

Chairperson's summary

Government, employer and worker experts from the hotel and tourism sector attended the Informal Meeting on the Hotel and Tourism Sector: Social Impact of Events Subsequent to 11 September 2001. The Meeting was called by the Director-General of the International Labour Office on 25 and 26 October 2001 at ILO headquarters in Geneva, for two days of intense discussions on the impact the crisis was having on the industry. All comments made by the participants will be reflected in the report of the Meeting. In addition, the participants highlighted the following.

The impact

- The events of 11 September were unlike any other shock experienced by the industry to date. Earlier events had localized or regional impacts. The 11 September events had a worldwide impact, affecting the industry at the national and global levels.
- The crisis drew attention to the contribution which tourism makes to national and global economies. It is a major employer and an important contributor to the GDP of many countries. It provides both direct and indirect employment to a range of related sectors, from personal services to commerce workers. The hotel and tourism sector provides a major route for the socially excluded to enter the workforce and employs a large proportion of vulnerable groups such as women, migrant and young workers.
- The hotel and tourism industry was already experiencing severe structural and systemic difficulties before the 11 September events. It has been affected by the global economic downturn. The 11 September events have posed a double threat: the short-term shock of sharply reduced demand due to a loss of consumer confidence; and the longer term and potentially more profound impact of the economic downturn.
- There is no single travel market; thus, it is important to disaggregate and analyse the impacts. The impact is different for different regions of the world and for different countries, depending on the importance of tourism for the economy and whether they are destination or origin countries, or both. While at present the strongest impact is being felt in the United States, the effects are not the same for all countries. There can therefore be no "one size fits all" approach, and innovative local solutions need to be explored.
- No official data are available yet, but the information provided by the industry suggests that the impact on business and employment is severe and potentially catastrophic. The tourism economy employs 207 million people worldwide, which is

equivalent to 8 per cent of global employment. The total estimated job loss could be at least about 8.8 million. In some countries, such as the United States, this could rise to 50 per cent.

- Small and medium-sized enterprises (SMEs) represent more than 80 per cent of the industry in many countries and lack the resources to survive a prolonged downturn.

Overcoming the crisis

The experts focused on the operational aspects at both national and international levels and elaborated recommendations addressed to all the actors. The list of recommendations is not exhaustive, neither is it binding; for example, it leaves governments the choice of the most appropriate measures at national level.

Recommendations by the social partners for measures to be taken by governments, the ILO and the social partners in response to the crisis following the events of 11 September 2001

For government action

1. Recognize to a still greater degree the critical role that the hotel and tourism sector plays in the economy and afford it an appropriate place in national strategic economic planning.
2. Organize widely supported campaigns and projects to promote tourism in general. Develop additional tourism strategies, including strategies relating to domestic and intraregional tourism, to moderate the negative effects of the cyclical nature of tourism in many countries.
3. Adopt policies aimed at increasing the number of people for whom tourism opportunities are available, including special provisions to encourage those on lower incomes to engage in tourist activities.
4. Encourage consultation amongst the social partners at national and local levels in the hotel and tourism sector to mitigate the negative effects of the crisis and promote tourism in general.
5. Respond to joint approaches by employers' and workers' organizations¹ in the sector to initiate temporary measures to reduce costs (including a review of all tourism-related taxation) during the crisis period. Such measures should be enacted in a transparent manner and their impact should be monitored by tripartite structures charged with the task of ensuring that the measures meet the principal objective of maintaining employment and acceptable conditions for the operations of the industry.
6. Assist employers' and workers' organizations¹ in setting up education and training programmes principally designed to retain employees within the industry and enhance their opportunities for a secure future in the industry. Such training should be at no cost to employees. In particular, provide state-supported education and training opportunities where possible as an alternative to unemployment, noting that state investment in such

¹ Primarily trade unions.

training might involve overall costs not necessarily higher than the cost of providing for an unemployed worker in the sector.

7. Allocate significant funding to assist the sector and its workers who suffer temporary or permanent loss of employment and income as a result of any downturn in tourism.
8. Approach relevant international financial institutions (IFIs), and specifically the World Bank and the International Monetary Fund, to provide the necessary resources on favourable terms to those countries which are unable to meet the commitments described above from within their own national budgets.

For action by employers' and workers' organizations ²

1. Recognize the value of national-level and local-level joint approaches by the social partners to respond to issues arising from the current tourism crisis based on the following principles:
 - commitment by the social partners to seek mutually agreed ways to extend employment, avoid and limit employment losses and, wherever possible, to prioritize the reintegration of workers facing short-term job loss as a result of the crisis;
 - the development of joint and agreed approaches to governments calling for action to reduce the impact of a decline in economic activity as a result of the crisis.

For action by the ILO

1. Support calls for direct intervention from relevant IFIs, and specifically the World Bank and the International Monetary Fund, to provide the necessary resources on favourable terms to those governments which may be unable to take the necessary practical action because of constraints within their own national budgets.
2. Cooperate with all relevant international bodies active in the tourism sector to continue to assess the evolving impact of the 11 September events and subsequent related developments on tourism. Such cooperation might include convening future informal review meetings such as that held on 25-26 October 2001.
3. Ensure proper dissemination to all parties active in tourism of relevant information, both that arising from this process and that available to the ILO in general. In particular, such information should include positive examples of action that successfully avoids employment losses in the industry and preserves the continuing well-being of the sector.
4. Based on its policy and mandate of seeking inclusive social dialogue, encourage the full participation of the social partners in consultations relating to the crisis (for instance in the framework of the growing number of national tourism crisis management structures).
5. Implement the conclusions of the Tripartite Meeting on Human Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector (Geneva, 2-6 April 2001), particularly those relating to putting in place national systems for training and skill development, especially in poorer countries. This again might require approaches to the IFIs for practical support to such countries.

² Primarily trade unions.

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6. Organize ILO education programmes for workers and employers, specifically targeting the hotel and tourism sector, particularly those aimed at facilitating such activities in SMEs.
 7. Take urgent and appropriate measures to implement the resolutions adopted by the Tripartite Meeting on Human Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector (Geneva, 2-6 April 2001), in particular the resolution concerning measures to promote employment in the hotel, catering and tourism sector during the low season, including vacation programmes for senior citizens. Amongst other things, this resolution called upon the Director-General of the International Labour Office, in close cooperation with pertinent employers' and workers' organizations,³ to conduct a comparative study on measures to promote employment in the sector during the low season and to assess, in collaboration with the World Tourism Organization, the impact of such programmes on the different types of tourism.
 8. Ensure adequate resources, including staff resources, for this strategically important and – barring short-term crises – growing sector of economic activity and employment. Such resources should be clearly identifiable within the ILO's administration and should be at least at the level that existed when the Hotel and Tourism Branch (HOTOUR) was in place and fully staffed.

After discussion and an explanation given by the Chairperson, the following two points were added to the list for ILO action:

- Undertake studies on employment impacts, national pilot studies and quantitative methodologies for evaluating and assessing the employment impact.
- Review and evaluate, in consultation with the social partners, existing national training programmes in relation to present-day needs and crisis situations.

³ Primarily trade unions.