increase labour shortages.

These labour shortages will only be partly solved with the impact of the economic crisis creating an increased labour force because of higher unemployment. Conversely the crisis has also had

an impact on the sector with a reduction in activity and employment in some countries, particularly during the early days of the crisis.

Working in the sector represents an opportunity for young and unqualified workers to gain access to the labour market and for people who need to work part time. However working conditions and the image the sector has in some countries account for difficulties in recruiting a qualified workforce and the general attractiveness of the sector. These difficult working conditions include high levels of temporary and seasonal work, long working hours and lower wages than in other sectors.

In those countries that are struggling to develop economic activity in the tourism industry, the crisis is likely to have an impact on the possibilities for young or unqualified workers to access the labour market, and probably also for some women who are willing to work part-time. Some of these issues have been recognised by the social partners as challenges to be addressed.

Principally, they coincide in the importance of maintaining a skilled workforce and partners see that the focus should be put on adequate training and lifelong learning.

Taking into account the rather small size of companies in the sector, interest organisations, collective bargaining and social dialogue can contribute to take effective steps in this area and on other aspects of working conditions in the sector. On the negative side, organisational density is rather low, especially for the vast majority of small establishments. However, the existence of collective agreements in bigger companies and the extension of sectoral collective agreements to cover all companies and employees in a few countries, create conditions for social partners to play a role in improving working conditions.

Aspects like wages, working time and seasonal work is partly dealt with in the framework of collective bargaining. Besides collective bargaining, social dialogue has in some countries led to initiatives or the creation of bodies to tackle some of the challenges of the sector. Most of these initiatives have been implemented in the field of training and skills development and health and safety. It is in the area of training that social partners are cooperating at EU level on the ‘European Qualification and Skills passport’ and interesting examples of joint actions exist in some countries.

To a lesser extent social dialogue has addressed the issue of work-life balance, which is an area for improvement in the Horeca sector. However, there are developments in this regard in few countries. Despite the fact that migration is high in the sector as well as undeclared work, these two aspects have not led to joint social partner action in most countries, leaving these issues mostly to governments and labour authorities.

Regrettably, the information currently available provides little evidence of the impact of such measures on recruitment and retention in the sector and more research is required to evaluate the impact of these initiatives.

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