



## **"Back on track" – S&D policy paper on the recovery of tourism**

Travel restrictions caused by the outbreak of the coronavirus pandemic have severely affected the tourism industry<sup>1</sup>, an industry which directly and indirectly employs 27 million people, thus contributing by 10.3% to the European GDP. Moreover, the tourism and travel sector plays a key role in leveraging efforts to preserve and promote the natural and cultural heritage of Europe. A major economic player in of the EU economy, the sector is posed to suffer in the years to come, with the European Commission predicting the most radical and significant decline of the EU's GDP since the foundation of the ESCS (European Coal and Steel Community). While almost all sectors are affected in a profound way, the tourism and travel sectors have virtually come to a standstill. The situation has brought many companies to the brink of financial and economic collapse. It has left millions of passengers and consumers in uncertainty, left wondering whether they will be able to claim reimbursement for their cancelled travel or when and whether they will be able to go on holiday or visit their friends and family. Workers have lost their jobs with no foreseeable means of income<sup>2</sup>. The entire value chain of tourism industry is under distress. Tour operators, accommodation, the catering and restaurant industry, transport services, tourist's guides, the exhibition sector as well as the recreational industry are only some of the branches in need of EU support. At the same time, the sector should also contribute to achieving the transition of the Union towards climate neutrality by 2050 at the latest and reversing biodiversity loss and degradation of the environment.

Therefore a vision and a comprehensive strategy for the tourism sector is urgently needed – not solely for the recovery of the different branches of the industry, but a vision for the future of the tourism and travel sector as a whole. In our view, three steps are necessary to help the sector to become solid again: firstly, guarantee immediate access to liquidity and support businesses and consumers in the challenging initial phase; secondly lay out concrete plans for the recovery period; and thirdly, devise a long-term future strategy that goes beyond the Covid-19 crisis, setting the foundations for a new smart, modern and sustainable EU tourism and travel sector.

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<sup>1</sup> Definition of "Tourism industry": The tourism sector, is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called tourism industries because visitor acquisition represents such a significant share of their supply that, in the absence of visitors, their production of these would cease to exist in meaningful quantity (UNWorld Tourism Organisation <https://www.unwto.org/glossary-tourism-terms>)

Being a global industry, measures are most effective when the needs and the specificities of Member States are taken into consideration and transformed into a coordinated strategy at EU level. Therefore we need to synchronise action at European level and support Member States in their efforts to stabilise a sector which plays a profound role in the European economy. European citizens need to trust that it is safe to resume travel and that their rights will be protected. After all, the tourism and travel industry is the “**industry of peace**”, greatly contributing and promoting dialogue and mutual understanding among the citizens of Member States. Therefore it is essential to put tourism back on track in Europe as well as on a global level.

## **I - Managing the crisis and mitigating the impact**

### **Protecting all workers in the sector**

As S&D, we call for a **European framework for workers** in the whole value chain of the tourism industry, to be prepared in close dialogue with social partners and covering all types of workers.

The tourism industry and adjacent sectors play a huge role in the European labour market and have faced a major blow due to the COVID-19 crisis. Seasonal work and atypical contracts are characteristic for the different branches of the tourism industry, a custom which puts workers in an especially vulnerable position. Therefore decent working conditions as well as access to social protection are needed along the whole value chain of the tourism and travel industry and for all workers, disregarding their type of contract, their status and the size of their company. In particular, the situation of precarious workers, cross-border workers, posted and seasonal workers, as well as solo self-employed must be significantly improved, while also taking into account the situation of cooperatives and family businesses and micro, small and medium sized businesses.

As an immediate measure, **we call for the SURE-mechanism (European instrument for temporary Support to mitigate Unemployment Risks in an Emergency) to be implemented as quickly as possible** to ensure that Member States have the financial means to support and protect employees and self-employed workers' needs. We call for the mechanism to cover all workers in the tourism industry, including those with non-standard forms of employment, as they are so far widely excluded from short-term arrangements or other forms of state wage compensation schemes. Furthermore, we believe that decent working and employment conditions as well as upskilling of workers is essential in order to generate higher-end tourism in the future, leading to an improvement in wages and in better qualification of the workforce.

### **Supporting the economy, especially SMEs and the local level**

The COVID-19 crisis has caused an unrepresented economic crisis worldwide. Among the most hit is the tourism and travel sector. Due to the particularities of the tourism and travel

sector, we need mechanisms which are flexible enough to operate at the local level whilst being able to pool resources and support their selves at the European scale.

As S&D we are calling for the development of **Crisis Management Mechanism (hereafter CMM)** for the tourism and travel sector, with concrete short and medium term measures in order to answer to the needs of the tourism industry, especially SMEs, workers and consumers. The CMM should adopt Action Plans, developed by experts representing all branches of the sector, helping Member States to implement pre-emptive policies and facilitate an EU wide response to different possible future crisis in the sector - may it be a pandemic, the bankruptcy of a travel group (such as the Thomas Cook - case) or the repatriation of EU citizens stranded on vacation abroad.

The tourism and travel sector consist on the one hand of big companies, many facilitating crucial infrastructure (e.g. airlines, hotel chains) and providing thousands of jobs. On the other hand, small and micro sized enterprises, including start-ups, often family run, are typical for the industry. Many of these companies, regardless of their size, are on the edge of bankruptcy. As SMEs compose 90% of the businesses in the European tourism and travel sector, the CMM should focus in particular on SMEs. The regional and local level should be well involved in this procedure, with special attention and assistance going to regions and cities heavily dependent on tourism and particular consideration of the situation of remote and rural areas as well as islands. In order to be successfully implemented, the CMM should build on well-structured institutional cooperation with all interested regional actors - the Committee of Regions (CoR) as well as regional representations and professional and local authorities' representatives. Furthermore, the CMM should have permanent offices, which could be integrated into existing structures geared towards assisting enterprises doing business cross-border within the Union. This would ensure easy access to finance for SMEs in case of future crisis and helping business owners navigate the complexities of EU bureaucracy.

We welcome the CRII (Coronavirus Response Investment Initiative) initiated by the Commission, especially the way it rethinks regional and cohesion funds. As S&D, we call for further flexibility in the management of EU funds so they can be efficiently used under the CRII mechanism. This would allow for businesses to access grants or loans (at a marginal interest rate) and allow them enough networking capital to navigate the crisis. Moreover, the recently revealed European Recovery Plan, coupled with the European Investment Bank's Covid-19 support measures (through EFSI), seems a promising a mixture of temporary loans and grants to help the sector. We believe that the financial support for the sector should be used in a way that enables the sector to transition towards climate neutrality and sustainability.

Moreover, we as S&D call for the development of special measures for the revival of cultural tourism. Europe is a key cultural tourism destination thanks to an incomparable cultural heritage, both tangible and intangible. Cultural tourism accounts for 40% of all European tourism and 4 out of 10 tourists choose their destination based on its cultural offering. Therefore in our view, the above mentioned mechanisms should also be addressed at cultural and cultural heritage activities, operators and sites.

Finally, we insist on the creation and introduction of a specific allocation for sustainable tourism as clearly stated in the European Parliament's position on the Multiannual Financial Framework 2021-2027<sup>3</sup>. In our view this is necessary due to the fact that several significant steps have to be taken in order to prepare the third largest economic branch of the European Union to meet the expectation and fulfil the conditions of the European Green Deal.

## **II- Ensure consumer protection and confidence**

### **Consumer and passenger rights**

As Socialists Group, **we welcome the recommendations recently given by the European Commission** concerning consumer and passenger rights in the current COVID-19 crisis. However, **now it is time to put those recommendations into practice**. We urge the Member States to swiftly implement the recommendations given and we expect the European Commission to take an active role in this, as currently consumers are facing a patchwork of national solutions that negatively affect their trust and faith in consumer rights. Special attention should be given to consumers in vulnerable situations

We welcome that the Commission clarified the voluntary nature of vouchers. We also welcome that the Commission is counting on existing instruments, such as the European Consumer Centre and the Alternative Dispute Resolution network, and has promised support for them. In order to facilitate that consumers are aware of these rights and instruments, we call on the European Commission to launch a **European Communication Campaign for Tourism** after the crisis, aiming at re-establishing consumers trust in the sector and informing them about their rights. Furthermore, the European Commission should consider all available resources to improve the application and enforcement of European consumer protection legislation in all Member States as derogations to consumer rights are undermining consumer's trust, including by enhancing the coordination through the European cooperation network for consumer protection.

Moreover, we propose the creation of a **European Travel Guarantee fund**. On the short term, the fund would secure the financial liquidity of the tourism and aviation sector during the Covid-19 crisis, while at the same time guaranteeing the payment of consumers' reimbursement claims and allowing companies to offer guaranteed credit vouchers instead of cash reimbursements. Such vouchers should be user-friendly and attractive, i.e. by offering a longer duration, portability and flexibility in changing the destination as well as giving the possibility for the voucher to be eventually cashed-in. On the long term, the fund could function as part of CMM, to protect consumers and passengers from potential bankruptcy of businesses in the sector. The fund should co-exist and supplement existing schemes in Member States and not undermine national measures.

To finance the fund, all European travel companies should be registered with the Fund. Every year these travel companies should pay a fee dependent on their revenue. During the

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<sup>3</sup> European Parliament INTERIM REPORT on the Multiannual Financial Framework 2021-2027 –Parliament's position with a view to an agreement(COM(2018)0322–C8-0000/2018–2018/0166R(APP)

establishment phase and because of the Covid-19, it will however also be necessary to subsidize the fund with public funds.

### **Restoring trust in safety and security**

Restoring citizens' trust in tourism and travel will be key for a successful re-launch of the sector, while putting people's health as a first priority. While we welcome the initiatives the European Commission has presented, we think it's necessary to go a step further. A **European Tourism Certification** that also takes into account the Eco-label, could set European-wide minimum health and hygiene standards that would help to restore consumer's trust in the sector and thus contribute to its revitalisation. Citizens' health and safety cannot be put at risk, but we should also consult and trust experts, scientists and health authorities at Member State level to decide what kind of health precautions are needed and necessary in a particular region. To ensure safety and trust, the development of an EU single access point for all parties involved (businesses, citizens, public authorities), presenting data on the epidemiological status of Member States and informing about precautionary measures and restrictions that Member States and their regions have therefore taken, would be welcomed. This should be done in a coordinated and transparent way and citizens should have clear and up-to-date information available at national and regional level for each EU country.

Moreover, tourists should have access to contact points e.g. in the form of a public website and an information desk, giving updated information on the sanitary situation in the area and the precautionary measures taken. This information should be available for tourists for the sake of transparency but first and foremost to ensure their health and wellness.

Lastly, while contact tracing could be on part of a broader strategy of preventing the further spread of COVID-19, data protection and citizens' privacy must be at the heart of any development of contact tracing apps. Fundamental rights have to be respected also in a health crisis situation. This includes notably the respect for the principles of data protection and privacy by design, data minimisation and the prohibition of general surveillance. The uptake of any solutions, including the "tracing apps" that are made available directly for use by individuals, must be truly voluntary and, where possible, only anonymous data shall be gathered. Any data gathered and used shall be kept decentralised on the device itself ("on the edge") and not in any centralised database. The apps must have no commercial application and none of the data must be allowed to be used neither for commercial nor for law enforcement purposes.

### **European coordination and international dimension**

A coordinated European approach for the re-launch and future of the tourism and travel sector is needed. The solution to overcome the current economic crisis should be based on European solidarity, especially for such a truly European industry as tourism. Whilst fully respecting public health concerns and considering the safety of citizens and tourists as the first priority, it is crucial to restore the Schengen Area without internal border control as swiftly as possible to allow for normal travel conditions between all Member States and

Regions in view of the imminent summer holiday season. This entails first of all coordinating the reopening of borders at the EU level, in line with the Commission's guidelines in order to avoid unilateral actions by Member States and bilateral agreements of any sorts. Such actions would create discrimination between workers, citizens and enterprises, but would also exclude and isolate countries, potentially leading towards dangerous and counterproductive competition amongst Members States. That would result in deteriorating the economic, social and cultural potential of the tourism sector in Europe as a whole.

For further coordination and cooperation, also beyond the Covid-19 crisis, we as S&D welcome the governance initiative taken by the European Commission that calls for official and regular dialogue with Tourism Stakeholders. We call for the relevant bodies<sup>4</sup> of the European Parliament to be officially involved in the stakeholder dialogue and highlight that S&D Members have already taken an active role participating in and contributing to the European Network of Tourism Stakeholders<sup>5</sup>.

Tourism is a global issue, where Europe is the No 1 tourism destination. For tourism from third countries to return to the same level as before the Covid-19 crisis, it is crucial that we address two main challenges. First, tourists must feel safe in relation to the health measures taken at the hotel and the travel destination. Secondly, tourists must be able to trust that the hotel or airline will not go bankrupt prior to their trip.

In order to regain both trust and safety for non-European travelers, it is important to ensure a strong and clear communication concerning consumer rights and health services available for travelers in the country or countries they are travelling in. Therefore we urge the Member States to establish hotlines for travelers, which would guide and advise tourists on their possibilities and rights, e.g. in the case of illness, cancellations or in connection with bankruptcies. The hotline should be a one-stop-shop and hosted by a central authority so that tourists avoid having to call different authorities. In addition, hotels and tourist areas should advertise the number.

Lastly, in our view it is paramount to foster dialogue and cooperation with the UNWTO. A good basis for such for structural co-operation is the Memorandum of Understanding framework agreement signed between the UNWTO and the European Parliament in 2018.

### **III- Tomorrow is today – achieving sustainable tourism**

#### **Future proof, sustainable tourism**

The tourism and travel industry cause an important ecological footprint worldwide. As S&D, we think that the current COVID-19 crisis could offer a unique opportunity to shape the sector for the better, making it inclusive and sustainable as it grows and taking into account

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<sup>4</sup> Such as the European Parliaments Tourism Task Force as well as European Parliament committees dealing with tourism, travel and related sectors.

<sup>5</sup> The European Network of Tourism Stakeholders is a co-operation platform of more than 60 representatives of different fields of tourism industry. S&D Members take an active role in the network and have i.a. driven the adoption of the European Tourism Manifesto.

the digitalisation of travel and tourism that is already taking place. Such a change is indispensable for Europe to reach the climate and biodiversity goals and to accomplish the European Green New Deal.

Therefore we invite the **Commission** to swiftly **develop a road map for sustainable tourism** that would contain innovative measures to reduce the climate and environmental footprint of the sector and to further **encourage investments in sustainable tourism schemes**. These can also be embedded in the biodiversity conservation efforts, thus promoting synergies between human activities and the preservation of nature. In this regard, we stress the importance of promoting a shift from mass tourism to other forms of cultural and sustainable tourism. Poorly managed unsustainable tourism flows and uncontrolled development can have a huge impact on nature and cultural heritage sites. Thanks to Europe's cultural heritage, Europe will remain a top destination also for non-European tourists. However, the current COVID-19 crisis provides a unique possibility to leverage the negative sides of mass tourism. Several initiatives have already been taken at Member State and local level, such as directing tourism flows to lesser known and small, isolated destinations such as villages, using sustainable modes of transport or virtual visits. We call upon the Commission to support these efforts and assist local authorities, for example via exchange of best practices or help in applying for relevant EU funds. We also believe that the continuation of the SMART Capital of Tourism - programme is crucial as well as linking the described shift with the digitalisation of travel and tourism. We believe that this is crucial in order to modernize the sector and foster innovation within, including developing new services and broad, high quality offers.

European initiatives can thus play an important role in helping to face the risks and challenges of mass tourism and in encouraging travel to more local, less well-known and less popular destinations, rural areas and during low-season, , while promoting sustainability, helping to reduce overcrowding in many destinations and helping lessen the socio-economic inequalities between regions and Member States. These European initiatives need to go hand in hand with concrete measures to better preserve, protect and promote nature as well as our common rich cultural heritage. An integrated approach that will bring together cultural heritage, the renewed and growing interest for quality food and wine tourism as well as the role of entertainment and nature is therefore needed.

We also believe that non-toxic circular economy plays a crucial role in this respect. We encourage national, regional and local authorities to integrate circularity in tourism operations, transitioning to more resource efficient and low carbon tourism operations, while also enhancing the competitiveness and resilience of the sector as a whole. In this respect, the eco-labelling schemes for sustainable tourism should be further developed.

It is also important to consider the impacts of travelling on the climate. Before the crisis, aviation emissions were growing rapidly. Global aviation would rank within the top-10 of emitters if it were a country. While the S&D is working towards making the different transport modes more sustainable, tourism and travel should be developed in a manner that encourages the use of the most sustainable means of transport and promotes also attractive local tourism options.

## **Inclusiveness and accessibility**

We believe that equal participation in quality tourism and travel should be available to everyone, regardless of their economic situation or potential vulnerabilities, such as age, reduced mobility or other functional limitations. The possibility to travel freely, to experience historical and cultural sites, to spend time in nature or to explore new cultures is at the very heart of the European movement.

Reliable information about whether and to what extent tourism and travel facilities, transport modes and locations are accessible, is key for persons with disabilities and people with functional limitations. We call upon the Commission in cooperation with Member States to ensure that such information is provided in an accessible format. We further call on the Commission and Member States to actively drive the ongoing development of the ISO (International Organisation for Standardisation) **standard on accessible tourism services** and to ensure its swift and correct implementation once adopted, while also ensuring that service providers **respect the relevant accessibility standards already in place or in the process of implementation**<sup>6</sup>. Furthermore, we call upon the Commission to make efforts for the cross-EU implementation and recognition of the **EU Disability Card**, which is an important tool to support tourism for persons with disabilities and raise awareness about accessible tourism. We also call on the Commission and Member States to consult and cooperate with relevant stakeholders and organisations in this respect<sup>7</sup>.

Seniors play a specific role in the tourism and travel sector. Not only are they key during the low season tourism period but also represent a group of citizens which travels actively and can gain substantial health benefits from e.g. spending time in warmer climates. Strengthening European Health Tourism programmes can thus be an important element in making tourism and travel more attractive for this group. As one of the most vulnerable groups affected by the sanitary coronavirus crisis, restoring trust on travelling for seniors remains a challenge for the sector. Ensuring their health is thus essential for encouraging this group to travel again.

## **IV Conclusions**

Every crisis is an opportunity. It is our common responsibility to seize the opportunity and transform the currently given challenges and risks into a chance for a new beginning by putting the entire tourism sector in its rightful place among the different European policy areas.

“Let’s put tourism back on track, and do it together!”

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<sup>6</sup> accessibility standards on ICT (EN 301 549), on built environment (future EN 17210) and Design for All (EN 17161)

<sup>7</sup> Such as local and European disability rights organisations.