

Workshop on Decent Work in the Tourism Industry



Pretoria
March 3, 2011

GLOBAL DEVELOPMENTS AND CHALLENGES
IN THE TOURISM INDUSTRY

BY WOLFGANG WEINZ, ILO GENEVA



Tourism 2010



- The contribution of the sector to global **GDP** is expected to increase from 9.3% in 2010 to 9.7% in 2020.
- **Real GDP growth** was about 2% in 2010 compared to a contraction of -4.8% in 2009, creating 946.000 jobs worldwide.
- The sector is projected to have significant **employment growth**, from 8.1% of total employment in 2010 (1 out of every 12.3 jobs, globally) to 9.2% of total employment by 2020 (1 out of every 10.9 jobs).
- In 2010 **investment** in the sector was about 9.2% of total investments. By 2020 it should reach 9.4% of total investments.
- In 2010 export earnings from **international visitors** accounted for about 6% of total exports.
- The sector is one of the leading sources of foreign exports in LDCs. In 2006 their share of travel exports totalled 53% of service exports.

Tourism in Africa



- Since the beginning of the crisis, **Africa** has shown **strong resilience** continuous growth.
- After a **3.1%** growth of international tourist arrivals between 2008 and 2009, the region achieved a **6.4%** increase between 2009 and 2010.
- The increase of international tourist arrivals in South Africa was supported by the FIFA World Football Cup hosted in South Africa.
- **Sub-Saharan Africa** saw its arrivals growing by **3.5% in 2009** and by **6.9% in 2010** compared to the same period of the previous year.
- Compared to the pre-crisis peak year 2008, Sub-Saharan Africa's international arrivals grew by **10.7%** (2.9 million arrivals).
- In **South-Africa**, the sector's direct and indirect contribution to GDP accounts for **7.4%** and grew by **2.7%** between 2008 and 2009. It has also seen increases in the number international visitors.

Labour and Tourism



Tourism is one of the largest and most dynamic industries in the global economy.

Tourism is a labour-intensive interface between workers and customers and a quality driven service profession.

Tourism provides employment to workers with little or no formal training.

Tourism has a huge potential on job creation for young, migrant and female workers and can contribute inter-sectorally to poverty reduction.

Characteristics of the sector



- One job in the core tourism industry creates roughly one and a half additional (indirect) jobs in the tourism related economy.
- Tourism is among the world's lead sectors for creation of jobs requiring varying degrees of skills. It allows for quick entry into the workforce for youth, women and migrant workers (women account for 60 to 70% of the sector's labour force. Half of the sectors' workers are aged 25 or below).

But...

- The sector is characterized by many types of workplace contracts (full-time, part-time, temporary, casual and seasonal employment; comparatively low pay, irregular working hours and poor career prospects).
- The industry is highly fragmented and diversified with a significant turnover rate.

Sustainable Tourism & Social Dialogue



What makes service productive and tourism sustainable?



50%
(max.)

- Skills
- Professional, technical qualification

50%
(min.)

- Motivation,
- Loyalty, passion
- Commitment, soft skills

Decent Work

A four pillar approach



- **Decent work** means that the workers have a voice and are protected by fundamental rights at work, that employment creates sustainable income opportunities and career perspectives, and finally minimum standards on social protection and social security can be ensured.



The Working Conditions (Hotels and Restaurants) Convention (No.172) and Recommendation (No. 179), 1991



The Convention and its accompanying Recommendation cover:

- hours of work and overtime;
- the progressive elimination of split shifts;
- the number and length of meal breaks;
- uninterrupted weekly rest of not less than 36 hours;
- average daily rest of 10 consecutive hours;
- taking steps to move towards annual paid leave of 4 weeks;
- and recommends that governments promote training for skills development and career enhancement.

Major Trends and Diversification in the Hospitality and Tourism Sector

- **demographic change**
- **migration**
- **emerging markets**
- **medical and wellness tourism**
- **information and communications technologies**
- **climate change and**
- **diversification of tourism products.**



Outcome of GDF on the hotels, catering and tourism sector, Nov. 2010 (1)



- The sector faced challenges since the economic crisis. With regionally variable impacts, it has shown resilience compared to other sectors.
- The crisis should be taken as an opportunity to increase social dialogue, skills development, vocational education and training to create quality jobs.
- The sector continues to change with respect to demographics, ownership, management structure, technology and approaches to the natural and social environment.
- CSR should be reflected and respect the principles of the ILO MNE Declaration, the OECD Guidelines for Multinational Enterprises, and national law.

Outcome of GDF on the hotels, catering and tourism sector, Nov. 2010 (2)



- Medical and wellness tourism, sustainable tourism and increased cross-border mobility of workers had an impact on jobs, social dialogue, HRD and skills.
- The growing number of tourists in emerging markets, ageing populations and workforce, greater diversity of gender and ethnic background require long-term national growth strategies to improve skills development, working conditions and stable labour relations.
- Effective social dialogue can enhance the potential for employment growth, address changing demographics, promote sustainable tourism, skills development and decent work.
- The large proportion of women employed can contribute to the realization of equal opportunity policies and to the achievement of MDG targets on gender.

Suggestions for future ILO action



- Collection of data on best practices, monitoring and analyse of trends in employment, business and ownership.
- Promote the ratification/implementation of C172.
- Provide technical support to member States and social partners to promote poverty reduction through tourism and development of sustainable tourism.
- Undertake research on gender issues within the HCT industries.
- Regional/national workshops on Decent Work and Sustainable Tourism through Social Dialogue
- Organize activities to assist constituents in the HCT sector to ensure that training is closely aligned to the needs of the industry and its workforce and to support labour-management-relations.

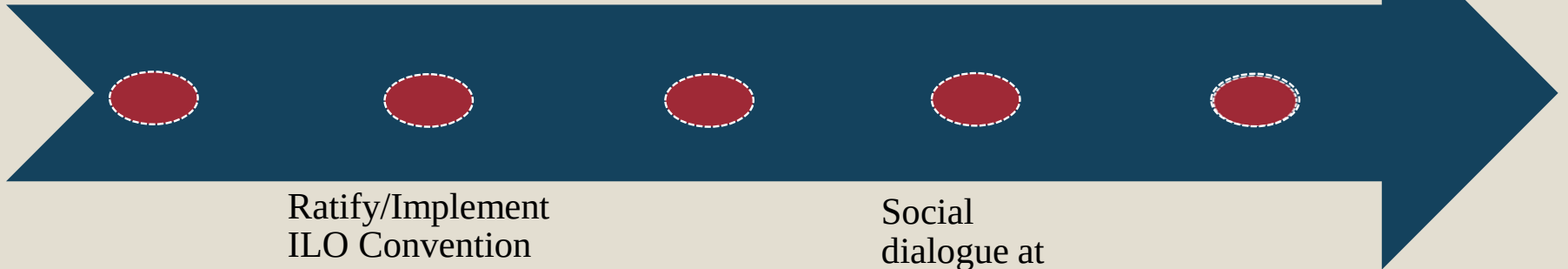
Labour needs in tourism



Develop and improve a sustainable labour market environment through:

Training and development of workers skills with job career perspective

Poverty reduction through local empowerment and job creation



Ratify/Implement ILO Convention 172 on Working Conditions in Hotels and Restaurants (Rec. 179, 1991)

Social dialogue at all levels to meet the challenges and the prospects of tourism industry

ILO tools



- New developments and challenges in the hospitality and tourism sector, Issues paper for the Global Dialogue Forum , 23 – 24 November 2010, ILO Geneva
- Guide for Social Dialogue in the Tourism industry
- Reducing Poverty through Tourism
- Study review of socially responsible HR and labour relations practice in international hotel chains
- Training programme on OSH in tourism: <http://shstandards.com/english/Home.asp>
- ILO Convention 172 and Recommendation 179 on working conditions

Other useful tool:

- Fair Trade in Tourism South Africa: www.fairtourismsa.org.za

For more information



<http://www.ilo.org/public/english/dialogue/sector/sectors/tourism.htm>

or

www.ilo.org/sector
weinz@ilo.org



Thank you !!

