European Union influence over tourism employment

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SUMMARY
This paper examines the role of the European Union (EU) in influencing employment in the tourism industry of its member states. Tourism in EU accounts for about 5% of GDP and approximately 7.4 million persons are directly employed in tourism. The figure of persons directly employed in tourism varies from 1.7 to 7.8 depending on the member state. Due to the potential of EU tourism for generating jobs in this paper undertakes a review over the problems related to tourism employment in member states and analyses the formation and development of EU policies and initiatives towards tourism employment. Finally, this paper discusses the implications of the findings for tourism employment in EU and provides the conclusions of the study.

Keywords:
tourism; employment; European Union; policies

INTRODUCTION
The greatest diversity and density of tourist attractions has made Europe the most visited destination worldwide and tourism among the leading growth industries in the European Union (EU). Tourism in EU accounts for about 5% of GDP and approximately 7.4 million persons are employed in enterprises such as hotels, catering establishments, travel agencies, car rentals, and various tourist attractions and leisure outlets. However, tourism employment patterns vary considerably between the different member states (Table 1).

Spain, with approximately 1.3 million persons employed directly in tourism, is the EU member state with the largest percentage of direct employment in tourism (7.8%). In Portugal, tourism is the dominant economic sector, with 311,915 persons or 6.3% of total workforce directly employed in tourism. On the other hand, Ireland has the lowest percentage of direct employment in tourism (1.7% or 31,520 persons) followed by Sweden (2.3% or 96,805 persons).

Considering that the tourism industry creates substantial indirect jobs through complementary activities, such as retail trade, food processing manufacturing, services, and construction, the total number of EU jobs rises up to 20 million. Spain has the highest percentage of persons directly or indirectly involved in tourism activities (19.9% or approximately 3.3 million persons), followed by Greece with 687,026 persons or 16.8%. As a result, in Spain one out of 5 persons is directly or indirectly employed in tourism activities, followed by Greece (1 in every 5.9), although countries such as
Sweden and Denmark have received less benefits through tourism employment (1 in every 14 jobs and 11.6 respectively). Forecasts indicate a steady growth of tourism in EU (CEC 2001a) to the extend that travel and tourism jobs in EU will be increased by 2 million during the next ten years (EU 2003).

Past evaluations of EU interest towards tourism are based either on certain programmes and their performance in terms of achievement of objectives established or on the overall EU regional policy towards tourism (e.g. Armstrong 1995; Bull 1999; Hjalager 1996; Lowyck and Wanhill 1992; Wanhill 1996). As a result, there is lack of research in EU regarding contribution towards single aspects of tourism development. Specifically, although the potential of tourism as a job generator is significant, there is a negligence of past research about EU initiatives towards tourism employment. Bearing this in mind, the current study was undertaken with the aim to review and evaluate past and current EU initiatives towards tourism and employment. In doing so, this paper is divided into three sections. Section one presents the employment problems faced by EU tourism enterprises. Section two reviews past and current EU initiatives towards tourism and employment. The concluding section discusses the implications of the findings for tourism employment in EU and provides the conclusions of the study.

### Table 1

<table>
<thead>
<tr>
<th>Member state</th>
<th>Direct employment in tourism</th>
<th>Direct and indirect employment in tourism</th>
<th>Ratio of 1 tourism job to total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of persons</td>
<td>% of total employment</td>
<td>No of persons</td>
</tr>
<tr>
<td>Belgium</td>
<td>150,468</td>
<td>3.7</td>
<td>436,981</td>
</tr>
<tr>
<td>Denmark</td>
<td>64,914</td>
<td>2.9</td>
<td>193,230</td>
</tr>
<tr>
<td>Germany</td>
<td>1,204,230</td>
<td>3.1</td>
<td>4,158,950</td>
</tr>
<tr>
<td>Greece</td>
<td>205,285</td>
<td>5.0</td>
<td>687,026</td>
</tr>
<tr>
<td>Spain</td>
<td>1,279,260</td>
<td>7.8</td>
<td>3,261,240</td>
</tr>
<tr>
<td>France</td>
<td>1,337,180</td>
<td>5.5</td>
<td>3,398,630</td>
</tr>
<tr>
<td>Ireland</td>
<td>31,520</td>
<td>1.7</td>
<td>132,555</td>
</tr>
<tr>
<td>Italy</td>
<td>1,063,210</td>
<td>4.9</td>
<td>2,651,640</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>7,704</td>
<td>4.1</td>
<td>27,256</td>
</tr>
<tr>
<td>Netherlands</td>
<td>252,950</td>
<td>3.4</td>
<td>695,068</td>
</tr>
<tr>
<td>Austria</td>
<td>234,753</td>
<td>5.7</td>
<td>679,150</td>
</tr>
<tr>
<td>Portugal</td>
<td>311,915</td>
<td>6.3</td>
<td>819,448</td>
</tr>
<tr>
<td>Finland</td>
<td>86,877</td>
<td>3.6</td>
<td>276,951</td>
</tr>
<tr>
<td>Sweden</td>
<td>96,805</td>
<td>2.3</td>
<td>306,685</td>
</tr>
<tr>
<td>UK</td>
<td>1,061,470</td>
<td>3.6</td>
<td>2,953,330</td>
</tr>
</tbody>
</table>


### EMPLOYMENT CHARACTERISTICS IN EU TOURISM ENTERPRISES

The potential of tourism for generating jobs in areas where there are few other alternatives for employment, has resulted in many EU governments electing to expand their tourism industry. Nevertheless, tourism in many EU states has been criticised for creating seasonal, part-time, and low quality jobs often occupied by migrants and females. (Figure 1 presents the major characteristics of the direct tourism workforce and gives examples of the various researchers who have identified those characteristics in various EU member states).

More specifically, the seasonal nature of tourism creates fluctuations in the levels of employment (Andriotis and Vaughan 2004; Tsartas 1989; Vaughan, Andriotis and Wilkes 2000), and workers involved in tourism often have to find other employment or even remain unemployed during the off-season (Andriotis 2004; Andriotis and Vaughan 2004; Baron 1975; Spartidis 1976). As an EU document states:

*One of the main problems of leisure tourism in Europe is its concentration on specific, restricted periods of the year. This leads to poor working and employment conditions with negative effects on qualification levels, service quality and business.*
competitiveness, along with the saturation of the communication infrastructure and tourist facilities (CEC 2001b:5).

Part-time jobs are also widespread in the tourism industry. As Bull and Church (1994) report in UK, 64% of hotel and catering employees in 1989 were part-time. Tourism is also blamed for creating jobs mainly for women. For example, Heerschap (1999) reports that in UK and Netherlands the proportions of female workers are higher in the food and beverages branches and to a lesser extend in travel agencies.

The quality of jobs in tourism has also been criticized for low wages and excessive working hours (Andriotis and Vaughan 2004). Given the tendency to concentrate tourist facilities in certain places, tourism tends to create labour shortages in some regions and, as a result, generates jobs for migrants/immigrants and expatriate labour (Andriotis 2000; Andriotis and Vaughan 2004; Ayres 2000; Cukier 1996; Cukier-Snow and Wall 1993; Edwards and Fernades 1999; Tsartas 1989). In practice, the advent of the Single European Market has increased freedom of movement of EU citizens and has facilitated labour mobility within the EU (Richards 2003). Table 2 provides estimates of all foreign tourism employees (EU citizens and not) in member states, although the figures may be underestimated because they include only registered employees and, as a result, some of the immigrant workforce may not be recorded in official statistics.

### Table 2

**ESTIMATES OF FOREIGN TOURISM EMPLOYMENT IN EU MEMBER STATES**

<table>
<thead>
<tr>
<th>Member state</th>
<th>Estimated maximum % of foreign workers in tourism workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>10</td>
</tr>
<tr>
<td>Denmark</td>
<td>7</td>
</tr>
<tr>
<td>Germany</td>
<td>25</td>
</tr>
<tr>
<td>Greece</td>
<td>3</td>
</tr>
<tr>
<td>Spain</td>
<td>5</td>
</tr>
<tr>
<td>France</td>
<td>15</td>
</tr>
<tr>
<td>Ireland</td>
<td>20</td>
</tr>
<tr>
<td>Italy</td>
<td>5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7</td>
</tr>
<tr>
<td>Austria</td>
<td>20</td>
</tr>
<tr>
<td>Portugal</td>
<td>3</td>
</tr>
<tr>
<td>Finland</td>
<td>3</td>
</tr>
<tr>
<td>Sweden</td>
<td>6</td>
</tr>
<tr>
<td>UK</td>
<td>20</td>
</tr>
</tbody>
</table>

**Source:** Richards (2001)

Apart from the above criticisms of tourism jobs, a major obstacle to development of the EU tourism sector is the high staff turnover. Staff turnovers force tourism enterprises to use many resources on recruitment and introduction of new staff and they do not get to build knowledgeable and innovative organizations (Jensen 2001:5). This problem has been identified by Heerschap (1999) in UK.

Finally, tourism in EU is dominated by small and medium sized tourism enterprises. Over than 99% of enterprises in the EU employ fewer than 250 persons,
and 94.2% fewer than 10 persons. Small and medium sized tourism enterprises face several limitations such as: uncertainty in terms of the market; their management team lacks financial, management and marketing skills; they are unlikely to invest in research; and face various difficulties in obtaining loans from EU, access relevant information, and understanding and applying EU directives and norms (Dewhurst and Burns 1993; EPMC 2003; Page, Forer, and Lawton 1999; Storey 1994; Thomas 2000).

EU INITIATIVES TOWARDS TOURISM AND EMPLOYMENT

For a long time employment has been at the top of the Community’s priority actions in tourism and the community has recognized the upgrading of human resources in tourism as a key factor to improve both competitiveness and employment opportunities within the tourism industry (CEC 1999). As a report from the commission to the council, the European parliament, the economic and social committee and the committee of the regions states:

The Commission’s ongoing work on tourism and employment is part of the commitment of the European Community to place employment at the heart of Community actions. This is in keeping with the policy of mainstreaming the employment objective throughout Community programmes and policies which is the subject of a separate Communication from the Commission in preparation of the decisions to be taken at the European Council in Cologne (of 3 to 4 June 1999). It reflects the need to use all available opportunities for innovative, environmentally sound and sustainable actions in favour of employment, and to establish new partnerships and new synergies leading to growth, together with additional and better jobs in underexploited areas of economic activity. It is also in keeping with the 1999 Employment Guidelines which contain a new commitment on the part of Member States to fully exploit the employment potential of the services sector (CEC 1999:6)

Employment has received increased interest in EU, something that was evident since 1957 when the European Social Fund (ESF), the longest established Structural Fund, was initiated. The major aim of ESF included to enable EU citizens to develop or regenerate employability by providing funding on a major scale for programmes seeking to increase adaptability in the job market, provide right skills, and improve the overall quality of life.

Within the 1989-1993 Structural Funds, objectives were set to combat long-term unemployment (Objective 3) and facilitate the occupational integration of young people (Objective 4). In the next Structural Funds (1994-1999), the previous Structural Fund objectives 3 and 4 were combined in a new one (Objective 3) and an additional objective (Objective 4) was applied to help workers adapt to changes in industry and systems of production through measures to prevent unemployment. Along the same lines, the European Regional Development Fund (ERDF) asked for projects to receive finance to result in an increase in employment opportunities.

In the meantime, the declaration of European Tourism Year in 1990, marked a significant step in the recognition of the contribution of tourism within the EU, by aiming at improving the working conditions of those employed in the tourism industry and encouraging a better seasonal and geographical distribution (Pearce 1992; Robinson 1993). In 1997, the Amsterdam treaty introduced a title on employment aiming at a high level of employment within the member states and emphasizing the need for coordinated joint action (CEC 2001b). As a follow-up, the extraordinary European Council on employment proposed a comprehensive strategy for employment based on four pillars: improving employability, developing entrepreneurship, encouraging adaptability in business and their employees and strengthening the policies for equal opportunities (CEC 2001b).

In November 1997, a European Conference on Tourism and Employment in Luxembourg, assembled academics, entrepreneurs, social partners and public authorities in an attempt to indicate the key changes of European tourism in the eve of the 21st century and to exploit the full potential of tourism employment. From the conclusions of this conference emerged a High Level Group on Tourism and Employment, composed of experts from the whole sphere of tourism in member states and aiming at enhancing tourism’s potential as a job creator and the ways in which the EU could act to realize this potential (Markson 1999). At the same conference, the idea of labour mobility in the EU was recognized as fundamental to increase professionalism in the tourism industry (Richards 2003).
In June 1999, the conclusion of the Council of Internal Market Ministers invited the Commission and the Member States to co-operate closely in an attempt to maximise tourism’s potential with respect to four priority issues, between them the issue of “improving training in order to upgrade skills in the tourism industry” (Jenssen 2001:3). Earlier, in an attempt to upgrade skills in the tourism industry, many community programmes and policies related to training, education and employment were implemented, such as: LEONARDO DA VINCI, SOCRATES, TEMPUS and EQUAL.

The 2000-2006 ESF’s general objective is to combat unemployment and develop human resources in order to promote a high level of employment and respond better to the expectations of tourists and the needs of the industry (CEC 1999:10). The employment-related policies of the EU have also led to significant developments in employment relationships by promoting action to combat discrimination on the basis of age, disability, race, religion and sex (McDonald 2000:208). On the other hand, social action programmes were developed from the Social Charter and have led to legislation in a number of areas such as: working time, European Works Council, posting of workers and atypical work (McDonald 2000).

DISCUSSION AND CONCLUSIONS

Tourism has by no means been a significant job generator for member states. Bearing this in mind, it is evident that EU has initiated many programmes containing a series of actionable measures which it sees as stimulating and facilitating employment. Most of these programs are not specific to any sector but constitute part of a general system of employment measures, and, as a result, they do not arise from specific tourism-related policies, but rather from mainstream policies and measures targeted at business in general (Wanhill 1996:93).

In practice, tourism interventions by the Community are spread across a wide range of activities and have failed to develop a European approach to tourism entrepreneurship as each of its members adopts a different policy. Tourism is regarded by several member states as a national/domestic responsibility, some member states are often opposed to the EU having an overall tourism competence (Markon 1999:2A) and, as a result, there has been little coordination between different member states’ tourism policies (Bland and Nevin 1994). To these ends, EU carries out only those tasks that cannot be performed effectively at member state level, and member states see themselves as competing for tourists with other member states (Markon 1999:2A). In more detail, Bland and Nevin (1994) report:

The EU’s approach to tourism policy is based on the principle of subsidiarity, that is, the EU Commission plays a subsidiary role of the governments of Member States and does not intervene in national policy making.

It is evident that employment in the EU tourism industry shares many similar characteristics to those displayed in other areas of the world. These characteristics have often led to criticism and proposals for EU policies to rectify the problems that often make tourism jobs less ‘worthy’ because they are seasonal, part-time and taken by females and migrants. However, not all these problems may actually be problems in all places and at all times and policies appropriate in one situation may not be appropriate in another.

Although in the past the Community has made many interesting proposals, some issues have to be exploited in depth. Tourism employment should be given sufficient direct emphasis in EU policies. This wider impact of tourism to employment should be taken into account in specific training and qualification requirements and, more generally in human resources policies and practices. In view of the dispersed nature of tourism interests, EU should propose specific initiatives for tourism employment, which could imply earmarking sufficient funds to support it.

The challenge for the future of tourism employment within EU is to create initiatives that meet the employment needs of tourism enterprises. Bearing in mind all the above, new and better tailored measures should be designed and solid actions should be reinforced in future EU policies that will provide tourism enterprises with solutions to their employment problems and will be in accordance to their real (rather than their imaginary) needs. Since the vast majority of tourism enterprises in EU are small, various programmes should be created to consider their needs.
To solve the employment problems affecting tourism enterprises in one or more member states, the Commission should mount a series of programmes on its own initiatives. Tourism in EU has problems in providing sustained and sustainable development on a year round basis for its entire workforce (High Level Group on Tourism and Employment 1998:17). To react to the seasonal pattern of tourism employment in EU, various policies are required.

A change of the product mix, mainly through the creation of unique products that provides all weather facilities and offers various events and festivals may contribute to these ends. Likewise, to reduce seasonality there is a need to change the customer mix, through the attraction of new market segments. For example, an increase in the number of over-fifties will help reduce the concentration of tourist activity during peak periods, and improve the staggering of the tourist season.

On the other hand, as Andriotis and Vaughan (2004) state "while higher quality jobs, or different distributions of jobs throughout the year and across different groups within the community, may be the ideal, such ideal characteristics may not match the short-term requirements or capabilities of the area". Workers will be motivated to remain employed in tourism and the high turnover will be reduced only if employees feel the working conditions are satisfactory. Increasing professionalism is a way to enhance tourism jobs in EU. Personal development and acquisition of more skills may help tourism employees to progress in their careers. Training programmes for tourism employees, entrepreneurs and managers should be of a permanent nature in order to create the necessary conditions to support the development of quality employment (CEC 2003:14).

To conclude, there is a need for increased coordination of initiatives at several levels that will allow the potential of tourism in terms of the creation of extra and better jobs. To these ends, there is a need for research towards the employment problems faced by tourism enterprises and ways to provide tourism enterprises in member states with skilled and highly educated workforce.

REFERENCES


