

# Employment in the tourism industry to grow significantly

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## Overview:

- [Introduction](#)
- [A need for more social dialogue](#)
- [Training and skills needs](#)
- [The role of governments](#)
- [Further resources](#)

## Introduction

The travel and tourism industry is one of the largest and most dynamic industries in today's global economy. It is expected to generate about 9 per cent of total GDP and provide more than 235 million jobs in 2010, representing 8 per cent of global employment. Last November, over 150 government, employer and worker delegates from more than 50 countries, meeting at the ILO's Global Dialogue Forum on New Developments and Challenges in the Hospitality and Tourism Sector, discussed new developments and challenges in the sector. The Forum was opened by Mr Taleb Rifai, Secretary-General of the World Tourism Organization (UNWTO) and Mr Juan Somavia, Director-General of the ILO.



Compared to other sectors of the global economy, the industry is one of the fastest growing, accounting for more than one-third of the total global services trade. The ILO Forum addressed the high intensity of labour within the industry, making it a significant source of employment and placing it among the world's top creators of jobs that require varying degrees of skills and allow for quick entry into the workforce by youth, women and migrant workers.

According to an ILO report prepared for the Forum, international tourism was affected by the global economic and social crisis but is projected to grow significantly over the coming decade. The United Nations World Tourism Organization (UNWTO) is expecting the sector's global economy to provide 296 million jobs by 2019.

The tourism sector suffered a decline beginning in the second half of 2008 and intensifying in 2009 after several consecutive years of growth. A sharp reduction in tourist flows, length of stay and spending, as well as increased restrictions on business travel expenses, led to a significant contraction of economic activity in the sector worldwide.



Among the most affected during the crisis were international tourist arrivals, decreasing by 4 per cent in 2009, while international tourism revenues were projected to go down 6 per cent by the end of 2009. The regions hit hardest by the decline in worldwide international tourism were the Middle East (–4.9 per cent), Europe (–5.7 per cent), and the Americas (–4.6 per cent). Only Africa showed constant growth (+2.9 per cent),

based on a comparatively low travel volume.

Despite the crisis, global employment in the tourism industry increased by about 1 per cent between 2008 and 2009, the report says. But there were significant regional differences with respect to the impact of the crisis on employment in hotels and restaurants. While the Americas suffered a 1.7 per cent decrease in employment, employment in Asia and the Pacific region remained resilient, gaining 4.6 per cent.

### A need for more social dialogue

On the second day of the Forum a panel discussed new ideas concerning the huge potential for social dialogue in the sector and sustainable forms of tourism with a strong poverty reduction potential. The panel addressed good practices that could be shared with other developing countries, particularly within the framework of South–South development cooperation.

It was observed that the challenging work environment in the tourism industry also enhances the value of social dialogue in the workplace and, where such processes are formalized, they create real opportunities for constructive collaboration within major companies in the hotel and tourism sector.

At the same time, participants noted that the central role of small and medium-sized enterprises (SMEs) within the sector makes the application of universal and formalized social dialogue difficult to achieve.

“A need for new and creative forms of social dialogue corresponding to the realities in a small company in the sector has become apparent. This could take the form of regular consultation between owners/managers and workforce representatives, as well as surveys of employee satisfaction and attitudes in order to highlight worker concerns,” explains



Wolfgang Weinz, ILO Senior Technical Specialist for the Hotels, Catering, Tourism sector of the Sectoral Activities Department.

## Training and skills needs

The Forum especially looked at education and vocational training as key requisites for the operational effectiveness of the sector. Its workers tend to have limited professional qualifications, and a need for enhanced training and education, including health-related issues, has become visible.

According to Wolfgang Weinz, “the growing significance of technology and more demanding customers, as well as environmental issues, require a more effective customer/employee relationship. Competitiveness and productivity in the industry depend on skill levels, professionalism, commitment, passion, loyalty and soft skills of the workers.”

Participants agreed that motivated workers are the most talented employees – willing to stay with their company. Some of the soft skills needed, including language and communication skills, courtesy, discipline, conscientiousness, self-confidence, adaptability, creativity and punctuality, can be enhanced through training. Gaps were also noted in the management capabilities of management within the industry.

“Today we have a shortage of qualified employees. Hotels need to train their employees. It is the only way to improve the quality,” explained Ghassan Aidi, President of the International Hotel and Restaurant Association (IHRA).

## The role of governments



The role of government was identified as key to developing the tourism industry. To become an attractive destination for tourists, a location requires a wide range of services including infrastructure and effective destination marketing.

Hotels and restaurants also have a huge potential to reduce poverty in many parts of the world. Partnerships between the private and public sectors should be enhanced to ensure more effective coordination and benefits for local communities.

According to Neb Samouth, Government representative of Cambodia and panellist, “Community-based tourism and ecotourism has benefited over 30 local communities, providing alternative sources of income and employment. Local projects help to protect natural resources and provided a good platform for social dialogue.”

The need to improve working conditions and the important role of social dialogue were stressed by Ron Oswald, General Secretary of the International Union of Food,

Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF): "Depending on what kind of tourism and of employment tourism brings to the poorest parts of the world, it can contribute to poverty reduction. Workers in tourism need to be given the ability to raise themselves out of poverty through representation organizations and ultimately, in ILO terms, collective bargaining."

## Further resources

### ILO Publications

- ILO. 2011. [Effect to be given to the recommendations of sectoral and technical meetings : 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 \(Geneva, 23-24 November 2010\)](#)(pdf 163 KB) (Geneva)
  - [Français \(pdf 271 KB\)](#) • [Español \(pdf 123 KB\)](#)
- ILO. 2011. *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 (GDFHTS/2010/8) : Geneva, 23-24 November 2010 : final report of the discussion* (Geneva)
- ILO. 2011. [Poverty reduction through tourism](#)(pdf 318 KB) (Geneva)
- ILO. 2011. *Stimulating rural growth, jobs and income through tourism* (Geneva)
- ILO. 2010. [Developments and challenges in the hospitality and tourism sector : issues paper for discussion at 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, Geneva 2010](#)(pdf 1.87 MB) (Geneva)
  - [Français \(pdf 2.14 MB\)](#) • [Español \(pdf 1.72 MB\)](#)
- ILO. 2010. [Employment and social protection policies from crisis to recovery and beyond: a review of experience, an ILO report to the G20 Labour and Employment Ministers Meeting, Washington, DC, 20–21 April 2010](#) (pdf 819 KB) (Geneva)
- ILO. 2010. [Employment policies for social justice and a fair globalization, Report VI, International Labour Conference, 99th Session, Geneva, 2010](#) (pdf 1.55 MB) (Geneva).
- ILO. 2010. [The sectoral dimension of the ILO's work : Update of sectoral aspects regarding the global economic crisis: Tourism, public services, education and health](#) (pdf 2.11 MB) (Geneva)
  - [Français \(pdf 1.55 MB\)](#) • [Español \(pdf 1.01 MB\)](#)
- ILO. 2010. [Youth employment in crisis: Questions and answers on the situation of youth on the labour market](#) (Geneva)
  - [Español \(pdf 691 KB\)](#)
- ILO. 2009. [Recovering from the crisis : a Global Jobs Pact](#) (pdf 93.22 KB) (Geneva)
  - [Français \(pdf 105.47 KB\)](#) • [Español \(pdf 107.50 KB\)](#)
- ILO. 2008. [Reducing poverty through tourism](#) (pdf 954 KB) (Geneva)

24 August 2011

## ILO Websites

- [Sector: Hotels, Catering, Tourism](#)
- [ILO Global Job Crisis Observatory: Social Dialogue](#)
- [ILO Global Job Crisis Observatory: Employment Promotion](#)
- [ILO Global Job Crisis Observatory: Skills Development](#)
- [Global Jobs Pact](#)
- [Decent Work](#)