

L-0307-037-MB

Green Paper on Labour Law  
DGEMPL/F/2  
J-37 05/26  
European Commission  
B-1049 Brussels  
Belgium

Brussels, 30 March 2007

Dear Sir/Madam,

***Re: the Green Paper “Modernising labour law to meet the challenges of the 21st century”***

Like BUSINESSEUROPE, HOTREC “welcomes the launching of a debate on the modernisation of labour law. However, the competence to modernise labour law lies first and foremost with the Member States. Most of the measures will therefore need to be taken in the Member States...Taking a top-down legislative approach at EU level would be counter-productive for national reforms.”

In most European countries, labour laws and employment rules were established when national economies were less dynamic than today and firms were mainly involved in a steady, domestic market. In a new globalised economy, labour laws must change to enable European enterprises to be more competitive on a global market. More competitiveness will bring upon more jobs: this must be the focus when reforming labour law, which should be made more simple. More competitiveness will also allow for the preservation of efficient social protection systems.

We are pleased to also stress some aspects which relate directly to the specificities of our industry.

### **The hospitality industry**

HOTREC represents the hotel, restaurant and café sector at European level. This industry counts 1.4 million businesses and provides around 9 million jobs in the EU alone.

A specificity of the industry is its predominant “micro enterprise” dimension. Most enterprises in the sector have less than 10 employees: this “size class” accounts for 95% of all enterprises. Such enterprises employ on average of 4 persons and most of them are family-run. The statistical class of less than 50 employees gathers some 99% of the sector’s enterprises<sup>1</sup>.

The HORECA industry is labour intensive and has continued to create even more jobs over the last decade.

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<sup>1</sup> Statistics in Focus, Industry Trade and Services, Theme 38/2004, Eurostat, European Communities, 2004; Hotels and Restaurants in Europe, p.2.

## **Great variety of contract arrangements**

The industry makes use of a great variety of contract arrangements: indefinite contracts, fixed term contracts, full time contracts, part time contracts, on-call contracts, contracts for workers hired through temporary employment agencies etc. This great variety of contract arrangements corresponds to the flexible work patterns imposed to our industry by the needs of the customers. Contrary to what the Green Paper suggests, the diversity of working arrangements is therefore to be protected.

Unemployment is seen as the gravest social problem facing many countries in the European Union. For many people, the only way back into the workforce may be through an “a-typical” type of work. It is important, therefore, that wherever obstacles exist or are proposed which create deterrents against the recruitment of such employees, these should be removed or, even better, not introduced. Over-regulation in this area actually makes life more difficult for those it was originally intended to help. Where such over-regulation unduly increases the administrative and other costs for employers it is totally counter-productive and unhelpful in the long run to employers and potential employees.

A great number of persons active in our sector are “self-employed”. The Green Paper focuses too much on the concept of disguised employment instead of underlining the importance of self-employment for the development of the entrepreneurial mindset Europe so badly misses.

## **Work organisation**

The EU Directive on working time has complicated a great deal the life of our enterprises by creating confusion for both employers and employees. It should be withdrawn and replaced by flexible rules adopted at national level according to the national procedures (legislation or collective arrangements).

Furthermore, whereas enterprises should be open to job-splitting, flexi-time and other forms of work-life balance and favour family-friendly policies, such arrangements do not need to be regulated at EU level but rather at enterprise or national level according to the national procedures (legislation or collective agreements).

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We are looking forward to pursue this debate with the EU Commission.

Yours sincerely,



Marguerite Sequaris  
CEO of HOTREC