



## **Policy Paper**

### **Decent work through sustainable tourism**

#### **T.20, Korea 2010**

**...the T.20 meeting explored the synergies between strengthened global economic cooperation and the tourism sector's efforts to build resilience and stimulate new, sustained and responsible growth...<sup>1</sup>**

#### **1. The potential of tourism**

The tourism sector is extremely labour-intensive and a significant source of development and employment, being among the world's top creator of jobs of different degrees of skills. In 2010, the sector's economy will account for more than 235 million jobs, equivalent of about 1 in every 12.3 jobs globally. The sector is characterized by a diverse inter-linkage between related occupations within different sectors. These include directly related occupations (hotels, restaurants) as well as indirect occupations within other sectors that have links to tourism (transport, agriculture, construction, etc.). With regard to the supply chains in the sector, one job in the core industry indirectly generates roughly 1.5 additional jobs in the related economy.

Along with the sector's tendency to indirectly influence employment in related sectors, tourism caters for workers who have less access to the labour market including: the young workforce, women, migrant workers and rural populations. The sector has a high proportion of people less than 35 years of age, half of which are 25 or under with about 10 to 15 per cent being under the age of 18. Divergences between qualifications and workplace realities are observable for women, who make up between 60 and 70 per cent of the labour force. These traditional characteristics will face future challenges of an aging workforce in developed countries means that the sector will depend in the future on an older profile of employees and a higher percentage of migrant workers.

#### **2. Tourism and poverty reduction**

Tourism also provides numerous opportunities to reduce poverty within the sector and through inter-sectoral linkages in many parts of the world. The informal sector which includes the manufacture and sale of craftwork, as well as microfinance, entertainment and cultural activities also has a potentially influential relationship with the industry.

In 46 of the 49 LDCs, the tourism sector is one of the leading sources of foreign exports. In 2006, their share of travel exports totalled 53 per cent of service exports. Also, 25 of the 49 LDCs have acknowledged the MDGs and have made tourism a priority in their national development policies and measures. The importance for the sector to alleviate poverty and facilitate development in less developed and emerging economies has been recognized, as illustrated in the Johannesburg T.20 joint communiqué, February 2010.

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<sup>1</sup> T.20 joint communiqué, point 13, Johannesburg 2010

### **3. Working conditions in tourism**

Despite its strong potential to create employment and contribute to poverty reduction, the sector is characterized by diversity, complexity, inter-linkage, and fragmentation in terms of employment relations. These relationships influence the many types of workplace contracts such as on-call, casual, temporary, seasonal and part-time contracts, which are related to insecurity, comparatively low pay, job instability, limited career opportunity, and a high level of subcontracting and outsourcing. These circumstances may also contribute to high staff turnover which makes tourism employment unattractive and affects productivity, competitiveness and service quality. Informal employment -- especially in small enterprises -- can also facilitate negative components such as child labour and gender inequality.

However, it is important to note that tourism's informal components provide a significant number of jobs to workers with little or no formal training. The sector can also provide employment opportunities and labour market entry points for migrant workers as well as those facing social and capability disadvantages.

### **4. Decent work and tourism**

The ILO's mandate is to provide formal and informal occupations, whether directly or indirectly related, that implement decent work policies and practice. Decent work reflects the concerns of governments, employers and workers and resumes the aspirations of people in their working environment. Decent employment comprises four strategic objectives that are relevant to all workers, women and men: fundamental principles, rights at work and international labour standards; employment and income opportunities; social protection and social security; social dialogue and tripartism.

Tourism thrives on an environment where management-labour relations could greatly benefit from the use of social dialogue at all levels. Social dialogue and better working conditions walk hand in hand, together creating a capacity to not only provide security, safety and decent wage/career opportunity for workers but in return create an atmosphere where employees are motivated, loyal and committed to the employers who will benefit from resulting productivity, competitiveness and higher service quality.

By improving the qualification/skills of workers, especially at lower employment levels through training and implementing fair policies and procedures aimed to attract, develop and retain quality employees, staff turnover may decrease, social dialogue increase and working conditions become more decent. To be effective, sectoral approaches to skills development should be part of long-term national growth strategies so that skills development and stable labour market policies are linked. Thus, a sustainable labour market environment further requires job career perspective and social dialogue.

### **5. Sustainable tourism**

The tourism industry worldwide offers tremendous opportunity for promotion of sustainable practices, decent work and is projected to grow significantly over the coming decade. Sustainable tourism supported by three pillars (social justice, economic development, and environmental integrity), is committed to the enhancement of local prosperity and should generate income and decent employment for workers without affecting the environment and culture of the tourists' destination. Sustainable tourism requires therefore an integrated approach supported through the different UN agencies work and present at the T20 meeting.