

COMMUNICATION FROM THE COMMISSION

TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Enhancing tourism's potential for employment**Follow-up to the conclusions and recommendations of the High Level Group on Tourism and Employment**

(1999/C 178/03)

INTRODUCTION

The impulse given by the European conference on Tourism and Employment organised by the Luxembourg Presidency and by the Commission in November 1997 was the start of a renewed effort to analyse the significant contribution of tourism to meeting the key challenges facing Europe at the eve of the XXI century. Through its capacity to ensure greater cohesion among European regions, including the most peripheral areas of the Union where this activity often represents the main source of income and employment, tourism has an essential place in the integration of the economies of Europe's regions and in the enhancement of their cultural and natural resources. There are a number of important influences which will combine to provide new market opportunities for European businesses, especially SMEs, and will contribute to bringing closer European citizens and sharing their values. Among these are the phenomenon of 'demographic ageing' which profoundly change the shape of European society over the coming decades⁽¹⁾. Moreover, the introduction of the euro, the completion of the liberalisation process in transport and development of transport networks, the more efficient functioning of the Single Market, together with the rapidly growing expansion of new technologies and tools available through the information society, which will expand further the demand for new tourism-related activities and services, will facilitate citizens' mobility and contribute to a greater internationalisation of European tourist flows.

Employment is at the top of the Commission's priority actions in tourism. The priority to be given to the link between tourism and employment, in accordance with the need to mainstream employment policies at European level, reflects:

- the recognition that tourism-related activities already account for a significant proportion and a varied range of jobs in Europe, and have a clear potential as job creators (it is forecast that from the existing level of 9 million jobs, tourism can create between 2,2 and 3,3 million extra jobs by 2010 based on an annual growth rate of 1,0 to 1,5 %⁽²⁾);
- the importance of the tourism industry which is widely represented in all EU countries (about 2 million businesses, mainly SMEs generating 5,5 % of GDP, 6 % of employment and 30 % of external trade in services), as a valuable 'test-bed' for the implementation of the European employment strategy in the services sector.
- the prominent role and responsibility of public authorities, at the local, regional and national levels, and the supporting role of the European Community, in the establishment of conditions favourable to sustainable development in tourism.

The report of the High Level Group on Tourism and Employment (HGL), and the report of the European Parliament on 'Jobs for the future of Europe'⁽³⁾, confirm this analysis and emphasise the need for increased coordination of initiatives at several levels which will allow the potential of tourism in terms of the creation of extra and better jobs to be realised through balanced and sustainable development. This implies an integrated and cross-sectoral approach in relation to planning, development and operation of tourism activities with due regard to the protection and appropriate use of the natural and social environment in host areas.

⁽¹⁾ Within the next 20 years, the population above the standard retirement age of 65 will increase by 17 millions; numbers will grow further over subsequent decades. This larger group of older people will, on reaching retirement enjoy better health and longer life expectancy and greater wealth and disposable income than previous generations, contributing to further growth in tourism. Given that they will be less likely to concentrate their tourist activity in peak periods to fit in with school and workplace holidays, they can also help to iron out the seasonality of demand for tourist services.

⁽²⁾ conclusions and recommendations of the High Level Group on tourism and employment, European Commission — DG XXIII, October 1998.

⁽³⁾ European Parliament A4 — 475/98 report adopted on 9.2.1999, rapporteur MEP Thomas MANN.

This Communication, together with the conclusions and recommendations of the High Level Group, responds to the request of the Council of Ministers to focus on the link between tourism and employment⁽⁴⁾. It reflects also the desire expressed at EU level by the European Parliament, the Economic and Social Committee and the Committee of the Regions, by the Member States, and by the social partners to explore means and conditions for maximising the contribution of tourism to employment, and to encourage the implementation of positive measures to ensure that this potential will be realised.

This will contribute also to facilitate the establishment of a clear sectoral identity in the industry, which has been lacking in the past due to the fragmented nature of its components, explaining in some way why in political terms tourism has been neglected as an employment creator.

The overall assessment of the report's conclusions and recommendations, and the follow up actions proposed by the High Level Group, highlight the need for an improved and more coordinated approach at Community level in keeping with the priorities and policies of the Union and of the Member States. Such objective would be implemented by way of a measured approach consistent with resources available and guaranteeing their sound and efficient management.

1. BUILDING ON ACHIEVEMENTS

The Council of (Tourism) Ministers, at its meeting of 26 November 1997, confirmed the significant contribution which a balanced and sustainable development of European tourism can make to combating unemployment in the Member States. Acknowledging the results of the European Conference on Employment and Tourism of 4-5 November 1997, held under the auspices of the Luxembourg Presidency, the Council invited the European Commission to explore this issue further and to report back on the progress made.

The establishment, early in 1998, under the authority of the Commission and in consultation with the Member States, of the High Level Group on Tourism and Employment, and the presentation of the conclusions and recommendations of the

Group in October 1998, have concluded a first important phase of the response to the Council's request. As a result there is now available:

- a realistic assessment of job-creating potential in specific branches and activities related to tourism services;
- an analysis of the main strengths and weaknesses of the European labour market in tourism;
- a strategic review of conditions and means for boosting the competitiveness and improving the quality of employment through tourism, accompanied by practical recommendations addressed to interested parties.

The comprehensive recommendations addressed by the High Level Group in its report, aim at:

- Activating tourism businesses to meeting the needs of guests;
- Making the tourism market work better by improving the business environment;
- Modernising and improving the efficiency of tourism infrastructures;
- Up-grading human resources in tourism;
- Encouraging sustainable development of tourism.

The recommendations are addressed to:

- the social partners, and to businesses in particular;
- public authorities and tourist development and promotion offices;
- the European Union.

It is widely acknowledged that maximising the potential contribution of European tourism to growth and employment, and to sustainable development would be facilitated through granting greater recognition to the importance of the industry, and through a greater integration of relevant Community policies. This would lead to:

- facilitating the integration of legitimate tourism concerns at various levels of decision making;
- encouraging the process of modernisation of tourism-related services and the development of a new entrepreneurial culture in tourism, leading to a more competitive industry capable of maintaining its place in the face of strong competition from destinations outside Europe.

⁽⁴⁾ Council of (Tourism) Ministers of 26.11.1997.

2. BUILDING ON INFORMATION AND BEST-PRACTICE IN A EUROPEAN FRAMEWORK

The immediate publication of the report in all EU official languages and its wide dissemination by the Commission opened a second phase of action designed to encourage public authorities, professional associations and tourism businesses to consider the problems raised in terms of their own experiences, and implement practical measures accordingly.

This process has started already in most Member States and in Members of the EEA, as indicated at the special meeting of the Tourism Advisory Committee held in Berlin on 10 March 1999. On that occasion, Member States' representatives warmly welcomed the HLG report which was considered valuable, and, *inter alia*, as contributing to raising the recognition of the importance of tourism.

Initiatives taken by Member States in relation to issues raised by the High Level Group show a convergence of views on enhancing the competitiveness of European tourism in the interest of growth and employment. There is a general recognition also that this common goal could be better reached by improving the exchange of information and by developing greater synergies among the wide range of national and

Community initiatives which are being taken in relation to tourism.

The impulse given by the Commission to the question of tourism and employment, has contributed to improving analysis and raising awareness of necessary measures. It confirms the value of widespread consultation and cooperation on the conclusions and recommendations of the High Level Group, and highlights the need for an effective follow-up by means of coherent long-term strategy.

The proposals of the HGL call for a combined effort consisting of:

- the development of adequate framework conditions, supporting tools and greater exploitation of the opportunities opened by Community programmes relevant to tourism;
- the recognition that balanced and sustainable tourism policies, as part of an integrated policy approach, can make tourism an additional key element in meeting Europe's major policy objectives, leading to the integration of tourism into structural reforms, and to the consideration of tourism in the framework of the European policy guidance on employment:

The strategy should address the three main problem areas which emerge clearly from the overall assessment of the Group's recommendations, namely:

- the need for better knowledge, know-how and expertise in tourism;
- improving information on, and access to targeted Community initiatives and programmes of interest to tourism;
- greater exchange of information on development initiatives and on legislative measures affecting tourism, taken by public authorities in the Member States.

In practical terms the main elements of such a strategy might include the following:

- A Multiannual Tourism (framework) Programme as in the compromise proposed to the Council of Ministers by the Austrian Presidency following the Commission's proposal, and which would allow the establishment of the main operational tools required:

It is recalled that the compromise by the Austrian Presidency includes: i) pooling and disseminating quantitative and qualitative information, including best practice; ii) developing user-friendly information tools on

Community programmes and initiatives of interest to tourism; iii) developing a structured platform of consultation and cooperation with public authorities, the tourism industry and other interested parties.

- Policy guidelines proposed by the Commission and the Member States, with the candidate countries being invited to participate actively in the work.
- The future Commission may wish to consider the opportunity to review the existing arrangements for ad hoc consultation involving some 40 different European organisations and create a single new European Tourism Advisory

Board. The Board, which could advise the Commission on developments in European tourism, could be representative of major stakeholders and could include decision-takers of stature in the private and the public sectors. This could allow also the practice of utilising the best available expertise to explore key issues of importance to tourism being better exploited as part of a coherent approach to achieve targeted priorities ⁽⁵⁾.

- The mutual consultation and cooperation with other international organisations active in tourism development such as the OECD, Council of Europe, UNESCO, world Tourism Organisation, could be developed in order to ensure greater synergies among individual initiatives and to promote EU achievements in this field ⁽⁶⁾.

Essentially the approach outlined has its basis in a 'knowledge driven' European tourism strategy which would encourage businesses, public authorities and other interested parties to better exploit existing information, acquire and develop know-how, develop new processes, and learn from best practices.

3. ENHANCING THE CONTRIBUTION OF TOURISM TO THE EUROPEAN EMPLOYMENT STRATEGY

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 ⁽⁷⁾ 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 where the EU is lagging far behind the US.

The report of the High Level Group on Tourism and Employment demonstrates why tourism could be a valuable partner, and the conditions under which it would be possible to develop fully its contribution to growth and employment. The report shows also that part of the tourism industry itself is increasingly sensitive to social and environmental concerns, and that leading representatives of the industry, some of whom have already taken individual commitments are ready to take an active part in developing employment opportunities and to cooperate in a sustained Community effort in that direction.

Recent trends in growth and employment ⁽⁸⁾ confirm the findings of the High Level Group in relation to the potential of tourism in addressing the four key elements at the basis of the European employment strategy, namely developing entrepreneurship, improving employability, encouraging adaptability, and strengthening equal opportunities ⁽⁹⁾.

The impact of tourism on employment should be seen also in relation to the general liberalisation of inbound and outbound tourism for EU Member States and to the fact that no major third countries still restrict the movement of people and their spending abroad on the basis of commitments taken under the General Agreement on Trade in Services (GATS) ⁽¹⁰⁾. The level of commitments undertaken regarding the tourism sector is far greater than any other sector, in the case of nearly all countries concerned (114 Members at March 1999), and the priority is now focussed on implementation. This clearly indicates the intention of most WTO Member States to expand their

⁽⁵⁾ The appropriateness of such an approach is confirmed by the positive experiences made for example in the context of the fight against child sex tourism, of urban tourism, of tourism and employment, of quality in tourism destinations, of tourism and the Euro.

⁽⁶⁾ The important results and ongoing work of the European Community in various aspects of tourism policy, for example in relation to the development of harmonised tourism statistics, to the integration of sustainable development principles in tourism, to the relation between culture and tourism, to the fight against child sex tourism, have provided relevant input to the activities of these organisations which have the opportunity to build on EU achievements for further developments among their members.

⁽⁷⁾ Community policies in support of Employment, COM(1999) 167 final of 21.4.1999.

⁽⁸⁾ According to the European Labour Force Survey, about 300 000 new jobs have been created in Europe between 1995 and 1997 in hotel and restaurant activities. Growth in this branch of tourism was more than 5 % on average, with the highest rate in Europe being realised in Germany and Austria (both 11 %). This increase in employment is directly linked to the steady growth of tourist flows and travel receipts in Europe. As confirmation of the faster growth rate of international tourism compared to domestic tourism, the first six months of 1998 indicated a growth of inbound tourism of 3 % while domestic flows increased by 0.4 %. In April 1998 inbound tourism grew reached a peak and non-resident flows grew as much as 12.4 % compared to April 1997. EU tourism receipts grew by 8.9 % during the first six months of 1998 compared to 1997 (Eurostat, Statistics in Focus, Tourism 05/1999).

⁽⁹⁾ See in particular, Joint employment report 1998, adopted by the Council on 3 December 1998; Employment rates report 1998, COM(1998) 572.

⁽¹⁰⁾ For practical information on GATS, see: European Commission, 'GATS 2000 — opening markets for services', Luxembourg, 1998.

tourism activities and increase inward direct foreign investment as part of their efforts to promote economic growth. The Commission is currently in the process of developing an inventory of priority countries and market access barriers which should be dismantled. At the same time, it is necessary to generate and maintain the broad support for an open world economy that has enabled rapid growth in so many parts of the world in recent decades. In this respect, the further liberalisation of tourism and travel-related services has an important role to play.

While tourism could be regarded as a partner ideally placed to contribute to this process, its contribution to employment has rarely been fully explored or fully considered in all its dimensions. This is all the more unfortunate in that tourism has the merit of being spread over a wide range of economic activities in every region of Europe and involves a substantial investment in human capital. The fact that tourism is a fragmented industry made up of a large number of small businesses and does not therefore benefit from a clear sectoral identity goes some way to explain why it tends to be neglected as an employment creator.

There are several reasons why tourism could be an effective partner in the development of a European employment policy, namely:

- the favourable current and forecast prospects for growth in tourist demand, encouraging the development of new businesses, new products and services, and new jobs, notably in relation to the integration of environmental concerns into tourism development practices;
- the nature and structure of tourism businesses, their widespread presence throughout Europe, the easy access to the market for newcomers, and the prospects for creating new niche markets, encouraging new business activity;
- the fact that tourism is part of the next round of services negotiations in the year 2000, which should extend liberalisation world-wide, creating new trade and investment opportunities;
- the wide range of activities which come together to satisfy tourist consumption are an integral part of the economic, social and administrative fabric at local, national and European levels;
- the flexible work environment in tourism services facilitating the access of young people and particularly women to the labour market, and the opportunity for ensuring continuous training.

The favourable combination of demand driven opportunities and of structural conditions in the European tourism industry could encourage Member States:

- to focus on horizontal actions relevant to tourism in the measures to be taken under the National Employment Action Plans (NAPs);
- to include specific tourism related measures boosting entrepreneurship potential in young people and particularly women.

4. REINFORCING SYNERGIES TO BETTER EXPLOIT EU OPPORTUNITIES

The European Community already makes a substantial contribution to tourism development in the Member States under a wide range of programmes and initiatives undertaken in many policy areas ⁽¹¹⁾. In budgetary terms, this contribution is most evident through the structural funds with 4,7 billion euro provided via the ERDF for the programming period 1994-1999 ⁽¹²⁾. This is a clear sign of the importance of tourism as a driving force in economic activity in many areas across the Community, including rural areas and those affected by industrial decline. In order to ensure optimum results from the substantial funding provided, it is essential to ensure the integration of sustainable tourism strategies into a wider economic development perspective.

This process could be helped by a coherent Community framework for consultation and cooperation in tourism allowing for the identification and dissemination of information and best-practice. The aim should be to assure an integrated approach and partnership, notably in programming methods for the plans to be drawn up by Member States for the period 2000-2006 ⁽¹³⁾.

In some respects certain recommendations in the HLG report anticipate recent developments in important Community policy areas, for example, in the fifth RTD framework programme

⁽¹¹⁾ Report from the Commission to the Council on Community measures affecting tourism (1995/96), COM(97) 332 of 2.7.1997.

⁽¹²⁾ For an overview about the implementation of structural funds regulations, see ninth Annual report on Structural Funds in 1997, OPOCE, 1999.

⁽¹³⁾ See in particular 'The structural funds and their coordination with the cohesion fund — Draft Guidance for programmes in the period 2000-2006', Working paper of the Commission SEC(1999) 103 of 3.2.1999. See also, Cardiff II report on structural reforms, COM(1999) 61.

which identifies tourism as an eligible sector⁽¹⁴⁾ Tourism businesses and activities are undergoing an important structural change in the way tourism products and services will be produced, distributed, aggregated/marketed and sold. The information society will offer the opportunity to the tourist industry to further network and increase its competitiveness through making known more widely the tourist offer, and by providing an additional tool for better management based on more rapid receipt and processing of essential market and support information. New important opportunities. The challenges and opportunities for the integration of information society facilities have an even greater relevance for tourism SMEs. The incorporation of IST tools into their working methods, early investment in the necessary equipment and in better training will lead to more and better jobs, higher profitability, and more opportunities for the exploitation of niche markets.

Other Community policy areas of importance to the further development of a sustainable tourism in Europe are already under review, such as the fifth Environment programme⁽¹⁵⁾.

The recent agreement on AGENDA 2000 at the European Council⁽¹⁶⁾, in addition to establishing a new financial framework, includes policy reforms in a number of important areas which will create new opportunities for exploiting the potential of tourism in the achievement of major Community objectives. Among these are the new arrangements for the Structural Funds, including Community initiatives and innovative actions, the Cohesion Fund, as well as the reform of the Common Agricultural Policy which brings an increased emphasis on rural development in which the Community Initiative, LEADER, and other possibilities for diversification in agriculture will have an essential role. Furthermore, sustainable agriculture can contribute significantly to maintaining the cultural and natural landscape as well as the biodiversity and habitats that make Europe's rural areas attractive to tourists. In the context also of AGENDA 2000 tourism could make an important contribution to a successful enlargement; judicious use of Community instruments available in the case of the candidate countries

could lead to further growth and development of their tourist industries on the basis of sustainability and quality. The development in those countries of tourist services in accordance with the concerns of the local population and the integration of environmental principles will increase their attractiveness for tourists from the Community, thereby generating increased revenues and investment, and could therefore help to increase contacts and develop relationships between our respective peoples.

Important opportunities for tourism will arise also with the introduction of the single currency. At the same time, tourism will provide visible evidence of the practical advantages flowing from the introduction of the euro which will lead to greater price transparency and savings for tourists. The single currency will stimulate further intra-European tourist flows and visitors from third countries to Europe, notably by providing an additional means of promotion of Europe as a tourist destination. It is evident that a large number of European consumers are likely to have their first real contact with the euro during their holidays. In this context, the Commission Communication on the information strategy for the euro referred to tourism as a particularly interesting sector for the introduction of the euro and indicated that businesses operating in this area can very usefully contribute to the information on the practical and specific aspects of the euro⁽¹⁷⁾. As potential first users of the euro, tourism operators have also to prepare themselves for the single currency earlier than other sectors, and the Commission will remain attentive to ensuring that the industry is fully prepared for the smooth take up of the euro⁽¹⁸⁾.

Likewise in the development of actions in the field of commerce with which tourism remains closely linked, the Commission will seek to ensure maximum synergies in the measures to be taken⁽¹⁹⁾.

Many operational recommendations put forward in the report of the High Level Group could be implemented by more effective integration of tourism requirements in existing Community policies, programmes and initiatives. The following indications illustrate how the recommendations put forward by the Group could be followed up on the basis of the opportunities provided by Community instruments. They are regrouped by main domain of activity and in relation to the type of action involved.

⁽¹⁴⁾ Decision No 182/1999/EC of the European Parliament and of the Council (OJ L 26, 1.2.1999, p. 1).

⁽¹⁵⁾ According to the fifth EAP and the progress report and action plan of 1997, the following priority actions are indicated:

- integration of environmental considerations right from the start into tourism policy at the most appropriate level, integrated land-use planning, stricter control measures on land-use;
- a framework for protection of sensitive areas as desired by Member States, in particular for sensitive areas in the Mediterranean, Baltic, the Alps and coastal zones;
- information for tourists, involving better information on the state of the environment, promotion of new forms of tourism which care for the environment, careful selection of accommodation, awareness building etc.;
- management of tourists' flows to respect the carrying capacity of tourist sites and implementation of appropriate measures to manage tourist flows to the lasting benefit of the sector and the environment.

⁽¹⁶⁾ European Council Berlin, 24/25 March 1999, Presidency conclusions SN 100/99.

⁽¹⁷⁾ Commission Communication on the information strategy on the euro, COM(1998) 39 of 23.1.1998.

⁽¹⁸⁾ Within this framework the Commission has carried out the work of an industry-based 'working party on the euro and tourism', and a European conference involving representatives of the major payment schemes.

⁽¹⁹⁾ For example, the Commission recently adopted a White Paper on Commerce which includes actions on commerce and tourism, COM(1999) 6 final of 27.1.1999

4.1. Improving the competitiveness of European tourism through innovative information tools

The establishment of an on-line European Observatory Network on Tourism ('EurONeT') could contribute to fulfilling the existing gap in knowledge on tourism at the European level by linking together proven sources of information through exploiting facilities provided by new technologies. Designed to be a 'one-stop-information-shop' this system could become a unique user-friendly support for decision-takers in tourism.

In relation to quantitative information — on tourist markets, business structure, demography and performance, on employment trends, on environment indicators — the system could benefit from the progressive development of information from existing European statistical systems and from national tourism organisations wishing to be part of the network.

In relation to qualitative information, the system could cover directly and via links with existing relevant EU information systems, specific sections on:

Best-practices and innovative processes

- start-up of business, tourism product development, planning, management and marketing;
- information technology applications and facilities;
- the integration of sustainable development principles and techniques, including labelling and environmental management systems;
- training and human resources management.

Community programmes and initiatives relevant for tourism

- regulatory measures;
- financial support measures.

Research and documentation institutes in tourism

Studies undertaken at the Community level in relation to tourism

The information made available by the system, regularly up-dated, would be the basis for the preparation of a report on the competitiveness of European tourism, as recommended by the High Level Group. This report could be of support to public authorities, the tourism industry and other interested parties for setting up measures which integrate the use of

benchmarking methodology as an instrument for improving the competitiveness of European tourism.

4.2. Tourism in EU enterprise policy networks

The enhancement of the role and the improvement of the performance of EU enterprise policy networks such as 'Euro Info Centres', (EICs), already well established throughout Europe and in some partner countries would contribute to improving the business environment and facilitate the access and use of opportunities provided by the Community. Over and above the issue of the network giving easier access to information and EU programmes, they also have a network effect by working together and giving information on local market conditions and opportunities. In areas particularly concerned by tourism development, the Commission could investigate the willingness of the partner networks to develop targeted services of assistance for tourism businesses and public authorities. This can be explored during the networks promotion campaign currently run by the Commission Services, primarily in the Member States. This could lead to the identification, on an experimental basis, of Tourism Advisory experts in the EIC host organisations in the Member States.

This initiative could possibly be developed under the existing and future Multiannual Programme on SMEs.

4.3. Employment, labour market conditions and training in tourism

The development of regulatory provisions and of supporting instruments designed to meet the need for a more employment friendly environment from which tourism could benefit concerns in particular: taxation, labour-market transparency, transnational recognition of qualifications and training, social dialogue between tourism industry partners.

In relation to taxation, since 1993⁽²⁰⁾ the European Commission has drawn the attention of the Member States to the need to reduce the tax burden on labour. The Commission has recently presented to the Council a proposal for a Directive allowing those Member States which so wish to apply a reduced VAT rate on certain labour-intensive services for an experimental period⁽²¹⁾. The services concerned must satisfy specific requirements. Insofar as tourism services would meet these conditions, they might also benefit from the experiment. This measure should contribute to exploiting the large potential for job creation in businesses offering local services, and could also help to reintegrate into the tax

⁽²⁰⁾ White Paper on Growth, Competitiveness, Employment, December 1993 — Chapter IX.

⁽²¹⁾ Proposal of Council Directive COM(1999) 62 of 17.2.1999.

system some businesses which have drifted into the black economy. The increasing awareness of the need for greater coordination between Member States is in line with the concerns expressed by the tourism industry, and this approach may continue to be promoted by the Commission.

In order to improve labour market transparency and greater recognition of education, training and work experiences in tourism at the European level, the Commission could, in accordance with decisions already taken, promote in particular:

- more extensive use of the European employment network (EURES) and the provision of targeted assistance to tourism businesses and job-seekers which could facilitate the matching between demand and supply of tourism jobs, and improve workers mobility;
- full implementation of the Directives for mutual recognition of professional qualifications acquired in EU Member States, and implementation of the Commission's initiative on the adoption of the 'EUROPASS Training'. This could promote mobility in work-linked training, including apprenticeship, and will allow for greater transparency and visibility to qualifications and experience acquired during work-linked training abroad ⁽²²⁾.
- more effective use, in tourism-related activities, of the European Social Fund, as the main EU financial tool for developing human resources and improving the functioning of the labour market. In the forthcoming programming period (2000—2006) the general objective of the ESF will be to prevent and combat unemployment and to develop human resources in order to promote a high level of employment. The National Action Plan for Employment (NAP), as required by the European Employment Strategy, with their priorities 'Employability', 'Entrepreneurship', 'Adaptability' and 'Equal opportunities' will serve as the overall framework for the ESF measures mainly to promote active labour market policies and to improve the access to the labour market. In the case of structures and systems, while respecting the competition rules, incentives could be provided to improve the quality of training and the efficiency of employment services, to develop closer links between the world of work and education and training institutes, to foster systems for forward planning and for anticipating changing employment and skills needs, in particular in the case of new forms of work organisation. This will be an important element in creating sustained employment in tourism, as it will enhance the attractiveness of jobs in tourism and ensure high quality services. Furthermore, the capacity of tourism for integrating unem-

ployed people in a wide range of jobs could be better exploited through greater investments in training at different levels of qualification, and through measures for the up-grading of skills in order to better meet the expanding needs of the industry.

In the field of transnational cooperation in education and training, the results of ongoing evaluation of the results achieved within the 'Leonardo da Vinci' programme could be taken into account for improving access tourism-related activities in the implementation of the next phase of the programme, (2000-2006), due to be adopted by the Council and by the European Parliament during 1999.

- moreover, the Guidelines for the Structural Funds in the period 2000—2006 ⁽²³⁾ recommend that Structural Funds plans should consider 'upgrading skills and professional profiles in order to respond better to the expectations of tourists and the needs of the industry'.

The improvement of consultation and dialogue between the social partners in tourism, could continue to be a key priority in the Commission's work. An important contribution from the social dialogue process has been given by the recent framework agreement on fixed term work, which has a direct impact on seasonal activities, such as tourism. Building on the progress made in this respect in the 'Horeca' (Hotel and Restaurant sector) and while promoting further developments in this sector, the Commission could investigate the willingness of other branches of tourism to launch a similar platform of dialogue at the European level ⁽²⁴⁾.

4.4. Tourism related infrastructures

The positive impact on tourism flows of the liberalisation process in transport which has been boosted by Community initiatives will require continual efforts to ensure more efficient and sustainable infrastructures. Further advantages could be gained, *inter alia*, in terms of traffic de-congestion through ensuring a greater inter-operability of transport systems, notably in tourist destinations.

The Commission is conscious of the increasing impact of efficient transport and new technology infrastructures on the competitiveness of European tourism. It has recognised the need for measures designed to meet concerns similar to

⁽²²⁾ Council Decision 1999/51/EC (OJ L 17 of 22.1.1999, p. 45).

⁽²³⁾ SEK(1999) 103 final of 3.2.1999.

⁽²⁴⁾ COM(1998) 322 of 20.5.1998.

those expressed by the HLG, under the guidelines adopted for the future programming period of the Structural Funds, and in implementing measures under way following the recent adoption of the fifth RTD Framework Programme.

In particular, tourism will benefit from the implementation of actions planned under the fifth RTD programme designed to contribute to the emergence of high quality, personalised services for European citizens, and to develop innovative technological applications and standardisation measures will enable the tourist industry, especially SMEs, to invest in information and telecommunication system solutions. The outcome of the projects should contribute essentially to the competitiveness of the European tourism industry. To define targeted specific research actions the Commission is seeking the views of the tourism industry concerning their real research needs. For this purpose a web site has been set up with the aim of inviting experts in the area of tourism and IT to participate in a virtual discussion forum. This will also give the opportunity to promote information society technologies in tourism. In addition to the discussion forum, a database with key players in tourism and IST (including the private and the public sector) will be set up, which could be used as a means to identify partners to exchange best practices or to develop joint ventures with regard to business or projects. The fifth Community framework programme will provide a particular opportunity for the integration of cultural heritage into the urban setting. By enhancing the opportunities opened by cultural heritage for tourism, the aim will be to develop tools, methodologies and models which would assist decisionmakers on issues linked to accessibility and sustainability, and to exploitation of cultural heritage.

Sustainable transport has a fundamental role in promoting growth and employment in the tourism industry. European transport infrastructure, particularly in economically underdeveloped and in peripheral regions, has benefited from substantial investments by the European Structural Funds (notably the European Regional Development Fund (ERDF)) and the Cohesion Fund. The ERDF has allocated 13,7 billion euro to transport investment in less-developed regions over the period 1994-1999 and the Cohesion Fund has allocated more than 5 billion euro between 1993 and 1999 for the development of key trans-European transport links.

Implementation by the Member States of the 'Trans-European Transport Network' initiative and on-going discussions on the establishment of a European air traffic control system will continue to be encouraged. Furthermore, the Commission could support efforts to be undertaken by Member States and their regions with a view to additional or improved public transport infrastructure providing attractive environmentally-friendly access to tourist destinations located in good reach from the main railway links. Major achievements in developing transport infrastructures at the international level

and at the regional level in various Member States, have directly contributed to facilitating access to traditional tourist destinations and created new opportunities in other areas. The completion of liberalisation of the European air transport market has provided tourism transport with new opportunities, whilst maintaining and enhancing employment prospects in the air transport sector. It is particularly important for the success of the tourism industry to match the forecast growth in European air traffic with sustainable and congestion-free travel.

The Commission could encourage also greater consultation and cooperation among the parties concerned (tour operators and travel agencies, airport and public authorities in main tourist destinations, airline companies) in order to reduce the pressures generated by tourist flows in peak-season and at peak-times.

4.5. Sustainable development and quality standards

The Commission is already committed to encouraging and supporting the full integration of environmental concerns into tourism development planning and practices, including the use of indicators for sustainable tourism and the integration of environmental criteria into management practices of tourism enterprises and schemes for tourism destinations.

Building on the results of the wide range of actions undertaken in this area as part of its sustainable development strategy, and, with a view to mainstreaming this approach throughout all Community policies, the Commission may especially encourage initiatives which will introduce environmentally friendly practices in tourism, notably by SMEs including instruments and schemes for identification and dissemination of best practice.

Regarding the environmental impact assessment of tourism projects, the Commission pays full attention to the correct implementation by Member States of the relevant provisions of the European Community legislation and urges the respect of a similar approach in EU partner countries. In the context of the Trans-European Cooperation Initiative under the Community Structural Funds, the Commission could investigate the feasibility and the interest of relevant authorities in the Member States in launching a revitalisation programme for tourist destinations in decline and affected by mass tourism, and by the degradation of environmental assets arising from ill-conceived tourism investments in the past. Preliminary work in that context has been initiated in 1999.

Relevant information on carrying capacities in urban tourist destinations will be provided by the recently launched ARTIST project (Agenda for Research on Tourism by Inte-

gration of Statistics and Strategies for Transport), financed under the 'Transport RTD Programme' of the Community's Research and Development Framework Programme. It is one of the Community research project on transport and tourism and its key objectives include analysing and reviewing existing visitor management practices, especially in European cities with large tourism flows. It will be carried out over the next 12 months, followed by dissemination of the results.

Attention should also be paid to sustainable development of tourism in rural areas. The Commission Communication on 'Directions towards sustainable agriculture' ⁽²⁵⁾ underlines the potential of tourism to achieving diversification of economic activities, in particular where the agriculture sector is declining. Such a development requires a sustainable and integrated approach to meet the tourists demand for quality, to improve benefits for local businesses and communities and to preserve the natural heritage (landscape and biodiversity) as well as the cultural heritage (architecture, handicrafts and traditions).

The low level of use and dissemination of quality management techniques and strategies are major weaknesses affecting the competitiveness of the tourist industry. In relation to enterprises, existing actions and schemes developed on a voluntary basis within the framework of the quality policy and initiatives supported by the Commission can provide valuable means for addressing this issue. The wide dissemination and implementation of results of specific studies undertaken by the European Commission in relation to integrated quality management in coastal, urban and rural tourist destinations, will encourage further progress in this area.

5. ENSURING THE EFFECTIVENESS OF COOPERATION

The indications given above have identified measures which could be envisaged by way of an initial response to the recommendations of the HLG. Implementation of many of these measures will allow tourism to play its role in the attainment of important Community policy objectives. However, past experience, including evaluation of Community measures relating to tourism has shown a serious risk of overlapping and redundancy, which tends to diminish the effectiveness of the efforts of the Community and of Member States. Such risks could be substantially eliminated through a strategy framework which would ensure more coherence and greater transparency at all levels.

This would help to:

- better determine policy priorities;
- bring greater cost-effectiveness to the Community contribution to improving the competitiveness of European tourism;

- facilitate the identification and the removal of barriers to tourism development.

The successful exercise of the present mandate, under which the relevant Service of the Commission responsible for tourism is charged with the task of coordination of all Community measures affecting tourism, must overcome a number of challenges. Among these are:

- the wide scope of the actions concerned, not all of which can be readily identified by the Commission services as having an impact on tourism (for example in national or regional programmes of tourism development);
- rapid developments in the market, which require a constant flow of quality information to the Commission Services;
- the need to focus on relevant issues in integrating common tourism concerns into Community instruments;
- the ability to communicate essential information on Community initiatives to qualified interested parties and to raise their awareness and involvement;
- the difficulty in making the case for exploiting the potential of tourism in a situation of uncertainty as regards its place in Community priorities.

These challenges require that the Commission's administrative structure charged with responsibility for tourism should focus more on the information, cooperation, and partnership functions, leaving pilot actions, where appropriate, to initiatives taken under other relevant Community policies and programmes. Such initiatives could be encouraged, under the implementation of measures planned under horizontal Community instruments, in particular on employment, education and training, enterprise policy, Research and Development policy, environment and statistics. It is essential, however, that the integration of priority tourism issues into other Community policies and programmes should not be undermined by the absence of good advice and expertise; this problem could be avoided through the implementation of the specific tools mentioned in chapter 2, designed to ensure that high quality, up-to-date information, is made available in a systematic way.

6. CONCLUDING REMARKS

The expectations that the report of the High Level Group has created at the level of the European Institutions, the Member States and the industry emphasise the need for ensuring an effective Community contribution to the development of European tourism.

⁽²⁵⁾ Communication on sustainable agriculture, Com(1999) 22 of 27.1.1999.

A more effective approach at Community level will require, on the one hand, rationalisation of means, simplification of procedures, and consolidation and assessment of achievements, and on the other hand better consultation, cooperation and partnership.

Most of the elements forming part of that approach are common to the Community's strategy on tourism in the context of cooperation with partner countries. In that context, as regards developing countries, the Council of (Development) Ministers ⁽²⁶⁾ has recently fully endorsed the European Community strategy proposed by the Commission.

Despite the clear analysis showing the economic and social impact and potential of tourism, together with its increasing internationalisation, the lack of a shared vision among European countries on tourism development, and the absence of political recognition for the role and place of tourism in Europe's construction makes for lost opportunities in terms of exploiting the potential of the sector. This is all the more unfortunate having regard to the increasing interest shown by EU candidate and partner countries in EU guidance and

assistance in tourism, and the process of convergence and cooperation being established with these countries in the field of tourism. This situation underlines the need for a clear vision of the conditions under which the players at all levels in European tourism can make a worthwhile input to facilitating sustainable development of the industry, including SMEs, through partnership and cooperation, and an indication of what the Community can bring to that process.

In its concluding remarks the High Level Group sets out the arguments and outlines the conditions which would allow tourism to achieve the recognition 'European tourism deserves as a leading player'.

The need now is for the development of an innovative strategy for ensuring that all the stake holders, whatever their level of responsibility, will be able to make their respective contributions through a system which would allow for open discussion on common objectives, the exchange of knowledge, encouragement of innovation, and greater transparency and quality in planning and legislation.

The foregoing analysis underlines:

- the appropriateness of the conclusions of the High Level Group in relation to the conditions for maximising the contribution of tourism to growth and employment, and to sustainable development, the importance for Member States to continue the examination of the Group's conclusions, and to include them in national strategies, where appropriate, in accordance with their tourism policy priorities;
- the need for improved framework at Community level bringing greater effectiveness to Community actions in the field of tourism.

It will be for the future Commission to consider the opportunity to examine progress made towards the implementation of the High Level Group's conclusions and recommendations on the occasion of the First European Summit on Tourism in the year 2000.

⁽²⁶⁾ Communication from the Commission to the Council and the European Parliament on a European Community strategy to support the development of sustainable tourism in the developing countries, COM(1998) 563 of 14.10.1998, and conclusions of the (Development) Council of 30 November 1998, (PV13536/98 of 13 January 1999, Annex II).