



**EFFAT**

EUROPEAN FEDERATION OF FOOD, AGRICULTURE AND TOURISM TRADE UNIONS

## **NEWS FROM EFFAT**

**For immediate release**

**April 4, 2009**

### **European Tourism Trade Unions: Do not abuse, but bridge the crisis!**

At their annual general assembly on 24 and 25 March 2009, representatives from EFFAT member organisations in the EFFAT Hotel Restaurant Catering and Tourism sector (HRCT) discussed the impact of the financial and economic crisis on the sector.

According to reports of participants, the situation varies from country to country and even between the different tourism segments. Ski resorts seem to have stayed almost at the same level in 2007 and 2008, culture and town tourism has encountered stagnation, and in some regions a decline of 5-10% compared to sales in 2008 has been noticed.

The most severe impact on tourism is expected in Greece and Spain, which are amongst Europe's leading tourism destinations, and where the tourist flow may end with a decline of 30% in summer 2009, meaning that nearly 1 million people would be hit with unemployment, many hotels would be empty and many local communities would grind to a halt because tourism is their main source of income.

Although in many places the decline is not dramatic, the employees of many major hotel chains and large restaurants already experience massive staff reductions. At the same time, managements amplify their demands on those with secured contracts to reduce wages, increase the flexibility in labour tasks, etc. Several examples were given of trainees replacing fixed personnel, and of an increasing number of undeclared workers.

A number of business leaders exploit the situation and cut back on employment, without involving the employees and their organisations in a dialogue about the situation. Some even breach agreements on pay and working conditions and violate laws in their efforts to earn money. As one participant put it: Most of the companies do not make losses, but only see a drop in their profits.

EFFAT invites the national governments, social partners and labour market actors to sit at the negotiating table and make arrangements to ensure that if staff has to be reduced it happens on real grounds, that there is an economical safety net for those who lose their jobs, and that redundant personnel is offered training during the recession period. Sanctions should be provided against companies violating agreements and rules. Specific controls should be carried out to combat illegal employment and use of undeclared workers.

EFFAT urges national governments integrate tourism in rescue packages, and to ensure that the European tourism can still be competitive when the economic crisis is over, e.g. by supporting investments in infrastructure and renovation.



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In Malta, national agreements were concluded to avoid that employees are just thrown out of work, but are instead offered training during periods of reduced working time, and get compensation for lost income. This is a sensible strategy as it helps to maintain the Maltese tourism capability and service level during the recession period.

EFFAT urges the EU to use this as a model for an EU framework program. With this management tool, Member States could renew the tourism sector and achieve that tourism destinations are up-skilled when tourists return, by taking the aspect of sustainability into account. The EU should promote comprehensive rescue plans to ensure that Europe's tourism destinations do not disappear and Europe continues in the future to attract tourists from all over the world.

### **Facts:**

The European hotel and restaurant sector employs some 9 million workers in 1.6 million enterprises. The sector is characterised by a high degree of atypical employment, with many small jobs, familiar with seasonality and part-time work, and with a high labour flexibility. Many young people have their first employment experience in this sector.

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### **Note to Editors:**

EFFAT represents the interests of more than 2.6 million members, affiliated to 118 national trade unions in 38 European countries in agriculture, food production and tourism.