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# JOINT DECLARATION

On How to Overcome  
Labour and Skills Shortages  
in the Hospitality Sector



EFFAT

**Hotrec**  
Hospitality Europe

## How to Overcome Labour and Skills Shortages in the Hospitality Sector

### Executive Summary

- The *lack of skills and labour force* is strongly affecting the hospitality sector.
- In order to overcome the challenges, [EFFAT](#) and [HOTREC](#) agree that *social dialogue and collective bargaining* can be used as part of the solution, namely by:
  - Negotiating employment conditions
  - Promoting education and training
  - Providing a protective framework for the mobility of third-country migrant workers.
- Social partners count on the EU institutions and national governments to support the social partners in finding solutions to overcome these challenges.

EFFAT, the European Federation of Trade Unions in the Food, Agriculture and Tourism Sector together with HOTREC, the umbrella Association of Hotels, Restaurants and Cafés in Europe agree that **the lack of skills and workforce are amongst the main challenges facing the hospitality sector.**

The sector significantly **contributes to the EU economy**. It creates jobs and growth. It is an **inclusive sector that promotes gender balance and provides many first working experiences to the youth.**

Hospitality is composed of almost 2 million enterprises, **90%** of which are micro-sized (i.e. employing less than 10 people). The sector employs 10 million people.

In addition, **30%** of the workers in the sector are relatively unskilled, compared to **16%** in the overall economy, meaning that the sector is inclusive and welcomes people with different profiles and backgrounds in the sector.

Moreover, **19%** of the employees are aged under 25 years compared to **8%** in the overall economy. This means the sector provides young people the possibility of developing their first working experience within the sector. It also helps fight youth unemployment.

The sector also promotes gender balance: while in the overall economy **46%** of people employed are women, in the sector the figure rises to **53%**.

Nevertheless, for many years the sector has suffered from skills shortages. And, since the pandemic, the sector is also facing a severe lack of labour. On **average the sector is currently missing between 10% and 20% of the workforce** in the EU compared to 2019 levels. Sadly, during the pandemic, many workers left the sector, as recovery was uncertain.

The increase of demand right after COVID helped a rapid recovery of the sector. Yet, the economic and political context remain very volatile, with high inflation, high energy prices, and a climate of war in neighbouring EU countries creating instability and more pressure on businesses and workers.

HOTREC and EFFAT agree that labour and skills shortages have **detrimental consequences both for companies and workers.**

In the hospitality sector, workers are at the frontline, they are the most important asset, and are decisive in the success and viability of any business.

Labour shortages can weaken the economic situation of businesses, particularly smaller ones, by forcing them to change their business models (e.g. to close on certain days of the week; reduce number of hours companies are open per day). This can lead, in some cases, to business closures<sup>1</sup> and redundancies. Workers staying in the companies risk being subject to a strong workload and high pressure.

Despite the fact that this phenomena is a cross-horizontal challenge, affecting all sectors in society<sup>2</sup>, social partners in the hospitality sector are engaged to find solutions to overcome the problem.

### The Specificities of the Hospitality Sector

The sector is open 365 days a year, 24 hours to meet client's expectations. This means that many workers have to work atypical hours (including during the weekend or bank holidays). Social partners recommend companies to organise their work in a way that respects workers' availability and preferences, as well as the company's needs: some workers prefer to have full-time contracts with regular, predictable working hours, while others prefer more flexible working arrangements (e.g. students who combine their studies with work; carers and parents who prefer to have flexibility to work only few hours during the day/evening, instead of the full day). **Work-life balance should be promoted and respected, as much as possible.**

**Attractive salary and working conditions** are highly recommended by the social partners, as a way to attract and retain the workforce. This should be done by promoting and fully respecting collective bargaining at different levels and national legislation in place. But the economic sustainability of the sector needs to be ensured, in order to allow companies to have the economic capacity to propose attractive offers to their employees.

Social partners also recommend the promotion of the hospitality sector as a safe place to work, through awareness-raising, risk assessment, training, reporting and problem-solving procedures, involving social partners at national level. Any form of violence, if existent, needs to be banned and all workers and employers need to be protected.

### Skills and Occupations Mostly Needed

Some of the most relevant labour shortages in the sector include lack of waiters, kitchen staff, hotel housekeepers, receptionists. The missing skills include lack of expertise in speaking different languages, lack of interpersonal skills, lack of digital or green expertise.

EFFAT and HOTREC agree that in view of the digital and green transition, up-skilling and reskilling are key to create quality jobs.

In fact:

- The digitalisation of the sector requires, and will continue to require, new digital skills.
- Pursuing the green transition in the sector is essential for environmental sustainability. But it can also lead to the emergence of new business models, the need for additional skills or even some redundancies.

It is crucial to anticipate changes, ensuring workers' access to training, retraining and upskilling programmes, and using the **green and digital transition as an opportunity to create quality jobs.**

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<sup>1</sup> The accommodation and food services sectors recorded one of the highest increases of bankruptcy (64.5%) between Q4 2022 and Q2 2023 - SMEs and high inflation – pages 63 and 64 - [link](#).

<sup>2</sup> In Q1 2023, labour shortages were reported as a factor limiting production by 28% of employers in manufacturing and 31% in both services and construction in the EU – page 3 – [European Commission Report 2023](#).

## Solutions to Overcome the Skills and Labour Shortages

HOTREC and EFFAT agree on some of the solutions to overcome the skills and labour shortages.

Concretely, we consider that **social dialogue and collective bargaining** can be used to find common solutions to overcome labour and skills shortages, by:

1. negotiating employment conditions that meet the expectations and interests of employers and workers and promote the image of the sector;
2. promoting education and training in the sector;
3. providing a protective framework for the mobility of third country migrant workers to address labour shortages.

### 1. Social dialogue and collective bargaining on employment conditions that meet the expectations and interests of employers and workers and promote the image of the sector

Trade unions and employers' associations, knowing the situation in a sector, and being committed to fair and comprehensive negotiations, are best placed to find tailor-made solutions to pay and working conditions that meet workers' expectations, while taking into account the economic constraints facing employers.

HOTREC and EFFAT agree that **sectoral collective bargaining must be strengthened**, including capacity building for social partners in countries where collective bargaining inexistent or weaker.

In addition, the social partners call on the Member States to implement the following legislation and initiatives:

- [Directive \(EU\) 2022/2041 on adequate minimum wages in the European Union](#) which must be transposed into national law by 15 November 2024 and which aims to strengthen collective bargaining by establishing an action plan to promote collective bargaining where it is less than 80% at national level to progressively increase the rate of collective bargaining coverage.
- The [Council Recommendation on strengthening social dialogue in the EU on 12 June 2023](#) providing guidance on reinforcing social dialogue and collective bargaining at national level
- [Directive \(EU\) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union](#), especially regarding the provisions on the right of workers to more predictability in their working conditions.
- [Directive \(EU\) 2019/1158 on Work-life Balance](#) whose aim is to make it easier for workers to balance paid work and private life, including caring responsibilities.

The implementation of the aforementioned texts by the national social partners will strengthen collective bargaining and improve working conditions in the sector. Quality and stable jobs can make the sector more attractive.

These will also help to promote the sector's image, highlighting the positive skills it requires (such as language and social skills) and the opportunities it can offer in terms of international mobility and career paths.

## 2. Promoting education and training in the sector

As previously mentioned, the hospitality sector is traditionally a sector that offers jobs to young people: it plays a positive role in integrating young people into the labour market, thereby helping to reduce unemployment rates.

Nevertheless, turnover remains a challenge, and the sector has difficulty retaining experienced workers.

EFFAT and HOTREC agree that ambitious and innovative qualification and training strategies should be developed. Social partners, at national level, have a crucial role to play in close cooperation with governments and education establishments, by:

- **Implementing apprenticeships** or similar initial vocational trainings in countries where they do not exist and **promoting quality apprenticeships** in full compliance with the “[Council Recommendation on a European Framework for Quality and Effective Apprenticeships](#)”.
- Anticipating future skills needed, and promoting the right for workers to be trained, reskilled and upskilled.
- **Offering career perspective** to workers in the hospitality. This is crucial to retain experienced workforce.

EFFAT and HOTREC suggest to:

- Enhance the value of qualifications and high-quality jobs in the sector.
- Facilitate the recognition of certifications and skills within the EU, while respecting Member States competences.
- Use the green and digital transition as an opportunity to create qualified jobs and offer career prospects for workers.

In this respect, HOTREC and EFFAT share the common objective of developing tourism as a year-round economic activity, which would reduce the negative impacts of seasonality on local communities and businesses and improve the situation of the workers who prefer to work for longer periods of time (instead of working only during certain periods of the year).

## 3. Providing a protective framework for the labour mobility of third country migrant workers aimed at addressing labour shortages

As part of the European Year of Skills, the European Commission has adopted initiatives to facilitate legal immigration of third-country nationals in order to address labour shortages (e.g. EU Talent Pool).

HOTREC and EFFAT agree that, when these initiatives will be implemented, the social partners should be involved in the governance, implementation and monitoring of these initiatives. In addition, social partners should be consulted on the shortage occupation lists in the sector, both at national and EU level, in particular within the sectoral social dialogue committees. It is also important to ensure that migrant workers from third countries receive equal treatment when compared to national workers in the EU.

**In conclusion, we call on the EU institutions and national authorities to support the social partners in finding tailor-made solutions to overcome labour and skills shortages.**





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