Measuring Employment in the Tourism Industries

Igor Chernyshev
UNWTO Consultant
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The latest UNWTO Guidebook (2013): *Sustainable Tourism for Development*

The *Guidebook* identifies the following five pillars of Tourism:

1: Tourism policy and governance

2: Economic performance, investment and competitiveness

3: Employment, decent work and human capital

4: Poverty reduction and social inclusion

5: Sustainability of the natural and cultural environment

Tourism is a labour intensive sector that creates many jobs at all levels.

In 2012, globally, one in eleven jobs was found in tourism industries and with some 260 million people worldwide working within the travel and tourism industry, there is a wide range of career paths to choose from.

With low barriers to entry and a wide employment multiplier-effect, tourism sector can provide possibilities for people who otherwise may find it difficult to earn a living. Through providing employment, tourism can benefit disadvantaged groups, including women, stimulate entrepreneurship and MSMEs and contribute significantly to poverty alleviation.

To set against these benefits, conditions of work in the tourism sector can be poor. In places tourism employment can be characterised by unsocial and irregular working hours, low pay, low job security, a lack of social security and protection, weak career prospects, unhealthy working conditions, and vulnerability to discrimination and exploitation.
There are five main reasons why sound policies and actions in the area of employment and human resources are critical to sustainable development through tourism*:

i. The provision of accessible opportunities for employment, available to all, is central to economic development (also DW Agenda)

ii. The availability of labour with sufficient aptitude and skills is a key requirement of successful tourism businesses.

iii. The way that people who work in tourism perform their jobs and relate to visitors makes a huge difference to the quality of the visitor experience.

iv. Concern about working conditions and employee welfare must be seen as a fundamental principle of sustainable tourism in its own right.

v. The availability of knowledge and skills in certain specific areas is important for the sustainability of Tourism.

*Source: UNWTO. Sustainable Tourism for Development Guidebook.
In order to develop, implement and monitor these policies and actions, the governments, policy makers and specialists in tourism development need to have at their disposal sound statistical evidence, i.e. reliable and comprehensive quantitative and qualitative data on employment situation in the tourism sector.

However, so far, only a few countries have fully developed an advanced set of statistical procedures and derivative applications for measuring and analyzing a multitude of employment aspects in the tourism industries much needed to develop, implement and monitor efficient tourism labour market policies and actions.

In other words, in their data collection and analysis these countries go beyond the TSA Table 7 (e.g., Austria, Canada, Ireland, Spain, United Kingdom).
Figure 1 outlines schematically different types of tourism related conceptual frameworks of employment*:

(i) Direct tourism employment, (ii) (direct) Tourism employment in the tourism industries and (iii) Employment in the tourism industries

The difference between employment in the tourism industries and the direct tourism employment is that the former refers to all the jobs (or persons engaged) in both tourism-characteristic activities and non-tourism-characteristic activities in all establishments in tourism industries and the latter measures jobs in tourism industries that can be attributable to tourism spending plus jobs in non-tourism industries that can be directly attributed to tourism spending.

Suggestion to the meeting: Employment in the tourism industries and (direct) TE

- Employment in the tourism industries

-the Tourism Satellite Account and the IRTS 2008 recommend the estimation of employment in the tourism industries

-Tourism employment: The concept of tourism employment, in accordance with the IRTS 2008, refers to “employment strictly related to the goods and services acquired by visitors and produced by either tourism industries or other industries” (IRTS 2008, para. 7.3). Hence, tourism employment is a measure of the number of jobs directly attributable to tourism demand in tourism and non-tourism industries, held by employees, self-employed and contributing family workers.

- It might be recommendable to pay attention to the above and use the internationally agreed terminology in national publications and public debates when making reference to the TSA employment based on TSA:RMF, if this is really true.
According to the 19th ICLS resolution, there are the following forms of work as related to the SNS 2008

**Figure 2. Forms of work and the System of National Accounts 2008**

<table>
<thead>
<tr>
<th>Intended destination of production</th>
<th>For own final use</th>
<th>For use by others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forms of work</td>
<td>Own-use production work</td>
<td>Employment (work for pay or profit)</td>
</tr>
<tr>
<td></td>
<td>of services of goods</td>
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<tr>
<td>Relation to 2008 SNA</td>
<td>Activities within the SNA production boundary</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Activities inside the SNA General production boundary</td>
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*Includes compulsory work performed without pay for others.

Here the reference is also made to work inside General production boundary of SNA and, namely, to own-use production work and volunteer work. Some countries may be interested to have information on the number of hours actually worked by unpaid trainees engaged in tourism establishments or volunteers working in market or not-market units (e.g. non-profit organisations) active in the tourism sector, even though such persons will not be classified as employed.

Integration of information on employment in Tourism

- It is hardly feasible to comprehensively gauge and analyze employment in tourism industries on the basis of only one statistical source. Given that, the integration of data from different sources is a preferable solution. This method yields more comprehensive information, provides a better overview and a more consistent picture, and results in a more accurate analysis (IRTS 2008, 7.34).

- Currently, there are the following three major international methodological frameworks of data integration/reconciliation form different sources recommended which provide for measuring various dimensions of tourism-related employment. Each framework serves its own objectives but all three complement each other: (i) Tourism Satellite Account; (ii) OECD Employment Module; and (iii) International Recommendations for Tourism Statistics 2008.
The current IRTS 2008 provides a comprehensive methodological framework for the collection and compilation of tourism statistics in all countries irrespective of the level of development of their statistical systems.

The implementation of the IRTS 2008 framework and its recommendations should assist National Statistical Offices in developing and setting up comprehensive Systems of Tourism Statistics that provide both national and international users and stakeholders with reliable, consistent and appropriate statistical information on the socio-economic aspects of tourism, integrated with economic and social statistics systems in other fields and at different territorial levels.
The IRTS 2008 conceptual framework of employment in the tourism industries refers to all the jobs (or persons engaged) in both tourism-characteristic activities and non-tourism-characteristic activities in all establishments in tourism industries.

Chapter 7 describes concepts, definitions, basic categories and indicators of employment in the tourism industries from “a general statistical rather than a specific national accounts perspective”.

Notably, the concepts and definitions recommended in Chapter 7 are largely compatible with relevant concepts of TSA:RMF 2008 and OECD EM.

Detailed comments and explanations of different concepts introduced and used in Ch.7, orientation on the issues behind these recommendations, guidance on how to compile the recommended variables and aggregates and examples of how some countries have solved some of the problems in implementing the recommendations are given in the IRTS 2008 Compilation Guide: Chapter 7.
Figure 3. Measurement framework: Single versus multiple job holders in the tourism industries

Persons employed in the tourism industries (all jobs or any job) = 1, 3, 4a
Persons employed in the tourism industries (main job) = 1, 3
Jobs in the tourism industries = 1, 3, 3a, 4a
Depending on user needs, employment in the tourism industries can be expressed in terms of:

- number of persons
- number of jobs (full-time/part-time)
- number of hours of work
- full-time equivalent employment.

The CG details on the following variables and use of international classifications:

**Variables**

i. Employment by age group, sex and nationality/country of residence (if relevant) expressed in terms of number of jobs, persons, hours of work, full-time equivalent;

ii. Employment by type of establishments (size, formal, informal, etc.);

iii. Employment classified by occupation and status in employment;

iv. Permanent/temporary employment expressed in terms of number of jobs, persons, hours of work, full-time equivalent, etc.

v. Employment by educational attainment.

vi. Hours of work (normal/usual, actually worked, paid for).

vii. Working time arrangements.
As employment variables are eventually used for an in-depth analysis of a country’s tourism industries within a social and economic context, countries should also collect the following variables characterizing the monetary aspect of labour:

i. Compensation of employees.
ii. Labour cost, and
iii. Mixed income of self-employed persons.

Special measures of employment in the tourism industries

a. Demographics of persons working in tourism industries (such as school attendance, mother tongue, place of birth, equity groups; e.g. Canada).
b. Unemployment levels of the tourism labour force
c. Union membership and coverage by union agreements in tourism industries
d. Informal employment in the tourism industries.
Quantitative and Qualitative Aspects of Employment in the Tourism Industries

- The ILO Decent Work Agenda rests on four main pillars: 1) Job creation (employment opportunities); 2) Rights at work; 3) Social protection; and 4) Social dialogue.

- The DW four pillars can be fully associated with progress on decent work (including quality jobs and employment quality) or DW deficit in the tourism sector.

- The tourism sector can be further stimulated by providing decent working conditions for both persons employed and potential employees in the tourism industry.

- Progress in advancing decent work in the tourism sector would have a significant impact on a large segment of the population at both domestic tourism areas and countries of major tourism destinations.

- This is a win-win situation for all: the benefit for workers is obvious through improved working conditions; the value for employers is evident in better motivated staff, increased service quality and competitiveness.
The IRTS 2008 provides a comprehensive framework for measuring a multitude of employment aspects in tourism industries in general and progress in advancing decent work in Tourism, in particular.

**Qualitative aspects of employment in the tourism industries (examples):**

- Inadequate pay rate and productive work
- Excessive hours of work
- Stability and security of work
- Combining work and family life
- Fair treatment in employment
- Safe work environment
- Social protection
- Social dialogue and workplace relations
- Educational attainment, skills development and career progression issues.


One of the joint UNWTO/ILO initiatives is the preparation of the *Technical Guide on Best Practices of Measuring Employment in the Tourism Industries*. 

- The Technical Guide will draw on the descriptions of best practices and methods used by countries with highly developed tourism statistics, which regularly produce and publish/disseminate comprehensive data sets on various characteristics of jobs and persons employed in the tourism industries. The issue of international comparability of statistical data will be also discussed.

- The Guide will contain examples of reports and analysis of the tourism labour markets written by countries with advance tourism statistics.

The selection of countries has been made on the basis of methodological descriptions documented in the *Sources and Methods, Labour Statistics: Employment in the Tourism Industries (Special edition)* as well as selected countries’ special responses.

- For the moment, the following countries have been selected: Australia, Austria, Brazil, Canada, Ireland, Norway, Spain, Switzerland and the United Kingdom.

The Guide is scheduled to be published in early 2014.