

Sectoral Brief

Hotels; catering; tourism

Poverty reduction through tourism

Hotels, Catering and Tourism (HCT) is one of the fastest-growing economic sectors in many countries around the world. It is very labour intensive and a significant source of development and employment, especially for those with limited access to the labour market, such as women, youth, migrant workers and rural populations. It can significantly contribute to social and economic development and to poverty reduction in least developed countries (LDCs).

Least Developed Countries (LDCs) can draw on a range of policies to drive an agenda of structural transformation and decent work. A special event at the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) held in Istanbul in May 2011, features Hotels, Catering and Tourism (HCT) as one of the fastest-growing economic sectors worldwide which can significantly contribute to social and economic development as well as poverty reduction in LDCs.

The potential of the tourism sector for poverty reduction and rural development lies in the amount of jobs the sector provides, directly and indirectly. The hotels, restaurants and tourism business is extremely labour intensive in itself and it offers many employment prospects for low-skilled manual workers. In addition, the emergence of tourism requires development of other related sectors, such as road and airport infrastructure, construction and utilities. It is estimated that for each direct job in tourism, 1.5 indirect jobs in other sectors are created.

HCT provides a significant number of jobs to workers with little or no formal training, and it can offer opportunities for those facing social and professional skills disadvantages such as migrants, ethnic and cultural minority groups, women and youth. Promoting young people and women's access to Decent Work is one of the most important pathways out of poverty for many developing countries. However, these groups to whom tourism offers most potential for development also often carry the largest share of the burden of poor working conditions in the sector. Therefore, promotion of equality, improvements in working conditions and effective social dialogue are prerequisites for poverty reduction through tourism.

The strategy through which poverty reduction and rural development is aimed at includes the following elements:

- **Evaluate and monitor the environmental impact** of major tourism developments.
- Encourage industry supply chains to **source locally** and reduce reliance on imported items.
- **Promote local ownership** by facilitating access to finances through credit and loan facilities for the poor, guaranteeing fair economic returns on the resources the communities are managing.
- **Support local employment** through the development of job outreach programmes that help educate and inform local populations about job prospects in the HCT industry and related sectors.
- **Strengthen collaboration and communication** between the tourism industry and local communities to facilitate the provision of food, goods, services or infrastructure by communities and to help them better understand the needs of the industry.

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- **Address current work deficits**, particularly in poor working conditions at the workplace and the elimination of child labour.
- **Effective national policy strategies and a regulatory framework** that build on local development.
- **Public-private partnerships**: collaboration between tourism enterprises and local governments to set regulations and policies on local supply chains.

The growing significance of tourism to developing countries is closely linked to the role of employment in promoting the Millennium Development Goals (MDG) and especially employment and poverty reduction (MDG 1), gender and empowerment of women (MDG 3) and the relationship between employment and environmental sustainability (MDG 7). The ILO is taking part in a global discussion and activities on Pro-Poor Tourism, and is actively involved in rural community tourism projects in 12 countries in Latin America.

World Tourism Organisation (UNWTO) has launched these past years a program called “Sustainable Tourism – Eliminating poverty” (STEP). The initiative focuses on longstanding work to encourage sustainable tourism - social, economic and ecological - which specifically alleviates poverty, bringing development and jobs to people living on less than a dollar a day. To this end, the World Economic Forum Travel and Tourism Competitiveness report (2007) proposes that tourism should be mainstreamed into national development strategies.

A fact sheet and a working paper on Poverty reduction through tourism have been prepared in the context of ILO's contribution to poverty reduction and strategies for improving working conditions of the LDCs. A second fact sheet on Stimulating rural growth, jobs and income through tourism (link to publications) has been prepared as sectoral contribution to the ILO's work on rural development through Decent Work.

The ILO is preparing a toolkit on poverty reduction through tourism, which will be available in autumn 2011. It aims at assisting developing and least developed countries to create a sustainable tourism industry and businesses based on decent employment. It will be oriented towards SMEs and local communities, will include case studies and best practices, and will illustrate the links between the ILO Decent Work Agenda, poverty reduction and the Millennium Development Goals.

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Useful resources:

Fair Trade in Tourism in Africa

<http://www.fairtourismsa.org.za/>

Pro-Poor Tourism

<http://www.propoortourism.org.uk/>

Rural community tourism projects

<http://www.redturs.org/>

UNWTO STEP

<http://www.unwtostep.org/>

World Economic Forum Travel and Tourism Competitiveness report 2007

<https://members.weforum.org/pdf/tourism/Part1.pdf>