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

Progress report on the follow-up to the conclusions of the Council on Tourism and Employment

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I. INTRODUCTION

On 21 June 1999, the Council of Ministers adopted conclusions[1] inviting the Commission and the Member States to cooperate closely in order to maximise tourism's contribution to growth and employment. The Council indicated a number of specific fields and asked the Commission to report on the follow-up to be given to its conclusions.

This progress report is the interim reply given by the Commission to the Council.

The Council conclusions of 21 June 1999 are themselves an acknowledgement of earlier work and, in particular, of the momentum which began in 1997 with the recognition of the economic significance and potential of the tourism industry as a factor in growth and employment.

In November 1997, a European conference on tourism and employment[2] was held in Luxembourg shortly before the Luxembourg European Council[3] on Employment and the Council of Tourism Ministers of 26 November 1997[4]. The Council recognised the benefits of a balanced, sustainable development of European tourism and called for a follow-up to the results of the Luxembourg Conference. This led in 1998 to the setting up of a High Level Group on Tourism and Employment and, subsequently, on the basis of its recommendations[5], which were widely approved, to a Commission Communication on 28 April 1999[6]. The strategy proposed by the Commission, which consisted of increasing knowledge of the tourism sector and improving the use of existing policies, was strongly supported by the Council[1], the Parliament[7], the Economic and Social Committee[8] and the Committee of the Regions[9].

The purpose of this progress report is to inform the Council and the other institutions of the methods used and the work undertaken under the aegis of the Commission to follow up the conclusions of June 1999 and to allow consideration of the direction of future work, as regards both subject and methodology.

The present report is also in line with a general movement to ensure support for and cooperation with and between the Member States. This trend is reflected in particular in the Vilamoura Conference[10] organised by the Portuguese presidency and the Ministerial Seminar to be held by the French presidency on 22 November 2000 in

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1 Conclusions of the Council of 21.6.1999 (Internal Market) on tourism and employment, press release.
2 Luxembourg Conference, Employment and Tourism: guidelines for action, 4-5.11.1997.
3 Luxembourg European Council, 21-22.11.1997.
4 Conclusions of the Council (Tourism), 26.11.1997.
5 European Tourism – New partnerships for jobs: conclusions and recommendations of the High Level Group on Tourism and Employment, European Commission, October 1998.
6 Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on Enhancing Tourism's Potential for Employment, COM(1999)205 final - OJ C 178-03 of 23.6.99.
7 Resolution of the European Parliament, 18.2.2000, A5-0030/2000.
8 Opinion of the Economic and Social Committee, 26.1.2000, CES 93/2000 - OJ 2000/C 75 of 15.3.2000, p.37.
9 Opinion of the Committee of the Regions, 15.6.2000, CdR 291/99 final.
10 Conference of the government authorities responsible for tourism, Vilamoura, Portugal, 11.5.2000.

Lille. This report should be considered as a Commission contribution to the Lille Seminar.

This report will also be included as a point of information for the Internal Market, Consumers and Tourism Council of 30 November 2000.

II. OBJECTIVES AND METHODOLOGY

1. General objectives

There are three main objectives to the work undertaken to follow up the conclusions of the Council of 21 June 1999:

- to improve knowledge of the trends, needs, obstacles and limitations of the European tourism sector,
- to collect information and identify existing good practice, in order to ensure access to it and the broadest possible dissemination, and
- to improve the approaches and strategies developed in the framework of existing policies and measures at national and Community levels.

2. Cooperation with the Member States

In its conclusions of June 1999, the Council specifically called upon the Commission and the Member States to cooperate closely. Since the task of the Tourism[11] Advisory Committee is to facilitate exchanges of information, consultation and cooperation on tourism, this Committee was considered the most appropriate structure through which to implement the Council's conclusions. It therefore acted as the steering committee for all the work and as a reference point for the definition of the field of application and range of questions to be dealt with and for the organisation and evaluation of the work. It held three meetings for this purpose[12]. It also set up four working groups to deal with the four topics specified by the Council and for which remits had been defined.

Working Group A: to facilitate the exchange and dissemination of information, particularly through new technologies;

Working Group B: to improve training in order to upgrade skills in the tourism industry;

Working Group C: to improve the quality of tourist products;

Working Group D: to promote environmental protection and sustainable development in tourism.

The remits of the working groups, whilst different, have a similar structure:

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[11] Council Decision of 22.12.1986, OJ L 384 p. 52 of 31.12.1986.

[12] On 25.10.1999, 1.2.2000 and 18-19.9.2000.

- to identify needs and the actors involved (including suppliers and consumers) and to define the concepts (e.g. quality and sustainability);

- to identify the strategies and measures existing at different levels of public authority (national, regional and local) and to assess the contribution of Community policies and programmes;

- to develop in particular the conclusions and recommendations concerning cooperation between the authorities and the use of existing instruments at national and Community levels.

3. Analysis of measures carried out under other policies with an impact on tourism

The working groups have analysed the relevant policies, programmes, measures and instruments at both national and Community level. They have identified their positive effects, synergies, gaps and any subsequent work to be carried out to improve coordination and efficiently include the needs of tourism in the appropriate policies, as recommended by the Council, the Parliament and the other institutions. To do this, the other Directorates-General of the Commission and the appropriate agencies[13] were duly included in the work. The policies identified as being of particular importance in this context were transport, employment, education, the environment, consumers, the information society and regional policy.

4. Consultation of the socio-economic actors

The Council also recommended consulting experts from the tourism sector. A considerable amount of expertise is to be found among both operators and interested organisations. The main actors consulted can be grouped as follows:

- private, partly or entirely state-owned industry - covering all sectors, including transport;

- trades unions representing the various sectors;

- other interest groups; consumers' associations and environmental non-governmental organisations;

- local and regional authorities.

The Commission has held a number of meetings to explain the process and to consult European associations which represent the above categories, with the exception of local and regional authorities. The Advisory Committee also met the representatives of the associations so far consulted at an open meeting on 18 September 2000. Since very few spontaneous comments and opinions, as initially requested, had been made, access to all of the documents or draft documents existing at that time had been opened to the above-mentioned groups of actors. In the days following this open meeting more contributions, generally of good quality, were received: they have been used in the final version of this interim report and in the summary of the reports of the working groups.

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[13] The European Environment Agency (EEA) and the European Centre for the Development of Vocational Training (CEDEFOP).

It appears to be essential to ensure greater, more active involvement of experts from the socio-economic sectors and the civil society in the overall process. They should, for instance, participate directly if necessary in the working groups where their expertise can be used, and access to the electronic platform is clearly a necessity, combined however with conditions which will ensure effectiveness and a constructive contribution to the whole process.

The question is still open at this stage as to the ways and means by which local and regional authorities can be consulted and involved in this process and in the work of the working groups.

III. RESULTS OF THE WORKING GROUPS

1. Meetings

Each working group held three meetings between February and August 2000[14]. The objectives of the meetings were to draw up a common work plan, exchange information on the key issues and on national practices and policies, determine possible preliminary recommendations and to discuss an initial report on the work accomplished.

The participants were nominated by the Member States on the basis of their relevant expertise. About half of them are from the national authorities, a quarter from industry and a quarter from tourist offices, semi-public bodies and scientific institutions.

From the outset, all the Member States plus Norway nominated experts for at least one working group (UK and NL) and the majority of them for three or four. Over the course of time the Member States initially less represented have sought to increase their participation, with the result that almost 100% representation has been achieved in each working group.

As regards the operation of the working groups, the need for greater coordination between them has been recognised, given the interaction between the topics concerned.

2. Interim reports

A rapporteur was appointed for each working group on the basis of voluntary proposals by the Member States. Portugal proposed an expert for Working Group A (information), Denmark for Working Group B (training), Spain for Working Group C (quality) and France for Working Group D (environment and sustainable development).

Interim reports have been drawn up by the rapporteurs on the basis of the meetings held in a relatively short period of time. A large quantity of information has been collected and lists of initial recommendations have been proposed. However, the analyses and the setting of priorities have not yet been completed. Although the

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[14] Working Group A: 28.2, 4.4 and 18.7.2000, Working Group B: 23.2, 19.5 and 23.8.2000, Working Group C: 6.3, 8.6 and 24.8.2000, Working Group D: 3.3, 25.5 and 11.7.2000.

summaries of the four interim reports have been rapidly reviewed by the Tourism Advisory Committee, they must still be considered at this stage as provisional documents, since they have not necessarily been unanimously approved in all aspects. The summaries, which will be disseminated in parallel to this report for information, should make it possible to make the next stage of work more efficient and allow the rational determination of priorities and some innovation in the recommendations to be proposed.

3. Electronic platform

Since the beginning of the working groups' activities, the Commission has provided an electronic communication platform known as CIRCA[15]. The objective was to simplify exchanges between the members of the working groups and to create a database with very wide access, containing all the documents related to the subjects dealt with by the working groups and considered useful by the participants.

Experience has shown that this type of platform is useful as a single point of access to a set of documents related to tourism. Today this database is accessible to around 120 users and contains several hundred documents.

As regards the use of and access to information, clear changes have taken place as work has progressed. In the first stage, access was mainly related to the creation of the contents (loading of documents) and the number of consultations was limited. In the second phase and with the preparations for the third meeting, access to consult documents gradually increased.

4. Main recommendations

The preliminary suggestions of the working groups for a strategic approach to measures by and in the European Union cover a broad field and involve many actors in the tourism sector. The Commission considers it appropriate to ask the working groups to give priority in future work to those suggestions requiring action at European level or those which would have an impact on the implementation of other European policies. However, added Community value also consists of ensuring the success of measures taken at all levels, including the local level.

The intention here is not to make an exhaustive presentation of the recommendations of the working groups nor to assess the recommendations. It is simply to highlight the general subjects which have emerged from the working groups as a whole.

The main recommendations can be grouped as follows:

a) Cooperation between the various socio-economic actors in the creation of networks

It is considered extremely important to be able to benefit from developing competitive, sustainable tourism, and in so doing involve all the actors. Prior identification of the very many actors involved in tourism revealed the need for

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[15] Communication and Information Centre Administrator: extra-net tool developed by the IDA programme (Interchange of Data between Administrations), which allows a group of users to share a private space on the Internet for the purposes of information exchange and communication.

setting up partnerships, developing networks and promoting voluntary agreements and codes of good practice.

Although Working Group A is not unfamiliar with this problem, since each category of actors has its own, limited sources of information, the other working groups listed this is a very clear priority. For instance, Working Group B (training) highlighted the need for cooperation between training organisers and industry and between regional and local training structures and micro-enterprises. As regards quality, greater emphasis should be placed on the voluntary implementation of quality standards. The promotion of sustainable tourism would benefit from the creation of networks of all the actors in order to develop exchanges of systems, methods and know-how. It would also benefit from the adoption of codes of good practice by operators with the aim, among other things, of reducing both the consumption of natural resources and the pollution caused by tourist activity.

In addition, the different aspects of the balanced development of tourism should be systematically linked at the level of all the actors: for instance, the link between knowledge (studies, statistics, etc.) of the labour situation and training requirements, or the application of quality procedures to the training systems, or the development of special training for the implementation and monitoring of quality systems and the conditions for sustainable tourism.

Similarly, quality cannot be achieved without using information society technologies and the knowledge they provide, nor can it be achieved without respect for the environment and the pursuit of sustainable development, and vice versa.

b) Awareness of the problems

The second approach, which is encountered mainly in Working Groups B, C and D, concerns raising the awareness of certain actors regarding very specific issues. These include, for instance, the benefits of a qualified labour force, improved working conditions, and investment in training in order to increase the competitiveness of SMEs and to solve the critical problem of attracting and keeping qualified workers in this sector. The quality of the service and the tourist product provided will ensure that European tourism has the competitive edge. However, businesses, 99% of which are SMEs, are considered to be insufficiently aware of this fact.

Similarly, the development of demand towards a type of tourism which takes better account of the environment and sustainable development could be encouraged and enhanced by increased awareness on the part of operators, local people and tourists.

Various awareness-raising tools are available. However, the Commission considers that although awareness-raising campaigns can probably be carried out better at national or local levels by non-governmental organisations, the development of labels, charters, tourist operator guides and assessment aids can greatly promote awareness.

Working Group D in particular proposed the drawing up of an Agenda 21 for European tourism. This could be studied and, if there was agreement, the European Union could adopt and promote it. It also mentioned the implementation of local Agendas 21.

c) *Information*

Information needs have been expressed by all the working groups, not just the one strictly responsible for analysing and structuring such needs. Specific requests for information were made regarding, for instance, employment, the need for skilled workers and training requirements. Working Group D repeated the type of essential general information that should be included in the objectives of Working Group A.

Several working groups stressed the importance of the impact and use of information society technologies in the field of tourism and mentioned the initiatives already carried out by the Commission, in particular the Structural Funds and the IST programme of the Fifth Framework Programme. A special sector has been set up dedicated to R&D activities concerning the synergies between tourism and the information technologies. It was recommended that a special new working group be set up for this.

Working Group A recommended the development of a Web portal, providing users with access to many sites, databases and studies from the public and private sectors, and allowing access at least by subject and by country. These recommendations for the pooling of existing information or information in the course of creation (e.g. list of documentation on national tourism policies and documentation centres) and the simplification of access by creating a common portal, are entirely in line with the priority of improving coordination between national and European authorities. Implementation of this recommendation would contribute to creating a more homogeneous image and would facilitate access to all documents on tourism.

More details about the information available and the service to be offered by this common portal are required. This could be done by means of a study (drawing up of a list of relevant documents and documentation centres) along with a more detailed specification by the Working Group (services to be offered by the portal).

Working Group A recommended the creation of a tourism satellite account (this was also mentioned by other working groups). The aim of this is to offer decision-makers and industry an overall picture of the economic importance of tourism, thus enabling it to be compared with other sectors of the economy. The recommendation of creating a tourism satellite account at European level would be a step towards a better understanding of the importance of the tourism sector and its impact on the economy as a whole. This approach would make an important contribution towards better understanding the parameters influencing the sector's growth and its impact, particularly on employment. This recommendation, which the Commission fully supports, would however first involve the harmonised use of national satellite accounts which already exist in some Member States.

d) *Monitoring and overview*

The increase in skills and the search for quality, both in employment and in the various tourist services and destinations, are constant processes which require regular monitoring. The same approach also applies, of course, to the pursuit of sustainable tourism. The working groups have mentioned the need for regular assessments of the situation and the impact of the measures taken, both by the Community and by businesses with the support of the Structural Funds.

Working Group B envisaged the establishing of a forum or permanent observatory at EU level, presided over by the Commission and with the participation and active coordination of Member States, international organisations and experts from socio-economic groups and other interested parties. Working Group C highlighted the need to encourage the use of indicators which are essential for the implementation of effective monitoring. Working Group D recommended the creation of information instruments for each country.

e) Instruments for analysis and evaluation

The need for measurement and for models for certain sensitive phenomena in the sector has emerged. Research on the definition of the parameters for yardsticks and evaluation systems, both regarding the state of a given variable and the effect of measures taken to improve it, is a priority. This should in particular lead to the design of adequate quality indicators both for destinations and for businesses, sustainability indicators for the various components (including transport) and performance indicators (e.g. for environmental management, quality systems, training and the development of human resources).

Priority should also be given to developing methods, such as for training and teaching which take into consideration the present and future needs of SMEs, European methods for comparative quality assessment and methods for determining the capacity of a destination in order to control regional impact. Working Group C should continue its work on defining quality systems and their application and clarify needs in this sector.

Comparative assessments could then be carried out which may lead to innovative solutions.

The development of these tools (indicators, methods and systems) and the use of benchmarking techniques and research into the factors and conditions relating to innovation are entirely in line with the Commission's current enterprise policy.

f) Support for businesses, particularly SMEs

The working groups revealed problems relating to the identification by micro-enterprises of sources of financing and access to these sources, the nature of the assistance SMEs require, and increasing the use of the Structural Funds.

In particular, Working Group B stressed the need to take into account the role of local and regional authorities, and the setting up of training structures and networks open to the participation of everybody involved, in order to improve the competitiveness of micro-enterprises.

SMEs have the most difficulty using the tools available. Technical help was therefore identified as a need with regard to the implementation of benchmarking methods and quality systems, impact studies on the environment and labels.

Working Group D laid particular emphasis on the fact that seasonal cutbacks in the tourism industry were essential in order to increase the competitiveness of tourism businesses. It advocated giving SMEs a greater role in the decision-making process and the setting up of marketing networks. It also raised the problem of the growing

concentration of tourist businesses and recommended studying how tourism could contribute to the protection of tourist sites.

IV. OPERATIONAL CONCLUSIONS

1. The working groups have created a system of cooperation confirmed by the Tourism Advisory Committee. This cooperation can work only if it is a continuous process rooted in the structures set up in 2000 and further developed as set out below. Synergy and its corollary, the elimination of overlapping work between the working groups, must be sought more systematically. Meetings must be supported by constant contact between the participants through a network. **It is therefore recommended that the working groups extend this work until 2001**, as planned, **in order to produce a final consolidated report in autumn 2001** with a view to achieving a unified approach to Community and national activities affecting tourism.

2. The **four subjects dealt with by the working groups must continue to be studied in greater depth and efforts** must be made to identify priorities on the basis of those already highlighted in the interim reports, in the information summaries and in Chapter III of this report.

   The importance of the question of transport has been stressed. It cuts across several of the subjects studied. It is proposed that it should be dealt with mainly by the Working Group dealing with environmental protection and the development of sustainable tourism.

   The question of the impact and use of information technologies in tourism has proved to be one which goes beyond the subject of exchanging and disseminating economic and statistical information and requires, among other things, different experts. It is therefore proposed that a new working group be set up to deal with the impact of information and communication technologies on tourism.

3. It is proposed that each working group should **include a reasonable number of experts from the relevant socio-economic groups** and interested organisations so that each is balanced and manageable whilst having increased expertise and remaining fully efficient. Depending on the specific topics covered by each working group, professionals from the industry and experts from trade unions and other interest groups will be called upon to participate in limited numbers according to their recognised expertise.

4. Voluntary contributions by experts not able to participate at meetings of the working groups will be welcomed through the use of the electronic platform. This platform will be accessible to the socio-economic actors and to local and regional authorities under arrangements to be determined according to their involvement in the process.

5. Alongside the priorities identified for the work of the five working groups summarised in paragraphs III and IV.2 of this report, the Commission considers it appropriate to initiate contact, in 2001, with the authorities and the tourist industry trade associations of the applicant countries, in order to begin periodic discussions on national policies, good practice and Community measures with an impact on tourism activity. The participation of representatives from these authorities and trade associations at another open meeting of the Tourism Advisory Committee in 2001

will provide a real opportunity to prepare for the future accession of these countries to the European Union.

6. Again in the international field, in 2001, the Commission will:

- increase EU-Mediterranean cooperation on tourism;
- intensify the GATS negotiations on tourism;
- draft the tourism section of the EU position for the meeting of the Commission on Sustainable Development, known as **Rio + 10**, which will take place in 2002;
- increase cooperation with the main international tourism organisations, such as the OECD and the World Tourism Organisation (WTO).

7. Finally, before the end of this year, the Commission will publish its periodic report on Community activities concerning tourism, which will cover the years 1997-1999. Through the studies already in progress, it will reinforce the on-going analysis of the markets, structures and trends of the tourism industry in the European Union and the rest of the world, so that a more thorough assessment can be made of the impact of any initiative taken under the various Community policies which might affect the competitiveness of EU tourist businesses.

8. To conclude, with all these initiatives, the Commission is hoping to be able to present, at the end of 2001 and in close cooperation with the Member States, the EU tourism industry and the other parties concerned, a full analysis of national policies, best practice and Community measures which have a positive effect on European tourist activity. This should make it possible to identify, in close consultation with all the parties concerned, the measures that could usefully be taken by the Member States (including the regional and/or local authorities), industry and if necessary the Community institutions, in order to increase the competitiveness of the EU tourism industry and its contribution to the creation of jobs and sustainable development.

9. The Commission calls upon the government representatives at the Ministerial Seminar at Lille on 22 November and at the Internal Market, Consumers and Tourism Council of 30 November and the other EU institutions concerned (the European Parliament, the Economic and Social Committee and the Committee of the Regions) to support the on-going initiatives - and those proposed above - in order to encourage the actors involved in this process by giving them clear political support.