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Technical note

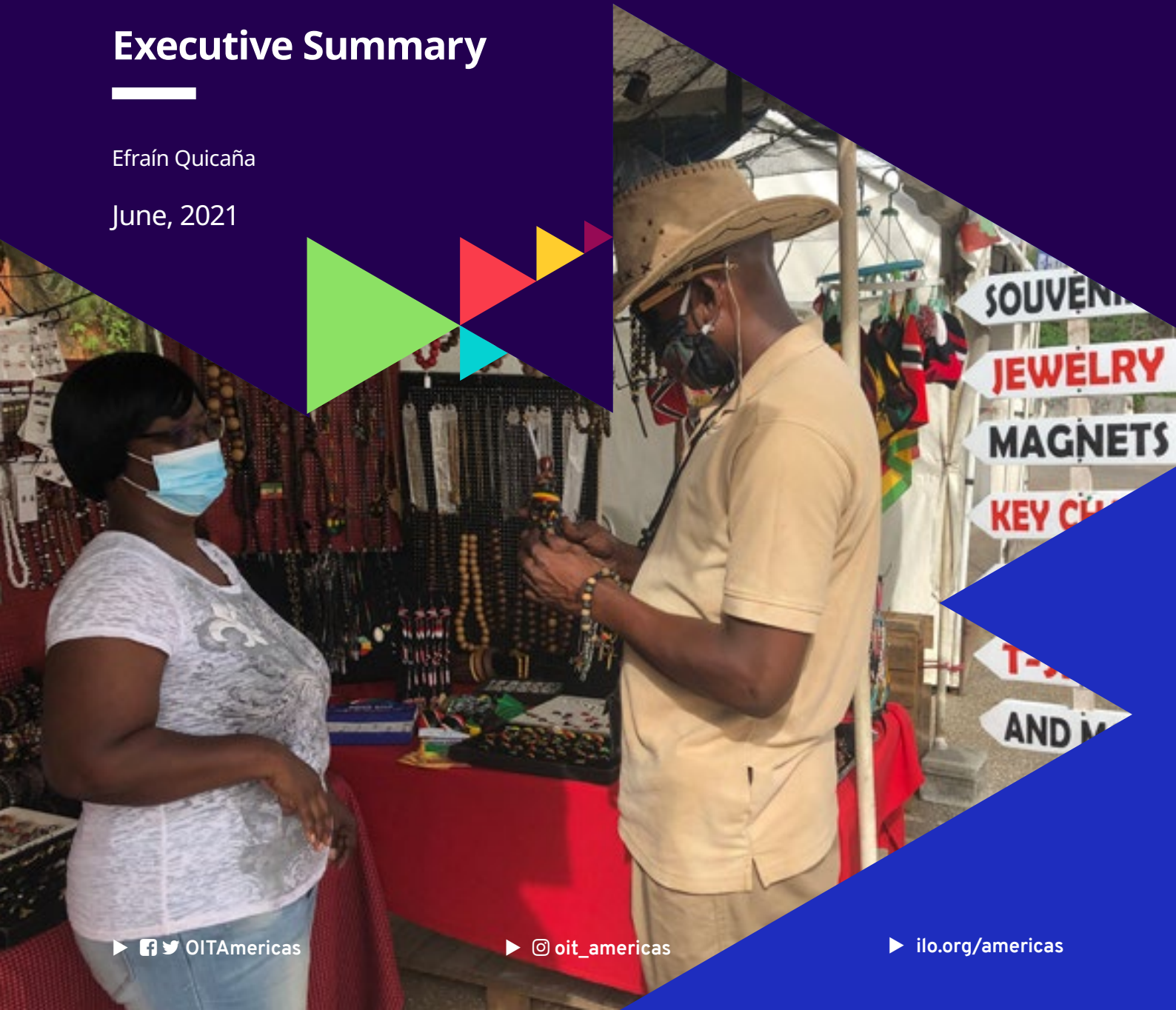
► **Labour Overview Series**
Latin America and the Caribbean 2021

Towards a sustainable recovery of employment in the tourism sector in Latin America and the Caribbean

Executive Summary

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June, 2021





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The development of human-centered policies involving social actors to mitigate the effects of the pandemic in the region is essential to support workers and enterprises to achieve a productive, environmentally sustainable recovery with decent work in the tourism sector.

Executive Summary

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- ▶ The tourism sector constitutes one of the most dynamic and fastest growing economic activities in the world in recent decades. For tourism-receiving countries, it represents a significant contribution to the generation of value added as well as to direct and indirect employment. Tourism is also an important source of foreign exchange.
- ▶ Before the COVID-19 crisis, tourism contributed to the generation of 10 per cent of total value added in Latin America, while in the Caribbean it rose to 26 per cent.
- ▶ In 2019, women were overrepresented in hotel and restaurant subsectors, with 58 per cent of employment, while they contributed to 42.5 per cent of overall occupations.
- ▶ Another overrepresented group in the sector is young workers, up to 24 years of age, who made up 20.9 per cent of employment in the sector and 13.5 per cent of total employment.
- ▶ In 2019, informal jobs in tourism outweighed informality in all other areas of employment: 63.3 per cent of workers in hotels and restaurants in the region worked in informal conditions, while that percentage was 51.8 per cent of total employment.
- ▶ The rate of informality was higher in the food subsector while in hotels it was lower than the average. Informal employment affected 61.4 per cent of those in restaurant jobs and 25.1 of hotel workers.
- ▶ Tourism was characterized by a higher percentage of workers who worked short hours: underemployment affected 25.9 per cent of total workers and 31.2 per cent of those employed in hotels and restaurants.
- ▶ It is a relatively low-paid sector: in 2019, the income of tourism workers represented on average 75 per cent of the income of all persons employed.
- ▶ In the context of the COVID-19 pandemic, health measures imposed by governments that to a greater or lesser extent restricted and continue to restrict economic activities. In particular restrictions on activities related to tourism, meals outside the home as well as recreational and cultural activities, have important repercussions on employment and the generation of economic value. Additionally, the impact of the crisis on trade and financial flows deepens and prolongs the effects on employment in the sector.
- ▶ While the number of total employed persons contracted between the second quarter of 2020 and the same period of the previous year by an average of 24.8 per cent, the loss of jobs in the hotel and restaurant sector in Latin America and the Caribbean was 44.7 per cent. These differences are maintained if the comparison is made between the first quarter of 2020 - just before the impact of the pandemic in the region - and the second quarter of that year.



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- The reduction in employment did not affect all workers in a homogeneous way: the loss was greater for women, young workers, migrant workers and for those who were put in informal positions.
- The sharp fall in informal salaried employment resulted in a lowered magnitude of informality among workers in the sector. In other words, an improvement in the employment profile is observed -in the same way as for total employment- as the magnitude of formal wage earners increases. But, this does not happen due to the generation of formal jobs or the formalization of existing positions, but due to the great loss of informal occupations.



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- In order to sustain employment, measures were used to retain jobs and to support the payment of wages.
- In several countries, clear and concise policies have been outlined with designated public institutions that provide support to the most affected sectors and that in some cases consider the needs of the productive sectors through social agreements and dialogues.
- In the third quarter of 2020, an initial recovery was observed, although challenges associated with successive waves of infections are still faced. However, the progress of vaccination campaigns in both receiving and issuing countries allows us to look ahead to a resumption of activities that will probably have a positive impact on tourism.
- The characteristics of the tourism sector, made up of multiple subsectors that coexist in destinations with different levels of management and development, make it necessary to support diverse activities to guarantee its competitiveness through social dialogue and coordination between the public and private sectors and inter-ministerial perspectives.
- The tripartite guidelines adopted at the expert meeting on decent work and socially responsible tourism (Geneva, 2017) and the tripartite resolution on the global call to action for a human-centered recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (ILO June 2021) offer guidelines for the recovery of the sector focused on decent employment and environmental sustainability.¹

¹ ILO. Resolution for a global call to action for a human-centered recovery from the COVID-19 crisis that is inclusive, sustainable and resilient, International Labour Conference, 109th Session, 17 June 2021.



International
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- The resolution outlines urgent measures to promote a human-centered recovery that is inclusive, sustainable and resilient.
- The commitment envisages facilitating a rapid recovery that boosts the sustainability of the travel and tourism sector, bearing in mind its labour-intensive nature and its key role in countries highly dependent on tourism, including small island developing states.
- Framed in the findings of the current study, the guidelines and the cited resolution, the following considerations are outlined to design public policies aimed at a human-centered recovery of the sector that is inclusive, sustainable and resilient:
 - Promote productive employment, the creation of decent work and sustainable companies in the tourism sector.
 - Ensure safety and health at work for a safe recovery.
 - Digitization and expansion of capacities.
 - Productive transformation and creation of green jobs.
 - Social dialogue and strengthening of inter-sectoral and inter-ministerial coordination, as well as at the international level.
 - Policy design and improvement of the knowledge base of employment and decent work in the tourism sector.
- The development of human-centered policies involving social actors to mitigate the effects of the pandemic in the region is essential to support workers and enterprises to achieve a productive, environmentally sustainable recovery with decent work in the tourism sector.



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