



# **INTERNATIONAL LABOUR ORGANIZATION**

## **Sectoral Activities Action Programmes**

**Action Programme:**

*Addressing crises and creating more and better jobs  
in Hotels, Catering and Tourism*

**Internal Evaluation**

## ***Title***

Addressing crises and creating more and better jobs in the Hotel, Catering and Tourism (HCT) Sector

## ***Project logic and strategy***

The present action programme is a sectoral activity of the ILO. It is one of seven action programmes of the ILO Sectoral Activities Branch. The process of decisions and the structure of those action programmes are described in the Summary Evaluation Report on all the Action Programmes, section (1).<sup>1</sup>

## ***Geographic coverage***

The sectoral steering group, at its planning meeting of 16 February 2004, discussed the selection of countries to be approached for possible participation in the Action Programme. The selection itself was done a few days after the meeting following the proposals received from participants. The following countries were chosen: Barbados, Fiji, Mexico, and South Africa. Argentina, Egypt, Malaysia, the Philippines and Senegal were identified as reserve countries.

In April 2004, the Office invited the countries selected to participate in the Action Programme and to indicate how they intended to contribute to its implementation. Barbados and Fiji replied in the affirmative Egypt replaced South Africa from where no reply was received, and replied in July 2004. It was discovered later that, due to a mishap, the letter to South Africa had not been transmitted correctly. Another letter was sent out in September 2004. No formal reply was, however, received. A positive reply was received from Argentina in September 2004 which replaced Mexico from where a decline had come in August 2004.

## ***Rationale and objectives of the action programme***

The tripartite sectoral steering group at central level decided on the design of the Action Programme at a planning meeting held on 16 February 2004.<sup>2</sup>

The meeting established the following priority areas for action:

- a) Social dialogue and the four components of the ILO Declaration of 1998

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<sup>1</sup> Sectoral Activities Action Programmes, Summary Evaluation Report, Discussion document for the Global Steering Group Meeting, ILO, Geneva, 22 September 2006, document AP/GSG/2006/2; section (1)

<sup>2</sup> *Summary of Discussions*, document HCT/SPM/2004/3

- b) Tourism Labour Accounting System – TLAS
- c) Training including a linkage with migration with a view to promoting international mobility under appropriate social conditions
- d) HIV/AIDS
- e) Working conditions

The action programme set off with the general objective to increase employment in the HCT sector. It was underpinned by the rationale that the employment potential of the sector was not fully utilized because (1) employment was volatile in the sector due to external crises in recent years and a lack of statistical knowledge to develop sound employment policies (2) employment was not sufficiently attractive to workers looking for a job; (2) workers lacked the skills for productive employment in the HCT sector.

Whereas the general objective was to change the employment situation in the sector, a no less important goal of the programme was to strengthen social dialogue at sectoral level as a means to achieve the general objective. Thus social dialogue became a goal in itself.

The three dimensions of the general objective and the overall goal of the programme translated into the following specific objectives

- (1) Promote social dialogue at sectoral level;
- (2) promote decent work;
- (3) develop sectoral labour statistics (Tourism Labour Accounting System – TLAS -);
- (4) develop policies and programmes for skills development;
- (5) address HIV/AIDS at the workplace.

Key outputs were anticipated for some of the objectives, such as baseline studies and studies on best practices; manuals and other training material if appropriate; and workshops to validate and further develop the material.

### ***Start of the Action Programme***

The Action Programme started with the preparatory activities at the beginning of the biennium 2004-05. A tripartite planning meeting in Geneva was held on 16 February 2004. The activities started with the invitation to selected countries to participate which were sent out short after the meeting. The replies took until the middle of the year to be received. However, the activities at the country level started even later due to an extensive phase of correspondence as well as telephone contacts undertaken with the goal to initiate the Action Programmes in each of the countries.

Practical activities at the country level started with the convening by the competent ILO field representation of a tripartite national steering group. The first sessions of the steering groups were held at the following dates:

Barbados:	10.12.2004
Egypt:	22.2.2005

Argentina: 09.03.2005  
Fiji: 16.03.2005

The reasons for the rather late start, with the exception of Barbados, were in the case of Egypt, that the ILO Office did not have the capacity to start two Action Programmes too close to each other and gave preference to the programme in the construction sector. In the cases of Argentina and Fiji, one of the reasons was that it would be impossible to convene the national steering group during the high tourism season.

With the exception of Barbados, the first meeting of each national steering group coincided with a mission by the sectoral specialist from ILO Headquarters in Geneva. The meeting in Barbados was attended by the Regional ILO Specialist for the development of small and medium sized enterprises.

### ***State of implementation of the action programme***

At the time of the evaluation questionnaire action, i.e. in May-June 2006, the implementation of the action programme was virtually terminated in Argentina, whereas in Egypt it was in full swing. In Fiji, things had been moving slowly since the end of 2005 due to political events including elections and re-manning of the ministries involved. The budget of the action programme amounted to USD 157,000 in the biennium 2004-05. In the biennium 2006-07, the allocation amounts to USD 50,000 which is to be divided between all three participating countries.

#### Argentina

The National Steering Group was convened by the Director of the ILO Office in Buenos Aires as was provided for by the Governing Body decision on the formation and the composition of the tripartite national steering groups. It met nine times at rather regular intervals and decided on a number of activities to be carried out under the Action Programme. It did, however, not decide on a coherent National Plan of Action.

A series of consultancy reports were produced in the areas of labour statistics in tourism, remuneration, and training needs, as reported below. No activity is planned at present.

#### Barbados

The National Steering Group was convened by the Ministry of Labour twice. An official from the ILO Sub-Regional Office in Port-of-Spain participated in the first meeting. The meeting established priorities for the Action Programme, which, however, had no follow-up. The second meeting was held in an attempt to create a momentum to the programme, but participation was reportedly insufficient. The Action Programme has remained inoperative since early 2005. A meeting of the ILO specialist with the government delegation during the International Labour Conference 2005 resulted in a renewed intention by the Permanent Secretary of the Ministry of Labour to start the Programme, but remained without practical effect.

## Egypt

The National Steering Group met 9 times at rather regular intervals. A baseline report was commissioned. It also contained proposals for project design in the areas proposed by the action programme and was adopted as a national plan of action by the ILO constituents and other stakeholders of the tourism sector. The action programme, in cooperation with the ILO action programme in the construction sector, organized a technical meeting for the national steering groups to discuss different ways of funding a national vocational training scheme or, alternatively, sectoral vocational training schemes. A SPROUT on the action programme was presented to the community of development partners of Egypt at a round table in July 2006 with a view to attract donor contributions for implementation.

## Fiji

The Director of the sub-regional ILO Office in Suva convened a tripartite National Steering Group, which met regularly for some time, co-chaired by respective permanent secretaries of the ministries of labour and tourism. The national steering group decided that the area of human resources development should be priority. The programme was then attached to a larger government programme on multi-sectoral development of human resources which included a component on the tourism sector and had been supported by the ILO for a number of years. A questionnaire was launched with the purpose to find out about the human resources needs of hospitality enterprises. A national plan of action was prepared by the Office in tabular form to reflect relevant decisions taken by the national steering group.

### ***Internal evaluation***

The present evaluation is different from habitual project evaluations as the different roles and responsibilities (evaluator, evaluated, and addressee of the evaluation) are shared by the Office and the ILO tripartite constituents at the central and the local levels.

### ***Sources of information***

The core of the evaluation reflects the replies to a questionnaire<sup>3</sup> which in early May 2006 the Office sent through the ILO field representations to the members of the national steering groups in all participating countries. The questionnaire was transmitted to the members of the NSGs in the participating countries through the local ILO offices. As there is no ILO office in Barbados, the Ministry of Labour was requested to distribute the questionnaire.

The form and intensity of responding varied considerably between the countries. In the case of Argentina, the responses came directly from each member of the national steering group between 31 May and 28 July 2006 after a series of reminders. In the case of Egypt, the ILO office translated all responses and put them in one document which

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<sup>3</sup> Annex

was received on 12 July 2006. In the case of Fiji, the ILO office established the replies after interviewing the members of the national steering group on the questions contained in the questionnaire. The Ministry of Labour in Barbados informed that it was not possible to obtain replies to the questionnaire as the questions referred to activities most of which were not carried out in Barbados.

The views of the representatives from government and employers' and workers' organizations in each country are not significantly different from each other, although some authors seem to be more interested in one issue or another. They are therefore reported below by country and with no reference to groups.

### ***Findings***

The evaluation covers seven aspects or indicators listed as headings of the summarized findings below. Accordingly, the questionnaire contained seven questions aimed at obtaining the views of the ILO constituents in the participating countries. The respondents of the questionnaire were also invited to provide examples in terms of factual information to underpin their views expressed.

#### *(1) The functioning of the process of sectoral social dialogue*

The ILO constituents in all three countries established tripartite NSGs that met regularly for most of the year 2005. The NSGs continued being active in Egypt and Fiji later, whereas in Argentina it had not met in 2006 to date. The reasons given verbally were the summer vacation period and the drastically reduced budget for the Action Programme in the new biennium.

All respondents answered positively on the functioning of sectoral social dialogue, citing appreciation for the frankness of discussions held. Some found the process very successful (Egypt) or effective (Argentina).

The fact that both ministries of labour and tourism were represented in all countries as well as all relevant employers' and workers' organizations was viewed positively. In Fiji, academic institutions and training centres were also associated with the NSG.

The subjects discussed were considered relevant.

The answers from Egypt and Fiji show that the action programme was an unusual opportunity for sectoral social dialogue whereas one of the replies from Argentina pointed out that the keen interest of the tripartite partners in the action programme was a proof of the fact that social dialogue in the HCT sector was permanent. This can be understood as pointing to the fact that social dialogue was not a novelty to the HCT sector in Argentina.

#### *(2) The preparation of a plan of action*

A national plan of action was prepared in two of the three countries (Egypt and Fiji), although in different forms and with different weight. In Egypt, a national plan of action was based on a comprehensive baseline assessment and a series of different project proposals to address present shortcomings in the sector to be addressed by the Action Programme.<sup>4</sup> It was validated by the national steering group at a tripartite workshop with broad attendance, which was held for that purpose.

In Fiji, the ILO Office established the plan in tabular form based on relevant decisions taken by the national steering group at different stages.<sup>5</sup>

In Argentina the respondents considered that in the absence of a consolidated document the decisions taken by the NSG on different occasions and documented in the records were as good as a national plan of action. It is noteworthy, though, that one constituent referred to the absence of such a document as a reason why funding was not discussed yet.

### *(3) Implementation of the activities*

The respondents in all three countries elaborated on the activities that were implemented. There were differences in emphasis, however, as some respondents considered the activities of the NSG, such as information sessions with presentations by an ILO expert or a consultant (Argentina), as activities of the action programme, whereas others (Egypt) thought that the action programme proper had not started yet and even the baseline report and plan of action was only for its preparation. Largely, the implementation of the action programme is expected to start when funds will be available.

Substantial activities were mentioned in Argentina where a number of consultancy reports on issues including labour statistics,<sup>6</sup> remuneration questions with reference to the recent economic crisis and its repercussions<sup>7</sup> and skills development needs<sup>8</sup>, as well as in Fiji where a questionnaire on skills development needs was launched and analysed. The repeated tripartite dialogue on designing the consultancies and on their conclusions was also considered a substantial activity.

It should be noted here that SECTOR had prepared in cooperation with STAT a paper titled *Introduction to Labour Statistics in Tourism*,<sup>9</sup> which was translated in Argentina into

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<sup>4</sup> Mohamed F. Sakr, *Action Plans for Employment Promotion and Working Conditions Improvement in the Egyptian Tourism Sector*, Cairo, August 2005

<sup>5</sup> *Draft Tourism Work Plan Fiji*, 28 June 2005

<sup>6</sup> A feasibility study for the implementation of the ILO Tourism Labour Accounting System in Argentina: Miguel Oliva, *Factibilidad de un Sistema de Contabilidad del Trabajo en el Turismo en la República Argentina*, Noviembre de 2005; and an application of the Accounting System: Miguel Oliva, *El empleo en las ramas características del turismo en Argentina, Informe preliminar*, Junio de 2006

<sup>7</sup> Laura Perelman, *Los determinantes del salario en el sector de Hotelería y Restaurantes a partir de la crisis económica (Versión preliminar)*, Octubre 2005

<sup>8</sup> Maju Bacigalupo, *Estudio Ocupacional y Propuesta de Formación para el Sector Gastronómico*, Marzo 2006

<sup>9</sup> Dirk Belau, Debbie Budlender, *Introduction to Labour Statistics in Tourism*, Geneva, Sectoral Activities Working Paper No. 223, Geneva, 2006

Spanish under the action programme.<sup>10</sup> In the same context, a representative of an employers' organization on the national steering group provided the group with an economic study on the tourism industry in Argentina which he had co-authored on behalf of the Argentinian Tourism Chamber<sup>11</sup>

*(4) Results of the activities and their relevance  
to the social and economic development of the hotel,  
catering and tourism sector*

The respondents from Argentina considered successful sectoral social dialogue on controversial issues a commendable result of the action programme. It had stimulated the debate between the three groups on questions such as working conditions, wages, the informal economy, and others.

Otherwise, the replies from all countries give to understand that the question on results was premature.

An exception was made for the development of labour statistics in tourism, which was attributed an immediate impact as it allowed the public to better understand the importance of the tourism sector in the national economy and on the labour market. This activity resulted in two consultancy reports on measuring employment and other labour related data in tourism. They include a feasibility study on the possible introduction of the methodology for a Tourism Labour Accounting System (TLAS) proposed by the ILO and a first application of the methodology to measure employment in tourism characteristic economic activities (see footnote6).

The activity of the action programme on labour statistics in tourism spread from Argentina to the other countries of the MERCOSUR area, i.e. Brazil, Paraguay and Uruguay. A tripartite ILO workshop was hosted jointly by the Ministry of Planning and the tourism authority of Brazil. The participating countries exchanged experiences on the development of labour statistics in tourism and adopted a set of recommendations for further work in this area. The recommendations emphasise the role of the ILO decent work concept to guide the selection, generation and processing of data and the design of new tourism specific measuring instruments.

*(5) Additional results from the sectoral social dialogue process  
that went beyond those initiated by the action programme*

The respondents from all countries considered that social dialogue in the framework of the action programme had produced a certain impact outside the programme.

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<sup>10</sup> *Introducción a las estadísticas laborales del turismo*, Organización Internacional del Trabajo, Ginebra, Junio 2004

<sup>11</sup> Jorge Busquets y Ernesto O'Connor, *Importancia de la Industria de Viajes y Turismo como Actividad Económica, Informe de Actualización - Año 2004*, Julio de 2005

In Argentina, an example of such impact was the use made by the social partners of the consultancy report on wages when they renegotiated a collective agreement; another example was that one of the two employers' organization joined in with the other employers' organization and the workers' organization to become active in a project of the Ministry of Labour on the certification of competencies in hotels and restaurants.

Both in Egypt and Fiji, the respondents valued the impact of sectoral social dialogue in terms of raising common awareness of social and labour problems in the HCT sector, which were otherwise little known or hardly considered.

*(6) The action programme as ultimately leading to social and labour benefits in the country in the future*

Respondents from all three countries expect the action programme to generate social and economic benefits for their countries in the future mainly through increased awareness and enhanced policies of the tripartite partners. However, in Argentina the expectation was conditional upon the continuation of the action programme.

In Argentina, the tripartite partners expected to be able to promote social changes in the sector such as the diminishing of the proportion of informal employment, improving of workers' income and improving of the quality of customer services through enhanced skills and better workers' health.

The future availability of better labour data was also expected to contribute to those improvements.

The Egyptian respondents expected additional results such as a reduction of youth unemployment through increased employment opportunities in tourism, higher competitiveness of the sector on foreign markets, and a general encouragement of investments in the sector.

*(7) Additional funding for the plans of action*

The question was dealt with intensively in Egypt and Fiji, but not in Argentina. The Egyptian constituents had established a budget estimate for funding by the community of the country's development cooperation partners. In addition, the social partners decided to propose new legislation by which 1 percentage point from the 12 per cent service charge in hotels and restaurants plus 1 percent from employers' income would be collected to form a sectoral training fund.

In Fiji, the national steering group integrated components of the action programme into a larger project in the area of human resources development.

In Argentina, the question of sustainability was not dealt with so far, as there was no consolidated national plan of action. The Government will probably finance the continued work on labour statistics.

Lessons learned

Although the responses to the evaluation questionnaire are by and large positive, some observations by the specialist outside the evaluation exercise may help putting them into perspective.

### *(1) Future impact and sustainability*

The question concerning the expected future impact of the action programme seems not to have been asked clearly enough or is too difficult to answer at the present stage. The NSGs appear therefore little committed to make the programme sustainable with a view to achieve clearly defined impact.

Certain responses pointing to a future impact of the programme seemed uncertain and were conditional upon the continuation of the action programme supposedly with its present structure. However a proposal was also made to extend the programme to the provincial level, which pointed to a future for the programme on its own.

Whereas the initiation of the action programmes in the participating countries was quite a heavy task for the Office and took more time than expected, it may be considered to do more for clearer planning and produce a stronger vision of the possible and desired impact.

The organizations represented in the national steering group do not have the habit to look out for funds to support technical cooperation. Although the idea was well accepted by the national steering group in Egypt, no activity in this direction is known of as having been undertaken or having produced a result. The connected questions of sustainability and funding should be brought up more energetically at an earlier stage in order to avoid frustration.

### *(2) Replication*

The extension of the action programme to more countries and to the subregional level is an important challenge. More solid prospects for extra-budgetary funding would be needed, though. In any case, in view of requests coming in from other countries for ILO technical cooperation on the HCT sector, a strategy should be discussed to create synergies between the countries as potential participants in the action programme. An Internet site remains to be created for this purpose.

The action programme could be extended on a regional or subregional basis in whole or in part as was already done for the component of labour statistics. Argentina was the leader of a subregional workshop on labour statistics in tourism held in Brasilia further to a request by the Brazilian government.

### *(3) Planning and preparation*

The preparatory process of the action programme could have been more complete. Better preparation would probably have accelerated the implementation and improved the achievements.

A more complete preparation of the action programme concerns three dimensions:

- (a) more clarity of theme and objectives;
- (b) commitment by the subregional ILO Office concerned;
- (c) commitments by the ILO constituents at national level.

With respect to point (c) above, the lesson is that countries should have been selected with more intensive consideration of their capacity to come up with the necessary local inputs and activities. It may be necessary to provide the potentially participating countries as well as the competent ILO external offices with a more detailed forecast of the requirements. In cases where the local commitment appears to be insufficient, financial and human resources should be redirected to alternative countries at an early stage.

Most of the action programme's value added is in its social dialogue approach rather than in the few activities that can be financed from its small allocation. Its capacity to generate an impact beyond its immediate scope, however, relies on sound administrative procedures as well as a strong determination of all parties from the outset.

#### *(4) Better adjustment to national needs*

The ILO constituents at the national level should be involved in the planning phase, and more precise commitments should be requested from them before a country starts participating in the programme.

Realistically, the ILO constituents should deny participating in an action programme or ask for more discussion if the relevance of the proposal in view of the country's needs is too low or not clear enough. The imminent termination of the programme in Argentina may be explained by the country's little perceived need for what was proposed.

Efforts need to be made to strike a balance between a supply driven approach and a demand driven approach, or in other words, between the designing of an action programme at Headquarters and the perceived needs at country level. The theme and the objectives of the action programme on the HCT sector were determined at the international level based on a proposal by the Office but without updated consultation with the ILO constituents in the prospective participating countries. Although the proposal was welcomed in all parts by all three national steering groups, the procedure may have created delays and a weakness of motivation at the national level in some cases.

This is not to say that the national needs would be known as being different from the action programme proposal. On the contrary, where a thorough assessment of the national needs was made and discussed, the action programme proved to be pertinent. However, it needs to be taken into account that once a proposal is made, all parties involved tend to follow it rather than to spend energy on changing it.

As a conclusion, more efforts may be needed to support the ILO constituents in participating countries on identifying their genuine needs through social dialogue. Despite the merits of the social dialogue initiated in the framework of the action programme, more is needed.

### *(5) National plan of action*

It can be a time consuming exercise to establish a national plan of action. It depends on the possibility to have baseline report done as well as on the chance to find a strong consensus in the tripartite debate on the needs to address. Otherwise, it may be wise to start activities on a more ad-hoc basis and develop a plan later. This was done in Fiji, where a makeshift plan was good enough to start substantive activities. The example of Argentina, on the other hand, may show, that in the absence of an explicit needs assessment and a consolidated document, the programme lacked orientation.

### *(6) Cooperation with ILO external offices*

The ILO sub-regional offices involved in an action programme should have been provided at an early stage with more complete estimates of the human and sometimes financial resources they were expected to contribute to the action programme. Missions from Headquarters are limited because of scarce funding. Whereas the presence of the specialist from Headquarters was felt to be essential for the advancing of the programme at national level, an increased involvement of the ILO sub-regional office could replace such missions to a certain extent and lower costs.

### *(7) Association with other projects or programmes*

The possibility of linking the action programme to other ILO or third party initiatives can be an important criterion to decide on its implementation or expansion. The experience of Fiji and Argentina show that the action programme has been relevant for ongoing government projects. In Egypt, the action programme is becoming part of a Decent Work Country Programme and can therefore rely on more resources from the sub-regional office. At the same time, however, there is a danger that the programme lose too much of its personality, especially its sectoral profile and social dialogue approach, if it is associated with other activities not entirely controlled by the same actors. It may also lose momentum if the larger programme of which it becomes a part is too heavy or too slow. Both in Argentina and Fiji the programme may have lost as much as it may have won in terms of survival.

This dimension should be included expressively in any future evaluation questionnaire.

## **Conclusions**

### *(1) Period under review*

The period under review was rather short, as it covers not much more than a year of activities. Only in Egypt, the momentum has remained strong until to date. The evaluation of the programme in Egypt therefore covers the time from February 2005 to May 2006. In Argentina and Fiji, the activities of the programme this year were reduced for various reasons, of which the reduced budget is probably the most important.

### *(2) Successful sectoral social dialogue*

*vs. limited substantive activities*

The respondents to the questionnaire clearly appreciated the sectoral social dialogue process. But due to the short period under review and perhaps more so to the modest budget, there are rather few results because the practical activities undertaken were limited to the commissioning of reports. No substantive training activity, as an example has taken place yet.

*(3) Lessons learned with respect to the planning phase*

Two factors deserve a closer look if this action programme or the action programmes in general are to continue:

- a) the capacity and commitment of the partners at the country level, including the government, employers' and workers' organizations as well as the ILO office competent for the country in question;
- b) a safer way to make the action programme match with the needs of participating countries and the ILO constituents at the country level.

## Annex

### *Questionnaire*



### **Evaluation of Action Programme**

*Addressing crises and creating more and better jobs  
in Hotels, Catering and Tourism*

#### **Questions**

1. Do you perceive the **social dialogue** processes of the Action Programme in your country to be functioning effectively? Please give details or/and examples.
2. Was a **plan of action** or similar document adopted for the sector as part of the Action Programme? How do you evaluate the document? If none was prepared, what were the reasons?
3. Has (have) any activity (or activities) of the Action Programme been implemented? Please give details.
4. What were the **results** of such activities? What is their relevance to the social and economic development of the hotel, catering and tourism sector in your country? Please give details or/and examples.
5. Has the Action Programme social dialogue process led to any other **results** that are relevant to the social and economic development of the hotel, catering and tourism sector in your country? Please elaborate.
6. Do you think the Action Programme will lead to social and labour benefits in your country in the **future**? Please explain.
7. Has the issue of **funding** for the plan of action been discussed between representatives of workers, employers and government? Please give details.