

Social Partners Consultation:

European Pillar of Social Rights Action Plan

Context

HOTREC, the European association representing hotels, restaurants, bars and cafés, speaks for 2 million businesses and supports over 10 million jobs across Europe. Notably, 99% of these hospitality establishments are SMEs, with 90% being microenterprises, playing a crucial role in sustaining local communities. The hospitality and tourism sector is a key economic driver, contributing approximately 10% to the EU's GDP.

In recent years, the sector has shown resilience, as highlighted by Eurostat¹. However, inflation remains high (above 2% on average²), and both food and energy costs continue to rise. Additionally, ongoing geopolitical instability, particularly in regions bordering Ukraine, hampers growth and competitiveness. Since the COVID-19 pandemic, the industry has also struggled with persistent labour and skills shortages.

HOTREC believes that fostering a competitive and supportive working environment is essential to protect employees, help businesses thrive, and ensure high-quality service for customers.

Reply to the Consultation

The [European Pillar of Social Rights](#) and its 2021 [Action Plan](#) have strengthened Europe's social dimension. Employee rights have been secured and reinforced. Nevertheless, this has also resulted in several new EU legislative acts with which companies must comply, such as the **Pay Transparency Directive**, the **Transparent and Predictable Working Conditions Directive**, the **Work-Life Balance Directive**, and the **Minimum Wage Directive** (for which a European Court ruling is still pending).

It is worth noting that the new Commission mandate identifies **competitiveness, productivity, innovation, and reduction of regulatory burden** as its core objectives. We expect the forthcoming Action Plan on the European Pillar of Social Rights to reflect this approach.

We also hope that all European Commission instruments, namely the Competitiveness Compass, the Single Market Strategy, the Union of Skills, the Gender Equality Strategy, the Quality Jobs Roadmap, and the European Pillar of Social Rights will be interconnected and complement each other.

¹ Eurostat [link](#)

² Eurostat [link](#)

With this in mind, HOTREC calls on the European Commission to adopt a **two-step approach**:

1. Reduce Regulatory Burden

We recommend revising the following legislative acts or proposals:

- **Traineeships Directive ([COM\(2024\) 132 final](#)):**
 - **Subsidiarity must prevail.** A revision of the Council Recommendation on Traineeships would have been a more appropriate approach.
 - If the Directive proceeds, significant improvements are necessary:
 - Clarify the scope.
 - Exclude educational programmes and apprenticeship schemes.
 - Allow for derogation through collective bargaining.
 - Ensure flexibility regarding payment or compensation.
- **Pay Transparency Directive ([EU 2023/97](#)):**
 - While Member States may exempt employers with fewer than 50 workers from pay progression obligations, this optional exemption risks imposing **disproportionate administrative burden** on SMEs and microenterprises.
 - We call for an exemption from reporting obligations for **all SMEs with fewer than 250 workers**.
- **Transparent and Predictable Working Conditions Directive ([EU 2019/1152](#)):**
 - Remove the obligation to provide a reasoned written response to employee requests for different forms of employment.
 - Simplify the requirements and timelines for providing mandatory information to employees.

We stress that HOTREC is advocating for a **simplification of administrative burden**, not deregulation. We support the objectives of the legislation but urge that compliance be made more practical for businesses.

2. Ensure Robust Impact Assessments for New Legislation

If new EU legislation is deemed necessary, we urge that all Commission proposals be accompanied by **comprehensive and robust impact assessments**. Furthermore, if significant amendments are introduced by the European Parliament or Council during the legislative process, those should also be justified with dedicated impact assessments.

HOTREC's Priorities for the Social Rights Action Plan

Beyond reducing regulatory burden, HOTREC proposes the following priorities:

- **Upskilling and Reskilling the Workforce:**
 - Attract and retain talent within the hospitality sector.
 - Promote formal recognition of non-certified training schemes through a trust-based approach.
 - Support enhancing the sector's image (e.g. promotion of career opportunities)

We hope the upcoming **Union of Skills and the Quality Jobs Roadmap** initiatives will address these priorities while respecting Member State competences.

- **Reducing Inactivity Rates:**
 - Encourage cooperation between **public employment services** and **private employment services** across the EU.
- **Reducing the Gender Pay and Pension Gaps:**
 - Align with the forthcoming **EU Gender Equality Strategy**.
 - Enhance protection for women in taxation, social protection, and care infrastructure.
 - Expand access to **affordable, high-quality, and flexible** childcare, eldercare, and long-term care services.

To achieve these objectives, we call for strong financial support from EU funding instruments, including the **European Social Fund Plus (ESF+)**, **Erasmus+**, and **Cohesion Funds**.

We believe this comprehensive approach will pave the way toward achieving **quality jobs across Europe**.