

Post-COVID Risks of the Spanish and European Economic Policy for the Tourism Sector

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ABSTRACT

This is a study of political economy, economic policy, public economics and international economics, on the rescue and transformation of the Spanish tourism sector *via* recovery funds from the European Union. These funds have been planned to promote strategic sectors beyond the COVID-19 crisis, facilitating the digital transition and its sustainability and productivity, for which the Spanish tourism sector fits in theory, as it accounts for more than 10% of Spanish GDP. However, the practice is different, since the funds take time to arrive and they are distributed by the Government of Spain according to discretionary criteria, contravening the Law of the European Union and putting at risk the receipt of the rest of the planned funds. A context diagnosis of the Spanish tourism sector is offered here, which is ready to begin its transformation according to many international institutions, but there are some risks in the management of European recovery funds.

Keywords: Tourism sector; Political economy; Economic policy; Public economics; International economics; Digitization; Sustainability; Productivity; Next gen EU

JEL code: A12; B5; F5; H81; I38; K0; Z1

INTRODUCTION

Cobra effect: When a good idea can be harmful in practice

In times of the British Empire in India, given the danger of cobras, a reward was offered for each dead cobra. The problem was in the local execution, where they dedicated themselves to raising them, giving rise to a very lucrative subsidy model. Finally, the aid to kill the cobras was withdrawn, so the local breeders abandoned them without any control, causing an even bigger problem. Mutatis mutandis, EU Green Deal or European Green Pact [1-7], is a project full of good intentions (to contribute to the digital transition and improve the sustainability and productivity of the European economy, requiring a comprehensive social analysis [8-13]. It suffers from risks in its execution, since it depends on the discretionary nature of its implementation by domestic governments (since it is the rule established in the constitutive or original law of the European Union, i.e. TEU, TFEU [14,15]. It has been verified

with the European energy transition [16-18] and its local implementation, a greater energy dependence has been caused [19], with higher energy prices and higher blackout risks, as part of an incorrect observation of the principles of political economy [20]. Regarding the European post-COVID-19 recovery funds, called Next Gen EU, they constitute a total of 2 trillion euros (from the Anglo-Saxon quantification), of credit expansion not based on savings (but rather in joint and several liability Eurobonds) and with a vocation for countercyclical Keynesian economic policies. Spain is expected to be one of the largest recipients of these funds (approximately 15%), to help the recovery and transformation of its competitive sectors, which in the Spanish case would affect the tourism sector [21], key in the balance of payments of the last two decades. However, as the reception and distribution of European funds will correspond to the Government of Spain, it is not so sure of how much and when the funds will arrive, producing a double risk: a) missing the boat of recovery for the tourism sector (when recovering before other neighboring countries with a similar comparative advantage); b) having taken on even more debt to spend on

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Received: 12-Jan-2022, Manuscript No. JTH-22-15528; **Editor assigned:** 17-Jan-2022, PreQC No. JTH-22-15528(PQ); **Reviewed:** 26-Jan-2022, QC No. JTH-22-15528; **Revised:** 02-Feb-2022, Manuscript No. JTH-22-15528(R); **Published:** 09-Feb-2022, DOI:10.35248/2167-0269.22.11.487.

Citation: Bayón AS (2022) Post-COVID Risks of the Spanish and European Economic Policy for the Tourism Sector. J Tourism Hospit. 11:487.

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transfers (customers), and not on investment and infrastructure or linked to objectives of improving strategic sectors (as originally planned by the European Union with the Next Gen funds, to ensure the transition digital and greater sustainability and productivity).

The origin and development of the European political economy and economic policies, as Green Deal, green jobs and Next Gen (all oriented towards wellbeing economics or economics for personal and social welfare. They are introduced and explained below, being key to the recovery of the Spanish tourism sector [22,23]. Following point is a context diagnosis of the Spanish tourist sector and the risks linked to the management of Next Gen EU.

METHODOLOGY

Origin and development of green deal and next gen and its influence on the tourism sector

At the Green Week of the European Union-EU [24] the President of the Commission, von der Leyen, insisted that climate change is a top priority for the EU, recalling the relevance of the current Green Deal or green pact [25,26]. The goal of green Europe set out in this ambitious pact is to make the European continent neutral in greenhouse gas emissions by 2050 and to use 32% renewable energy by 2030. The Green Deal has insisted on the importance of advancing resolutely towards sustainable European development, eliminate the negative impact of pollution on health and promote responsible production and consumption and assume the Sustainable Development Goals-SDG (Sustainable Development Goals) set by the United Nations Organization-UN. Since its inception, the EU has placed great emphasis on the growing employment opportunities in the green economy, the so-called green jobs, which have been the flagship of the Green Deal, due to their potential to create quality employment both in Europe and in the rest of the world. The rest of the world [26].

Green jobs were initially considered mainly jobs linked to renewable energy and sustainability (recycling, environmental management, environmental consulting and training [21,24,27,28]. According to the International Labor Organization-ILO (ILO, 2021), must be a source of decent work, that is, a job that provides equal opportunities, in conditions of freedom, equity, security and dignity [29]. Along these lines, organizations such as ILO and UNWTO have carried out numerous studies and publications on the possibilities of green jobs in numerous countries and sectors [30], including Spain [31] and the tourism sector. In most of the reports and studies, tourism is briefly mentioned but the opportunities for green jobs in this sector, which is so important worldwide and for the Spanish economy, are not developed in detail.

ILO has confirmed on numerous occasions that the green economy can create new employment opportunities in the world. What is not so clear is whether these green jobs will be enough to compensate for the loss of other jobs in more traditional industries and sectors and whether all countries and sectors of the economy will benefit equally from the jump to the

green economy and decent work. Whether green jobs can be another source of employment for world tourism is a question that has not yet been fully resolved. UNWTO has mentioned the green employment opportunities that more sustainable tourism can provide, but studies on the possibilities of green jobs in the Spanish tourism sector are scarce. It is relevant to analyze the real opportunities for green jobs for the Spanish hotel sector in the current context.

Spain is one of the most important tourist destinations in the world and also one of the countries in Europe with the highest percentage of unemployment, so the study of possible opportunities for green jobs in the Spanish tourism sector is valuable. Tourism revenues constituted 12.4% of Spanish GDP in 2019. In 2019, 84 million tourists arrived in Spain, which positioned this country as the most visited in Europe (Eurostat, 2019). That same year, it was designated as the most competitive country in the world in terms of tourism according to the Travel and Tourism Competitiveness Report 2019 prepared by the World Economic Forum (WEF) [32]. This report takes into account various variables when configuring its ranking and one of those mentioned refers precisely to the quality of human resources in the sector and the existing labor market in the country. However, the same report indicates that Spain must improve its human resources policies, which is why the study does not give it the highest rating in terms of tourism competitiveness in the "human resources and people" section. The report also points out that, despite being the most competitive country in the world in 2019, the growth of its general competitiveness indices is slower than that of other countries in its environment. This data is an important wake-up call: Spain can and must improve in many aspects of tourism and one of them is precisely the quality of its professionals and working conditions in this sector of the economy. It is a matter of time before Spain can see itself overtaken by countries with faster growth in tourism competitiveness and that is why the study of human resources in the sector and the possibilities of new tourism jobs that are both decent and linked to sustainability is a relevant aspect to research.

Next, the perspectives and challenges that the Green Deal has for the Spanish tourism sector in general and the hotel sector in particular and the real opportunities for the Spanish hotel sector to create green jobs, as decent and sustainable jobs (ILO and UNWTO), and digital (EU).

Green jobs and the Spanish hotel sector

In 2019, Spain had 15,000 hotels with more than 3,500,000 rooms, with 11% of the total hotel supply in Europe, so its importance within the Spanish tourism sector and its contribution to the Spanish GDP ranges from 1.5% and 1.7% and employing more than 200,000 people [33]. Until the 1990s, the hotel sector was not very active in issues of sustainability and the environment, but starting in the 2000s, the annual reports of the main companies began to devote more and more time and resources to these aspects [34-37].

According to their turnover, the main Spanish hotel chains in 2019 were, according to the Hosteltur hotel association (2020), those detailed in Table 1.

Table 1: Top Spanish hotels by turnover (2019-2020).

Hotels list	2019 turnover (millions euros)
Meliá Hotels [i]	2.846
Iberostar Hotels and Resorts	2.353
RIU Hotels	2.24
Barceló	2.218,4
NH Hotel Group	1.178,3
Bahía Principe Hotels and Resorts	800
Palladium	752
H10 Hotels	660
Eurostars Hotel Company	620
Princess Hotels	286,8

Note: [i]-International hotel.

Source: Own elaboration based in Hostetler (2020).

This study has two phases: In the first, the CSR annual reports are analyzed to detect the most outstanding aspects in relation to sustainability and green jobs; in the second, interviews were held with human resources and/or environmental managers in the sector, to obtain the opinions of experts and confirm whether there are prospects for an increase in hiring linked to green jobs and what other measures hotel chains are implementing to improve. The experts work within the ITH (Instituto Tecnológico Hotelero), a non-profit organization that supports innovation and technology initiatives within the Spanish hotel sector [38-40].

RESULTS

For this study, as has been pointed out, the top five hotel chains have been selected (Meliá, Iberostar, RIU, Barceló and NH), given that their volume of business and number of employees can allow a fairly accurate view of the degree to which the Spanish hotel sector is committed to the environment and to analyze whether there are mentions of green jobs in its corporate reports, understanding green jobs as decent jobs committed to sustainability. We have chosen these companies because the quality and detail of the reports makes data analysis much easier.

All the chains studied have mostly Spanish capital, international projection, with hotels in numerous world destinations and publish very complete sustainability and CSR reports, with additional information on their human capital and the actions carried out to guarantee decent work environments [41-45]. For the purposes of this study, it is reviewed whether the latest CSR reports of the companies mention:

Aspects to analyses (Table 2):

- Adherence to the SDGs and how it is being applied concretely in the hotel chain
- Good sustainability practices (recycling and energy saving)
- EMS or Environmental certifications (ISO 14,000 and ISO 15,000)
- Human resources practices linked to decent work: Non-discrimination, equality, justice and fair wages.
- Mention of green jobs in corporate documentation.

Table 2: Main hotel holdings in Spain.

Hotel	Total hotels	Linked to SDG	Sustainable practices	EMS	Decent jobs	Mention to green jobs
Meliá hoteles	367	Yes	Yes	Yes	Yes	No
Iberostar	118	Yes	Yes	Yes	Yes	No
RIU	92	Yes	Yes	Yes	Yes	No
Barceló	265	Yes	Yes	Yes	Yes	No
NH hotels	361	Yes	Yes	Yes	Yes	No

Source: Own elaboration (based on secondary sources).

All the hotels analyzed mention numerous sustainable practices in the areas of recycling, waste management and energy saving [46-50]. These reports, published in 2020, reflect an interest in keeping human teams motivated and committed during the pandemic through numerous communication and training actions. Additionally, they all mention various collaborations with numerous NGOs and charities. They all mention aspects of fair treatment, support for diversity and conciliation and equal opportunities. None mention job opportunities in green jobs. In the case of chains such as NH Hoteles, they mention appearing in the Dow Jones sustainability index as best in its class.

DISCUSSION AND CONCLUSION

International institutions, as UNWTO, ILO and EU, they are agreeing in the forecast of great growth opportunities, thanks to green jobs, deployed in the tourism sector. However, an analysis of the Spanish hotel sector confirms that green jobs are still scarce in it. The large Spanish hotel holdings are introducing certain novelties in this regard. With great effort, they focus attention on key sustainability issues, implementing environmental management systems endorsed by ISO 14000 certificates and the like, as a commitment to generating decent and sustainable jobs. In reality, rather than creating new professional profiles linked to green jobs, what are being implemented in the sector are the incorporation of green skills and the training of professionals in the sector on environmental issues. Therefore, additional skills and knowledge are being

promoted in their jobs, but they do not become authentic green jobs (at least as expected from the EU). If you delve into the job descriptions of most of the professional contracts in the hotel sector in Spain, it is insisted that they include a greater number of green skills and training in sustainability awareness or sustainable environmental awareness, but at the moment there is no appreciable significant increase in green jobs within the hotel industry. Such a change could occur with the execution of the Next Gen recovery funds, since among their application and accountability requirements for the completion of green jobs. Hence the urgency of the distribution of the aforementioned funds and that they materialize in green jobs in the Spanish hotel sector.

As a future line of research, in addition to a complementary study to this one, it would also be convenient to analyze small hotels, rural and ecological hotels in the Spanish hotel sector, as well as other variants of SMEs and micro, since they have doubled their number in the last decade and would be the right environments to bring out more 100% green jobs and more varied and flexible environmental management models, as well as those geared towards personal and social wellbeing.

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