



International  
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A man wearing sunglasses, a striped tank top, and plaid shorts is riding a yellow bicycle rickshaw with a green canopy. He is looking back over his shoulder. The background shows a weathered wall and a window with metal bars.

# Sustainable Tourism – A Catalyst for Inclusive Socio-economic Development and Poverty Reduction in Rural Areas

**DECENT WORK IN THE RURAL ECONOMY  
POLICY GUIDANCE NOTES**

Tourism is an important driving force for inclusive socio-economic development and poverty reduction. As one of the fastest growing and most resilient economic activities, it is a catalyst for job creation and can stimulate the development of infrastructure and public services. With tourism's capacity to generate employment, it has a major role to play in developing the often-overlooked potential of rural areas. Its significant multiplier effect across economic sectors – such as agriculture, manufacturing, construction and transport – can greatly contribute to both the economic diversification of rural areas and local economic development. The sector is, however, often characterized by serious decent work deficits. These include informality, low wages, excessively long working hours, lack of social protection and gender-based discrimination, which can be particularly pronounced in rural areas. It is therefore essential to improve the quantity and quality of jobs, promote rights at work, extend social protection, and strengthen workers' and employers' organizations in the tourism sector. This policy guidance note highlights the International Labour Organization (ILO)'s comprehensive and integrated approach in supporting the promotion of decent work in the tourism sector, as well as the sector's potential to contribute to rural development, poverty reduction and sustainable development.



## 1. Rationale and justification

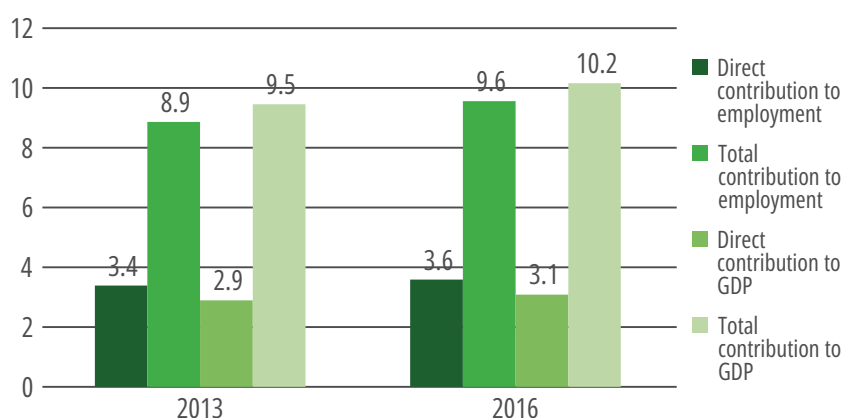
Tourism is firmly positioned in the 2030 Agenda for Sustainable Development. Its importance as a driver of job creation and local economic development, local culture and products is reflected in Sustainable Development Goals (SDGs) 8, 12 and 14, which include tourism-specific targets.<sup>1</sup> Since 2010, the G20's tourism ministers have emphasized the role of tourism as “a vehicle for job creation, economic growth and development”, reaffirming their countries' commitment to advance initiatives that promote more and better jobs in the tourism sector.

The tourism industry has grown significantly during the last decades and is today one of the most dynamic and fastest developing sectors globally. In 2016, tourism supported 292 million jobs, which represents 9.6 per cent of total employment, and generated US\$7,600 billion or 10.2 per cent of global GDP.<sup>2</sup> It is estimated that the industry accounts for one in 10 jobs (direct and indirect) in the world and that one job in the core tourism sector creates about one-and-a-half additional or indirect jobs in the tourism-related economy.<sup>3</sup>

Tourism creates important linkages across economic sectors, particularly agriculture, construction and service-providing sectors. The sector can stimulate the development of services, such as energy and environmental services, as well as tourism-supporting infrastructure, e.g. airports, roads and hospitals. It has the capacity to generate benefits for rural communities – including the rural poor – by improving and diversifying their livelihoods, thereby also reducing the incentive to migrate to urban areas.<sup>4</sup>

Reflecting this, the tourism sector is an important driving force for growth and socio-economic development. It offers significant potential to contribute to economic diversification in rural areas in two key ways. It can stimulate enterprise and job creation for youths, women, ethnic minorities, indigenous and tribal peoples, and marginalized groups. Alongside this, it helps to promote social inclusion and reduce poverty as well as preserve culture and heritage. This is particularly relevant for the rural economies of low-income countries, where poverty rates are high and decent work deficits are widespread.

**Contribution of tourism to employment and GDP (%)**



Source: WTTC: *Travel and tourism economic impact 2014 and 2017* (World, 2014 and 2017).

<sup>1</sup> See United Nations Sustainable Development Goals. Available at: [www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/)

<sup>2</sup> WTTC: *Travel and tourism economic impact 2017* (World, 2017).

<sup>3</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department (Geneva, 2017).

<sup>4</sup> UNWTO: *International rural tourism development. An Asia-Pacific perspective* (Madrid, 2017).

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Agriculture remains the backbone of rural economies in many low-income countries, but diverse, non-farm economic activities increasingly characterize rural areas. Among these are tourism, processing and marketing of agricultural products, handicrafts, and other cottage industries.<sup>5</sup> Hotels and restaurants need food and beverages, and they benefit from well-managed tourism growth that stimulates linkages with, and demand for, local agricultural products. This has spillover effects on rural non-farming activities, such as the agro-processing industry, rural transport, and storage.

These synergies and interrelationships catalyse the multiplier effect of tourism. They can generate local employment opportunities, stimulate external investment into local and national economies, and supplement sectors traditionally dominant in rural areas, thereby providing new sources of economic benefits for local communities. Positive effects reach local communities in rural areas when the tourism value-chain integrates local entrepreneurs, such as local tourist guides. The quantity and quality of the jobs generated across the agricultural and tourism supply chains directly influence the pro-poor impact of tourism.<sup>6</sup>

The benefit of tourism for rural economies is, however, not automatic, and potential effects on the destination and its environment need to be carefully considered. Tourism can pose threats to the preservation of local resources. Remoteness, cultural heritage sites, nature and landscapes, which are common characteristics of rural areas, make a destination unique and attractive for tourism, and must be preserved. The right policies need to be in place to achieve sustainable tourism, which contributes to economic

development, employment creation and poverty reduction without negatively affecting the destination. Policies need to be based on sustainable development principles encompassing social inclusion, the preservation of the natural environment and culture, and the promotion of decent work.<sup>7</sup> To take full advantage of the tourism sector, decent work deficits need to be addressed. These include the high incidence of informality in the rural economy, low wages, excessively long working hours, and the lack of social protection and social dialogue structures.

## Tourism can positively affect local/rural economic development in the following ways:

- stimulating the creation and growth of new enterprises;
- bringing an export market right to the doorstep of many sectors (businesses that start selling new products to tourists and find success can end up as exporters, which helps the economy to diversify);
- stimulating the development of new infrastructure and transport services;
- upgrading workforce skills (tourism provides incentives for local/rural people to learn new languages and customer service skills);
- providing incentives and funds to manage natural, cultural and historical resources in a more sustainable manner.

Source: ILO. *Toolkit on poverty reduction through tourism*, Sectoral Activities Department (Geneva, 2013).

<sup>5</sup> ILO: *Economic diversification of the rural economy*, Portfolio of policy guidance notes on the promotion of decent work in the rural economy Sectoral Policies Department (Geneva, 2015).

<sup>6</sup> UNCTAD: *Sustainable Tourism: Contribution to economic growth and sustainable development*, Issues note prepared for the Expert Meeting on Tourism's Contribution to Sustainable Development (Geneva, 2013).

<sup>7</sup> ILO: *Toolkit on poverty reduction through tourism*, Sectoral Activities Department (Geneva, 2013), and UNWTO: *Rural tourism in Europe: Experiences, development and perspectives* (Madrid, 2004).

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## 2. Scope and definitions

Tourism provides jobs to some 292 million people worldwide. Some of those workers, particularly those who are vulnerable to economic and social risks and discrimination, experience decent work deficits. This policy guidance note focuses on issues that can help harness tourism's potential to advance decent work in the rural economy and to improve the livelihoods of rural workers.

**Sustainable tourism** is defined as: "Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities."<sup>8</sup> It should generate local prosperity, incomes and decent jobs, promote environmental awareness, conserve and protect the environment, respect wildlife, flora, biodiversity, ecosystems and cultural diversity, and improve the welfare and livelihoods of local communities by supporting their local economies and the human and natural environment as a whole. It should also ensure the viability and competitiveness of destinations and enterprises to enable them to prosper and deliver benefits over the long term. Social justice, decent work, gender equality, economic development, and environmental integrity are at the heart of sustainable tourism.<sup>9</sup>

### Components of sustainable tourism



*Sustainable tourism* represents an important driver of inclusive economic growth and decent job creation in rural areas. The sector employs a large number of young people and women, and can be a significant source of income for local communities. For rural tourism to thrive in a sustainable manner while also creating jobs, alleviating poverty and improving rural people's livelihoods, rural development policies and strategies need to prioritize the promotion of decent work in the tourism industry. Multistakeholder dialogue that includes ministries of labour, tourism, agriculture, rural development and the environment, as well as employers' and workers' organizations and other tourism-related stakeholders is key to the development of coherent and coordinated policies to promote sustainable tourism and to ensure their effective implementation.

Targeted support to the tourism sector is essential in ensuring its contribution to the promotion of decent work in the rural economy, and requires the implementation of multifaceted interventions.

In South Africa, for example, tourism and agriculture were identified as sectors with the greatest potential for promoting rural development. In response, the National Department of Tourism developed a National Rural Tourism Strategy (2012), which utilized a developmental approach to stimulating the potential of tourism growth. It focused on facilitating the creation of an enabling environment for the development of rural tourism, which can generate decent employment and foster the involvement of rural communities. It further aimed to promote the coordination of rural tourism development initiatives among stakeholders, as well as to establish a platform to share knowledge, development opportunities and the challenges faced in rural areas.<sup>10</sup>

Mexico also recognized the importance of tourism as one of the economic activities with the greatest potential for growth, employment generation and for resolving social unrest and violence. The Tourism Cabinet, which includes ministries covering several areas, such as rural development, and environment and natural resources, among others, was established in 2013 as a cross-government initiative aimed at improving inter-governmental policy development and coordination.<sup>11</sup>

<sup>8</sup> UNWTO and UNEP: *Making tourism more sustainable. A guide for policy makers* (Paris, Madrid, 2005).

<sup>9</sup> ILO: *Guidelines on decent work and socially responsible tourism* (Geneva, 2017).

<sup>10</sup> See: [www.gov.za/documents/rural-tourism-strategy](http://www.gov.za/documents/rural-tourism-strategy) [accessed 26 Sep. 2017].

<sup>11</sup> The Mexican Tourism Cabinet includes Ministers from Foreign Affairs, Finance, Environment and Natural Resources, Economy, Communications and Transport, Agriculture, Urban and Rural Development, and the Federal Executive Counsel and the Chief of the Presidential Office. See WTTC: *Governing national tourism policy* (London, 2015).

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## Target groups

*Rural women* are key agents for socio-economic development and for empowering rural communities. Employment prospects for women in rural areas are, however, particularly poor and they often face daunting challenges, including limited access to productive resources, credit, healthcare, training and education. Most rural women are engaged in self-employment or unpaid family work, instead of being in formal wage employment.<sup>12</sup> Empowering women is key not only to the wellbeing of individuals, families and rural communities, but also to overall productivity and economic prosperity. The tourism industry, where women account for up to 70 per cent of the workforce, has great potential to support the livelihoods of rural women. This would, however, require paying particular attention to the decent work deficits that they face, which are characterized by horizontal and vertical segregation of occupations and gender-related inequalities. Women tend to be over-represented in lower skills and lower-paid areas of the industry, such as housekeeping and those involving customer contact.<sup>13</sup>

The share of *young people* in rural areas remains high, despite ageing rural populations, with an estimated 55 per cent of the world's youth living in rural areas. Decent work challenges in rural areas – including the limited opportunities to access quality education and training – are particularly daunting for young women and men. As a consequence, young people frequently leave rural areas in search of better jobs in urban areas and abroad. The tourism sector is an important source of jobs for the rural youth because it employs more young people than most other sectors. Tourism offers opportunities for entrepreneurship, which is particularly important in view of addressing the global challenge of youth unemployment with an estimated 71 million unemployed youth in 2016.<sup>14</sup> Quality education and training, as well as addressing the issue of skills shortages, are key to promoting rural youth employment in this sector.

Through strong consultation and participation mechanisms and respect for indigenous peoples' rights, the tourism sector can benefit *indigenous and tribal peoples*, and also gain from their contributions. Efficient decision-making processes can enhance incomes, generate formal employment opportunities, promote further respect for indigenous cultures and diversity, and improve environmental sustainability.

<sup>12</sup> ILO: *Giving a voice to rural workers: General Survey concerning the right of association and rural workers' organizations instruments*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 104<sup>th</sup> Session, Geneva, 2015.

<sup>13</sup> ILO: *International perspectives on women and work in hotels, catering and tourism*, Sectoral Activities Department (Geneva, 2013).

<sup>14</sup> ILO: *World employment and social outlook: Trends for youth 2016* (Geneva, 2016).

## Key policy issues in this context include:

### *Facilitating the transition to formality*

In many developing and emerging economies, the tourism sector is often characterized by a high incidence of informality. This is partly due to the prevalence of seasonal, temporary and part-time employment, combined with weak regulation, enforcement and organization of labour. Informality tends to be higher in rural areas, where it constitutes over 80 per cent of total employment.<sup>15</sup> The lack of decent job opportunities in rural areas pushes the poor into low-return, casual, non-farm activities, which are often linked to the informal economy. Most tourism businesses in rural areas are micro, small and medium enterprises (MSMEs), many of which are operating informally. Rural workers frequently live in poor, unstable and isolated conditions; are engaged in inequitable employment relationships and distribution of benefits; and witness or experience discrimination, child and forced labour. Rural women, youth and indigenous and tribal peoples are more vulnerable to informal and casual employment in a less safe and less favourable working environment than other workers.

Sustainable tourism that provides quality jobs can enhance communities' livelihoods. However, rural workers in the informal economy are often subject to decent work deficits. These may include excessively long working hours, lower and less regular incomes, discrimination on grounds of gender, age, ethnicity, disability, and indigenous or tribal identity, lack of representation and inadequate social protection coverage.<sup>16</sup>

Facilitating the transition to formality within the tourism sector and the rural economy at large requires an integrated and coherent strategy for employment, social protection and other social policies, as well as institutional coordination, as set out in the Recommendation concerning the Transition from the Informal to the Formal economy, 2015 (No. 204). Implementing relevant tax and infrastructure policies as well as local development strategies is essential for supporting rural tourism and growth of formal establishments. In addition to identifying areas with the potential for the growth of rural tourism, along with the obstacles hampering the sector's development, this would require analyzing the drivers of rural informality. The aim would be to develop coordinated measures tailored to the specific characteristics and needs of the different groups of tourism workers, and measures

<sup>15</sup> ILO: *Giving a voice to rural workers: General Survey concerning the right of association and rural workers' organizations instruments*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 104<sup>th</sup> Session, Geneva, 2015.

<sup>16</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department, (Geneva, 2017), and ILO: *Fundamental principles and rights at work: From challenges to opportunities, A recurrent discussion on the strategic objective of fundamental principles and rights at work*, under the follow-up to the ILO Declaration on Social Justice for a Fair Globalization, 2008, Report VI, International Labour Conference, 106<sup>th</sup> Session, Geneva, 2017.

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regulating access for use of public space, cultural and natural resources, which would enhance productivity and livelihood opportunities in rural areas. Promoting decent work along tourism supply chains, investing in education and skills that empower rural workers while providing them with the competences to start their own tourism business is essential.

## **Promoting sustainable enterprises**

Tourism enterprises are a major source of employment and innovation. Around one-half of the tourism workforce is employed in MSMEs of fewer than ten people, while around three-quarters work in enterprises of fewer than 50 people, and many of these are located in rural areas. Social and solidarity economy enterprises, and organizations such as cooperatives, can contribute to supporting the development of rural- and community-based tourism, and foster participatory decision-making. For example, the Inuit cooperatives in Canada are involved in a range of activities, such as retail stores, hotels, restaurants and tourism, and have also played a role in furthering the rights of indigenous women and men, for example, by marketing local artists' products at fair market value. The Cooprena cooperative in Costa Rica works to improve rural communities' livelihoods by developing rural tourism and promoting non-traditional tourism products.<sup>17</sup> A cooperative in Lesotho organizes guided tours for tourists who are interested in exploring dinosaur footprints located near the cooperative's community. Coupled with this, handicrafts are produced, including the moulds of the dinosaur footprints, jewellery and artwork.<sup>18</sup>

The challenges that tourism enterprises confront vary significantly depending on national contexts and enterprise characteristics. Poor access to finance, business regulations and skills mismatches are common constraints faced by tourism enterprises in rural areas. Furthermore, some countries face the challenge of tourism enterprises acquiring tourism-related goods and services abroad, which results in so-called financial "leakages", i.e. an income that is not retained in the local economy and fails to contribute to rural livelihoods. These "leakages" can reach up to 50 per cent of gross tourism earnings in developing countries and limit the sector's potential to generate socio-economic growth in the destination.

Many rural communities lack experience in managing and operating tourism enterprises, and require support to enable them to deliver profitable and quality tourism experiences. In terms of the supply of products and services in rural areas, tourism enterprises require support for financing, marketing, business planning, product packaging, and distribution to stimulate demand for rural tourism products.<sup>19</sup> Increasing investments in training, education, skills and knowledge development for tourism MSMEs in rural areas is key to enhancing their productivity and to meeting customers' expectations and local labour markets' needs. Facilitating enterprises' access to financial services such as savings, credit leasing and insurance, together with the reinforcement of business development services can both help create and expand tourism enterprises, and support rural entrepreneurs to adopt business models that provide new opportunities throughout the supply chain. Strengthening local linkages and improving the tourism value chain can reduce financial leakages, notably by building local capacity and by fostering connections between foreign investors and local enterprises.<sup>20</sup>

For example, the Integrated Measurement and Improvement of Productivity (SIMAPRO) is a methodology that the ILO employs in Latin America and the Caribbean, including in hotels and restaurants in Mexico. Based on social dialogue, the programme aims to get management and workers to jointly agree and implement measures to enhance productivity and working conditions.<sup>21</sup>

Given the important role that women and youth play in tourism businesses in rural areas, the development of both a gender-responsive legal framework for business development and mechanisms to prevent and address discrimination should be an integral part of the development of rural tourism policies.

## **Investing in human resource development**

The tourism sector can be an important source of job opportunities in rural areas, but these jobs will require a wide range of skills to respond to new trends and demands. These include: the growing use of technology and social media; the development of non-traditional tourism and online stakeholders; ecotourism, culinary, wellness and medical tourism; and the rise of low-cost services in accommodation and transport. In rural areas, which typically rely on agriculture-based incomes, skills and education deficits are often acute, particularly among women and youths. Education and training

<sup>17</sup> See: [www.turismoruralcr.com/en](http://www.turismoruralcr.com/en) [accessed 26 Sep. 2017].

<sup>18</sup> See: [www.co-op.ac.uk/2010/12/focusing-lesotho-dinosaur-footprints/](http://www.co-op.ac.uk/2010/12/focusing-lesotho-dinosaur-footprints/) [accessed 26 Sep. 2017].

<sup>19</sup> UNWTO: *International Rural Tourism Development. An Asia-Pacific Perspective* (2017).

<sup>20</sup> UNCTAD: *Sustainable Tourism contribution to economic growth and sustainable development*, Issues note for the Expert Meeting on Tourism's Contribution to Sustainable Development, 2013. ILO: *Fact sheet on poverty reduction through tourism* (Geneva, 2013).

<sup>21</sup> See: [www.ilo.org/global/topics/green-jobs/projects/latin-america/WCMS\\_213188/lang-en/index.htm](http://www.ilo.org/global/topics/green-jobs/projects/latin-america/WCMS_213188/lang-en/index.htm). For example: [www.simaproturismo.ning.com/forum/topics/hotel-mayan-palace](http://www.simaproturismo.ning.com/forum/topics/hotel-mayan-palace)

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infrastructure is scarce. Furthermore, rural people may have limited awareness of the demand side of tourism as well as of the increasing need for the technology and language skills associated with the digital economy.<sup>22</sup>

A strategic approach to human resource development is essential to create an attractive, productive and sustainable tourism sector, which benefits rural areas in the long term. Effective training and career development strategies, which specifically respond to the sector's requirements and changing trends, can have a positive impact on the sector's productivity as well as worker satisfaction and retention. Expanding the outreach and capacity of national training institutions to deliver quality training that responds to rural labour market needs is key. Combined with this should be policies aimed at diversifying and improving tourism services. Particular consideration needs to be given to innovative approaches such as community-based training, long distance learning and mobile tourism educational programmes. Skills training programmes should match economic and employment opportunities in tourism and meet the needs and aspirations of workers, particularly young people and women.

For example, South Africa's Social Responsibility Implementation Programme (SRI) supports the development of community-based tourism by stimulating job creation, economic and youth empowerment through skills development and training.<sup>23</sup> In Tanzania, the Cultural Tourism Programme has provided the opportunity for rural communities that offer tourism services and products (e.g. accommodation, guided tours and handicrafts) to benefit from capacity building on product development, customer handling, communication and management.<sup>24</sup>

## **Implementing international labour standards and enforcing compliance with laws and regulations**

Rural workers are often excluded from the coverage or implementation of national labour legislation and exposed to poor working conditions and occupational hazards. This may partly be due to the nature of their work, the absence of an employment relationship, or because in many remote areas law enforcement, labour inspection and compliance are scarce or ineffective. In this context, fundamental principles and rights at work deserve special attention. In the absence of effective implementation of national legislation, rural areas face notable challenges in the exercise of workers' and employers' basic rights to organize, and their capacity

to use their collective voice. Global interconnections, which have facilitated the growth of tourism (including in remote areas), have been accompanied by increasingly diverse forms of tourism, multiplying the risks for child labour and exploitation in the tourism sector.<sup>25</sup> Many children provide food and beverages to tourists (particularly in informal street settings), support recreational activities (caddying, carrying purchases), or produce and sell souvenirs. They often work long hours in poor or dangerous working conditions. It has been estimated that 2 million children in the world are victims of commercial sexual exploitation, much of it linked to entertainment and tourism.<sup>26</sup>

The ratification of international labour standards, which are of direct relevance to the tourism sector as well as to the rural economy, and their effective implementation in rural areas needs to be a priority to ensure a rights-based approach to sustainable tourism development free from child and forced labour and exploitation, as well as to provide an enabling environment for improved productivity and to build sustainable rural livelihoods. Essential to this is the promotion of fundamental principles and rights at work, i.e. fostering equality and non-discrimination, eliminating forced and child labour, and ensuring freedom of association and the right to collective bargaining.<sup>27</sup> Of particular relevance are the ILO Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) and Recommendation, 1991 (No. 179), which set minimum standards to improve working conditions, training and career prospects in hotels, restaurants and similar establishments, as well as the ILO Rural Workers' Organizations Convention, 1975 (No. 141) and Recommendation, 1975 (No. 149), which highlight the role of rural workers' organizations in economic and social development and the resulting benefits.

The National Responsible Tourism Development Guidelines for South Africa (2002), for example, highlight the importance of developing tourism with "dignity, respect and nurture of local cultures", promoting equality in terms of gender, ethnicity, age and disability, as well as the implementation of national labour standards. The South African National Minimum Standard for Responsible Tourism (SANMSRT) is designed to complement the guidelines. The SANMSRT is a standard that aims to establish a common understanding of responsible tourism and to harmonize the different

<sup>22</sup> UNWTO: *International rural tourism development. An Asia-Pacific perspective* (Madrid, 2017).

<sup>23</sup> See: [www.tourism.gov.za/CurrentProjects/SRI/Pages/SRI.aspx](http://www.tourism.gov.za/CurrentProjects/SRI/Pages/SRI.aspx) [accessed 26 Sep. 2017].

<sup>24</sup> UNWTO: *Sustainable tourism for development guidebook, Enhancing capacities for sustainable tourism for development in developing countries*, p. 115, (Madrid, 2013).

<sup>25</sup> ECPAT: *Offenders on the move. Global study on sexual exploitation of children in travel and tourism* (Bangkok, 2016).

<sup>26</sup> ILO: *Gender equality at the heart of decent work*, Report VI, International Labour Conference, 98<sup>th</sup> Session, Geneva, 2009, pp. 67–68.

<sup>27</sup> ILO: *Fundamental principles and rights at work: From challenges to opportunities. A recurrent discussion on the strategic objective of fundamental principles and rights at work*, under the follow-up to the ILO Declaration on Social Justice for a Fair Globalization, 2008. Report VI, International Labour Conference, Geneva, 2017.



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sets of criteria that were previously used for certifying the sustainability of tourism businesses.<sup>28</sup>

## **Strengthening social protection**

Lack of access to social protection is a major challenge for tourism workers in the informal and rural economy. Most rural women working in tourism enterprises do not benefit from social health protection, which is healthcare that is affordable, available, of adequate quality and offers financial protection in times of illness, injury and maternity. They also do not have pensions or unemployment benefits, which would otherwise allow them access to basic social services, including childcare facilities. The regulation of these rights and benefits is central to reducing poverty, inequalities and social exclusion, empowering women and improving rural communities' livelihoods. Additionally, it can help combat child labour by reducing vulnerabilities.<sup>29</sup>

Of particular relevance is the Recommendation concerning National Floors of Social Protection, 2012 (No. 202), which promotes a universal and progressive approach for the extension of social protection. As the lack of social protection is most pronounced in rural and informal economies, national policies and strategies should be adapted to rural realities by evaluating the specific needs and promoting the extension of social security coverage to rural populations. Particular attention should be paid to groups who are vulnerable to economic and social risks. Furthermore, it is essential to strengthen the institutional capacities of social security administrations and other social protection providers to cover and deliver social protection services in rural and deprived areas, and extend administrative and delivery structures from urban to rural areas to ensure that all rural populations, including disadvantaged groups, can effectively benefit from services. Particular attention should be paid to capitalizing on the knowledge and resources of local municipalities and authorities. Measures should be implemented through national social protection strategies and policies to avoid fragmentation and protection gaps as well as to promote coordination and policy coherence. Social protection policies should be coordinated with other policies or programmes that are reaching out to rural areas. Synergies should be explored with labour inspectorates, active labour market strategies and tax incentives measures for tourism enterprises, combined with vocational education and training and employability for rural workers. Authorities in charge of social protection

should engage, among others, with ministries of tourism, agriculture and rural development.

## *Improving occupational safety and health (OSH) and working conditions*

Given the specific nature of the tourism sector, its labour force is often required to work long and irregular hours. The predominance of casual, temporary, seasonal and part-time employment in this sector is often associated with insecurity, comparatively low wages, limited career opportunities, and a high turnover rate. Women and young workers frequently suffer disadvantageous working conditions, which include unequal opportunities and greater vulnerability to abuse, violence, harassment and exploitation.<sup>30</sup> These challenges are often exacerbated in rural areas. Such conditions have damaging effects on workers, their families and societies at large, and negatively impact enterprises' productivity and competitiveness. The regulation of working conditions in the areas of wages, working time and OSH is therefore of key importance for sustainable tourism in rural areas.

## **Promoting effective social dialogue**

Workers in the rural economy often face challenges in relation to freedom of association and collective bargaining. Obstacles to the effective implementation of labour standards are mostly legal, but there are also other challenges. These include geographical isolation of rural areas and limited capacity for labour inspection, rural workers' lack of access to technology and means of communication, low levels of skills and education, as well as the high incidence of child labour, forced labour, and discrimination.<sup>31</sup>

The tourism sector's diversity and fragmentation, and the complexity of employment relationships – including a high level of non-standard forms of employment, subcontracting and outsourcing – can have implications for workers' freedom of association and right to bargain collectively. In rural areas, where informality is high and workers are often unorganized, and where workers' organizations are often weak and fragmented<sup>32</sup>, there is a great need to promote consensus-building and democratic involvement. Collective bargaining is an effective means of improving wages, working conditions, OSH, career prospects and job security. This

<sup>28</sup> See: [www.google.ch/search?q=The+South+African+Responsible+Tourism+Development+Guidelines&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a&channel=flb&gfe\\_rd=cr&dcr=0&ei=tCjKWd0cpsFehe9yA0](http://www.google.ch/search?q=The+South+African+Responsible+Tourism+Development+Guidelines&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a&channel=flb&gfe_rd=cr&dcr=0&ei=tCjKWd0cpsFehe9yA0;); [accessed 26 Sep. 2017] See: [www.tourism.gov.za/CurrentProjects/ResponsibleTourism/Pages/Information.aspx](http://www.tourism.gov.za/CurrentProjects/ResponsibleTourism/Pages/Information.aspx) [accessed 26 Sep. 2017].

<sup>29</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department (Geneva, 2017).

<sup>30</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department (Geneva, 2017).

<sup>31</sup> ILO: *Giving a voice to rural workers: General Survey concerning the right of association and rural workers' organizations instruments*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), International Labour Conference, 104<sup>th</sup> Session, Geneva, 2015.

<sup>32</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department (Geneva, 2017) and Bolwell, D. and Weinz, W.: *Guide for Social Dialogue in the tourism industry*, Working Paper No. 265, Sectoral Activities Programme, ILO (Geneva, 2008).

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benefits rural workers and enhances the productivity of rural tourism businesses. Successful social dialogue structures and processes can help resolve economic and social issues, encourage good governance, advance social and industrial stability, and boost economic progress.<sup>33</sup>

Social dialogue is a tool used to promote fair and peaceful workplace relations, decent work and social justice in tourism enterprises in rural areas.<sup>34</sup> It can entail all types of negotiation, consultation and exchange of information.

## 3. The ILO's approach

Sustainable tourism holds considerable potential for economic growth, employment creation and the promotion of decent work in the rural economy. To realize the sector's full potential, however, supportive policies that build on the contribution and commitment of multiple actors need to be in place. The ILO's Decent Work Agenda, as an integrated rights-based development strategy, supports tripartite constituents in their efforts to promote sustainable tourism for improved rural livelihoods.

The ILO's work in the tourism sector focuses on addressing employment and labour-related challenges and opportunities for its sustainable development. The development of global standards, policy recommendations and tools that help implement these standards, the facilitation of social dialogue, capacity building activities, as well as the development of knowledge and its dissemination all aim to create more and better jobs in the tourism sector. At the same time, they also support poverty reduction, economic growth and sustainable development. The ILO's work includes: implementing interventions that promote an enabling business environment, which facilitates the creation of sustainable tourism enterprises; setting or strengthening training and skills development programmes to improve employability and capacities; conducting needs assessments and analysis of

employment trends and decent work challenges in the sector; promoting the ratification and effective implementation of international labour standards, especially the fundamental principles and rights at work and the Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) and Recommendation, 1991 (No. 179).

The ILO *Guidelines on Decent Work and Socially Responsible Tourism* set out common principles and a policy framework to guide action in order to achieve decent work and full and productive employment in the tourism sector. They provide practical information for developing and implementing policies and interventions to promote sustainable tourism enterprises, invest in the development of a skilled and productive tourism workforce, promote the implementation of international labour standards and compliance with laws and regulations, strengthen labour protection, and promote effective social dialogue and tripartism in the tourism industry. The guidelines were adopted during the International Year of Sustainable Tourism for Development (2017), and are also intended to contribute towards achieving the 2030 Agenda for Sustainable Development, in particular SDGs 8, 12 and 14, which include tourism-specific targets.

<sup>33</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department (Geneva, 2017).

<sup>34</sup> ILO: *Guidelines on decent work and socially responsible tourism*, Sectoral Policies Department (Geneva, 2017) and Bolwell, D. and Weinz, W.: *Guide for Social Dialogue in the tourism industry*, Working Paper No. 265, Sectoral Activities Programme, ILO (Geneva, 2008).

## 4. The ILO's experience to date

The ILO's experience in promoting the development of sustainable tourism in rural areas includes:

### Organizing meetings to facilitate dialogue among the tripartite constituents

A tripartite Meeting of Experts was held in February 2017 and concluded with the adoption of Guidelines on decent work and socially responsible tourism.

The Global Dialogue Forum on new developments and challenges in the hospitality and tourism sector and their impact on employment, human resources development and industrial relations, held in November 2010, adopted points of consensus for subsequent action by the ILO and its constituents.<sup>35</sup>

### Providing policy advice

The Strategic plan for sustainable tourism and green jobs in Indonesia explores how the country's tourism industry can play a role in enhancing livelihoods and quality of life. Initiated by the ILO, it has been implemented within the framework of the Australian Government – ILO Partnership Agreement (2010-2015) together with the Ministry of Tourism and Creative Economy and the Ministry of Manpower and Transmigration under the ILO's Green jobs in Asia project in Indonesia.<sup>36</sup>

In Zambia, the ILO has supported the Government of Zambia in the development of an Integrated Rural Development Operational Strategy, which highlights the important role that tourism can play in the diversification of the rural economy and in addressing the challenge of rural poverty in a sustainable manner.

### Implementing technical cooperation programmes aimed at creating more and better jobs in the tourism sector

Tourism enterprises in Indonesia and South Africa have benefited from the ILO's Sustaining Competitive and Responsible Enterprises (SCORE) training programme, which aims to improve productivity and working conditions in small and medium-sized enterprises and combines practical classroom training with on-the-ground consulting.<sup>37</sup>

The ILO's Skills for Trade and Economic Diversification (STED) methodology, which provides sector-level technical assistance in identifying the skills development strategies required for future success in international trade,<sup>38</sup> was implemented in Vietnam's tourism sector with the aim of enhancing workers' skills to enable businesses to succeed in trade, and for skilled workers to increase their job opportunities. The ILO's joint project with the United Nations Educational, Scientific and Cultural Organization (UNESCO), Sustainable and Responsible Tourism in Central Viet Nam (SART), seeks to improve livelihoods for local communities in selected provinces by promoting cultural tourism and creating sustainable models that can be replicated in other provinces. The project has developed a set of training materials for small and medium-sized hotels and guesthouses, and a training package for tour guides and drivers.<sup>39</sup>

The project Supporting Tourism in Myanmar through Business Management Training (2014-2017) is an example of developing effective training in rural areas to contribute to decent work opportunities in the tourism sector. Its aim has been to ensure that benefits from tourism reach local communities, and in particular, disadvantaged groups. It focuses on supporting the creation of a system of SME management training and complementary business support services, which can be upscaled across the country using established ILO methodologies. These include Start and Improve your Business (SIYB) at the trainer level and Improve your Business (IYB) at the entrepreneur level.<sup>40</sup>

<sup>35</sup> See: [www.ilo.org/sector/activities/sectoral-meetings/WCMS\\_162201/lang--en/index.htm](http://www.ilo.org/sector/activities/sectoral-meetings/WCMS_162201/lang--en/index.htm) [accessed 26 Sep. 2017].

<sup>36</sup> ILO: *Sustainable tourism and green jobs for Indonesia* Strategic plan (Jakarta, 2012).

<sup>37</sup> See: [www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_141822.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_141822.pdf) [accessed 26 Sep. 2017].

<sup>38</sup> See: <http://www.ilo.org/skills/projects/sted/lang--en/index.htm> [accessed 26 Sep. 2017]. See also: ILO: *Rural skills training: A generic manual on training for rural economic empowerment (TREE)*, (Geneva, 2009).

<sup>39</sup> Toolkits have been developed on Guesthouses, Destination Managements, Small Holders Farmers, Restaurants, Handicrafts, Homestays, Market Vendors and Aspiring Entrepreneurs. See: [www.sme-tools.org/](http://www.sme-tools.org/) [accessed 26 Sep. 2017] and ILO: *How tourism makes a difference in poor areas of Viet Nam*, see: [www.ilo.org/global/about-the-ilo/newsroom/features/WCMS\\_344212/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_344212/lang--en/index.htm) [accessed 26 Sep. 2017].

<sup>40</sup> See: [www.ilo.org/yanon/whatwedo/projects/WCMS\\_419975/lang--en/index.htm](http://www.ilo.org/yanon/whatwedo/projects/WCMS_419975/lang--en/index.htm) [accessed 26 Sep. 2017].

# Sustainable Tourism – A Catalyst for Inclusive Socio-economic Development and Poverty Reduction in Rural Areas

## Developing and implementing capacity building programmes and tools

The ILO Toolkit on poverty reduction through tourism aims to assist developing and emerging economies to create sustainable tourism businesses and industry based on decent work. The toolkit is oriented towards SMEs and local communities in rural areas and includes case studies, training sessions and examples of good practices. Since 2011, it has been implemented in Bangladesh, Brazil, Egypt, Indonesia, Kenya, Lao People's Democratic Republic, Sri Lanka, South Africa and Vietnam.

The ILO HIV and AIDS: Guide for the tourism sector aims to assist tourism stakeholders and their affiliated members to develop and implement their own workplace HIV and AIDS policies and programmes and to support effective implementation of the key principles established in ILO HIV and AIDS Recommendation, 2010 (No. 200).

The ILO ASEAN Small Business Competitiveness (SBC) Programme is an example of a capacity building programme that the ILO has implemented. The programme seeks to improve the capacity of the MSMEs in marginalized communities in sectors such as tourism.

The Community-Based Enterprise Development (C-BED) tool follows a peer-to-peer approach to training with the aim of supporting skills development and empowerment in local and rural communities to improve livelihoods, productivity and working conditions in tourism activities.<sup>41</sup>

<sup>41</sup> Toolkits have been developed on Guesthouses, Destination Managements, Small Holders Farmers, Restaurants, Handicrafts, Homestays, Market Vendors and Aspiring Entrepreneurs. See: [www.sme-tools.org/](http://www.sme-tools.org/) and [www.sme-tools.org/about/](http://www.sme-tools.org/about/) [accessed 26 Sep. 2017].

# Sustainable Tourism – A Catalyst for Inclusive Socio-economic Development and Poverty Reduction in Rural Areas

## 5. Resources

### Instruments

Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172)

Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179)

### Tools and publications

ILO. 2009. *Occupational safety and health manual for tourism (Cairo)*.

–. 2010. *Developments and challenges in the hospitality and tourism sector*, Issues paper for discussion at the Global Dialogue Forum for the Hotels, Catering, Tourism Sector, 23–24 Nov. 2010. Sectoral Activities Department (Geneva).

–. 2012. *Good practices guide for guesthouses and small hotels*. Sectoral Activities Department (Geneva).

–. 2012. *HIV and AIDS: Guide for the tourism sector*. Sectoral Activities Department (Geneva).

–. 2012. *Training package for the toolkit on poverty reduction through tourism*. Sectoral Activities Department (Geneva).

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–. 2015. “Opportunities and challenges in the promotion of decent work in hotel global supply chains” in *Sectoral Studies on Decent Work in Global Supply Chains, Comparative Analysis of Good Practices by Multinational Enterprises in Promoting Decent Work in Global Supply Chains*. Sectoral Policies Department (Geneva).

–. 2015. *Guidelines for a just transition towards environmentally sustainable economies and societies for all* (Geneva).

–. 2016. *Supporting small and medium-sized enterprises to grow and create better jobs*. Sustaining Competitive and Responsible Enterprises (SCORE) Project Brochure (Geneva).

–. 2017. *Guidelines on decent work and socially responsible tourism*. Sectoral Policies Department (Geneva).

–. 2013. *Handbook - Understanding the Indigenous and Tribal Peoples Convention, 1989 (No.169)*. International Labour Standards Department (Geneva).

UNCTAD. 2013. *Sustainable tourism: Contribution to economic growth and sustainable development*. Issues note prepared for the Expert Meeting on Tourism’s Contribution to Sustainable Development, 14-15 Mar. 2013 (Geneva).

Bolwell, D. and Weinz, W. 2008. *Guide for Social Dialogue in the tourism industry*, Working Paper No. 265, Sectoral Activities Programme (Geneva, ILO).

Baum, T. 2012. *Migrant workers in the international hotel industry*. International Migration Paper No. 112. International Migration Branch/Sectoral Activities Department (Geneva, ILO).

2013. *International perspectives on women and work in hotels, catering and tourism*. GENDER Working Paper 1/2013, SECTOR Working Paper No. 289. Sectoral Activities Department/Bureau for Gender Equality (Geneva, ILO).

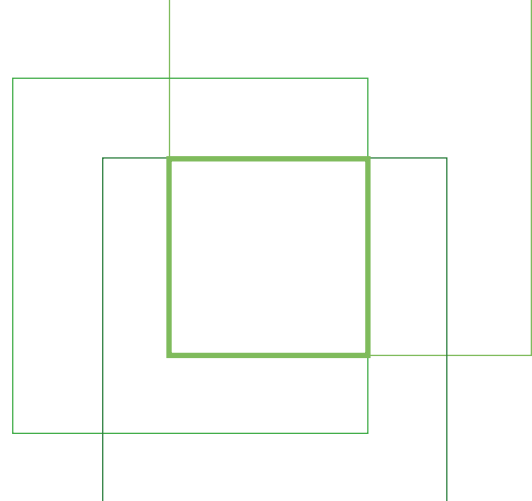
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Stacey, J. 2015. *Supporting quality jobs in tourism* (Paris, OECD).





# Overview of Policy Guidance Notes on the Promotion of Decent Work in the Rural Economy



## Supporting inclusive agricultural growth for improved livelihoods and food security

- Decent Work for Food Security and Resilient Rural Livelihoods
- Decent and Productive Work in Agriculture

## Promoting economic diversification and triggering productive transformation for rural employment

- Economic Diversification of the Rural Economy
- Promoting Decent Work for Rural Workers at the Base of the Supply Chain
- The Role of Multinational Enterprises in the Promotion of Decent Work in Rural Areas
- Transitioning to Formality in the Rural Informal Economy
- *Sustainable Tourism – A Catalyst for Inclusive Socio-economic Development and Poverty Reduction in Rural Areas*

## Promoting access to services, protection and employment-intensive investment

- Providing Access to Quality Services in the Rural Economy to Promote Growth and Social Development
- Extending Social Protection to the Rural Economy
- Developing the Rural Economy through Financial Inclusion: The Role of Access to Finance
- Employment-Intensive Investment in Rural Infrastructure for Economic Development, Social and Environmental Protection and Inclusive Growth

## Ensuring sustainability and harnessing the benefits of natural resources

- Greening Rural Economies and Green Jobs
- Decent Work in Forestry
- Harnessing the Potential of Extractive Industries

## Increasing the voice of rural people through organization and the promotion of rights, standards and social dialogue

- Rights at Work in the Rural Economy
- Promoting Social Dialogue in the Rural Economy
- Building Local Development in Rural Areas through Cooperatives and other Social and Solidarity Economy Enterprises and Organizations
- Decent Work for Indigenous and Tribal Peoples in the Rural Economy
- Empowering Women in the Rural Economy

## Improving the knowledge base on decent work in the rural economy

- Enhancing the Knowledge Base to Support the Promotion of Decent Work in Rural Areas