

RURAL DEVELOPMENT through DECENT WORK

FOR GROWTH, PRODUCTIVE JOBS, INCOME, FOOD SECURITY, GOOD WORKING CONDITIONS, EQUAL OPPORTUNITIES, RIGHTS, VOICE, SUSTAINABLE DEVELOPMENT, CRISIS RESILIENCE



International Labour Office

Sectors

Rural Policy Briefs

Stimulating Rural Growth, Jobs and Income through Tourism

Hotels, Catering and Tourism (HCT) is one of the fastest growing sectors. It is highly labour-intensive and a valuable source of employment and income in rural areas, especially for those with limited access to the labour market, such as women, youth, and migrants. Sustainable rural tourism based on Local Economic Development and decent work can significantly support socio-economic development and poverty reduction.

Why action is needed

- HCT has significant economic and employment potential for rural areas, both directly through jobs in the sector, and indirectly through supportive sourcing industries such as construction, agriculture, fishing, food processing, furniture, handicrafts, transport, utilities, arts, and other services.



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- HCT provides a significant number of jobs to workers with little or no formal training, and it can offer opportunities to people facing social and professional skills disadvantages such as migrants, ethnic and cultural minority groups, women and youth.
- Tourist locations require a wide range of services such as infrastructure, power and water utilities, airports and roads to facilitate the provision of hotel and restaurant services, which can also benefit local communities.
- Many countries lack sound policies, regulations and approaches to promote sustainable tourism.
- In most developing countries, skills development programmes for HCT occupations do not meet market demands and are especially scarce in rural areas.

Facts and figures

- HCT is a major source of economic growth and employment, particularly in developing countries where it has increased rapidly over the past decades.
- In 2010 the HCT sector generated about 9.3 percent of global GDP, and constituted some 9.2 percent of total global investments.¹
- International tourist arrivals rose from a mere 25 million in 1950, to 277 million in 1980, 684 million in 2000, and 922 million in 2008. They increased 4.3 percent annually between 1995 and 2008.²
- Tourist arrivals in least developed countries (LDCs) tripled between 1998 and 2008, with an average annual growth rate of 13 percent, and an increase in revenue from USD 1 billion to 5.3 billion.³
- As many as 30 out of the 49 LDCs have selected tourism as an important sector for growth and development.⁴
- Tourism is the primary services export in LDCs, representing 33 percent of LDC exports, and 65 percent of exports for island LDCs.⁵
- One job in the core HCT industry indirectly generates 1.5 additional jobs in the economy. In 2010, the sector accounted for over 235 million jobs, equivalent to 8 percent of overall jobs.⁶
- Women represent between 60 and 70 percent of the HCT labour force.⁷
- Half of the HCT workforce is composed of youth under 25 years of age.
- Ecotourism, which involves responsible travel to natural areas in an environmentally and socially respectful manner, is a growing trend currently representing about 3 to 5 percent of global tourism.



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Box 1

Leakages and Linkages

HCT's potential to be a driver of development, employment promotion and poverty reduction is often thwarted by the fact that enterprises source goods and services from foreign suppliers rather than local ones. These "leakages" are particularly evident in developing countries where they may represent losses of up to 40 to 50 percent of gross tourism earnings.⁷ They can be reduced by building "linkages" with local sectors in construction, agriculture, fishing, food processing, furniture manufacturing, transport, utilities and other services including energy, telecommunications, and environmental services. Such linkages provide sustainable market opportunities for local suppliers and strengthen local production while offering tourists an authentic cultural experience.

Building linkages requires:

- Effective national policies, strategies and regulatory frameworks that support local development
- Inter-sectoral linkages and public-private partnerships; collaboration between tourism enterprises, local governments, employers' and workers' organizations to set regulations and policies on local value chains

- Working conditions are frequently poor and irregular, with long working hours, on-call duty, casual, temporary, seasonal and part-time contracts that lead to job insecurity, comparatively low pay, limited career opportunities, a high level of subcontracting, outsourcing, and staff turnover. These factors also contribute to a lack of social dialogue that negatively influences productivity, competitiveness and service quality.
- Good working conditions and constructive social dialogue are especially relevant in the tourism sector as it is a service industry where job satisfaction and positive interface between workers and employers directly influence service, client satisfaction and labour quality.
- Unskilled or semi-skilled women tend to work in the most vulnerable HCT jobs, where they are more likely to experience poor working conditions, inequality of opportunity and treatment, violence, exploitation, stress and sexual harassment. Women also suffer discrimination in terms of access to education and training in HCT programmes, and are paid on average 25 percent less than male workers with comparable skills.
- HCT may entail the risk of exploiting natural resources and rural communities and over-development, thus threatening the livelihoods and cultural heritage of rural populations.

Policy Options

Participatory approach for tourism in rural areas

- Develop policies that harness benefits from tourism to empower rural communities, protect natural resources, and promote social cohesion and cultural identity.
- Ensure that tourism policies are based on the broad participation of local communities and that they promote rural employment and local ownership over the natural

resources that make those areas valuable touristic destinations.

- Include local communities and stakeholders in tourism initiatives, from planning to implementation, to ensure fair and sustainable economic returns (See Box 2).
- Support the creation of tourism-oriented micro, small and medium-sized enterprises (M/SMEs), among others, by facilitating access to finance through credit and loans for rural entrepreneurs, particularly the poor and other disadvantaged groups.
- Provide specific support to tourism cooperatives, which promote economic advantages through the pooling of resources, knowledge and skills, sharing of risks and benefits, while enhancing community ownership and autonomy.
- Encourage and provide incentives for major tourist businesses to make basic infrastructure, including water and power utilities, available to the communities in which they are operating, thereby allowing the rural poor to benefit from large-scale tourist endeavours while creating a friendlier environment for tourists.
- Encourage HCT value chains to source locally and reduce reliance on imported items (See Box 1).
- Integrate local transport services, such as personal taxis, rather than offering separate and expensive hotel-run shuttles and services. Utilizing and developing a local transport industry directly generates employment and income.
- Support rural employment through the development of job outreach programmes that raise awareness among rural populations about job prospects in HCT and assist local residents with finding and retaining jobs in HCT and related sectors.
- Evaluate and monitor the environmental impact of major tourism developments and use local labour to protect and maintain the environment.

Socio-economic empowerment

- Develop skills assessments to identify current and future skills needs, and invest in education, vocational training, training upgrades and human resource development, as these aspects are key requisites for the operational effectiveness and service quality of the sector.
- Include modules on HIV/AIDS, gender equality, youth employment, and Occupational Safety and Health in HCT training curricula.
- Assist tourism enterprises to establish effective training programmes and skills development for workers and employers, especially for M/SMEs that represent the biggest share of tourism enterprises in developing countries.
- Address current decent work deficits, particularly poor working conditions, exposure to hazardous and dangerous work, long hours, low pay, and child labour.
- Implement programmes to reduce disparities between women and men in the workplace and reduce discrimination in wages and other conditions of employment, particularly for the most disadvantaged (women, minorities, migrants, people with HIV/AIDS).
- Enhance labour inspection and encourage the implementation of ILO Conventions such as C. 172 (Hotels and Restaurants), C.155 (Occupational Safety and Health), and C.148 (Working Environment).

Connecting actors

- Improve access to telecommunication services such as mobile phone facilities and internet, which can help connect rural areas to online tourist networks and strengthen supply and demand dynamics.
- Promote social dialogue among employers, workers and authorities to sensitize, analyze, design and implement initiatives aimed at introducing more resource-efficient practices in the industry.
- Involve social partners in the design and implementation of comprehensive HCT rural development strategies based on the specific local resources and needs.
- Strengthen collaboration and communication between the tourism industry and rural communities to facilitate the provision of goods (e.g. food, furniture, and construction) by rural local communities and in turn, to help those communities better respond to the needs of the industry.
- Extend sectoral and cross-sectoral public-private partnerships for sustainable and pro-poor tourism among international, governmental, non-governmental and private sector organizations.

- Develop inter-ministerial working groups aimed at empowering rural communities and incorporate rural tourism into cross-sectoral national development plans.

Box 2

Local Economic Development (LED)

LED aims to devise and implement development strategies tailor-made to specific geographical areas and their communities. These strategies are based on broad and full participation by local stakeholders, and take into consideration the unique characteristics, opportunities and challenges as well as the priorities, needs and capacities of local stakeholders in the specific regions and communities.

Source:

http://www.ilo.org/empent/Areasofwork/lang—en/WCMS_093862region/ampro/cinterfor/temas/employer/for_prod/simapro.htm

Box 3

ILO's Employment Creation and Peacebuilding Based on Local Economic Development (EMPLED)

The EMPLD programme in Nepal (2007-2010) developed two touristic treks: an "Indigenous People Trail", offering a unique cultural experience among the Tamang, Thami, Sherba and Newari people; and a "Cheese Circuit", traversing the Ramechhappe region and specializing in artisanal food products. These treks offer tourists a unique glimpse into Nepali life, while empowering Nepalese communities through opportunities for additional income, jobs, and business growth in a post-conflict region. ILO support included the facilitation of rural stakeholders' direct participation at all stages of programme design and implementation, and training in home-stay management business, cultural performances and village beautification.

Source:

http://www.ilo.org/wcmsp5/groups/public/@asia/@ro-bangkok/@ilokathmandu/documents/publication/wcms_114366.pdf

Box 4

Redturs

This is a network of Latin American indigenous rural communities promoting tourism-led development based on the active inclusion and sovereignty of local communities in decisions regarding the nature, extent, and speed of tourist developments. Launched in 2000, Redturs now has programmes in 14 Latin American countries. ILO provides business development training, marketing and works to improve information sharing and communication between the 14 participating countries and the international community through tools such as the "Portal of Living Cultures", an online tourist search engine promoting over 200 community tourist destinations in Latin America to the international community. Redturs effectively connects rural areas to modern economic processes and advanced technology, while respecting the cultural heritage of indigenous populations and communities.

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



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ILO's role

- Provides support to the implementation of ILO's Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) and Recommendation (No.179), setting minimum standards to improve working conditions, training and career prospects in hotels, restaurants and similar establishments.
- Provides support to social dialogue, namely in negotiation, consultation and exchange of information between or among representatives of governments, employers, workers and local communities, recognizing common interests and addressing challenges.
- Provides technical inputs in HCT international meetings and workshops, for example on ILO/AIDS, skills development, Occupational Safety and Health and labour standards
- Develops tools and training materials to guide LED based rural tourism.
- Develops and implements technical cooperation programmes such as Redturs (See Box 4).
- Works closely with the World Tourism Organization (UNWTO) to disseminate decent work principles throughout the tourism sector. ILO also collaborates with other UN agencies (ITC, UNCTAD, UNDP, WTO) playing an active role, for instance, in the Fourth United Nations Conference on the Least Developed Countries (LDC-IV) in May 2011 which introduced tourism as a strategy to reduce poverty. ILO also collaborates within the UN Chief Executives Board Inter-Agency Cluster on Trade and Productive Capacity with ITC, UNCTAD, UNIDO and UNOPS to reduce poverty in target provinces of the Lao PDR.

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¹ World Travel and Tourism Council (WTTTC): *Economic Impact Data and Forecasts: Tourism Research 2010*, Available at:

http://www.wttc.org/eng/Tourism_Research/Tourism_Economic_Research/ (January: 2011)

² UNWTO: *Tourism Highlights*, 2009 Edition (Madrid: 2010) and UNWTO: *World Tourism Barometer* (Madrid: 2010)

³ ILO: *Reducing Poverty through Tourism: Questions and Answers*. Available at: http://www.ilo.org/global/about-the-ilo/press-and-media-centre/insight/WCMS_154943/lang-en/index.htm

⁴ UNDP: *Tourism and Poverty Reduction Strategies in the Integrated Framework for Least Developed Countries* (Geneva: 2011)

⁵ UNCTAD: *Least Developed Countries Report* (New York: 2008)

⁶ WTTTC: *Economic Impact Data and Forecasts: Tourism Research*, 2010. Available at: http://www.wttc.org/eng/Tourism_Research/Tourism_Economic_Research/ (January: 2011)

⁷ ILO: *Development and Challenges in the Hospitality and Tourism Sector* (Geneva: November 2010)

⁸ UNCTAD: *Least Developed Countries Report*, op. cit.

Links

- ILO: Sectoral Activities Department, Hotels, Catering, and Tourism: <http://www.ilo.org/public/english/dialogue/sector/sectors/tourism.htm>
- Redturs: <http://www.redturs.org/>
- Joint Statement of ILO and UNWTO: <http://www.ilo.org/public/english/dialogue/sector/sectors/tourism/state ment.pdf>

Tools

- ◆ ILO/ITC Turin: Online Training course on "Tourism and Local Development" for more information contact Maria Jose Mallo, m.mallo@itcilo.org
- ◆ ILO: NETCOM Training Programme on Tourism Businesses with Rural and Indigenous Communities: <http://www.redturs.org/documentos/flashNETCOMen.pdf>
- ◆ UNWTO: *World Tourism Organization Code of Ethics*: http://www.unwto.org/ethics/full_text/en/pdf/Codigo_Etico_Ing.pdf
- ◆ ILO: *Training Programme on OSH in Tourism*: <http://shstandards.com/english/Home.asp>
- ◆ ILO: *Toolkit on Poverty Reduction through Tourism in Rural Areas* (Forthcoming, 2011)

Other Materials

- ◆ ILO: *Development and Challenges in the Hospitality and Tourism Sector*. Issues paper for discussion at the Global Dialogue Forum for the Hotels, Catering, Tourism Sector (Geneva: 2010)
- ◆ ILO: Boardman, Jacqui and Candida Barbato: *Socially Responsible HR and Labour Relations Practice in International Hotel Chains* (Geneva: 2008)
- ◆ ILO: Bolwell, Dain and Wolfgang Weinz: *Guide for Social Dialogue in the Tourism Industry* (Geneva: 2008)
- ◆ ILO: Bolwell, Dain and Wolfgang Weinz: *Reducing Poverty through Tourism* (Geneva: 2008)

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