



Digitalisation a new threat to hotel and restaurant workers in the Nordic countries

Digitalisation of the economy and society is an important challenge for the Nordic trade union movement. Digitalisation brings the fourth industrial revolution, which is changing industries and services, but also the world of labour in general.

A great deal of hype has built up around digitalisation. On the one hand, digitalisation is acclaimed for delivering universal benefits for all, bringing a circular economy with less waste, better use of underused assets, better information, communication and transparency, a new world of sharing and collaboration, and a promise of a more fair, equal, just and sustainable world based on a democratic internet and greater participation.

The more sceptical camp predicts a trend towards a future with dramatically high job losses, blurring of barriers between private and working life, increasing supervision and control, polarisation of jobs, widening wealth inequalities, housing issues, the shadow economy, and workers competing against each other, leading to a race to the bottom in wages and working conditions.

Digitalisation has led to new conditions for tourism in the Nordic region. There is an increasing focus on communication and interaction, which presents the industry with new challenges. Most travellers are currently using digital resources in connection with their travel activities, seeking information on the internet and planning and booking their trips online.

The NU HRCT is clearly in favour of using new technologies in a way that serves citizens, workers and companies. Therefore, NU HRCT does not endorse either the enthusiastic or the sceptical visions but tries to look at both dimensions, the opportunities as well as the risks. It is our task as trade unions to point to some worrying trends and significant problems in the future labour market. The digital revolution will not happen overnight, but needs to be shaped step by step. The involvement of the social partners is crucial if we want to avoid digitalisation causing unfair competition and social dumping.

The growing platform economy is a worrying trend for tourism workers

Digitalisation and the emergence of new technology and online business platforms are already having a huge impact on tourism. Digitalisation is changing how tourists behave and the products companies offer. Today, people plan and book their holidays online, they share and exchange goods and services, they review hotels, restaurants and destinations online, and people can easily gather and share information about everything to do with tourism and travel.

One of the megatrends in tourism relates to the sharp rise of the *collaborative platform economy* in the hospitality and tourism sector. People have always been sharing and exchanging goods and services, so this is not a new concept. However, the digital revolution has brought this to a new level, by facilitating transactions via online platforms which match demand and supply, enabling transactions on a scale previously not possible.

The platform economy has been rapidly gaining market share in travel and tourism, where private individuals offer, for example, their homes as accommodation for tourists, their cars as a means of transport and their knowledge of the place where they live for tour guiding.

The platform economy in the tourism sector is largely heading towards unregulated practices, with an increasing number of service contracts and outsourcing, a drop in regular employment, the creation of informal jobs and a new shadow economy characterised by undeclared work.

Extensive purchase of urban housing for the sole purpose of renting out via online 'sharing' platforms leads to rising prices, making housing increasingly unaffordable for low and middle income earners, forcing them to look for a place to live outside the city centre, and consequently making commuting time to work longer.

Embrace the opportunities but respond to the challenges

While new opportunities, in terms of better information and communication, more productivity, economic growth and smart services, are promising, there is also a dark side to digitalisation in tourism. We need to make sure further digitalisation is not coupled with wage dumping, mass redundancies, excessively dominant online platforms, precarious working conditions, a rise in contract work and invasion of employee privacy.

Action is needed to safeguard jobs, create a level playing field and protect working conditions in the Nordic tourism sector, by providing a clear and balanced regulatory environment and better training, upskilling of workers and life long learning.

NU HRCT's objective is not to try to stop digitalisation in tourism, as it meets consumer demands and needs, but NU HRCT demands that Nordic governments respond quickly to the trend to ensure that digitalisation leads to economic growth, quality jobs, a shorter working week, reduced workload, a skilled workforce and social justice.

Action points:

- **NU HRCT** will seek a better social dialogue with employers on the consequences of digitalisation and platform economy in the Nordic region.
- **NU HRCT** will raise awareness of the consequences of digitalisation and platform economies among the Nordic governments and the Nordic Council and the need for a better regulation, control and surveillance of these platforms.
- **NU HRCT** will share good practices among member unions on how to address the negative consequences of the platform economy.
- **NU HRCT** will actively contribute to EFFATs and IUFs work on platform economy, by providing expertise and good examples on how to address the negative consequences of the platform economy.