INTERNATIONAL LABOUR ORGANIZATION

Sectoral Activities Programme

Developments and challenges in the hospitality and tourism sector

**Issues paper for discussion at the Global Dialogue Forum
for the Hotels, Catering, Tourism Sector**
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Preface

This paper has been prepared by the International Labour Office as a basis for discussions 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. The Governing Body of the ILO decided at its 304th Session (March 2009) that the two-day tripartite Forum would be held in Geneva, from 23 to 24 November 2010; would be composed of seven Worker and seven Employer participants, selected after consultations with the respective groups of the Governing Body; and would be open to representatives of all interested governments. Its purpose would be to evaluate and discuss new developments and challenges for the tourism sector and their impact on employment, human resources development and industrial relations. The Forum could adopt conclusions that would be the basis of subsequent action by the ILO and its constituents.

The Global Dialogue Forum is part of the ILO's Sectoral Activities Programme, defined by the ILO programme and budget, aimed at assisting governments, employers' and workers' organizations to develop their capacities to deal equitably and effectively with social and labour problems in particular economic sectors. Sectoral action programmes, technical cooperation, advisory and research activities, and tripartite meetings contribute to ILO strategic objectives. Such meetings bring together a cross-section of government, employer and worker representatives from various countries, and aim to strengthen tripartism and promote social dialogue at the international level.

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Acknowledgements

Abbreviations and acronyms

CSR	corporate social responsibility
EFFAT	European Federation of Trade Unions in the Food, Agriculture and Tourism Sectors
EU	European Union
EWC	European Works Council
FDI	foreign direct investment
FEHGRA	Federación Empresaria Hotelera Gastronómica de la República Argentina
GDP	gross domestic product
GRI	Global Reporting Initiative
HCT	hotels, catering and tourism
HRD	human resources development
ICTs	information and communication technologies
IH&RA	International Hotel and Restaurant Association
IHG	Intercontinental Hotels Group
IFA	International Framework Agreements
ILO	International Labour Office *or* International Labour Organization
ISO	International Organization for Standardization
IT	information technology
ITC	International Trade Centre
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
LDC	least developed country
MDG	Millennium Development Goal
MICE	meetings, incentives, conferences, exhibitions
NGO	non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PE	private equity
PRSP	Poverty Reduction Strategy Paper
REIT	Real Estate Investment Trust
RevPAR	revenue per available room
SME	small and medium-sized enterprise
TSA	Tourism Satellite Account
UNCTAD	United Nations Conference on Trade and Development
UNFPA	United Nations Population Fund
UNWTO	United Nations World Tourism Organization

VCT	vocational training
WEF	World Economic Forum
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

Introduction

The purpose of this document is:

■ to provide an overview of the structures and characteristics of the hotels, catering and tourism (HCT) sector and its general trends in and more specifically on the hotel and restaurant subsector which the industry quite often also describes as accommodation and hospitality (Chapter 1);

■ to discuss recent developments for the sector within the context of the global economic and financial crisis (Chapter 2);

■ to evaluate the impact of new ownership patterns in the hospitality and tourism industry on employment, human resource development (HRD) and industrial relations (Chapter 3);

■ to present information on major trends and the diversification of accommodation, operations and consumption and their possible differentiated impact on the employment of women and men, HRD and industrial relations (Chapter 4);

■ to give an outlook on the specific criteria and needs in regard to sustainable tourism and social dialogue (Chapter 5);

■ to provide points for discussion for the Global Dialogue Forum.

Defining the hotels, catering and tourism sector and the scope of the issues paper

The definition of the HCT sector when the ILO Governing Body created the ILO Industrial Committee for the HCT sector in 1980 included:

(a) hotels, boarding houses, motels, tourist camps, holiday centres;

(b) restaurants, bars, cafeterias, snack bars, pubs, nightclubs and other similar establishments;

(c) establishments for the provision of meals and refreshments within the framework of industrial and institutional catering (for hospitals, factory and office canteens, schools, aircraft, ships, etc.);

(d) travel agencies and tourist guides, tourism information offices;

(e) conference and exhibition centres. [1]

In the context of this discussion, it is worth adding that wider definitions of tourism frequently also include the visitor attractions "sector", which encompasses natural, cultural and heritage sites, museums, as well as zoos and theme parks. Such locations frequently

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[1] ILO: *Human resources development, employment and globalization in the hotel, catering and tourism sector,* report for discussion at the Tripartite Meeting on Human Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector, 2–6 April 2001, Sectoral Activities Programme (Geneva, 2001), p. 5.

include the presence of other related hospitality operations including hotels, restaurants and cafes.

The ILO definition of the "tourism" component of the sector includes specific segments of transport, [2] travel agencies and tour operators. Hotels, catering and restaurants are all considered by most organizations to belong to the "tourism-characteristic industries" and are therefore subsumed under tourism. [3] International tourism includes business and professional travel, visiting friends and relatives, religious travel, and health treatments of travellers crossing a border and spending one or more nights in the host country. The hotel and restaurant subsectors analysed in this paper include data and information about accommodation (hotels, boarding houses, motels, tourist camps, holiday centres, resorts and youth/backpacker hostels) and wider hospitality (restaurants, bars, cafeterias, snack bars, pubs, nightclubs) and other similar establishments.

A conceptual framework that links a comprehensive reconciliation of tourism data and macroeconomic analysis known as the Tourism Satellite Account (TSA) [4] measures the contribution of tourism to a State's economy and its GDP. The TSA also provides a complete picture of tourism's true impact in generating employment.

The UNWTO notes that the TSA [5] methodology was developed in association with the UN Statistics Division, Eurostat, OECD and the ILO. It is also an instrument to support countries in developing their own system of tourism statistics (see Appendix I). The ILO has been cooperating with those organizations in response to the mandate given by the Tripartite Meeting on the Effects of New Technologies on Employment and Working Conditions in the Hotels, Catering and Tourism Sector in 1997, aiming to provide a methodology for the production and presentation of tourism-relevant labour statistics to supplement the TSAs.

Since 2007, the ILO has been cooperating with the UNWTO to better measure employment in tourism industries. Thus, a new chapter was written for the *International Recommendations for Tourism Statistics 2008* (IRTS2008), [6] namely, Chapter 7, "Employment in the tourism industries".

The IRTS2008 provides a comprehensive methodological framework for the collection and compilation of tourism statistics in all countries irrespective of the development level of their statistical systems. Its primary audience is the staff of national

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[2] For instance: taxis, cruise ships, tourism trains and buses.

[3] Other organizations concerned with tourism, including governments, intergovernmental organizations and NGOs, often use much broader definitions of the term than those used by the ILO. They subsume under "tourism" all services and products consumed by tourists, including transport.

[4] United Nations Department of Economic and Social Affairs Statistics Division, UNWTO, Commission of European Communities, Eurostat, OECD: *Tourism Satellite Account, Recommended Methodological Framework 2008* (Luxembourg, Madrid, New York and Paris, 2008).

[5] TSA provides the following data: tourism's contribution of GDP, tourism's ranking compared to other economic sectors, the number of jobs created by tourism, the amount of tourism investment, tourism consumption, tourism's impact on national balance of payments and characteristics of tourism human resources.

[6] UN Department of Economic and Social Affairs Statistics Division, UNWTO: *International Recommendations for Tourism Statistics 2008* (Madrid and New York, 2008) (IRTS2008).

statistical offices and national tourism administrations involved in the compilation of these statistics.

Future works include the implementation of the joint ILO–UNWTO project on the "Measurement of Employment and Decent Work in the Tourism Industries." The project aims to finalize and publish the *Technical Guide on Best Practices of Measuring Employment in the Tourism Industries* and going further to test the applicability of the recommendations included in the guide in three countries with developed statistical systems and tourism services.

1. Structure and characteristics of the sector

1.1. The hotel, catering and tourism industry

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. International tourist arrivals have grown by 4.3 per cent between 1995 and 2008. [1]

The sector has benefited from the process of globalization and from the constantly falling relative costs of travel. In 1950 the travel industry recorded 25 million international tourist arrivals while there were 277 million in 1980, 438 million in 1990, 684 million in 2000, 904 million in 2007 and 922 million in 2008 (see figure 1). Since 1990, international arrivals have increased by 4.3 per cent annually and the UNWTO expects them to rise by 4 per cent per annum over the next 20 years. During the past 25 years, international tourist arrivals have increased about one percentage point faster than global GDP in real terms. After an increase in 2008 (US$942 billion), international tourism receipts decreased by 5.7 per cent in real terms to US$852 billion in 2009. [2]

Figure 1.   International tourist arrivals, 1950–2020
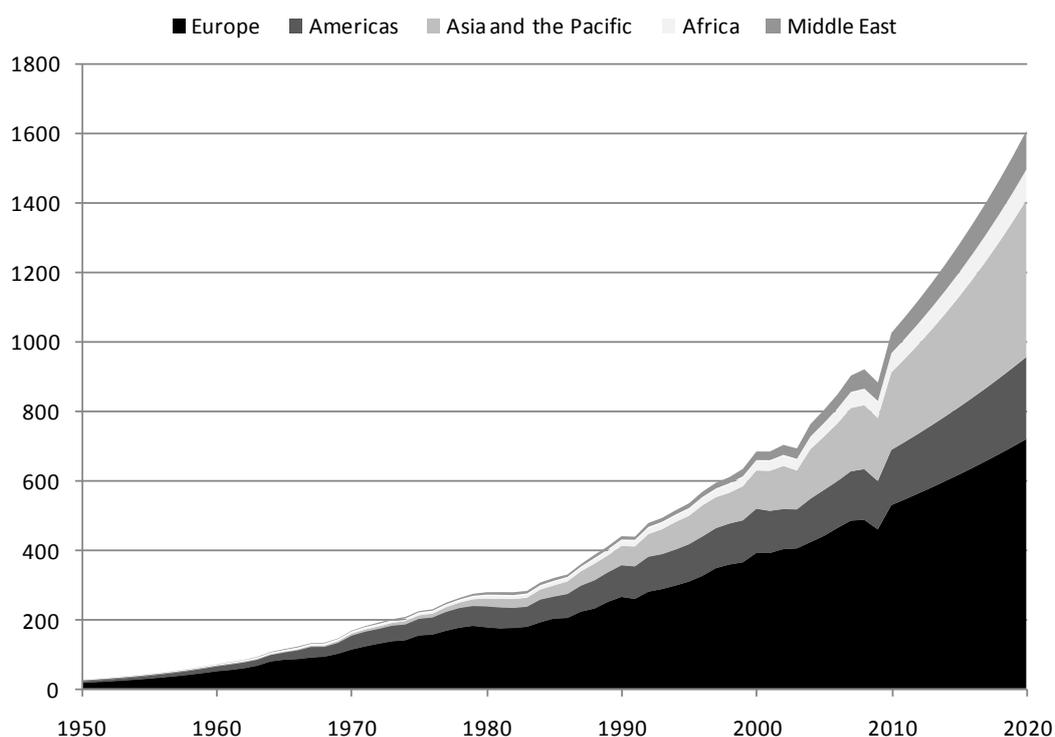
Source: UNWTO: *Tourism Highlights*, 2009 edition, p. 11, UNWTO, 2009.

Over the past decade, international tourism arrivals have differed across regions of the world. In emerging regions, international tourist arrivals received by developing countries

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[1] UNWTO: *Tourism Highlights*, 2009 edition, p. 11, UNWTO, Madrid, 2009.

[2] UNWTO: *World Tourism Barometer*, Madrid, June 2010, p. 5.

have continuously risen from 31 per cent in 1990 to 45 per cent in 2008. [3] Asia and the Pacific have seen a significant annual average growth rate of 7.2 per cent, including 21 per cent in Hong Kong (China), 11 per cent in China, and 10 per cent in Japan. North America's arrivals grew by 2.4 per cent, with the United States stagnating at -0.1 per cent. Western Europe had an average growth rate of 2.2 per cent. Although OECD countries saw their international arrivals strongly decline, [4] during the final years of the 1990s, they continued playing a major role in international tourism, which remains the fastest growing element of the sector. In 2008, OECD countries still accounted for 57 per cent of international tourist arrivals and for 67 per cent of corresponding travel receipts. [5]

1.2. International tourist arrivals

In recent years, air transport has increased more than surface transport and the expansion of low-cost air travel has greatly altered the industry in many regions. [6] Figure 2 provides statistics to demonstrate the use of various transport methods as well as the visitor objectives characterizing inbound tourism for 2008.

Figure 2.   Inbound tourism, 2008 [7]
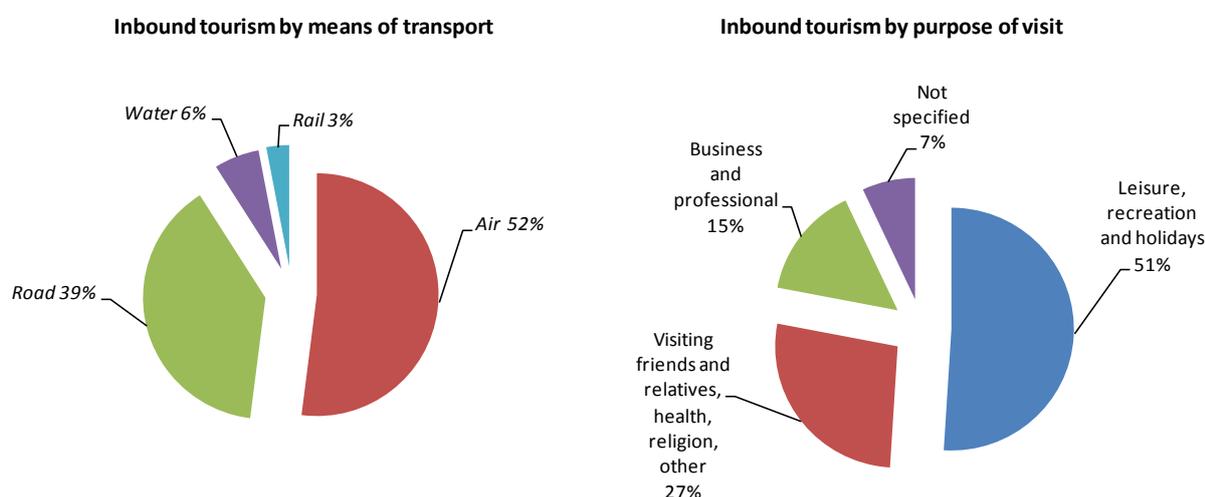
Source: Figure prepared by the ILO based on UNWTO: *Tourism Highlights,* 2009 edition, p. 3, UNWTO, 2009.

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[3] UNWTO: *Tourism Highlights*, 2009 edition, p. 2, UNWTO, Madrid, 2009.

[4] Inbound OECD arrivals declined by 1.8 per cent between the third quarter 2007 to 2008 and by 4.3 per cent between the fourth quarters 2007 to 2008. In 2009, there were 12.5 per cent and a 6.5 per cent decline respectively in the first and second quarters 2009; OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 7.

[5] OECD: "Tourism trends in the OECD area and beyond" in *Tourism Trends and Policies 2010*, 2010, p. 7.

[6] WTO: *Tourism Services*, Background note by the secretariat, Geneva, 2009, p. 6; UNWTO: *Tourism Highlights*, UNWTO, Madrid, 2009, p. 3.

[7] Travel by residents within their country is called domestic travel. Inbound travel is travel to a country by non-residents, while outbound tourism refers to travel outside a country by residents.

Although differences do appear between countries, this trend whereby leisure and vacation travel dominate arrivals is relevant in OECD and non-OECD countries, e.g. business travel accounts for one third of arrivals in Belgium and Sweden, but only 4 per cent in Mexico and Hungary [8] (see figure 3).

Figure 3.   Business travel shares, OECD countries, in percentage, 2007
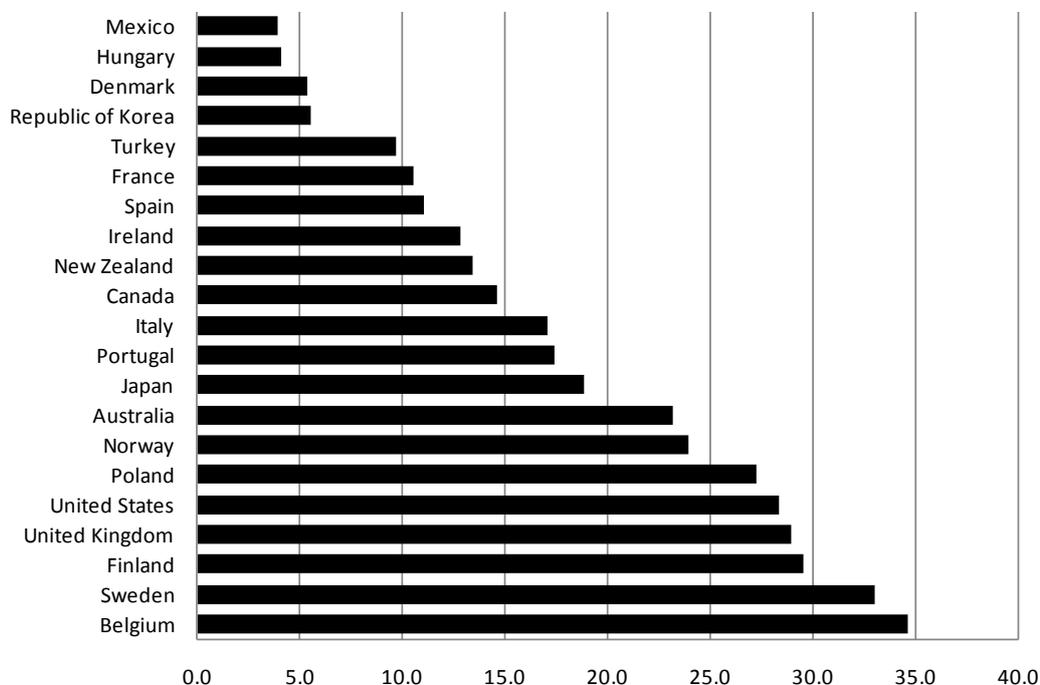
Source: Figure prepared by the ILO, based on OECD: "Tourism trends in the OECD area and beyond", in Tourism Policies and Trends 2010, OECD, 2010, p. 37; Measured in terms of arrivals.

In 2009, the Airplus "Travel management study 2009" noted that business travel declined by 17 per cent. It was reported that more business customers chose to fly economy class: in 2009, 8 per cent of all business journeys by air were in business class compared to 43 per cent in 2001. [9] Further research will be required to ascertain whether this decrease in business travel is a short-term trend of the global economic crisis or if it characterizes a long-term tendency linked to the use of alternative forms of communication including ICT, media/phone conferences or other facilities. It may also reflect wide restructuring within the airline industry which has seen the removal of first and business class by some airlines (or a reduction in capacity) and the growth of the one class, low-cost model for short and medium-haul travel.

1.3.   A fragmented industry

The tourism industry and particularly the hotel and restaurant subsector is highly diversified in the types of businesses that operate under its auspices. The largest companies include portfolios that contain more than 6,000 hotels each and employ more than 150,000

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[8] OECD: "Tourism trends in the OECD area and beyond," in *Tourism Trends and Policies 2010*, 2010, p. 37.

[9] "Hat die Businessclass ausgedient?", in *Neue Züricher Zeitung*, 26 Mar. 2010.

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employees in up to 100 countries. Globally the industry is highly fragmented, with around 20 per cent of the workforce located within multinational enterprises compared to 80 per cent in SMEs. [10]

More than 2.5 million SMEs are estimated to be involved in the European industry. [11] They account for at least 60 per cent of the workforce in the OECD, where 99 per cent of the companies employ fewer than 250 workers. However, the sector in Spain for example is composed of 43.4 per cent of hotel chains with more than 50 employees compared to 56.6 per cent with one to 50 employees. [12]

Unlike the more general European picture, businesses in North America, emerging Asian destinations, Australia, the United Kingdom and some Nordic countries are more strongly influenced by large chains that employ more than 250 people. [13] Large enterprises are active product and service innovators and frequently set trends for the sector. As a result of "branding", which aims to build brand popularity so that consumers identify with the brand and its particular values, hotels have found that they can avoid risks of ownership while securing a constant stream of revenue by entering into long-term management agreements. They influence the activity of many SMEs, businesses which remain legally independent particularly when workers' representation is concerned, through franchises or similar arrangements (see also Chapter 3). Branding within the chain sector helps achieve harmony between countries in respect to hotel grading criteria.

The fragmented situation leads to differences in performance and competence. Larger hotel chains have HRD resources including in-house and on-the-job-training whereas SMEs lack the capacity to do so and rely more on the VCT system to meet their training requirements. However, because of the political structure and size of such organizations, it can be a challenge for hotel chains that have adopted broad HR management views to maintain a consistent approach to HR practice and industrial relations including dialogue across regions.

Table 1 shows the ten largest hotel groups in the world, the number of rooms, and their percentage change from 2008 to 2009.

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[10] See: *Hotels; catering; tourism and employment, ILO, Hotels, Catering and Tourism Sector.* www.ilo.org/public/english/dialogue/sector/sectors/tourism/emp-hotel.htm (accessed 20 Apr. 2010).

[11] See: "Facts and figures about European tourism", http://ec.europa.eu/index_en.htm (accessed 20 Apr. 2010).

[12] Federación Estatal De Hostelería, Comercio y Turismo de Comisiones Obreras: *Relaciones laborales en los establecimientos hoteleros: Los trabajadores y las trabajadoras ante la crisis del modelo laboral y económico hotelero*, Madrid, Mar. 2010, p. 117.

[13] United States, Bureau of Labor Statistics. See: www.bls.gov/emp/ep_table_109.htm, (accessed 24 Mar. 2010); OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 39.

Table 1. Top ten hotel groups in the world

2009	2008	Hotel group	Country	Hotels		Rooms	
				2009	2008	2009	2008
1	1	IHG	GB	4 186	3 949	619 851	585 094
2	2	Wyndham Hotel Group	US	7 043	6 544	592 880	550 576
3	3	Marriott International	US	3 088	2 921	545 705	521 201
4	4	Hilton Hotels	US	3 259	2 967	544 361	498 174
5	5	Accor	FRA	3 984	3 871	479 069	461 698
6	6	Choice	US	5 827	5 570	472 526	452 027
7	7	Best Western	US	4 032	4 035	305 387	308 636
8	8	Starwood Hotels and Resorts	US	942	896	284 800	274 535
9	9	Carlson Hospitality Worldwide/Rezidor	US	1 013	971	151 487	148 551
10	10	Hyatt Hotels Corp.	US	373	720	114 343	138 503

Source: Table prepared by the ILO, based on the top ten hotel groups in the world, MKG Hospitality, 2010, http://hotel-online.com/News/PR2009_2nd/May09_HotelRanking.html, www.hotel-online.com/News/PR2010_3rd/Jul10_HotelRanking.html.

For three consecutive years, the world's ten largest hotel companies within the top 300 worldwide have remained consistent. Growth within chains is continuing. InterContinental Hotels Group (IHG) was the largest hotel chain, and in 2009 was managing more than 600,000 rooms and aimed to add 250,000 rooms in the next five years. Wyndham Hotel Group acquired two brands of Global Hyatt – the economy brand Microtel Inns & Suites as well as Hawthorn Suites – which increased the number of managed hotels of the chain by 500 units. Hilton, the fourth largest world hotel chain, added 300 new hotels to the group in 2008. Accor had 17,000 additional rooms. [14] The top 20 hotel brands (see table 2) expect to reach 1.1 million rooms in 8,500 hotels by 2015, accounting for a supply increase of 20 per cent.

Table 2. Top 20 hotel brands in the world at 1 January 2008

2008	2007	Hotel brand	Hotel group	Hotels		Rooms change		
				2008	2007	2008	2007	In %
1	1	Best Western	Best Western	4 035	4 164	308 636	315 401	–2.1
2	2	Holiday Inn	IHG	1 382	1 395	256 775	260 470	–1.4
3	4	Comfort Inns & Comfort Suites	Choice International	2 467	2 439	188 596	184 716	2.1
4	3	Marriott Hotels and Resorts	Marriott International	520	537	188 544	190 431	–1
5	5	Hilton Hotels and Resorts	Hilton Hotels	511	498	176 523	172 605	2.3

[14] www.mkg-group.com/Portals/0/FILES/CP_EN/2010/MKG_PR_Worldwide_Hotel_Group_Ranking.pdf.

2008	2007	Hotel brand	Hotel group	Hotels		Rooms change		
				2008	2007	2008	2007	In %
6	7	Express by Holiday Inn	IHG	1 808	1 686	156 531	143 582	9
7	6	Days Inn of America	Wyndham Hotel Group	1 883	1 859	153 333	151 438	1.3
8	8	Hampton Inn	Hilton Hotels	1 490	1 392	147 326	138 487	6.4
9	9	Sheraton Hotels & Resorts	Starwood Hotels & Resorts	399	396	138 878	135 859	2.2
10	10	Super 8 Motels	Wyndham Hotel Group	2 081	2 054	128 587	16 175	1.9
11	11	Quality Inns & Hotels	Choice International	1 210	1 128	118 386	112 173	5.5
12	13	Courtyard	Marriott International	767	733	110 780	105 526	5
13	12	Ramada Worldwide	Windham Hotel Group	874	871	106 978	105 986	0.9
14	14	Motel 6	Accor	956	928	98 038	95 628	2.5
15	16	Mercure	Accor	756	732	93 827	89 624	4.7
16	15	Hyatt Hotels	Global Hyatt	213	214	92 755	94 224	−1.6
17	17	Radisson Hotels	Carlson Hospitality/Rezidor	397	400	87 410	89 365	−2.2
18	18	Ibis	Accor	769	745	86 486	82 546	4.8
19	19	Crowne Plaza Hotels & Resorts	IHG	300	275	83 661	75 632	10.6
20	20	Novotel	Accor	387	397	69 234	70 373	−1.6

Source: Table prepared by the ILO, based on the top ten hotel groups in the world, MKG Hospitality, 2008, www.hotel-online.com/News/PR2008_2nd/Apr08_ChainRanking.html.

During the global economic crisis, renewed enthusiasm was evident in 2009 compared to 2008 with 170,000 new rooms in North America, 138,000 in Europe and Asia–Pacific managing 98,000 rooms corresponding to an increase of 3.1 per cent, 2.2 per cent and 1.9 per cent, respectively. Both Latin America and the Middle East show a significant growth of 4.8 per cent with 63,600 new rooms in Latin America and of 4.2 per cent with 52,700 new rooms in the Middle East.

The hotel sector is not alone when it comes to growth and the importance of their role as chain operators. Restaurants, particularly coffee shops and the fast food sector have seen major growth in multiple operations worldwide, generally through the franchise format. Chain operations in the restaurant sector are dominated by iconic names in fast food, the majority of which are American in origin (McDonalds, Pizza Hut, Subway, Burger King, Starbucks and KFC among others) which all operate over 10,000 units worldwide. Smaller in number of locations but of equal importance in terms of globalization of food culture are key iconic themed restaurants such as Hard Rock Café (established in the UK), Nando's (South Africa), Planet Hollywood (US) and TGI Friday's (US). All fast food and themed restaurants offer highly standardized products and services with limited variation from location to location across countries and continents. They all use a simplification of the work process so that training requirements are limited and so work can be undertaken by young, part-time, casual employees. In these work environments, workplace organization and processes of social dialogue beyond minimum requirements are quite unusual.

1.4. Employment

Tourism is extremely labour intensive and a significant source of employment. It is among the world's top creators of jobs requiring varying degrees of skills and allows for quick entry into the workforce for youth, women and migrant workers. It accounts for 30 per cent of the world's export services. [15] With regard to the supply chain in the sector, one job in the core HCT industry indirectly generates roughly 1.5 additional jobs in the related economy. [16] In 2010, the sector's global economy will account for more than 235 million jobs, equivalent to about 8 per cent of the overall number of jobs (direct and indirect), or one in every 12.3 jobs. [17] The UNWTO is expecting the sector's global economy to provide 296 million jobs in 2019.

In 2010, the sector as a whole is expected to generate about 9 per cent of the total GDP and directly account for 3.2 per cent of total GDP. Its investment is estimated to be 9.2 per cent of total investments. [18] The industry in the EU itself creates more than 5 per cent of the EU's GDP, with 9.7 million jobs (5.2 per cent of the total workforce). If related services like manufacturing and agriculture that depend on travel demand are also considered, tourism indirectly generates around 10 per cent of the EU's GDP and employs 12 per cent of the workforce. In OECD countries, tourism's share of GDP ranges between 1.9 per cent in Denmark and 10.7 per cent in Spain. With respect to their share in total employment, the variance is between 2 per cent in Denmark and 12.7 per cent in Spain (see figure 4). [19]

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[15] See: http://data.worldbank.org/data-catalog/world-development-indicators/ (accessed 9 July 2010).

[16] I. Goldin: "The economic case for tourism", UNWTO/South Africa International Summit on Tourism, Sport and Mega-events, 25 February 2010; D. Bolwell, W. Weinz: *Reducing poverty through tourism* (Geneva, ILO, Working Paper No. 266, 2008); www.ilo.org/public/english/dialogue/sector/sectors/tourism/emp.htm.

[17] See: *Economic impact data ANI forecasts, WTTC, Tourism Research, 2010.* www.wttc.org/eng/Tourism_Research/Tourism_Economic_Research/.

[18] ibid.

[19] See: http://ec.europa.eu/enterprise/sectors/tourism/index_en.htm (accessed 23 Apr. 2010); OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 8.

Figure 4. Tourism in the OECD countries, in percentage, 2009
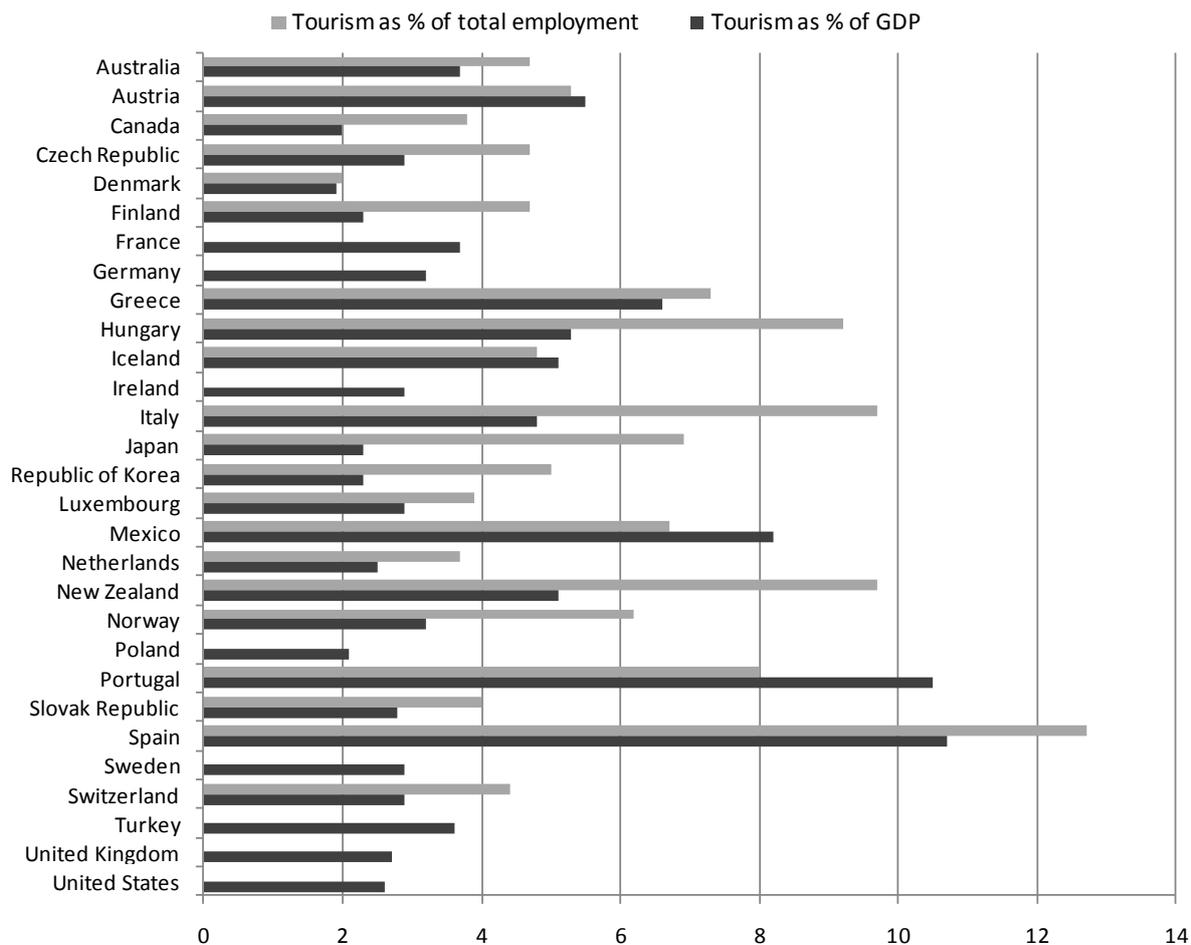
■ Tourism as % of total employment   ■ Tourism as % of GDP

Source: Figure prepared by the ILO, based on OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 8.

In addition, several non-OECD member countries showed strong growth in international tourism terms in both destinations and originating markets (particularly Brazil, China and India), with rapidly growing tourism economies accounting for a significant share of GDP and total employment (see section 4.3). In the Pacific, tourism contributes greatly to GDP. In Fiji, the sector offered to over 40,000 people and contributed significantly to foreign exchange reserves. In 2005, US$1 million created about 63 jobs in Fiji. [20] In Egypt, each million dollars invested in hotels creates 18 direct and 12 indirect jobs. [21]

[20] P.K. Narayan et al.: "Tourism and economic growth: A panel data analysis for Pacific Island countries", in Tourism Economics 2010, 16(1), pp. 169–183. In 2006, the sector provided 2.1 per cent of GDP in the Solomon Islands; in 2007 it was 6 per cent in Vanuatu and in 2008 it was 3.6 per cent in Samoa and 4.4 per cent in Fiji (ILO: *Green Jobs in the South Pacific: A Preliminary Study*, ILO, 2010).

[21] Egyptian National Competitiveness Council: "Towards a competitive Egypt: Where everybody wins", in *The Egyptian Competitiveness Report*, Cairo, May 2008, p. 85.

In the United States, the accommodation and food service industry employs around 12.5 million people (7.61 per cent of the total workforce). Table 3 offers a recent profile of employment in the industry in the United States and includes estimates for growth from 2008 to 2018. The United States Bureau of Labor Statistics expects the industry to account for 7.42 per cent of employment in 2018 and to grow by 7.3 per cent between 2008 and 2018.

Table 3.   Employment in the accommodation and food services industry, by occupation, and per cent distribution, 2008 and projected change, 2008–18 [22]

Industry	Employment 2008		Employment 2018		Percentage change, 2008–18	Employment change, 2008–18
	Number (thousands)	% occupations	Number (thousands)	% occupations		
Accommodation and food services	**11 489.2**	**7.61**	**12 327.4**	**7.42**	**7.30**	**838.2**
Accommodation including hotels and motels	*1 857.3*	*1.23*	*1 956.7*	*1.18*	*5.35*	*99.4*
Casino hotels	271.7	0.18	304.9	0.18	12.22	33.2
Hotels (except casino), motels, and all other traveller accommodation	1 531.8	1.01	1 589.6	0.96	3.77	57.8
Recreational vehicle (RV) parks and recreational camps	53.8	0.04	62.2	0.04	15.61	8.4
Food services and drinking places	*9 631.9*	*6.38*	*10 370.7*	*6.24*	*7.67*	*738.8*
Full-service restaurants	4 598.1	3.05	4 941.5	2.97	7.47	343.4
Limited-service eating places	4 137.3	2.74	4 477.9	2.69	8.23	340.6
Special food services	544.2	0.36	595.2	0.36	9.37	51.0
Drinking places (alcoholic beverages)	352.3	0.23	356.1	0.21	1.08	3.8

Source: Table prepared by the ILO based on: United States, Bureau of Labor Statistics, www.bls.gov/emp/ep_table_109.htm.

The sector is characterized by diversity, complexity, interlinkage and fragmentation in terms of employment relations. Direct occupations are not the only jobs linked to the sector's activities (e.g. hotels and restaurants employees); there are also many jobs that have indirect relationships with the sector (e.g. taxi drivers, other means of transport, tourist guides, gift shops). These relationships influence the many types of workplace contracts that include full-time, part-time, temporary, casual and seasonal employment and have significant implications for HRD within the sector. The sector often crosses the fluid boundaries between the informal economy and the formal economy, with a number of formal establishments offering black market jobs. Opportunities for street vending in high-traffic areas for tourists generate livelihoods predominantly for women and children in developing countries, in such activities as food stalls, sales of trinkets and artisan crafts.

In contrast to other industries, employment tends to be oriented towards people under 35 years of age, half of which are 25 or under, and a large number of this percentage are

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[22] Industries with fewer than 50 jobs, confidential data, or poor quality data are not displayed.

women. In Spain 43.4 per cent of workers in the sector are aged 25–34. [23] The United States Bureau of Labor Statistics reported a higher number of workers aged between 16 and 20 than those aged 20 and over working in food preparation and service-related occupations. [24] However, this traditional characteristic will face future challenges as the presence of an ageing workforce in regions such as Europe, Japan and North America means that the sector in the future will depend on an older profile of employees – and a higher percentage of migrant workers – with potential impacts on workplace conditions, productivity and brand image (see sections 4.1 and 4.2).

1.5. Working conditions

Consumer demand patterns in hotels and restaurants require working conditions that are frequently characterized as unsocial and irregular working hours in the form of split shifts, weekend shifts, nightshifts, or work during holiday periods. [25] These working conditions heighten stress on workers with family responsibilities, particularly women who carry the majority of the care burden for children and the elderly as well as for household chores. Reliance on family members – or private or public services – for childcare becomes crucial for these workers.

The predominance of on-call, casual, temporary, seasonal and part-time employment is related to insecurity, comparatively low pay (frequently below the national average), job instability, limited career opportunity, a high level of subcontracting and outsourcing, and a high turnover rate. All of these vary from country to country. Within the EU, while the overall tendency leans toward more part-time employment in general, there is a broad variation between Portugal with 5 per cent part-time employment, the United Kingdom where 50 per cent are part time and the Netherlands where there are 68 per cent. [26] In Spain only 64 per cent of the workforce is employed throughout the whole year, which is a result of changing seasons at resorts which rely mainly on beach tourism. Subcontracting and outsourcing account for 4.6 per cent of employees in Spain. [27]

It is important to highlight that the sector and its informal components provide a significant number of jobs to workers with little or no formal training and who do not want to enter long-term employment commitments (e.g. students). In addition, the sector provides opportunities for migrants to find jobs (see section 4.2.) as well as for workers who have family responsibilities. Tourism can provide opportunity for those facing significant social and capability disadvantages in a way that is not always offered by other environments.

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[23] Federación Estatal de Hostelería, Comercio y Turismo de Comisiones Obreras, 2010, op. cit., p. 187.

[24] See: United States, Bureau of Labor Statistics, www.bls.gov/emp/ep_table_109.htm (accessed 24 Mar. 2010).

[25] J. Busquets: *Accommodations and consumption diversification in the sector of tourist accommodations and restaurant industries, and its effects on labour relations*, study commissioned by the ILO, Apr. 2010, pp 19 ff.

[26] See http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Tourism_employment.

[27] Federación Estatal de Hostelería, Comercio y Turismo de Comisiones Obreras, 2010, op. cit., pp. 139, 187.

However, informal employment – especially in small enterprises – can also facilitate negative components such as child labour and gender inequality. For instance, in Fiji informality involves a lack of social protection and safety networks, and may be linked to the growth of its prostitution activity and commercial sexual exploitation of children. [28]

Around the world, between 13 and 19 million people aged under 18 work in an occupation linked to tourism. They represent some 10–15 per cent of the tourism workforce. Both girls and boys work behind the scenes in tourist accommodation, providing food and beverages (especially in informal street settings), supporting recreational activities (caddying, carrying purchases), or producing and selling trinkets and souvenirs. Many work long hours in poor or dangerous working conditions. It is estimated that 2 million children in the world are victims of commercial sexual exploitation, much of it linked to entertainment and tourism. Much has been done to highlight the practices of sex tourism, particularly in regard to violation of the rights of girls. In India, for instance, the Schedule of the Child Labour (Prohibition and Regulation) Act, 1986, prohibits the employment of children in roadside restaurants, hotels and tea shops. [29]

A divergence between qualifications and workplace reality is observable for women, who make up between 60 and 70 per cent of the labour force. Unskilled or semi-skilled women tend to work in the most vulnerable jobs, where they are more likely to experience poor working conditions, inequality of opportunity and treatment, violence, exploitation, stress and sexual harassment. They also suffer segregation in terms of access to education and training. Women are on average paid 25 per cent less in the sector than male workers for comparable skills. [30] In Spain, female workers earn 76.52 per cent of the average monthly salary of male workers. Also, workers under 35 years of age earn 75.1 per cent of the average monthly salary of those 35 years of age and over. [31] In some countries measures are being taken to combat discriminatory practices based on sex. For example, in 2005 to 2008, the ILO Office in Portugal provided support to an EQUAL project called Revalorize Work to Promote Gender Equality in Portugal. [32]

One benefit of part-time or of informal work is the flexibility it can give to women who may be required to spend more time working in the home (with family or care responsibilities). This is particularly beneficial in some developed countries where part-time work is voluntary. There are other circumstances in which part-time work in the sector is involuntary and provides the only jobs available, whether workers wish to work full time or not. Figure 5 shows the sectoral distribution of employment in the EU27, in which it is noticeable that part-time work in hotels and restaurants is more prevalent than in any other sector.

[28] ILO: *Green jobs in the South Pacific: A preliminary study*, ILO, 2010.

[29] ILO: *Gender equality at the heart of decent work*, 98th Session of the International Labour Conference, 2009, Report VI, pp. 67–68.

[30] ILO Sectoral Activities Department: *Issues Brief: Gender* (Geneva) www.ilo.org/public/english/dialogue/sector/papers/tourism/gender.pdf (accessed 24 Mar. 2010).

[31] Federación Estatal de Hostelería, Comercio y Turismo de Comisiones Obreras, 2010, op. cit., p. 155.

[32] See: www.ilo.org/public/portugue/region/eurpro/lisbon/html/portugal_equal_pt.htm, (accessed 24 Mar. 2010).

Figure 5.   Sectoral distribution of employment, by sex and part-time/full-time status, EU27
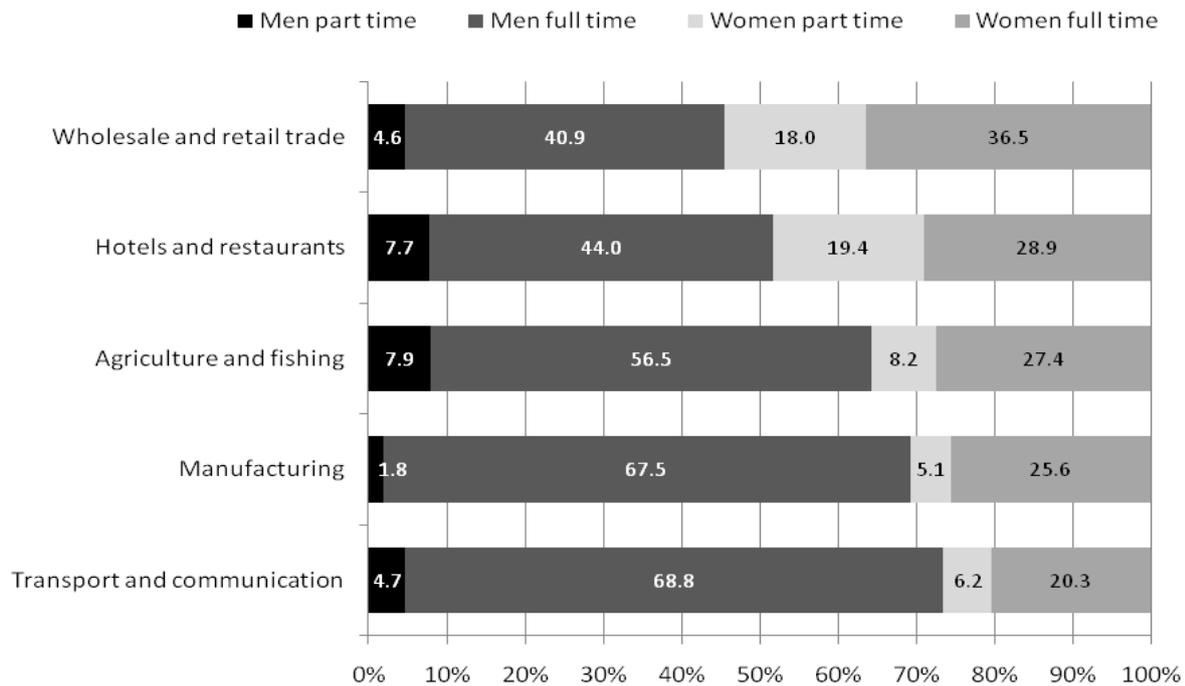
Legend: ■ Men part time   ■ Men full time   ▫ Women part time   ▪ Women full time

Sector	Men part time	Men full time	Women part time	Women full time
Wholesale and retail trade	4.6	40.9	18.0	36.5
Hotels and restaurants	7.7	44.0	19.4	28.9
Agriculture and fishing	7.9	56.5	8.2	27.4
Manufacturing	1.8	67.5	5.1	25.6
Transport and communication	4.7	68.8	6.2	20.3

Source: Figure prepared by the ILO, based on Eurofound: *Fourth European Working Conditions Survey*, p. 12.

Ethnic and cultural minority groups also tend to be numerically overrepresented in the tourism workforce, particularly in developed regions like Australasia, Europe and North America. Such minority groups are able to gain employment in occupations that require low skills level or can obtain jobs within the informal sector; something that may not be possible in other sectors of the economy. On a negative note, there are instances of institutionalized discrimination within the tourism sector that tend to work against ethnic minority groups reaching advanced positions within the industry. This is clearly illustrated in the case of the hotel sector in Hawaii [33] but is also evident in countries which depend heavily on unskilled, temporarily expatriate workers in the sector.

Working hours are generally high for a sector with atypical working hours. Figure 6 shows that in the EU27, more than 10 per cent of people work as self-employees or as employees over 48 hours per week.

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[33] P.A. Adler and P. Adler (2004): Paradise labourers. Hotel work in the global economy, Ithaca, Cornell University Press.

Figure 6.   Long working hours, by sector, EU27 [34]
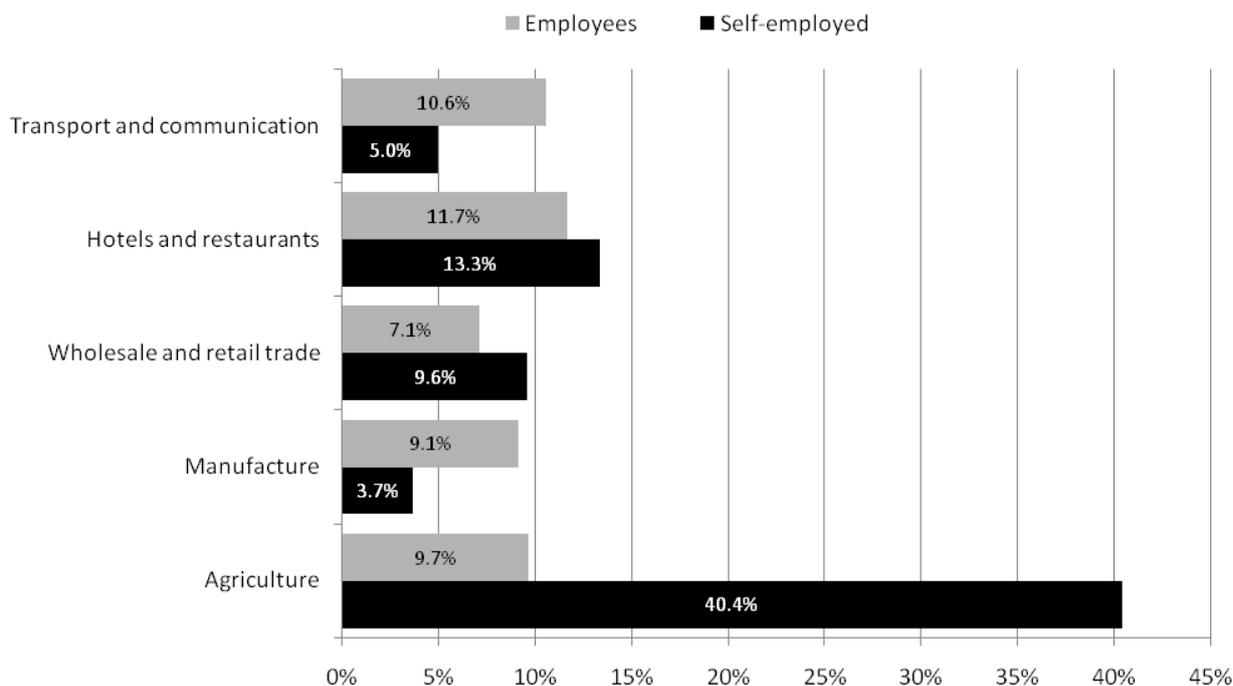
Source: Figure prepared by the ILO, based on: Eurofound, *Fourth European Working Conditions Survey*, p. 19.

A study in the Netherlands reports that about 70 per cent of all hospitality graduates leave the industry within six years of graduation. [35] While the sector has a turnover rate of 60 per cent for line-level workers in the Netherlands, it is reported that 25 per cent are for managerial positions. Labour turnover varies greatly from country to country, but in developed economies it tends to be significantly higher in relation to other sectors. In developing countries, workplace turnover is strikingly low and the industry is characterized by greater employment stability. [36]

Turnover can lead to a number of negative outcomes including decline in the quality of work and worker loyalty as well as in generating considerable costs to employers in terms of loss of skills and sunk costs in training. The costs that contribute to the expense of replacing a worker mainly emerge from pre-departures, recruitment, selection, orientation and training as well as lost productivity which represents the largest share of total costs (up to 70 per cent) and is caused by the inexperience of new employees. Based on data from 33 properties located in the United States from comparatively low-complexity jobs, turnover costs were about US$5,700 compared to US$10,000 for high-complexity jobs. [37]

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[34] The reference for long working hours is more than 48 hours per week.

[35] B. Blomme, A. Van Rheede, D. Tromp: "The hospitality industry: An attractive employer? An exploration of students' and industry workers' perceptions of the hospitality as a career field", in *Journal of hospitality and tourism education* (Washington, DC, Council on Hotel, Restaurant and Institutional Education), Vol. 21, No. 2, 2009, p. 6.

[36] B. Tracey, T.R. Hinkin: "The costs of employee turnover: When the devil is in the details", in *The Center for Hospitality Research*, Cornell University, Dec. 2006.

[37] ibid.

The Marriott Corporation reported that a 1 per cent increase in employee turnover would cost the company between US$5 and 15 million per annum. [38]

It is widely accepted that high labour fluctuation, business expenses, and lack of skilled workers are avoidable consequences that affect the tourism sector's competitiveness, productivity and service quality and make recruiting and retaining employees more expensive. Successful engagement with employees enhances their level of trust and motivation. It can encourage training and skills development and reduce turnover. By implementing fair policies and procedures that are aimed to attract, develop and retain quality employees, turnover may decrease.

1.6. Social dialogue

The sector thrives in an environment where management–labour relations in the workplace are essential to providing quality service. These relationships can be developed through the effective use of social dialogue which is fundamental for decent and productive work through the preservation of equality, freedom of association, security and human dignity. Social dialogue plays a key role in helping low-skilled workers with limited industrial experience adapt to their new workplace. It also helps hotels and restaurants face sector-linked challenges such as: shift work regulation, OSH, job classification, payment and wages including tips and service charges, skills development, gender equality, youth employment, migrant labour and child labour.

Workers have expressed concern that the sector's enterprises are not sufficiently engaged in social dialogue and instead have limited communication between management and the workforce, weak representation of workers and low union density. This may be due to the fragmented structure within the sector as well as a high proportion of ever-changing young and otherwise marginalized workers who are unaware of their rights. The low level of women's participation in workers' organizations, with even fewer women at higher levels of representation, often puts them in a weaker bargaining position. Gender issues, such as workplace safety, including workplace violence, are often insufficiently addressed. The sector's predominance of SMEs in some regions, the use of short-term or seasonal employment, and the subcontracting of activities to other sectors hinders unionization and the ability to develop management–employee relations.

One regional level example of strengthening social dialogue is the EU Directive 94/45/EC establishing the European Works Council (ÈWC). These councils aim to bring worker representatives from EU multinational companies together to discuss and respond to information provided by management about the main issues in their respective companies. The directive applies to companies that have at least 150 employees per establishment in each of at least two countries and have at least 1,000 employees total within the EU. As of April 2010, there were 15 EWCs established in hotel, restaurant and catering establishments including: Accor, Aramark, Autogrill, Club Méditerranée, Compass Group, Elior, Hilton, InterContinental, LSG SkyChefs, McDonald's, Rezidor, Scandic Hotels AB, Sodexo, SSP and Starwood/Sheraton. [39]

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[38] J. Boardman and C. Barbato: *Review of socially responsible HR and labour relations practice in international hotel chains*, Sectoral Activities Department, (Working Paper No. 267, 2008, Geneva, ILO).

[39] EFFAT: www.effat.eu/files/e201403909e45c3841f4c906e1aa0fd4_1212665926.pdf.

1.7. Economic development, poverty reduction and foreign direct investment (FDI)

Hotels and restaurants provide numerous opportunities to reduce poverty in many parts of the world. In 2007 alone, hotels and restaurants within developing countries generated profits of more than US$260 billion. [40] In 46 of the 49 least developed countries (LDCs), the HCT sector was one of the leading sources of foreign exports and, in 2006, their share of travel exports totalled 53 per cent of service exports. [41]

Even though tourism creates jobs and contributes significantly to economic growth, it is not automatically a solution for poverty reduction. Therefore, it is important for local investors to actively participate in tourism and its related activities. The local workforce can also help by engaging in and encouraging the use of local companies for the provision of transport, services and food in order to assist in alleviating local poverty. While many small-scale projects have been developed to combine tourism with poverty reduction, on a large scale this requires the implementation of effective national poverty reduction strategy plans (PRSPs).

As illustrated in the T20 joint communiqué [42] (Appendix II), the importance for the sector to alleviate poverty and facilitate development in less developed and emerging economies has been recognized. An increasing number of countries have acknowledged the MDGs and have made tourism a priority in their national development policies and measures. In addition to poverty reduction, the creation of employment opportunities in the tourism sector for ethnic minorities has also become a major focus (see the emphasis placed on this by the Lao People's Democratic Republic in their HRD strategy for tourism). [43]

Tourism accounts for about 1 per cent of the total outward FDI received by larger recipient countries and have an even lower percentage of inward FDI from larger host countries. This figure however does not include other tourism-related sectors like construction, transport and business activities. Thus, tourism-related FDI is mostly concentrated in developed countries. However, the United Nations reported that FDI has been growing in developing countries providing one third of tourism FDI inflow. [44]

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[40] UNWTO: Preliminary estimates for 2007, Madrid, 2008.

[41] WTO: *Market Access for Products and Services of Export Interest to Least Developed Countries,* 21 February 2008, p. 17; Bolwell and Weinz, 2008, op. cit; International tourism is crucial for small developing countries like Samoa, where it accounts for about 80 per cent of total goods and services exports, 70 per cent for the Maldives, 56 per cent for Sao Tome and Principe, and 43 per cent for Vanuatu: UNWTO: *Tourism and Least Developed Countries: A Sustainable Opportunity to Reduce Poverty,* UNWTO, Madrid, 2006, p. 7.

[42] The T20 Ministers' Meeting is a member driven initiative, acting as a forum for the growth and development of sustainable tourism by promoting dialogue and the exchange of knowledge and best practices amongst the T20 economies. T20 Ministers' Meeting, Johannesburg, South Africa, February 2010, www.unwto.org/pdf/T20_official.pdf .

[43] Government of Lao People's Democratic Republic: *A Human Resource Development Strategy for Tourism in Lao People's Democratic Republic, 2010–2020*, Vientiane: Government of the Lao People's Democratic Republic. 2009.

[44] UNCTAD: *FDI in Tourism: The Development Dimension*, UNCTAD current studies on FDI and development No. 4, New York and Geneva, 2007, p. 42. Apart from long-standing investors from Arab countries, new potential sources of outward tourism FDI have been identified in China, India,

Between 2002 and 2005, 21 per cent of mergers and acquisitions related to world tourism took place in developing countries, which account for around 70 per cent of all tourism-related "greenfield" investments. But in order to obtain the benefits of FDI, an enhanced legislative framework is essential to obtain higher net value from tourism host locations and to increase local product distribution.

A further benefit can arise from the potential "dual nature" of most infrastructure investments. Mega events such as the FIFA Football World Cup, the European Football Championships, the Olympic Games, tennis, golf, etc.; film and music festivals, and international expos may lead to the expansion of tourism infrastructure. [45] Airports can be built or upgraded to accommodate visitor arrivals due to these mega events, and they can also provide opportunities to export products via air freight. Other examples of "dual-nature" infrastructure include: transport, ports, water supply, power generation, medical care and telecommunication. Made in rural areas to support tourism development, these investments could benefit local communities. Careful consideration of the benefits provided by dual-use infrastructure is essential when planning development under national development policies and creating new policies. The meetings, incentives, conferences, exhibitions (MICE) industry also facilitates tourism and generates millions of dollars in revenue for cities, countries and the sector. [46]

Jamaica, Malaysia, Mauritius, Singapore and South Africa (WTO: *Tourism Services*, Background note by the secretariat, 2009).

[45] G. Clark, OECD: *Local Development Benefits from Staging Global Events*, OECD 2008.

[46] *Travel Daily News*, Special Feature: "MICE Industry Trends&Markets", 16 Oct. 2006, see: www.traveldailynews.com/makeof.asp?central_id=1272&permanent_id=17 (accessed 24 May 2010).

2. The impact of the financial and economic crisis on the HCT industry

The overall impact of the global recession and its effect on employment and recovery, wages and working hours as well as the various stimulus packages implemented to counter these effects will be summarized and considered in this chapter. [1]

2.1. The effects of the global recession

The sector is more or less affected by the current economic conditions of developed and emerging countries. In the second half of 2008, a decline in international tourism began and intensified in 2009 after several consecutive years of growth. A sharp decline in tourist flows, length of stay, tourist spending and increased restrictions on business travel expenses led to a significant contraction of HCT economic activity worldwide. These effects resulted from increased unemployment, market volatility, economic and social insecurity, and a significant decline in the average household income.

Figure 7.   Monthly international tourist arrivals, 2009, percentage change
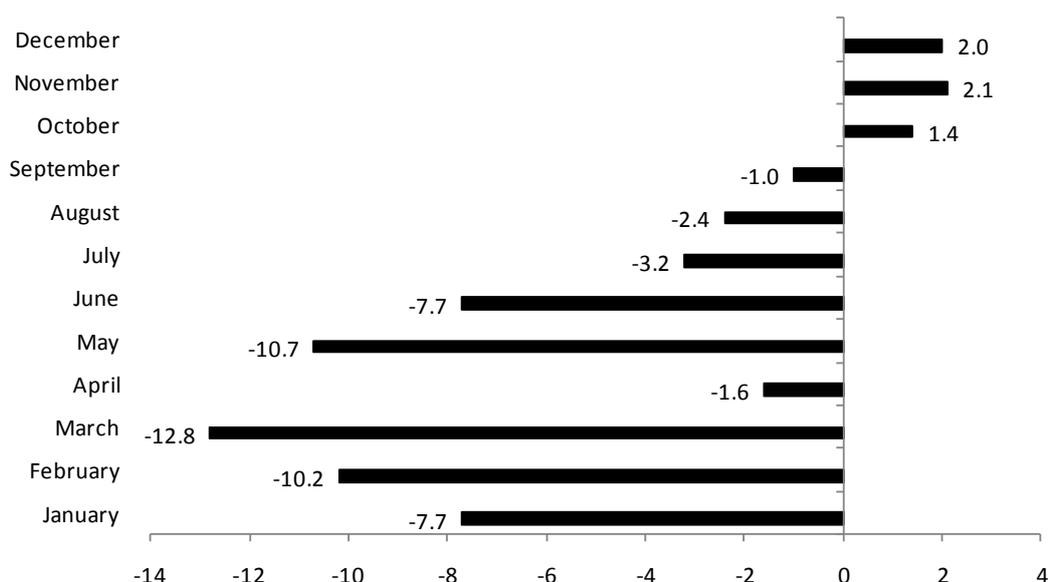
Source: Figure prepared by the ILO, based on UNWTO: *World Tourism Barometer*, Vol. 8, UNWTO, Jan. 2010, p. 5.

The first three quarters of 2009 saw a decrease in international arrivals, but the last quarter showed more positive results (see figure 7). Also in 2009, the UNWTO reported that worldwide international tourism arrivals had declined by 4 per cent. [2] Revenues from international tourism are projected to go down 6 per cent by the end of 2009. [3] This

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[1] The following chapter includes available data until first quarter 2010. The Office also has country reports for Barbados, Chile, Egypt and Indonesia.

[2] UNWTO: *World Tourism Barometer*, Vol. 8, Jan. 2010, UNWTO, Madrid, 2010, p. 5.

[3] ibid, p. 3.

projection can be seen in hotels within the United States which faced an average decline of 35.5 per cent in net income for 2009. Some 95 per cent of hotel properties suffered a downturn in room revenue and in total hotel revenue from 2008 to 2009. On average a 7.5 per cent decline in occupancy and a 12.1 per cent decrease in average daily rate were observed. [4]

In the period 2008–09, the regions hit hardest by the decrease 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 lower travel volume (see figure 8). [5] China also continued to see an increase in outbound tourism but this perhaps masked the results of declining tourism elsewhere in East and South-East Asia. The outbreak of the influenza pandemic, various natural disasters and regional conflicts also affected international tourism performance but nonetheless, numbers show a significant negative impact on the tourism sector as a result of the global recession. During the first quarter 2010, growth in tourism arrivals was shown in all regions with a global increase of 8 per cent. Particularly, the Middle East and Asia and the Pacific showed tremendous growth, resulting in percentage changes of 34.2 per cent and 12.9 per cent. Projections for 2010 show continued growth for all regions. [6]

Figure 8. International tourist arrivals – Regions, percentage change from the previous year
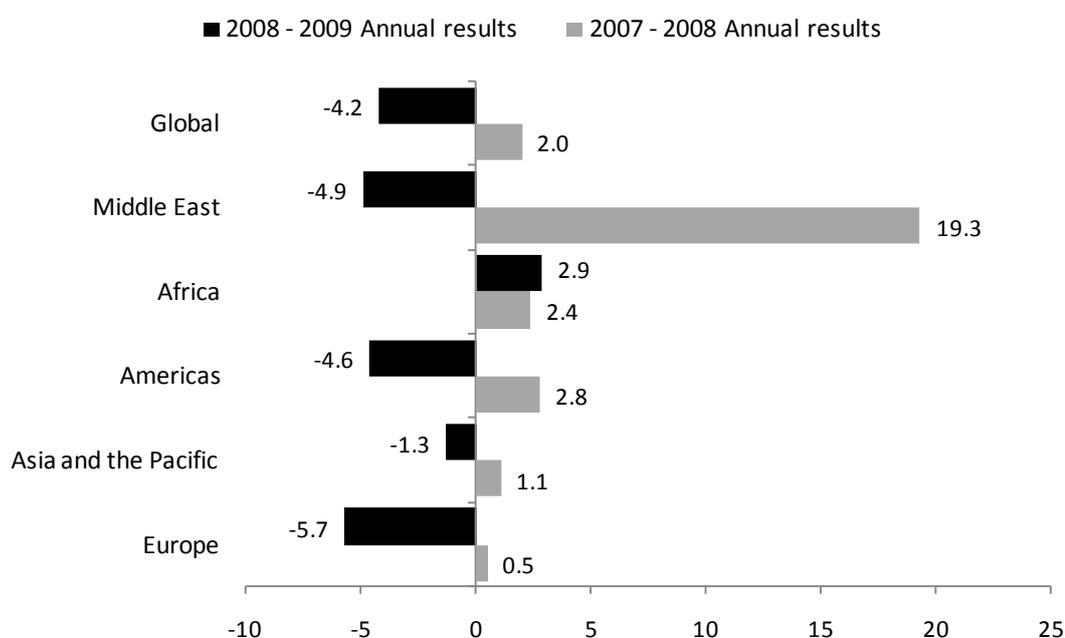
Source: Figure prepared by the ILO, based on UNWTO: *World Tourism Barometer*, Vol. 8, UNWTO, June 2010, p. 16.

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[4] *Bottoms Down: New PKF Survey Results Show Hotel Profits Declined a Record 35.4 Percent in 2009. Greatest Annual Decline Since tracking Began in the 1930s*, Hotel Online, 3 May 2010.

[5] More detailed studies on the impact of the crisis on Australia, Barbados, Chile, Egypt and Indonesia are available by request at the ILO secretariat.

[6] UNWTO: *World Tourism Barometer*, Vol. 8, UNWTO, June 2010, p. 16.

Clear changes in demand pattern can also be discerned from analysis of recent trend data notably towards shorter trips and in increasing tendency to holiday domestically. [7]

2.2. Employment impact and recovery

The crisis had a significant, regionally distinctive impact on global employment in hotels and restaurants (see figure 9). On a global level, employment grew by about 1 per cent between 2008 and 2009. The Americas faced a major downturn of employment throughout the crisis period. By contrast, the most resilient region appears to be Asia and the Pacific. Its positive development in employment terms seems to have led to an increase in employment at the global level between 2008 and 2009.

Figure 9.   Regional percentage change from 2008 to 2009 in employment in hotels and restaurants (selected economies) [8]
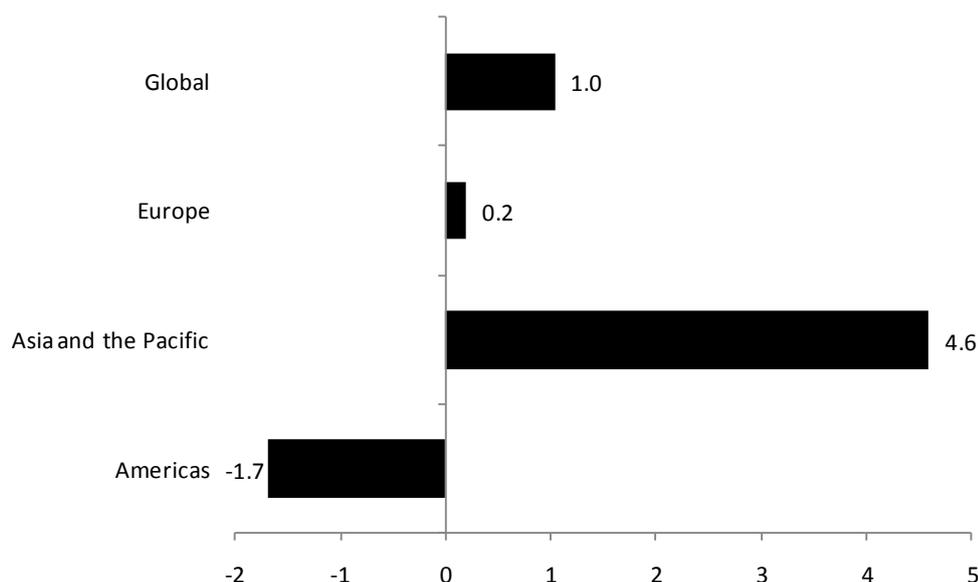
Source: Figure prepared by ILO, based on national labour force surveys and official estimate of each country and Eurostat.

During the first quarter of 2010, [9] employment increased by 1.9 per cent globally, though distinctive regional effects were still evident. Compared to the same quarter in 2009, employment levels rose by 5.4 per cent in Asia and the Pacific and 2.7 per cent in Europe. Employment levels declined, however, in the Americas by 0.8 per cent during the same period.

The high employment rates in Asia and the Pacific and recent European employment increases are likely to have resulted from temporary, casual, seasonal or part-time contracts

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[7] Eurostat: "Tourism in Europe: First results for 2009", 2010.

[8] Selected economies include: Australia, Austria, Barbados, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong (China), Hungary, Iceland, Ireland, Italy, Jamaica, Japan, Latvia, Lithuania, Luxembourg, Macau (China), Malaysia, Malta, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Russian Federation, Singapore, Slovakia, Slovenia, Spain, Sri Lanka, Sweden, Switzerland, Taiwan (China), Thailand, United Kingdom, United States.

[9] Selected countries were the same as those used for figure 9 without Jamaica.

and from increases in domestic and regional tourism. [10]According to the Indonesian hotel union, FSPM, it was estimated that one permanent job was replaced by three temporary jobs. [11]

Although it varies from one location to another, within OECD's subregions, the tourism sector has been severely affected by the global economic crisis and associated fluctuations in exchange rates. In terms of international tourist arrivals and employment, there are dissimilarities between countries (i.e. important declines of 2 per cent and over were registered in Czech Republic, Iceland, Ireland, Japan, Netherlands and New Zealand and while significant increases of 2 per cent or more were reported in Finland, Germany, Italy, Mexico, Portugal, Slovakia, Sweden and Switzerland). [12]

There is an obvious gap between employed men and women that could be due to typically high levels of female part-time, temporary, casual and seasonal occupations in the sector, especially in times of recession. The significant employment increase in Asia and the Pacific may also be explained due to a rapid increase of female employment. The average employment rate of women increased from 4,751,000 to 5,197,900 between 2008 and 2009, while male employment grew from 3,127,600 to 3,282,700 during the same period (see figure 10). Although this trend has been observed, research should be conducted to determine the quality of work, contracts and worker employment status within these workplaces.

Figure 10. **Percentage change in employment by sex in the hotels and restaurants sector** (selected economies) [13]
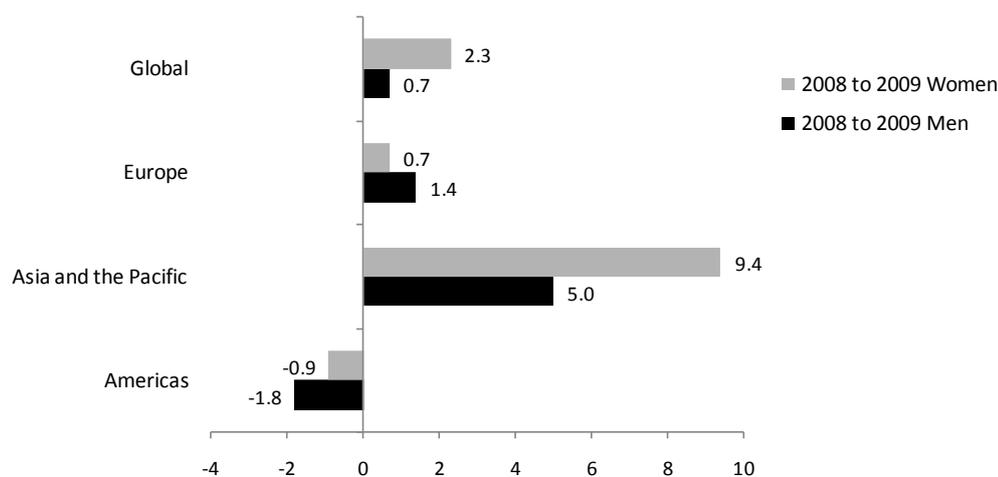
Source: Figure prepared by ILO, based on national labour force surveys and official estimate of each country and Eurostat (Geneva, ILO, Working Paper No. 274, 2010).

[10] Especially in China and India, having a core and expanding domestic market.

[11] ACTRAV–IUF: *Workshop on social dialogue in HCT sector*, Turin, 2009.

[12] OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 14.

[13] National labour force surveys, official estimates of each country and Eurostat. Selected economies include: Australia, Austria, Barbados, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong (China), Hungary, Iceland, Ireland, Italy, Jamaica, Japan, Latvia, Luxembourg, Macau (China), Malaysia, Malta, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sri Lanka, Sweden, Taiwan (China), Thailand, United Kingdom, United States.

Global unemployment has risen by 12.1 per cent between August 2008 and 2009. It hit its peak for 2009 in May with a percentage change of 17.5 compared to May 2008 and reduced to 9.5 per cent at the end of December 2009. [14]

Tourism rates in Europe and the Americas are expected to recover slowly and Asia will probably show the strongest recovery. The Middle East is also expecting an increase and Africa is projected to keep growing with an additional boost from the FIFA World Cup. Nevertheless, full recovery to the pre-crisis level is not predicted to take place before 2013 where emerging economies will play a key role in the recovery. [15] What inhibits projections of short and long-run development in the tourism industry and its effect on employment is uncertainty – the majority of the consumers are deferring decisions with respect to their holiday bookings because of their personal economic situation. The government deficits and the austerity policies (such as the reforms on pensions and public service salaries) will have an effect on consumer income and retirement age, and might impact tourism consumption and products in the medium and long term. Also natural events like the recent volcanic eruptions in Iceland or the major oil spill in the Gulf of Mexico can strongly influence the tourism industry. It is expected that once the recession is over, tourism is likely to return to an annual growth rate in excess of 4 per cent.

2.3. Crisis impact on wages and working hours

The global economic crisis has had repercussions on the average monthly earnings of hotels and restaurants. Average monthly earnings fell between the first quarter 2008 and that of 2009, in Japan (-31.5 per cent), Singapore (-6.1 per cent), Thailand (-3.7 per cent) and the United Kingdom (-1.9 per cent). However, the comparison between the third quarters of 2008 and 2009 showed renewed decline in all countries: Japan (-17.5 per cent), Thailand (-7.4 per cent), Singapore (-2.9 per cent) and the United Kingdom (-0.7 per cent). Figure 11 outlines the average wage changes in the hotel and restaurant sector from 2008 to 2009 in selected countries and shows that with the exception of Japan and the United Kingdom, average wages increased again in 2009 and the rise was particularly strong in Argentina, followed by the Russian Federation. On the other hand, these wage increases are due to higher inflation rates. For example, in 2009 the Russian Federation had an inflation rate of 8.8 per cent, Argentina had 7.7 per cent inflation and Australia, 2.1 per cent. [16] Such changes highlight the vulnerability of HCT workers to external change, exacerbated by the high levels of part-time, casual and flexible working positions within the sector.

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[14] See: www.ilo.org/public/libdoc/jobcrisis/download/statistics/GLOBAL_EN.pdf (accessed 20 May 2010).

[15] UNWTO: *World Tourism Barometer*, Vol. 7, June 2009, UNWTO, Madrid, 2009; UNWTO: *World Tourism Barometer*, Interim Update, Sep. 2009, UNWTO, Madrid, 2009; UNWTO: *Perspectives and Responses for Stimulating Recovery*, UNWTO, Madrid, 2010.

[16] IMF: *Rebalancing Growth*, World Economic Outlook, Apr. 2010, International Monetary Fund, Washington, DC, 2010, pp. 164, 165, 168.

Figure 11.   Percent change in average wage from 2008 to 2009 in hotels and restaurants
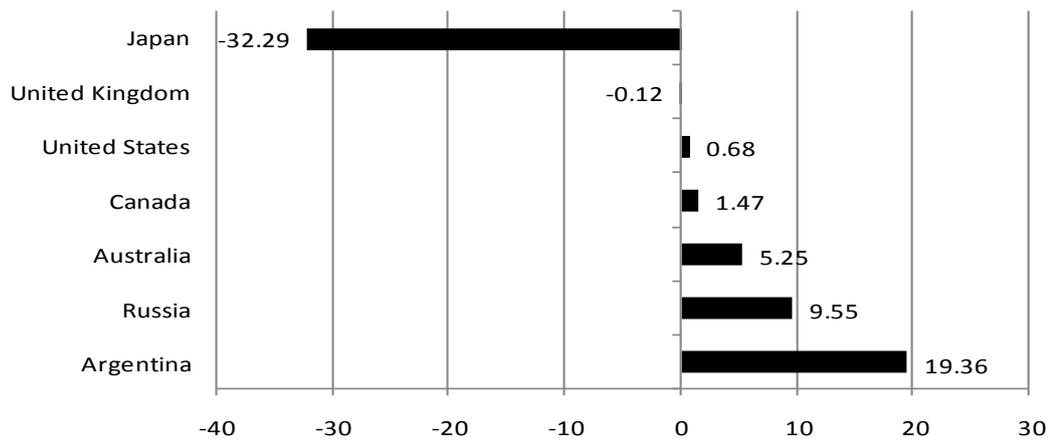
Source: Figure prepared by ILO, based on national labour force surveys and official estimate of each country and Eurostat, (Geneva, ILO, Working Paper No. 274, 2010).

During the global recession, working hours declined in an effort to cut costs and reduce the level of lay-offs. In selected economies, the average actual weekly working hours in 2009 declined by -1.2 in France and -0.3 in the United Kingdom compared to 2008, enabling firms to reduce lay-offs in the sector. Figure 12 offers a profile of the change of average weekly working hours from 2008 to 2009 and illustrates that, with the exception of Japan, weekly working hours have decreased. [17]

Figure 12.   Average actual weekly working hours in hotels and restaurants in selected economies, change 2008–09
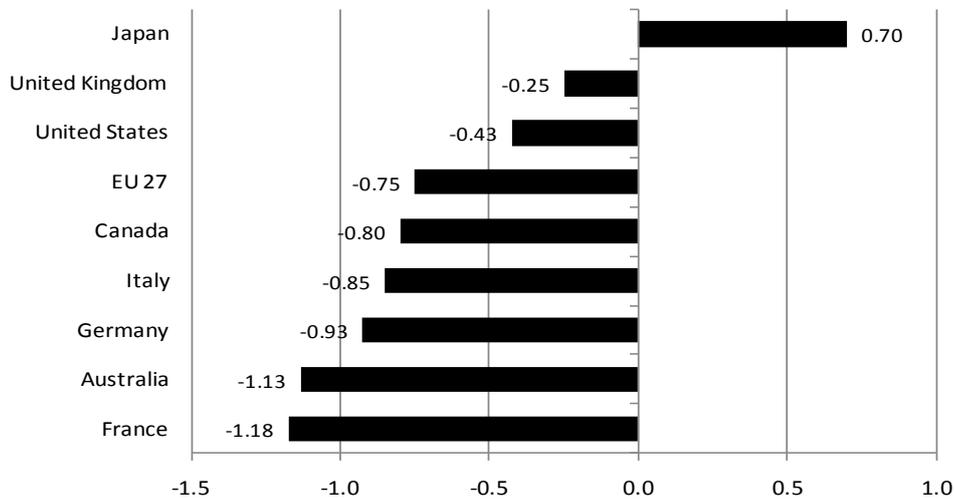
Source: Figure prepared by the ILO, based on national labour force surveys and official estimate of each country and Eurostat (Geneva, ILO, Working Paper No. 274, 2010).

[17] National labour force surveys, official estimates of each country and Eurostat. Selected economies include: Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Macau (Cfigure 12

hina), Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom, United States.

2.4. Stimulus packages to limit the effects of the crisis

The global economic crisis has had an impact on employment in many countries, developed and developing. The working conditions include inadequate pay, job insecurity, and vulnerability. [18] They can be found in developing countries in which most occupations are categorized under the informal employment category where regulation, enforcement and organization of labour are problematic if not impossible.

Fortunately, the sector is in a position where it can take advantage of the current crisis as an opportunity to implement proactive measures to reduce the lack of social dialogue and skills development within the sector, ultimately with the goal of limiting the impact of the crisis and finding ways to reduce possible redundancies. For example, upon signing the collective agreements in February 2010, Italy's tourism industry has proved its willingness to improve employment conditions for employees and seasonal workers of subcontractor companies by providing for moderate pay increases until April 2013. [19]

The sector has the capacity to be a key driver through the economic recovery, especially with its supply–demand links to other economic sectors. Sustainable tourism over the past few years has become synonymous with opportunities for growth, employment and the reduction of sales costs. It could become a way to innovate, and create competitive advantages for local companies and communities that are able to transform the concept into new productive modes of operation and management. [20] Furthermore, "green tourism" requires the formation of private–public partnerships, not just funding and regulatory frameworks. This transformation also requires workers who possess decent working conditions, are motivated, skilled and have access to supportive labour relations at all levels.

Developing countries affected by a decline in tourist arrivals and expenditures have been active in implementing response measures to strengthen aggregate demand and to support the travel and tourism industry. [21] Since the beginning of 2009, the majority of countries have developed measures in the field of marketing, directed toward the domestic market and public–private partnerships.

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[18] ITUC, CSI, IGB, TUAC, Global Unions: *Global Unions statement to the G20 Employment and Labour Ministers' Meeting,* "Beating the job crisis", Apr. 2010, p. 2.

[19] See: European Employment Review: "Tourism sector agreement signed", 21 Apr. 2010, www.xperthr.co.uk/article/101679/.aspx (accessed 23 Apr. 2010).

[20] World Economic Forum: *The Travel & Tourism Competitiveness Report 2009*.

[21] "Committed to Tourism, Travel and the Millennium Development Goals, Tourism & the G20", in *UNWTO NEWS, Magazine of the World Tourism Organization*, Year XXIII, Issue 2/2009. A complete database on national stimulus measures for the tourism sector is available at the UNTWO web site.

Some tourism recovery measures have been adopted by a variety of countries aiming to facilitate the improvement of training activities or to provide financial support to enterprises in an attempt to preserve jobs. [22] In September 2009, the ILO and UNWTO initiated a joint statement on employment and tourism (see full text in Appendix III) in response to the ILO Global Jobs Pact that encouraged responses to the needs of the economy and readiness for recovery. A similar statement was also issued by the ILO and the International Hotel and Restaurant Association (IHRA) in January 2010 (see Appendix IV). These statements aim to help alleviate the effects of the global economic crisis and to promote job creation and decent, productive employment in the tourism industry.

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[22] UNWTO: *Roadmap for Recovery, Tourism & Travel,* UNWTO, Madrid, Sep. 2009, a complete database on national stimulus measures for the tourism sector is available at UNWTO's web site at www.unwto.org/trc; ILO: *Review of sector-specific stimulus packages and policy responses to the global economic crisis*, ILO Sectoral Activities Programme, Geneva 2009; ILO: *Employers' organizations responding to the impact of the crisis*, Working Paper No. 2, ILO Bureau for Employers' Activities, Geneva, 2010.

3. New forms of ownership and operations

This chapter aims to explain the structure of the global hotel industry in regard to policies and practices that have been developed within the sector and the impact of structural changes on human resource management and the employed workforce. [1]

3.1. Introduction

In 2005, important international deals involving changes in hotel ownership and brands reached US$60 billion. [2] The InterContinental Hotels Group (IHG), for instance, currently operates 4,186 hotels worldwide across seven brands. Its strategy consists of reducing its ownership of hotels while management and franchise operations are increasingly prevalent. Among the 4,186 hotels IHG has in its portfolio, it owns just 16; 75 per cent of the rooms are located in franchised hotels. [3] Another example is that 56 per cent of Accor's hotels are operated under management contracts, franchise agreements, or variable rent leases. [4]

Table 4.   The five first owning groups at 1 January 2010

Rank	Groups	Rooms
1	Accor	282 477
2	NH Hotels	58 355
3	MGM Mirage	48 268
4	La Quinta	47 149
5	Home Inns	46 410

Source: www.hotel-online.com/News/PR2010_3rd/Jul10_HotelRanking.html.

3.2. Forms of ownership

The different forms of ownership are as follows:

– *Management contracts*, also known as management or operating agreements, are legal agreements by which the owner of a hotel property contracts with another company (operator or hotel management company) to manage the hotel business for a fee.

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[1] K. Curran: *The impact of new ownership of accommodation, operations and consumption on types of employment, industrial relations, HRD and qualification needs in the accommodation and hospitality sector*, study commissioned by the ILO, Mar. 2010. Interviews with managers, unions and workers in major hotel chains have been undertaken as background for the study.

[2] IUF: *New financial players in the global hotel industry: Challenges for trade unions*, IUF, Geneva, Sep. 2006.

[3] IUF–ACTRAV: *Hotel Ownership*, IUF–ACTRAV Workshop, Turin, Dec. 2009.

[4] See: www.accor.com/en/group/accor-strategic-vision.html (accessed 28 May 2010).

Table 5. The five first managing groups at 1 January 2010

Rank	Groups	Rooms
1	Marriott International	265 545
2	IHG	154 764
3	Starwood Resorts	153 791
4	Hilton Hotels	153 110
5	Accor	108 219

Source: www.hotel-online.com/News/PR2010_3rd/Jul10_HotelRanking.html.

– *Lease agreements* are arranged between hotel property owners or partners and another company paying rent to the owner. The lease can be limited to different areas of the hotel. The lender receives rent from the lessee, who gains revenue and profit from room sales, sales in food, beverages, banqueting and other areas of operation.

– *Franchise agreements*, also called licensing agreements, lease a "brand" from a franchisor to a franchisee. In addition to the initial franchise fee, the franchisee is generally charged a joining fee upon affiliation with the brand chain. The franchisee is given access to the brand, financing and market strength. Many lenders will not finance hotel acquisition or construction unless the property has a strong brand. [5]

Table 6. The five first franchising groups at 1 January 2010

Rank	Groups	Rooms
1	Wyndham Group	588 893
2	Choice	487 410
3	IHG	483 379
4	Hilton Hotels	404 866
5	Best Western	308 477

Source: www.hotel-online.com/News/PR2010_3rd/Jul10_HotelRanking.html.

– *Real estate investment trusts* (REITs) and *private equity* (PE) funds have led to changes of ownership structure within the hotels and restaurants sector. [6] These investments are able to facilitate development of real estate by improving buildings and surrounding land. In the HCT sector, the separation between ownership and management has increased the rate of mergers and acquisitions. In many countries, REITs enable investment in commercial real estate that is exempt from corporate taxation when properties or mortgages correspond to less than 75 per cent of total real estate assets.

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[5] R. Braun: "Hotel franchise agreements: Opportunities and pitfalls", in *Hotel Online*, Sep. 2004; see: www.hotel-online.com/News/PR2004_3rd/Sept04_FranchiseAgreements.html.

[6] It should be noted that similar patterns of ownership are to be found in restaurants and fast food chains, with franchising and private equity being mentioned in ILO: *The impact of global food chains on employment in the food and drink sector* (TMFCE/2007), Geneva, 2007, p. 4.

Investors in hotel REITs seek benefits such as tax holidays, high liquidity, lower risk levels due to the existence of REITs and real estate, higher returns compared to average common stock, and profits paid out to shareholders in the form of high dividends. The hotel business is separate from the real estate property and pays rent to the REIT, enabling the REIT shareholders as well as the hotel company to meet lower tax commitments. Blackstone has more than US$12 billion in real estate funds, accounting for the largest amount of available capital in the industry. [7]

> In 2006 Colony Capital, one of the biggest REITs worldwide had invested US$14 billion in real estate. In 2005, it bought the Singapore-based hotel chain, Raffles Holdings Ltd which included 41 hotels and resorts in 35 countries. In 2006, it bought Fairmont Hotels & Resorts Inc., comprised of 87 properties with 34,000 rooms in Canada and the United States. Asia and the Pacific in recent years has seen the creation of REITs in Japan (e.g. Japan Hotel & Resorts), Singapore (e.g. CDL Hospitality Trusts), Republic of Korea, Hong Kong (China) and Australia.

The apparent success of REITs has motivated and accelerated property sales by hotel chains, typically leasing back the property under long-term management agreements. Shareholders receive cash from property sales in the form of share buybacks and dividends to meet the demand for "shareholder value". REITs invest in many different property types, among which health care accounts for 9 per cent and lodging, 6 per cent. [8]

– *Private equity* capital provides funds to private (as well as publicly listed) companies for the purpose of development, in particular. Private equity fund managers manage the capital raised with the purpose of investing directly in private companies. Private equity investors expect higher rates of return from their investments in private equity than from the stock market. They may carry out buyouts by "cashing in" on the investment within three to five years. Although they can be long-term investors, they focus mostly on short-term investments oriented to the development of the company. Private equity funds can also facilitate "buyouts" aimed to acquire existing companies.

In 2007, hotel transactions were valued at US$150 million, which rose to US$18 billion in 2008, and were expected to fall to US$15 billion in 2009. [9] In Europe, around 33 per cent of all transactions regarding hotel properties were the result of private equity fund buyouts and divestments. However, in developing countries and transition economies, 80 per cent of hotels were under non-equity modes of operation, meaning they were under individual ownership, management contracts, franchises or leases. [10]

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[7] F. Fresnel, École Hotelière Lausanne: "Quick note on private equity groups" at the General Assembly of the EFFAT Hotel Restaurant Catering Tourism Sector, 24 and 25 March 2009.

[8] ibid.

[9] IUF–ACTRAV: *Hotel Ownership*, IUF–ACTRAV Workshop, Turin, Dec. 2009.

[10] UNCTAD: *FDI in Tourism: The Development Dimension*, UNCTAD Current Studies on FDI and Development No. 4, New York and Geneva, 2007, p. 35.

Blackstone Group is the largest private equity fund and in recent years has purchased a significant amount of hotels (i.e. Extended Stay America, Prime Hospitality, Boca Resorts, Wyndham International, La Quinta Corporation, MeriStar Hospitality Corporation, and Hilton Hotels). The La Quinta acquisition added more than 590 hotels in 39 US states and Canada to Blackstone, while Wyndham gave Blackstone 160 North American and European luxury hotels. Compared to 2004 where Blackstone had 654 properties, in 2006 it controlled 1,430 hotels. [11] With the Hilton buyout in 2007, Blackstone now owns around 4,000 hotels with 620,000 rooms in 80 countries. [12]

Besides the increase of corporate income, capitalization rate compression has contributed to positive changes in hotel property value. Unlike other investment opportunities, hotel companies offer favourable, risk-adjusted dividend returns. Consequently they also become major targets for leveraged private equity buyouts. [13] Table 7 offers a profile of reported transactions involving public companies mainly in the United States that were sold to private equity investors.

Table 7.   Selected public-to-private hospitality firm transactions, 2004–07

Date	Public company target	Private company acquirer	Price (in $)
2004	Extended Stay America	Blackstone	2.0 B
2004	Prime Hospitality	Blackstone	790 M
2004	Boca Resorts	Blackstone	1.1 B
2005	Wyndham International	Blackstone	3.2 B
2005	Raffles	Colony Capital	1.0 B
2005	La Quinta Corporation	Blackstone	3.4 B
2006	Fairmont Hostels & Resorts	Kingdom & Colony Capital	3.9 B
2006	MeriStar Hospitality Corporation	Blackstone	2.6 B
2006	Kerzner International	Investor Group	3.8 B
2006	Boykin	Westmont & Caisse de dépôt	416 M
2006	Jameson	JER Partners	371 M
2006	Intravest	Corporation Fortress	2.8 B
2006	Four Seasons Hotels	Kingdom & Cascade & Triple Holdings	3.4 B
2007	CNL Hotels & Resorts	Morgan Stanley Real Estate	6.6 B
2007	Innkeepers	USA Trust Apollo	1.5 B
2007	Highland Hospitality Corp.	JER Partners	2.0 B
2007	Eagle	Apollo	237 M
2007	Crescent Real Estate Equities	Morgan Stanley Real Estate	6.5 B
2007	Harrah's	Apollo & Texas Pacific	17.1 B
2007	Hilton Hotels	Blackstone	26 B

Source: K. Curran: The impact of new ownership of accommodation, operations and consumption on types of employment, industrial relations, HRD and qualification needs in the accommodation and hospitality sector, study commissioned by the ILO, Mar. 2010.

[11] Joe Lauria: "The Blackstone Group controls 1,430 hotels; Some speculate Blackstone preparing an initial public offering", Hotel Online, News for the Hospitality Executive, 26 Feb. 2006.

[12] IUF: *Blackstone's Hilton Woes Will Weigh on Workers*, IUF's Private Equity buyout Watch, Geneva, 5 Jan. 2010.

[13] J.B. Corgel: "Private equity investment in public hotel companies: Recent past, long-term future", in *Cornell Hospitality Report* (The Center for Hospitality Research, 2008), Vol. 8, No. 10, June, p. 12.

3.3. Impact on HRD, qualification and skills development

The impact of ownership changes in the sector varies from country to country and is linked to diverse corporate structures and business methods. The consequences may differ from little or no impact to important effects on the workplace.

Workers are concerned that changes in ownership and management structure could have a negative impact on their employment and industrial relations. They fear that ownership changes may result in some employers avoidance of their responsibilities, short-termism and the pursuit of excessive profits in response to pressures to cut wages and expenses and regulate cash-flow management. Collective bargaining was affected by increasingly complex and less transparent employment relationships combined with management priorities (e.g. "short-termism" and high cash payouts to shareholders). According to EFFAT members, the sale of certain InterContinental operations based in Amsterdam, Budapest, Frankfurt, Cannes, Madrid, Rome and Vienna to Morgan Stanley Real Estate Fund and the resulting management change led to staff outsourcing and to the loss of the EWC mandate. [14]

The impact of changes in ownership and corporate structures on workers can be seen in Europe where employees of transnational companies have the right to be informed and consulted by central management in their own EWC. [15] As an example, Starwood Hotels & Resorts (Sheraton, Westin, Méridien, Four Points) has hotels in 23 EU Member States. However, EFFAT reports that only seven of the 23 countries are represented in the EWC. Hiltons' renegotiated EWC agreement would further exclude managed and franchised hotels from the scope of the agreement, which would represent a decrease in EWC coverage from 22 to ten countries.

Another workers' concern relates to growing employment insecurity. This can result from frequent and rapid ownership changes mainly focused on short-term performance-driven demands. Maximum flexibility may be required due to rapidly changing ownership, leading to restructuring, outsourcing or casualization to cut costs. This can make it difficult to ensure continuity of employment terms and conditions. Workers also fear that values and mission statements articulated by global chains are often not transferred into practical application in hotel workplaces.

As transnational hotel chains are using more and more "asset light" strategies, a substantial proportion of staff working in international brands are often excluded from information and consultation rights beyond the local level. Among these strategies for example are moving from ownership and leasing of hotels to management and franchise contracts, outsourcing or subcontracting major parts of the enterprise.

In response, employers are encouraged to reiterate the importance of social dialogue within the sector, enhance training programmes and skills development, promote

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[14] Personal communication from an EFFAT member to the ILO, 30 June 2010.

[15] See: European Union: Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32009L0038:EN:NOT (accessed 25 May 2010).

sustainability and decent work, improve working conditions (including working time and wages), and measures in favour of SMEs and youth employment. [16]

Ownership changes in hotel properties might not automatically lead to changes in the workplace. Continuous recognition of existing collective bargaining agreements and trade union involvement in the restructuring of the workplace can optimize the changes and turn them into positive outcomes, such as maintaining jobs and securing investments in case of bankruptcy.

Key ownership changes in the hotel sector are not wholly mirrored throughout the wider industry. These developments have major implications for work, in terms of the numbers employed, roles that they play and the locations of their workplace. Likewise, the very significant SME sector, while it may have declined slightly in some countries, has largely remained outside of the trend toward centralization and alternative ownership structures. Some operations have instead allied themselves together through marketing consortia such as Leading Hotels of the World and Best Western without compromising their ownership status.

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[16] Busquets, op. cit., 2010.

4. Major trends and diversification in the hospitality and tourism sector

Social and demographic trends as well as changing values in society and consumer perceptions promote the development of new opportunities and products in the hotel, catering and tourism industry. This chapter will describe general trends as well as regional aspects of diversification as a reaction to consumer demands and external influences.

4.1. Ageing population and demographic change

The world's population grew at an average rate of 1.3 per cent between 1998 and 2008. An average annual growth rate of 1.2 per cent is expected until 2015. By 2050, the global population is expected to reach between 8 billion and 10.5 billion, with a fertility rate between 1.54 and 2.51 children between 2045 and 2050, the "replacement fertility" rate being 2.1. [1] Already between 1998 and 2008 the population of developed economies increased annually by only 0.7 per cent on average, while high growth rates were recorded in sub-Saharan Africa (2.5 per cent), the Middle East (2.2 per cent), North Africa (1.7 per cent) and South Asia (1.7 per cent). Population growth is expected to be higher in Africa, Asia and Latin America than in Europe and North America.

While developing countries are still expected to have comparatively young populations, industrialized countries are confronted with an ageing population and low birth rates. [2] In Europe, Japan and North America, the number of people aged 60 and over is increasing faster than all other age groups. These changes will have a significant impact on the tourism labour market. The ageing trend will also affect the average age of tourists. Table 8 shows that the median age of consumers in selected major markets grew significantly between 2000 and 2005 and will reach an average of between 45 and 55 by 2050.

Table 8.   The ageing consumer – Median age of population, 2000–05

	2000	2005
Japan	41.3	53.2
Asia	26.1	38.7
Europe	37.7	47.7
North America	35.4	40.2
Oceania	30.7	39.9
Source: OECD: "Initiatives enhancing innovation in tourism", in *Innovation and Growth in Tourism*, OECD 2006, p. 123.		

An increase in the average age of consumers from developed countries, combined with an increasing share of older people constituting a growing market for international tourism, will lead to a necessity for hotels and restaurants to adapt their facilities and their workforce. Older consumers will require senior-oriented conveniences to meet their expectations of service and quality, communication, conviviality, comfort and

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[1] UNFPA: The State of World Population 2009: Facing a changing world: Women, population and climate, New York, 2009, p. 22.

[2] I. Goldin: "Tourism and the G20", *G20 Travel and Tourism Summit*, Johannesburg, 24 Feb. 2010.

entertainment. Cultural day and night programmes adapted for seniors may be in demand as well as other age-relevant activities and facilities. Training and skills development of workers will be required to meet older tourists' needs and expectations, i.e. basic training in first aid could be an asset. This is especially true for women, who have long been associated with care-giving roles, and who stand to gain from this shift towards additional training and sensitization to the HCT needs of older persons.

Demographic change has major implications "not only for labour market planning, education and training in tourism but, as a consequence, for the character and culture of tourism services and their delivery, particularly in developed countries. Specifically, this impact will relate to the workplace culture of tourism businesses and their need to change current organizational and managerial practices; to the marketing of tourism experiences on the basis of a young workforce offering delivering service; and to the nature, organization and content of education and training for tourism." [3]

4.2. Migration

Globalization has created a link between the growing demand for labour in the tourism sector and labour migration. Labour migration, when properly governed, can help to fill labour shortages in high-skills and low-skills parts of the market, rejuvenate populations and enhance labour market efficiency, and promote entrepreneurship, dynamism, and diversity in destination and originating countries. The development of tourism products, the provision of labour and cultural enrichment are further positive results of migration. Migrant workers may bring new skills and knowledge to destination countries that could make companies more competitive, helping the country to grow. In some cases, originating countries also may benefit from temporary migration through the learning experiences offered by migrant work and the remittances sent to their home country. As a result, migrants may bring new skills, knowledge and decent work experiences back to their countries of origin and share them with local co-workers and organizations.

In 2010, the number of international migrants is estimated to be 214 million, accounting for 3 per cent of the global population. Women represent 50 per cent of these international migrants and an estimated 105 million will be economically active migrant workers. According to a United Nations study on replacement migration, in 2050 the EU's four biggest countries (France, Germany, Italy and the United Kingdom) which account for 88 per cent of EU immigrants, will need 677,000 immigrants per year to maintain workforce levels from 1995 based on current fertility rates. To maintain their 1995 workforce levels in 2050, the countries combined would need 1.1 million migrants per year. [4] In 2005, European hotels and restaurants in countries like Austria, Denmark, Germany and Switzerland employed many migrants (about 30 per cent in Switzerland and 27 per cent in Germany). [5] In 2000, the sector in the United Kingdom and the United States

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[3] T. Baum, "Demographic changes and the labour market in the international tourism industry", in (eds) I. Yeoman, C. Hsu, K. Smith and S. Watson: *Tourism and Demography*, Oxford, Goodfellow Publishers (forthcoming Sep. 2010).

[4] ILO: *International Labour migration, A rights-based approach*, *International labour migration, overview and analysis*, Conditions of Work and of Treatment of Migrant Workers, ILO, Geneva, 2010, pp. 1, 22.

[5] ibid., p. 93.

employed 1,286,247 and 7,903,790 migrant workers respectively. [6] In Canada, 6,005 low-skilled migrants had temporary contracts as food counter attendants, kitchen helpers and other related occupations as well as 2,041 working in food, beverage and tobacco processing. Canada`s Temporary Foreign Workers' Program ultimately aims to help accommodation businesses find people to work in their businesses when they face shortages of Canadian workers. [7]

In the HCT sector, undeclared labour is frequent, often leading to clandestine employment of foreign workers in irregular status where they may be daily commuters, seasonal or permanent workers. Spanish coastal resorts for instance employ many migrants in irregular status. Irregular status leaves workers vulnerable to unsafe work environments, job insecurity and irregular work hours. Many migrant workers in the sector suffer from poor working and living conditions. They are paid lower wages and endure informal or casual employment services in a less safe and favourable working environment than native workers. Women in irregular status are particularly vulnerable as they are also in danger of sexual exploitation. [8] Table 9 offers a profile for estimates of irregular migration in selected OECD countries and the percentage of the population they account for.

Table 9.   **Estimates of irregular migration in selected OECD countries**

Country	No.	% of population	Year
Australia	46 500	0.2	2006
Greece	200 000	2.7	2005
Italy	500 000	1.2	2006
Japan	200 800	0.2	2007
Netherlands	74 300	0.8	2005
Portugal	93 000	1.0	2004
Republic of Korea	210 492	0.4	2007
Spain	412 500	0.9	2007
Switzerland	80 000	1.2	2004
United States	11 500 000	3.9	2007

Source: ILO: *International Labour Migration, A rights-based approach, Overview and analysis*, "Labour migration in a globalizing world", ILO, 2010, p. 33.

To augment the potential of migration for job creation, maintain productivity, competitiveness, and have better prepared workers, it is necessary to integrate appropriate languages in training programmes in order to maximize skill development. Safety and health concerns at the workplace must also be met by providing instructions and training in appropriate languages and skills as well.

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[6] ILO research, International Migration Programme, 2000.

[7] See:www.hrsdc.gc.ca/eng/workplaceskills/foreign_workers/temp_workers.shtml; www3.thestar.com/static/PDF/080315_foreign_workers.pdf.

[8] ILO: "Conditions of work and of treatment of migrant workers", 2010, op. cit.

4.3. Emerging markets

In the mid-1990s, North America and Europe accounted for 79 per cent of world tourism. Asia–Pacific, the Middle East and Africa have been the leading regions since then. In 2009, Europe's international tourist arrivals corresponded to 52.3 per cent of global arrivals, while they increased to 20.6 per cent in Asia and the Pacific, 15.9 per cent in the Americas, 6 per cent in the Middle East and 5.2 per cent in Africa. International tourist arrivals were predicted to grow significantly in up-and-coming destinations for the first two months of 2010, e.g. by 10 per cent in Asia and the Pacific. [9]

China is one of the fastest growing outbound travel markets, benefiting from higher incomes, relaxed limitations on foreign travel, improved internal infrastructure and other investments. Between 2000 and 2006, China's outbound travel grew annually by 22 per cent, to 34.5 million in 2006 and was projected to reach 54 million outbound travellers in 2010, a 15 per cent increase from the 47 million in 2009. [10] Some 90 per cent of those itineraries are to other Asian destinations, with 71 per cent to Hong Kong and Macao. In 2010 China's travel and tourism economy to employment is supposed to rise from 60,103,000 jobs in 2010 (7.7 per cent of total employment or one in every 13 jobs to 89,004,000 jobs (10.7 per cent of total employment or one in every 9.4 jobs by 2020). [11] In 2009, outbound tourism into China grew by 4 per cent, and 11 million direct, and 65 million indirect jobs were created. According to the China National Tourist Office, inbound tourists mainly arrive from other Asian countries, followed by Europe. Previously holding seventh place in the top ten international tourism spenders, China now sits in fourth place after an increase of 21 per cent in 2009. [12]

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[9] UNWTO: *World Tourism Barometer,* Interim Update, Madrid, Apr. 2010.

[10] See: www.chinadaily.com.cn/bizchina/2010-03/29/content_9654759.htm (accessed 28 June 2010).

[11] See: www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/China/ (accessed 28 June 2010).

[12] UNWTO: *World Tourism Barometer,* Interim Update, Apr. 2010, p. 8.

Figure 13.   Tourism in non-OECD member countries, emerging markets 2009 [13]

■ Tourism as % of total employment   ■ Tourism as % of GDP

Country	Tourism as % of total employment	Tourism as % of GDP
Brazil	2.6	2.7
Chile	2	3.11
China		1.25
Egypt	13	6.6
Estonia	3.6	4.8
India	8.3	5.8
Indonesia	5.22	4.29
Israel	3.1	2
Romania	3.2	2.3
Russian Federation		3.3
Slovenia		5.5
South Africa	7.64	7.4
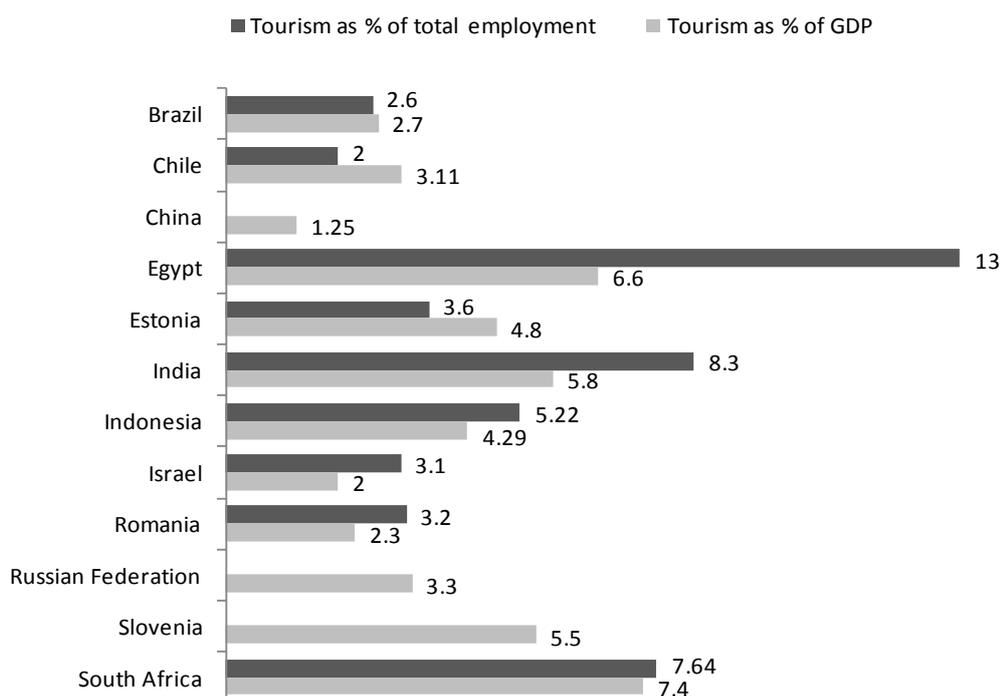
Source: Figure prepared by ILO, based on: OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 8.

India and other locations have also become significant markets of origin (see figure 13). Employment in the travel and tourism sector is expected to grow from 49,086,000 jobs in 2010 (10 per cent of total employment or one in every ten jobs) to 58,141,000 jobs (10.4 per cent of total employment or one in every 9.6 jobs) by 2020. The sector's contribution to GDP is predicted to increase from 8.6 per cent in 2010 to 9 by 2020. In Malaysia a significant proportion of visitors are from Asia and the Middle East. The country saw its tourist arrivals increase by 7 per cent from 2008 to 2009. For 2010, Malaysia's travel and tourism sector is expected to rise from 1,331,000 jobs (11 per cent of total employment and one in every 8.4 jobs) to 1,721,000 jobs (12 per cent of total employment or one in every 8.3 jobs) by 2020. [14] According to Cambodia's Ministry of Tourism Chinese tourist numbers increased by 14 per cent, and visitors from Taiwan, China, by 34 per cent in 2009. [15] These figures show the importance of regional and domestic tourism for the Asia–Pacific region.

[13] The data do not consider the different methodologies of organizations and can therefore differ.

[14] See: www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/Malaysia/ and www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/India/ (accessed 28 June 2010).

[15] A. Frangos: "Asian consumers give region a lift", in the *Wall Street Journal* (Europe), 15 Mar. 2010.

4.4. Medical and wellness tourism

–   *Wellness tourism* means "The sum of all relationships and phenomena resulting from a journey and residence by people whose main motivation is to preserve or promote their health." [16]

Today, increasing interest in fitness, disease prevention, maintaining good health, new age remedies and alternative treatments to alleviate various types of stress are key motivators behind the use of spas worldwide. The Global Spa Economy Study reported in 2007 that Asia–Pacific had 21,566 spas, 363,649 employees, and revenues of US$11.38 billion making it the fastest growing spa industry worldwide. [17]

–   *Medical tourism* has been identified as the practice of travelling across international borders to obtain health care. This includes use of hospitals, clinics and spas specialized in fields such as surgery (e.g. heart, liver, kidneys, joint replacement, eye and dental care, cosmetology) and rehabilitation for those recovering from illness or surgery. [18] Besides the lower cost, shorter waiting lists, and the possibility for patients to combine treatment with conventional tourism attractions like climate, regional cuisine, local activities and culture, the growing option to link a medical stay with time in a resort for convalescence makes medical tourism important.

Medical tourism is one of the core offerings in countries such as Colombia, Costa Rica, Estonia, Hungary, India, Jordan, Kenya, Latvia, Lithuania, Malaysia, Poland, Thailand and Tunisia. It is estimated that 60,000 British tourists travelled abroad in 2009 for medical purposes – to receive dental care (43 per cent), cosmetic surgery (29 per cent) or other surgeries and infertility treatment (28 per cent). [19] Some 750,000 Americans are estimated to have travelled abroad for medical purposes in 2007. [20] India attracts many medical tourists from the United States and the United Kingdom as well as patients from neighbouring countries such as Bangladesh, China and Pakistan. As reported by the Federation of Indian Chambers of Commerce and Industry, the medical tourism market is expected to grow from US$22.2 billion (5.2 per cent of GDP) to US$69 billion (respectively 6.2 and 8.5 per cent of GDP) by 2012. [21] Thailand has up to 1 million medical tourists per year, Malaysia more than 85,000, and Singapore plans to attract 1 million

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[16] H. Mueller and E.L. Kaufmann: "Wellness tourism: Market analysis of a special health tourism segment and implications for the hotel industry", in *Journal of Vacation Marketing* (Bern, Switzerland, Research Institute for Leisure and Tourism, University of Berne, 2001), Vol. 7, No. 1 pp. 5–17.

[17] S. Foster: Overview of the Asia–Pacific spa industry, *ITB Experts Forum Wellness*, 2010, p. 1.

[18] P. Erfurt-Cooper, M. Cooper: "Development of the health and wellness spa industry", in *Health and Wellness Tourism Spas and Hot Springs* (Aspects of Tourism) No. 40, Bristol, Channel View Publications, 2009, p. 7.

[19] See: www.treatmentabroad.com/press/medical-tourism-facts/ (accessed 5 July 2010).

[20] See: www.discovermedicaltourism.com/industry/. However, it should be noted that these statistics relate to the health sector, the transport sector as well as the HCT sector itself (accessed 5 July 2010).

[21] See: www.who.int/bulletin/volumes/85/3/07-010307.pdf.

foreign patients per year by 2012. [22] Thailand's Bumrungrad Hospital in Bangkok is a private hospital with more than 1 million patients per year; 42 per cent of whom are international patients from over 190 countries and who make up 55 per cent of the hospital's revenue. [23]

In some countries hospitals are linked to wellness clinics. Patients can have personal assistance for post-hospital recovery. The skills implications for this emerging form of tourism remain unclear but are likely to require better care skills as well as the need to adapt their service skills in response to international tourist expectations.

4.5. Information and communications technologies (ICTs)

Effective and high-speed ICT infrastructure and software applications in the HCT industry are crucial for tourism development. ICTs allow customer–management relations and supply chain management to be combined into a single source that facilitates a variety of operations – product selection, ordering, fulfilment, tracking, payment and reporting – to be performed with one easy-to-use tool. ICTs ultimately cut costs by enabling the provider to be in direct contact with the consumer and also impact employment through the need for required maintenance of ICT equipment.

Management within tourism companies use ICTs to undertake a range of tasks that enhance the efficiency of employees in the workplace, notably online reservations. Staff reductions in areas (e.g. hotel front offices) where work traditionally took place were projected to have implications for cost savings. [24] Remaining workforces need to work with new technologies for instance, inputting consumer orders into portable devices in addition to traditional tasks (e.g. service or taking reservations). Such changes create a need for multitasking skills which, in turn, leads to necessary adjustments to training programmes.

The development of ICTs has also led to changes in demand and supply. A higher demand for flexible, individualized options and quality of information has personalized leisure and tourism behaviour; a consequence of increased ICT use. Through new technology and social and economic ratings (e.g. social media platforms like Facebook, Twitter, blogs) customers have the ability to share information and research ratings on destinations, quality of service in hotels and restaurants and environmental and social conditions. A number of hotels (e.g. Marriott Hotels and Resorts, Ritz Carlton Hotels, Hyatt Hotels and Resorts) have strengthened their brand image and communicate directly

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[22] P. Erfurt-Cooper: "The health and wellness concept: A global overview", (University of Pennsylvania, Philadelphia), 2009, p. 44.

[23] Knowledge @ Wharton: "Bangkok's Bumrungrad Hospital: Expanding the footprint of offshore health care", 2 Sep. 2009; see also: http://knowledge.wharton.upenn.edu/category.cfm?cid=6.

[24] ILO: *Human resources development, employment and globalization in the hotel, catering and tourism sector,* report for discussion at the Tripartite Meeting on Human Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector, ILO Sectoral Activities Programme (Geneva, 2001).

with their customers by posting links to a press release or promoting a new package through Twitter. [25]

Some IUF affiliates have created web-based resources that recommend or disapprove hotels and restaurants according to their level of commitment to sustainability. These resources emphasize decent working conditions, collective bargaining coverage and compliance, and respect for freedom of association. The aim is to strengthen consumer interest in labour rights when deciding on accommodation. [26] Moreover, the Internet portal from the European Trade Union Liaison Committee on Tourism (ETLC) aims to support the presence of trade unions in the tourism industry by reporting developments, events and information on current political topics that are of interest for trade unions within the industry, by presenting their opinion and main documents, and by assisting the establishment of European Works Councils (EWCs). [27]

Especially in developed countries, ICTs are increasingly being used by customers for travel information and making reservations with travel distribution systems (see table 10). For example, Trip Advisor sites have been established in 17 countries since 2000, encompassing 121,000 registered owners, 6,600 business listings, 455,000 hotels and 964,000 restaurants in 71,000 destinations; ratings are provided for both facility and service quality. [28] Also priceline.com now has listings for over 100,000 hotels in over 90 countries. [29] The use of social networks and search engines gives businesses the opportunity to occupy more listings resulting in enhanced awareness and consideration from consumers. One significant consequence of these developments has been the changing role of travel agents and reservation departments of major companies (airlines, hotel companies). In many countries these changes have resulted in a significant decline in employment within these areas and the growth of new Internet-based competitors. By contrast, in many developing countries, ICT access is more limited or comes with limitations imposed by a reliable power supply or by political and economic barriers.

Table 10. **Use of Internet for online tourism reservations, selected countries, 2002–08**
(percentage of individuals who ordered travel and holiday accommodation on the Internet)

Country	2002	2003	2004	2005	2006	2007	2008
Austria	1	3	3	3	7	8	11
Denmark	8	10	14	18	26	27	30
Finland	2	3	7	10	12	26	31
France	–	–	–	–	8	14	18
Germany	3	5	6	10	21	23	22

[25] See: http://inventorspot.com/articles/top_ten_hotel_brands_tweet_above_rest_30174 (accessed 30 June 2010).

[26] See, for instance, www.fairhotels.ie, www.schystavillkor.se/, http://hotelworkersrising.org (accessed 20 Apr. 2010).

[27] See: www.etlc-network.eu/ (accessed 15 Mar. 2010).

[28] C. Petersen: "If you ran the circus, Harnessing user-generated content & social media to transform the face of travel", ITB, Berlin, 2010.

[29] "Reisebüro als Rendite-Knüller", in *Neue Züricher Zeitung*, p. 21, 21 June 2010.

Country	2002	2003	2004	2005	2006	2007	2008
Iceland	–	14	24	31	39	40	38
Ireland	–	3	7	10	18	20	21
Luxembourg	5	9	19	17	21	24	27
Netherlands	5	6	2	15	21	25	26
Norway	–	13	25	33	40	41	45
Spain	–	2	2	5	9	11	12
Sweden	8	12	–	16	18	28	27
United Kingdom	11	17	18	24	23	24	27

Source: OECD: "Tourism trends in the OECD area and beyond", in *Tourism Trends and Policies 2010*, 2010, p. 38.

4.6. Climate change

The future of the tourism industry depends on climate and environmental conditions because they can have a dramatic effect on the competitiveness and sustainability of climate-sensitive destinations. Climate can be a determining factor when people choose their holiday destinations, depending on their demands for sun, snow conditions, mountains or regions with warm weather and it can have an effect on the length and quality of tourism seasons. [30] Some tourism resorts need to take this into consideration more than others (e.g. as a result of the rising number of hurricanes in the Caribbean and along the coast of North America, earthquakes, floods, droughts, cyclones or tidal waves). In Fiji for instance, the rising sea level could lead to a loss of tourism infrastructure and seriously influence the industry and its employment. [31]

Tourism is estimated to create about 5 per cent of total carbon emissions, primarily due to tourist transport (75 per cent) and accommodation (21 per cent, mainly issued by air conditioning and heating systems) (see table 11).

Table 11.   Estimated greenhouse gas emissions from global tourism, 2005

	CO_2	
	Million tons	**Share in tourism** (%)
Air transport	515	40
Car	420	32
Other transport	45	3
Accommodation	274	21
Other activities	48	4
Total tourism emissions	**1 302**	**100**
Total world emissions	**26 400**	**–**
Share of tourism in total world emissions (%)		4.9

Source: UNWTO and UNEP, *Climate Change and Tourism, Responding to Global Challenges*, 2008, p. 33.

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[30] UNWTO: *From Davos to Copenhagen and beyond: Advancing tourism's response to climate change*, Background paper, UNWTO 2009, p. 4.

[31] ILO: *Green jobs in the South Pacific: A preliminary study*, ILO, 2010.

Within the service sector, hotels are among the top five energy-consuming buildings. Figure 14 offers a profile of the typical amount of energy consumed by hotels. It clearly illustrates that the highest consumption is generated by space heating, followed by water heating and cooling systems.

Figure 14.   Typical total energy consumption by end use in hotels
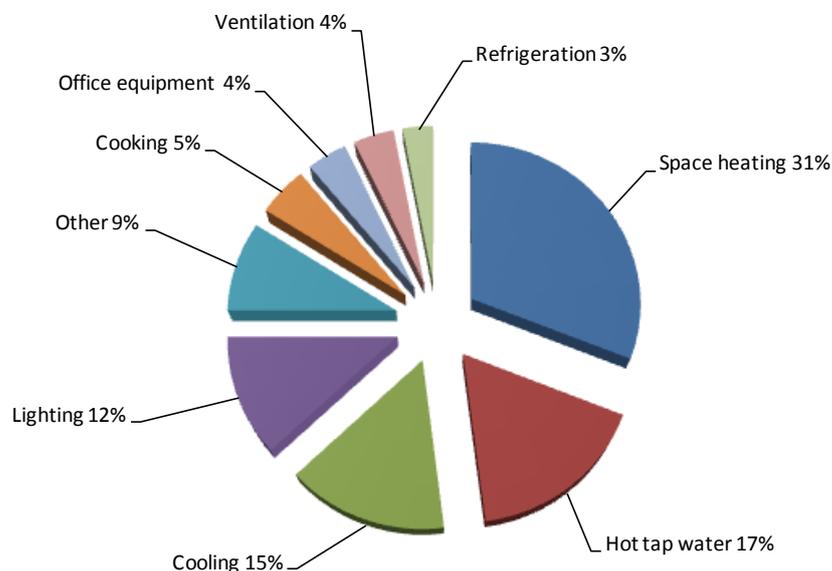
Source: UNWTO, IHRA, UNEP, et al., www.travelpromos.co.uk/unwto2/ (accessed 26 Apr. 2010).

The sector is committed to respond to climate changes by adaptation, mitigation and new technology. By adopting up to date energy-saving technologies, SMEs can become more competitive and sustainable while reducing CO_2 emissions and strengthening their level of CSR. [32] The EU`s action plan regarding energy estimates that 30 per cent of energy used in the tertiary sector, including hotels, could be saved by 2020 with a combination of 27 per cent from households, 26 per cent from transport and 25 per cent from manufacturing. [33] To reach this goal, SMEs are encouraged to update staff training, information and technology support. Renewable energy, clean biofuels and building inspection could lead to significant reductions in emissions and congestion, while according to the United Nations MDGs, tourist destinations and stakeholders could benefit from these new opportunities developed in an economic, social and environmentally sustainable manner. [34] The Hotel Energy Solutions project, established in 2007 by UNWTO, UNEP, IHRA and others, aims to adapt tourism businesses and destinations to changing climate conditions, to mitigate CO_2 emissions and to support investments in energy efficient and renewable energy technologies. It helps SMEs enhance their competitiveness and sustainability, and provides information about research and innovation for the development of new products by technology providers. [35]

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[32] See: UNWTO, IHRA, UNEP, et al., www.travelpromos.co.uk/unwto2/ (accessed 26 Apr. 2010).

[33] ibid.

[34] UNEP–WMO–UNWTO: *Climate Change and Tourism, Responding to Global Challenges*, 2008, p. 38.

[35] See: UNWTO, IHRA, UNEP, http://hotelenergysolutions.net/.

Moreover, customers are increasingly concerned about the environment, particularly the use of less carbon-intensive products and are looking for sustainable travel packages that include recognition of social and environmental issues, of "green" tourism services and of the principles of "eco-tourism". [36] Research indicates that consumers are concerned about the local environments of their travel destinations and are willing to spend more on their holidays if they are assured that workers in the sector are guaranteed ethical labour conditions in the places they are visiting. [37]

Further investigation is needed to find whether recent moves towards domestic tourism rather than foreign travel are related to the economic crisis or whether they can be identified as a major trend driven by environmental issues such as climate change.

In view of the various developments mentioned above, businesses must prepare their workforce in response to such changes to ensure that they have both the understanding and skills to respond.

> In Latin America, the "Redturs" network launched in 2001 is one of the first ILO-supported actions to create green jobs. It helps indigenous and rural communities promote tourism and eco-business in ways that protect their cultural heritage, natural resources, ways of life and economic development while helping maintain social cohesion and their identities. The project seeks to create opportunities for decent employment for women and men in communities that are often located in remote areas with scarce opportunities for development. Redturs promotes the fundamental rights of indigenous and tribal peoples under the ILO Convention on Indigenous and Tribal Peoples, 1989 (No. 169), and provides business development services, such as access to information, markets, training and exchange of experience. Redturs helps strengthen links between networking enterprises (clusters, associations, cooperatives) operating within different communities. In terms of value chain development, Redturs enables community groups to take a more active role in the design, organization and operation of eco-business, which gives them access to the more profitable end of the business, and which offers learning and upgrading business opportunities. As a result of ILO assistance, 300 community destinations in 13 Latin American countries have been formed, paving the way for rural development, supplemental income to reduce poverty and increased entrepreneurship. [38]

4.7. Diversification of tourism products

All sectors of contemporary tourism are dynamic and subject to constant change and evolution, although dynamic change is nothing new to the industry and can be noted throughout its recent history – examples include the development of fast food, the creation of the first, standardized chain hotels, the rise of economy brands in accommodation and air transport, just to name a few. In this, the industry is no different from other sectors of the consumer economy. Changes have become particularly important over the past decade, with respect to the range of products and services offered within hotels and restaurants and these, in turn, have had significant implications for workplace practices and relations. Key changes in this environment have included: increased focus on financial and operational competitiveness within the formalized, often multinational sector, both at the level of the business and the destination; challenges with respect to consistency in regard to national

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[36] Eco-tourism means responsible travel to environmentally protected areas and makes an effort to be low impact and (often) small scale.

[37] A. Kalisch: *Corporate Futures, Social Responsibility in the Tourism Industry*, Tourism Concern 2002. A survey for the United States from 2005 found that 16 per cent of customers elect to stay in Kimpton Hotels & Restaurants because of the company's environmental practices (A. Kyriakidis, J. Felton: *Too Hot to Handle? The Hospitality Industry Faces Up to Climate Change*, The Travel & Tourism Competitiveness Report 2008, World Economic Forum 2008, p. 76).

[38] ILO: *Green jobs: Improving the climate for gender equality too!* GENDER information brochure, 2009.

and international standards relating to operations, service, employment and ethics; and the continuing importance of SMEs within the sector in all countries, many of which operate counter to many of the response mechanisms to change employed by multinational chains – for example, financial imperatives may not always drive decision making; stakeholder relations are frequently driven by personal rather than organizational considerations; application of standards may be idiosyncratic and personalized to the individual customer; employment and opportunity in the workplace may be offered on the basis of traditional and family ties rather than on the basis of objective, professional criteria.

New forms of products and demand have been observed in different regions. According to the Argentinean employer organization, FEHGRA, Latin America provides a good regional example of how change has impacted the industry, driven by consumer demand. As most of the products are at SME level and as the customers require additional levels of service and mediation, the question was raised as to what skills are required to support higher levels of service quality. In some countries, concern has been raised about an absence of legal frameworks for "new products" such as defining the status of low-cost groups like hostels, or budget hotels, high-cost and luxury products such as lodges or boutique hotels, of private ownerships incorporating bungalows, villas, residencies or condo hotels, as well as spas and medical residencies. As a result it is believed that these "new products" could lead to unfair competition for the "traditional" hotel industry. The International Organization for Standardization (ISO) addresses this concern by collaborating with international organizations, governmental and non-governmental, to set standards and clarify terms related to various sectors. For example, in 2003 ISO issued a document defining various HCT-relevant terminologies within accommodations, services and body care. [39] Another option might be to use the principles contained in the ILO Convention on working conditions for hotels and restaurants to address this issue (see Appendix V). This Convention aims to establish general standards on working conditions applicable to hotels, restaurants, and similar establishments so that countries who have ratified it [40] can adopt appropriate national laws that apply to all types as well as to traditional and new forms of establishments.

Globally, it is clear that the industry is increasingly broad in the range of products and services it offers to its consumers. Many hotels have evolved into complex and multi-activity resorts within which traditional hospitality sits alongside a range of leisure and sport, conferences, conventions (MICE), gaming, retail and travel. Within such resorts, ownership and management may all be located within one company but they may also represent an amalgamation of specialist service suppliers, including premium branded names. Workplace considerations will be greatly affected by all of these considerations.

4.8. Impact on HRD, qualification and skills development

Diversification and new tourism products are greatly influenced by demographic change. At the European level, an increasing trend towards new and hybrid occupations has been observed, which reflects the nature of the new products offered by the market and the increasing role of ICTs. As a result of such change, a generation of better informed and technology-literate consumers could benefit from ICTs in order to seek more sustainable and environmentally friendly destinations. On the basis of this behaviour, demand for green tourism products will also continue growing. Demographic or generational change

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[39] ISO: *Tourism services – Hotels and other types of tourism accommodation – Terminology,* International standard, ISO 18513, Geneva, 2003.

[40] Notably the Dominican Republic, Mexico and Uruguay in the Latin American region.

has also affected the access to and use of information. Consumers are making their demands more urgent and expect convenience and prompt action anytime and anywhere. [41] Since the advent of enhanced use of ICTs, tour operators' functions have also changed: future research on the impact of ICTs on tour operators would assist in developing advanced job-skill training for workers to adapt to new technologies.

Higher demand for wellness and medical tourism and the widespread use of ICTs creates a need for multitasking, something that has long existed in the SME sector. Instead of operating within the traditional tourism environment (e.g. encompassing housekeeping and food service), multi-skilling may require work that impinges on areas such as fitness, beauty and care to cater more specifically to a female clientele. Therefore, medical and wellness tourism requires specific skills from employees within the HCT sector. Hotels linked to hospitals or spas will respectively need people with knowledge in medical and wellness services. In terms of ICT, there are increasing expectations across all areas in the industry for all employees to be ICT functional in addition to their core responsibilities. Ultimately, they are expected to be able to adapt and adopt new technologies in every aspect of their work.

Concerns have been raised about the consequences of these new knowledge expectations and skills requirements for the sector. Will outsourcing be required to update employees' skills to new demands? Will professional trainers specialized in medicine and wellness be necessary to train employees? Some workers readily adapt to multitasking while others have difficulties making this transition. [42] Because consumers today expect highly qualified and motivated employees, continuous training and skills development is needed and expected in all areas of the sector. The skills required in the sector are transversal (e.g. language and communication, customer orientation, ICTs). Development of worker abilities through quality education, training, multi-skilling and the impact of lifelong learning are as important in assisting workers to find good jobs as they are for enterprises to find competent workers who can respond to consumer demands. Additionally, the demand from other branches of the economy that offer better working conditions might facilitate mobility and be one of the causes of high turnover in the industry.

However, the high number of SMEs within the tourism sector presents a challenge for new products and quality skills development. The "European Qualification and Skills Passport (QSP) for the Hospitality Sector" is an example which the European social partners for the hotel and restaurant sector, EFFAT and HOTREC, have developed in the framework of their sectoral social dialogue. The QSP shall allow workers to document their qualifications and skills acquired through education, vocational training and on the job, enable employers to assess the skills and experiences of job candidates from their own and other EU countries, and hence facilitate vocational mobility and a better match of offer and demand in employment in the hotel and restaurant sector throughout Europe. It will be tested in four selected European countries in 2011.

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[41] IHRA: *Visioning the Future – Major Forces driving Change in the Global Hospitality Industry*, 2000.

[42] N. Salerno: "Hotel management strategies for tough times", in *Hotel Online*, Sep. 2009.

5. Sustainable tourism and social dialogue

The following chapter will consider sustainable tourism and its implications for hotels and tourism as well as for social dialogue within the sector.

5.1. Sustainability – Key for economic growth, employment creation and decent work

Sustainable development

During the World Commission on Environment and Development in 1987 (Brundtland Commission), sustainable development was defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs. [1]

Sustainable tourism

Sustainable tourism is composed of three pillars: social justice, economic development, and environmental integrity (see figure 15). [2] It is committed to the enhancement of local prosperity by maximizing the contribution of tourism to the destination's economic prosperity, including the amount of visitor spending that is retained locally. It should generate income and decent employment for workers without affecting the environment and culture of the tourists' destination and ensures the viability and competitiveness of destinations and enterprises to enable them to continue to prosper and deliver benefits in the long term. In this sense, development should be a positive experience for local populations, tourism companies, workers and tourists themselves. However, the influx of tourists does have an influence on local cultures, whether positive or negative. Exposure to other cultures and norms may in fact create awareness and tolerance, just as it can create tensions and mistrust.

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[1] Sustainability emerged as "eco-development" at the United Nations Conference on the Human Environment, Stockholm, 1972. In 1992, the Rio Earth Summit – also known as the United Nations Conference on Environment and Development (UNCED) – discussed problems of social equity, economic development and environmental protection. Agenda 21, a global action plan, highlighted that a cross-sectoral coordination and the integration of environmental and social concerns are crucial for achieving sustainable development. In 2002, the Johannesburg World Summit of Sustainable Development aimed at reducing poverty and enhancing people's lives and conserving natural resources in a world with a growing population.

[2] A. Kalisch: *Corporate Futures, Social Responsibility in the Tourism Industry,* Tourism Concern, 2002; G. Buckley, J.M. Salazar-Xirinachs, M. Henriques: *The promotion of sustainable enterprises*, ILO (Geneva, 2009), p. xxii.

Figure 15. Components of sustainable tourism
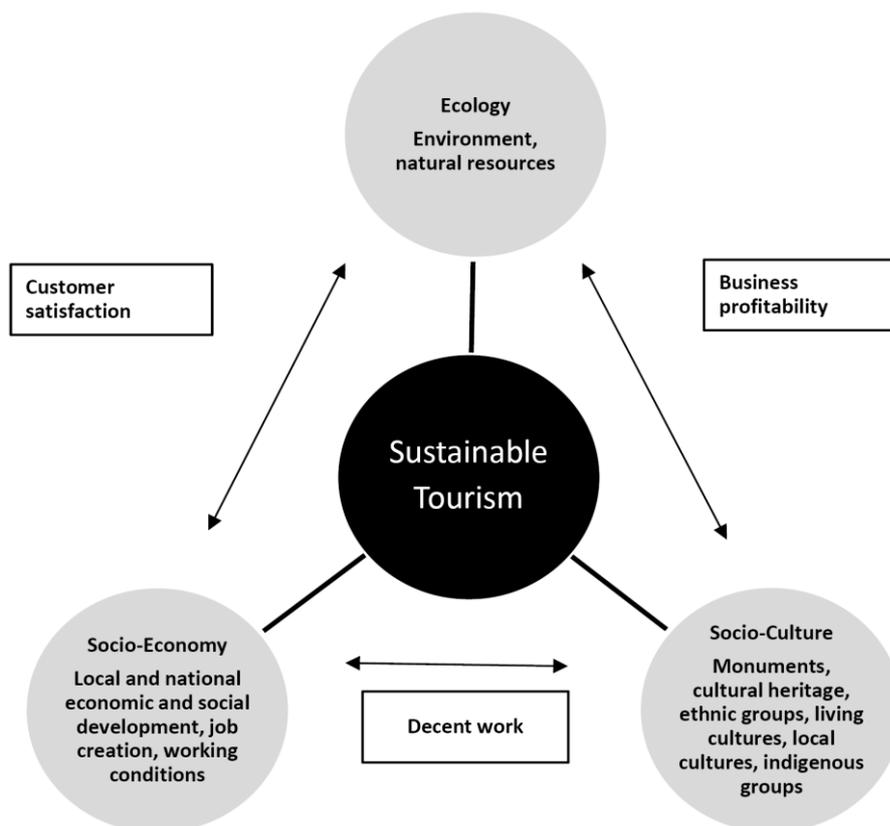
According to the UNWTO, sustainable tourism should "make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural resources and biodiversity. It should respect the socio-cultural authenticity of host communities, conserve their established and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance; while ensuring viable, long-term economic operations, providing equal socio-economic benefits to all stakeholders, including stable employment, income opportunities, social services to host communities, and contributing to poverty alleviation". [3]

The IUF reinforces the idea that, in order to achieve sustainable tourism, its social dimension including employment must be considered. Key aspects of decent work, including collective bargaining, the right to information and consultation, as well as equal opportunities must be promoted. Governments may refer to ILO Convention No. 172 and use ILO Recommendation No. 179 as a model to gain recognition from their local communities which can contribute to tourism and help conserve the local economy and products. [4]

[3] UNEP–UNWTO: *Making Tourism More Sustainable – A Guide for Policy-makers,* UNEP–UNWTO, Geneva, 2005.

[4] IUF, HRCT: *Steering Groups 2008–2010 summary of activities*, HRCT Trade Group Board Meeting, Istanbul, 17–18 May 2010.

The ILO and IHRA signed a joint statement on tourism and employment (January 2010) referring to the ILO Global Jobs Pact of June 2009 (see Appendix IV). The statement emphasizes the significance of decent and productive work in sustainable enterprises that ensure job safety, equality and human dignity. In order for this to be achieved, stakeholders and employers must collaborate to improve working conditions; this remains an ever present concern. [5]

Sustainable enterprise development

A sustainable enterprise is a business that does not negatively affect the global or local environment, community, society, or economy. It is a key source of growth, wealth creation, employment and decent work; and a sustainable enterprise takes into consideration the differentiated impact of its policies and practices on men and women. Cooperation among governments, businesses, labour and society is required to promote sustainable enterprises and guarantee the quality of employment in a sustainable manner. The competitiveness and capability of enterprises within this quickly globalizing environment depends on mutual trust, respect, non-discrimination and good labour-management relations among workers and employers. Workers who are qualified and satisfied with their working environment will produce better outcomes both in terms of enterprise performance and enterprise engagement with social and environmental issues. Long-term capability implies that the management of enterprises should be based on the three pillars of sustainability, allowing enterprises to generate wealth and decent work (see figure 16).

Figure 16.   Sustainable enterprise development
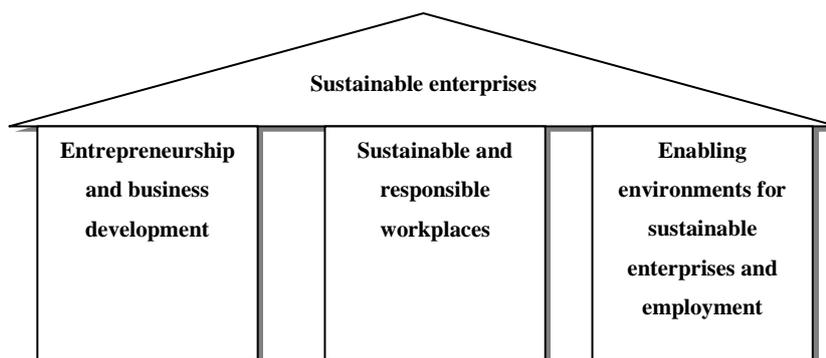
Investing in workers includes the development of training and the promotion of decent and efficient work environments by concentrating on the human dimensions of productivity and competitiveness. Sustainable enterprises also prevent unequal treatment in employment on the basis of sex or ethnicity; non-discrimination and equity should be promoted. [6] Such principles may impose significant demands in terms of training on many

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[5] IH&RA is part of the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership), a coalition of more than 40 organizations aiming to improve the understanding of sustainable tourism and the adoption of universal sustainable tourism values on the basis of sustainable tourism criteria on effective sustainable planning, maximizing social and economic benefits for the local community, improving cultural heritage as well as on diminishing negative impacts of tourism to the environment (see also www.hotelinteractive.com/article_print.aspx?articleID=14711).

[6] G. Buckley, J.M. Salazar-Xirinachs, M. Henriques: *The promotion of sustainable enterprises*, ILO, Geneva, 2009, p. 173.

SMEs within the HCT sector that may not have the HR capabilities to implement these principles in an equitable and transparent way.

Guided by the conclusions of the International Labour Conference discussion in 2007 on "The Promotion of Sustainable Enterprises", the ILO's Sustainable Enterprises Development Programme is a key element of the Global Employment Agenda which is the employment pillar of the Decent Work Agenda and gives guidance for the achievement of full, productive employment and decent work. [7] The principles that underpin the programme challenge traditional practice as well as public perceptions of work within the HCT industry worldwide, especially in the context of SMEs.

The Sustaining Competitive and Responsible Enterprises (SCORE) global assistance project, which has been developed by the ILO, aims to support SMEs to become more sustainable through being cleaner, more productive and competitive and to provide more sustainable and decent employment. SCORE has been implemented in six countries (China, Colombia, Ghana, India, Indonesia and South Africa).

The Declaration on Social Justice for a Fair Globalization (2008) aims to strengthen the ILO's capacity to promote its Decent Work Agenda and form an effective response to the growing challenges of globalization. Freedom of association, the right to collective bargaining, the elimination of discrimination in employment and occupation are the key principles of the Declaration. Once again, the implementation presents structural and organizational challenges in respect of many areas within the sector. Furthermore, the Declaration gives the ILO a tool to pursue the promotion of fair globalization based on decent work. It also gives ILO constituents a core responsibility to incorporate the ILO's policy of a global and integrated strategy for the implementation of a Decent Work Agenda into their own social and economic policies. [8] In addition, the International Labour Conference adopted a resolution on gender equality at the heart of decent work in 2009, which provides a road map for mainstreaming gender equality issues in the four pillars of the Decent Work Agenda.

The environment for sustainable enterprise development has to consider essential conditions depending upon developmental as well as the cultural and socio-economic contexts. Appendix VII provides the conditions for sustainable enterprise development within the HCT sector.

As identified by ILO research, most international hotel chains have recognized the importance of social policies. They have developed HR management structures including a large range of policies and initiatives, for instance, employee training and development. However, some of their main challenges are preserving a consistent global approach to HR practice and implementing good standards of HR practice effectively through their franchising relationships and whether casual, seasonal, permanent, full-time or part-time employment chains. [9]

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[7] See: www.ilo.org/empent/Aboutus/lang--en/index.htm (accessed 11 May 2010).

[8] See: www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_094186/index.htm#1 (accessed 11 May 2010).

[9] J. Boardman, 2008, op. cit.

5.2. Corporate social responsibility and international framework agreements

In this section we discuss two key concepts that underline good stewardship for both the natural and social environment. They are corporate social responsibility (CSR) and international framework agreements (IFAs). IFAs result from negotiation between transnational companies and trade unions at the global level (Global Union federations). CSR on the other hand is a voluntary, enterprise-driven initiative. [10]

Corporate social responsibility

CSR programmes have emerged as a way for enterprises to consider the impact of their operations on society and affirm certain principles and values within their own internal processes and interactions with external stakeholders. Companies are responsible for their products, services and the conditions under which they produce them. CSR initiatives go further than the minimal legal or contractual requirements but they do not replace the role of government, collective bargaining or effective industrial relations. [11] Key factors of CSR are transparency and accountability. Different organizations have established principles related to CSR that among others, cover environmental and social responsibilities (see table 12).

Table 12. Main areas of corporate social responsibility use

1	**Accountability** Including stakeholder engagement, reporting on environmental and human rights issues, performance related to standards	
2	**Business conduct** Competitive conduct, corruption, bribery, intellectual property rights, political activities, proprietary information	
3	**Community involvement** Community economic development, employment of local and/or underutilized workers, philanthropy	
4	**Corporate governance** Shareholders' rights, conduct of executive boards	
5	**Environment** Precautionary principle, input/output, engagement of shareholders, employee training, management systems, public policy, sustainable development	
6	**Human rights** Indigenous people's rights, health and safety, child and forced labour, freedom of association, wages and benefits, working conditions, discipline	
7	**Marketplace/consumers** Marketing and advertising, product quality and/or safety, consumer privacy	
8	**Workplace/employers** Non-discrimination, training, harassment/abuse, downsizing, child/elder care, maternity/paternity leave	

Source: A. Kalisch: "Corporate futures, social responsibility in the tourism industry", in Tourism Concern, London, 2002.

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[10] Report of the Director General: *Equality at work: Tackling the challenges*, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work" (Geneva, Mar. 2006, GB.295/MNE/2/1), p. 93.

[11] CSR has become an essential tool to change management practices since the beginning of the 1990s, which has been a period of decreasing public trust in business standards and ethical behaviour, and of increasing interest of consumers in such standards and behaviour.

CSR is about delivering sustainable value and long-term benefits to all stakeholders. CSR consists of the integration of economic, social and ecological aims into a company`s business strategy. [12] The main hotel chains have recognized that having a sound social policy makes good business sense. They acknowledge the importance of having a skilled, motivated and satisfied workforce as their staffs are the people who interact most with customers. Accor, for example, conducts employee training programmes aimed at developing new skills and new job categories in fields like revenue management, asset management, business or customer relationship management and new technologies for services within hotels; a good hands-on approach to management aimed at enhancing the meaning of everyone's job, optimizing customer service quality, and retaining employees. The chain also implements skill enhancement programmes, employee empowerment and recognition initiatives, and mobility opportunities for their employees. Similar measures related to training and skills development have been introduced by many companies including Rezidor, Four Seasons and Hilton. [13] Figure 17 shows percentages that display the main areas with which tourism companies, including hotels, engage in CSR actions.

Figure 17.   Areas of engagement in CSR actions
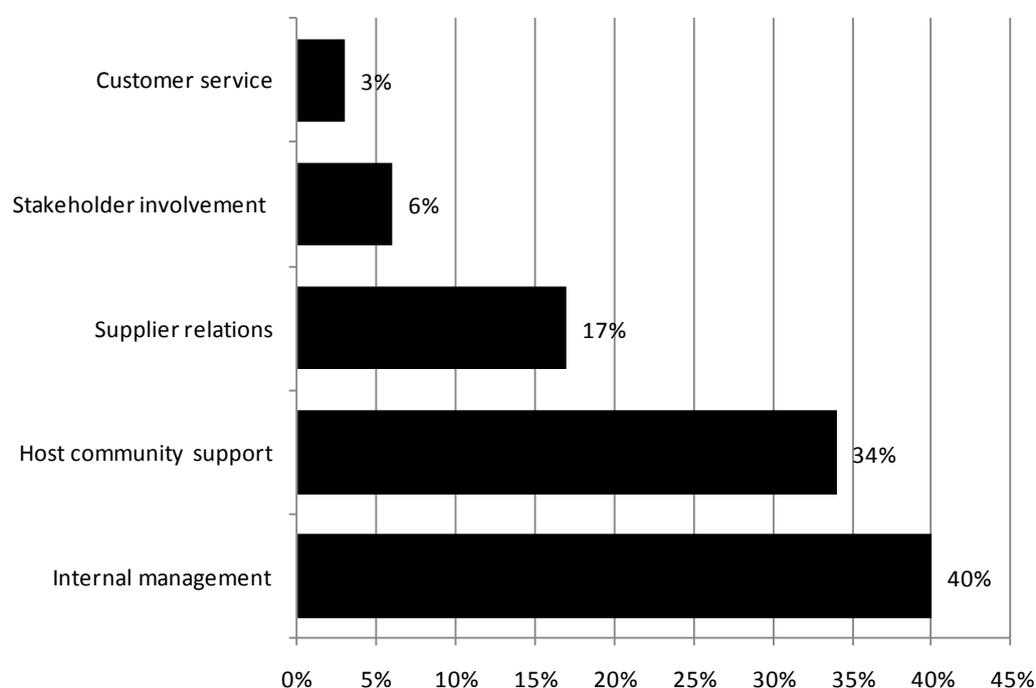
Source: Figure prepared by the ILO, based on UNWTO: "CSR in Tourism Study", Tourism and the Millennium Development Goals, Madrid, 2010, p. 11.

[12] Centre for Ecology and Development, Tourism Watch, Asociación para la Cooperación con el Sur, *Corporate Social Responsibility: A Global Responsibility of the Tourism Industry*, 2006, www.kate-stuttgart.org/content/e825/e1463/e4598/e4603/CSR-Broschre_ENGLISCH_ger.pdf (accessed 24 Mar. 2010).

[13] ACCOR, Annual Report 2008, see:
www.accor.com/fileadmin/user_upload/Contenus_Accor/Commun/pdf/EN/ACCOR_RA2008_EN.pdf; Rezidor: *Responsible Business Report 2009,* pp 15; ILO/ACTRAV: "The IUF and TNC's in Tourism", Dec. 2009; www.hiltonworldwide.com/index.htm;
www.hilton.co.uk/ts/en_GB/hotel/content/EDNGRHN/media/pdf/EDNGRHN_Hilton_Edinburgh_Grosvenor_sustainability01_download_2.pdf,
www.hiltonworldwide.com/aboutus/sustainability.htm, www.fourseasons.com/ (accessed 15 Apr. 2010).

Although the framework of CSR enables management to combine "long-term ownership value" with market success, CSR is still weak in most sectors of the tourism industry. [14]

International Framework Agreements

IFAs are global instruments used to ensure respect for fundamental international labour standards among target company locations. Originally the term IFA was adopted to differentiate such agreements between a company and a trade union from voluntary codes of conduct that were implemented by corporations wishing to show their commitment to CSR. Codes of conduct are unilateral initiatives that are implemented and monitored by the company itself. Most IFAs provide procedures for the implementation and monitoring procedures to be developed by the signatories. Ultimately, IFAs provide a way to promote social dialogue and improve conditions of workers and trade unions.

IFAs are based on core labour standards [15] like encouraging opportunities for women and men to obtain decent work in conditions of freedom, equity, security and dignity. IFAs can also serve as tools to implement the Global Compact labour principles and improve industrial relations. [16] Most of them refer to ILO Conventions Nos 87 and 98 in respect to freedom of association, the right to collective bargaining, and 135 on non-discrimination against workers' representatives. IFAs generally make reference to ILO Conventions Nos 29, 105, 100 and 111 on the abolition of forced labour and discrimination in employment, equal pay for work of equal value, as well as Nos 138 and 182 on the elimination of child labour. A limitation of IFAs in the context of the HCT sector is that few of them aim to guarantee decent wages, working conditions and safe, hygienic environments. Legal enforcement mechanisms do not exist at a global level for IFAs. The effective implementation of IFAs relies on the ability of management to collaborate or on the capability of trade unions to resolve complaints with organizations.

Although the structure within labour relations is increasingly formalized in some international chains at several levels within the organization, only a few chains have established international agreements with the IUF. With regard to IFA for example, a trade union rights agreement was concluded in 1995 between the IUF and the Accor group (see Appendix VIII). In 2004, Club Med and IUF/ EFFAT signed an IFA on fundamental rights at work in all Club Med activities for migrant employees in Europe, Turkey and some African countries (see Appendix VIII), which was renewed and updated in July 2009. Concerns have been raised by workers and Global Union federations as to whether it is appropriate to have so few IFAs within a labour-intensive industry like the HCT sector. [17]

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[14] J. Boardman, 2008, op. cit.

[15] Core ILO Conventions are: the Forced Labour Convention, 1930 (No. 29), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Equal Remuneration Convention, 1951 (No. 100), the Abolition of Forced Labour Convention, 1957 (No. 105), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No. 182).

[16] See: www.unglobalcompact.org/Issues/Labour/Global_Framework_Agreements.html (accessed 13 July 2010).

[17] See also: www.iuf.org/cgi-bin/dbman/db.cgi?db=default&ww=1&uid=default&ID=163&view_ records=1&en=1;www.iuf.org/cgi-bin/dbman/db.cgi?db=default&ww=1&uid=default&ID=2516& view_records=1&en=1 (accessed 15 Mar. 2010); J. Boardman, 2008, op. cit.

The IUF has reconsidered its approach and adopted a policy aiming to give the IFAs more substance and more practical relevance in the companies concerned.

5.3. International instruments aimed to promote tourism sustainability

There is a wide range of international instruments and agreements that are designed to promote tourism sustainability and have clear implications in the employment and decent work arena. They include a range of measures that, if universally implemented, would address many of the challenges presented in practice by working conditions and remuneration levels in the HCT industries of both developed and developing countries.

In 1977 the OECD adopted the Guidelines for Multinational Enterprises (revised in 2000) which included recommendations addressed by governments to multinational enterprises based in member countries. In May 2010, 42 governments committed to these Guidelines that provide voluntary principles and standards for responsible business practice in accordance with applicable laws. Their main objectives are: to ensure enterprises' operations remain consistent with government policies, to enhance mutual confidence between enterprises and societies in which they operate, to assist the development of foreign investment environments and to strengthen contributions made to sustainable development by multinational enterprises. They also give recommendations on issues like: employment and industrial relations practices, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation. [18]

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) was also adopted in 1977 and revised in 2006. [19] It included principles that proposed guidelines to MNEs, governments, employers' and workers' organizations in fields like employment, training, conditions of work and life, and industrial relations. [20]

The Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172), and the Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179), set minimum standards to improve working conditions, training and career prospects in hotels, restaurants and similar establishments, and noted that collective bargaining is required to enhance job security. This Convention stipulates that minimum standards adopted at a national level should not exclude workers. As of July 2010, only 15 countries had ratified this Convention. [21]

The EU Charter of Fundamental Rights (2000) and the European Commission Green Paper entitled "Promoting a European framework for corporate social responsibility"

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[18] See: www.oecd.org/dataoecd/56/36/1922428.pdf (accessed 24 March 2010).

[19] ILO: *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, ILO (Geneva, 2006).

[20] ibid.

[21] See also: www.ilo.org/ilolex/cgi-lex/convde.pl?C172; The Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) has been ratified by the following 15 countries: Austria, Barbados, Cyprus, Dominican Republic, Fiji, Germany, Guyana, Iraq, Ireland, Lebanon, Luxembourg, Mexico, Spain, Switzerland, and Uruguay. Further promotion would be required in order to enhance the ratification and implementation of the Convention.

(2001) aimed to strengthen partnerships where all actors play a major role, implement CSR principles, and introduce sustainability tools available to businesses and governments. The European Commission reported that "CSR is the concept that makes an enterprise accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and to contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large". [22]

In October 2007, the European Commission adopted the Agenda for Sustainable and Competitive European Tourism as a long-term commitment building on the Tourism Sustainability Group report and on the results of public consultation. The agenda's main objective was to "create more and better jobs through sustainable growth of tourism in Europe and globally" by delivering economic prosperity, social equity, cohesion and environmental and cultural protection.

5.4. Sustainable measures and initiatives undertaken by the tourism industry

Through the ILO MNE Declaration, the UN Global Compact and other initiatives, CSR appears to have increased awareness among enterprises of the significance of decent work.

A coalition of tourism-related organizations [23] established the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism as a voluntary initiative for social responsibility, which was initially launched in 1998 and has subsequently developed into a global project.

The Tour Operator Initiative (TOI) was established in 2000 (see Appendix X) [24] and consists of a commitment by tour operators to be accountable for the social, economic and environmental consequences of the supply chain. The principles take into account local, national and international laws, opposition to abusive and exploitative forms of tourism, respect for local cultures, and cooperation with local communities. A significant number of international tour operators are participating in the initiative. [25]

According to the UN Global Compact, 150 travel and tourism businesses - including several hotel chains and tour operators - have joined the United Nations Global Compact since 2000 and have stated their commitment to respect international labour standards,

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[22] See: www.bsdglobal.com/issues/eu_green_paper.asp, (accessed 24 Mar. 2010); C. Beddoe: *Labour standards, social responsibility and tourism,* Tourism Concern, 2004.

[23] The UNWTO, End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes (ECPAT) and UNICEF, among others.

[24] With the support of the United Nations Environment Programme, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Tourism Organization (WTO). See also: www.toinitiative.org/index.php?id=6 (accessed 24 Mar. 2010).

[25] Member tour operators: Accor (France), Atlas Voyages (Morocco), Aurinkomatkat-Suntours (Finland), Steppes Discovery (UK), Dynamic Tours (Morocco), FreeWay Adventures (Brazil), KEL 12 (Italy), Kuoni Travel Holding Ltd, NES Travel (Turkey), REWE-Touristik (Germany), Sahara Tours International (Morocco), Settemari (Italy), Studiosus (Germany), TLB Destinations (Lebanon), Transat AT Inc., Travel Walji's PVT (Pakistan), TUI Travel PLC.

human rights, environmental standards, and the fight against corruption in the HCT industry. [26]

> With 4,000 hotels, 500,000 rooms in 100 countries, employing 150,000 workers on five continents, of which 79 per cent are in hotels, 3 per cent in services, and 19 per cent in other businesses, Accor strives to reach its sustainable development goals. Accor has established its objectives for social responsibility within its establishments and the promotion of diversity and career paths among employees, support for local and economic development activities such as opposing local corruption, improving skills through training, and pursuing environmental initiatives. Performance reports state that Accor aims to ensure equal opportunities including equal salaries between men and women with the same responsibilities, gender parity, and a certain percentage of disabled employees within the workforce. Accor aims to provide compensation in accordance with local practices, taking national salary policies into consideration. Employee training programmes and a specific training budget as a percentage of total payrolls are part of the hotel group's aspirations. In addition, job mobility, promotion of social dialogue as well as employees` health and safety are placed on a high level of importance. By 2008, 11,700 employees had been trained to fight against sex tourism. Accor signed the UN Global Compact in 2003 and set up an organization called the "Earth Guest" programme aimed to guarantee that the main challenges of sustainable development are fixed in corporate strategy. [27] Accor entered into an IFA with the IUF in 1995 (see Appendix VIII).

The UNWTO elaborated a Global Code of Ethics in 2001 (see Appendix IX) [28], setting a framework for the responsible and sustainable development of tourism. It addresses the rights and responsibilities of all tourism stakeholders. The Code includes articles that shape behaviour requirements for destinations, governments, tour operators, developers, travel agents, workers and travellers. Its third article "Tourism, a factor of sustainable development" and fifth, "Tourism, a beneficial activity for host countries and communities" stated that the economic, social and cultural benefits of sustainable tourism are of particular interest for the sustainable development of the sector.

In 2004 the International Tourism Partnership (ITP) was launched in order to bring tourism companies together to improve their approach to ensuring the sustainability of natural resources, an educated workforce, development that enhances their surroundings and responsible supply chain management. The members of the ITP represent some of the largest travel and tourism companies in the world, comprising over 11,100 hotel properties and 1.8 million rooms. [29]

As a non-profit corporation, the Informed Meetings Exchange (INMEX) was established in 2006 with the support of the North American hotel workers' union (UNITE HERE). While it focuses on social responsibility, INMEX provides meeting planning resources for organizations. The aim is for investment in socially and environmentally responsible hotel corporations. For this purpose, INMEX cooperates with executives of hotel companies such as LXR/Hilton and Starwood and Convention & Visitors Bureaus

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[26] See: www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html (accessed 7 Apr. 2010). The Global Compact has a current total of active business and non-business participants standing at over 7,000 organizations in more than 135 countries.

[27] Main source: ACCOR: *Sustainable Development 2007 in brief*, "2007 key figures", ACCOR web site; ACCOR: *Annual Report 2008*, "Sustainable development", ACCOR web site: http://www.accor.com/en/sustainable-development/earth-guest-program/documentations.html, (accessed 7 Apr. 2010); ILO/ACTRAV: "The IUF and TNCs in Tourism", Dec. 2009.

[28] UNWTO: *Global code of ethics for tourism,* For Responsible Tourism, UNWTO (2001).

[29] See: www.tourismpartnership.org/index.html.

like LA, Inc. and Team San José as well as with media, environmental, human rights, philanthropic, labour and community organizations. [30]

To face the difficulties with the lack of consensus concerning definitions of sustainable tourism the Rainforest Alliance, UNEP, UN Foundation, the UNWTO and over 50 other member organizations launched the Global Sustainable Tourism Criteria Partnership in 2007 as a project that aspires to be the basis for a common understanding of sustainable tourism. In October 2008, the Global Sustainable Tourism Criteria were published, which are applicable to hotels and tour operators, while additional versions for destinations, marine tourism, and transportation are under development. [31]

Accor International, Rezidor and Scandic Hotels recently provided examples of good practice in respect to socially responsible HR and labour relations practices across the industry. [32]

In 2009, Rezidor operated 369 hotels in more than 60 countries and had over 35,000 employees, of whom nearly 7,000 were directly employed through leased hotels and the others by third parties. More than 4,000 jobs were created in 2009, employing mainly local staff, receiving regular performance and career development information on a yearly basis. Through a Code of Ethics and Business Conduct launched in 2008 combined with management and staff development programmes, Rezidor shows its commitment to combating corruption, improving workers' skills, and maintaining a high standard of business ethics. The Rezidor 2009 Responsible Business Report declares that the hotel group's values are openness, trust, respect, confidence, a fighting spirit, flexibility and empowerment. In March 2009, Rezidor initiated the Responsible Business Manual, a step-by-step guide aimed at making business more responsible within its various locations and giving guidance on the importance of appointing a responsible business coordinator, the creation of a responsible business team, and the assessment of the initial environmental and social performance of a hotel. Next to its economic and environmental results, Rezidor aims to strengthen social issues like: human rights, diversity and anti-discrimination. Rezidor also signed the United Nations Global Compact, and aims to provide a responsible and healthy environment to its customers. [33]

In 2009, in response to the growing popularity of and debate about sustainable tourism, the International Hotels and Restaurants Association developed the Émeraude Hotelier programme. This award programme`s criteria serve as guidelines for hotels of all shapes and sizes to encourage them to become more sustainable as well as help travel agencies and consumers to identify sound and sustainable hotels all over the world. One of Émeraude Hotelier programme's main goals is to maximize social and economic benefits to local communities. They hope to use their award programme to encourage hotels to support the involvement of local culture, employment and sourcing. [34]

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[30] See: www.inmex.org/about.php (accessed 30 May 2010).

[31] ISO: *Guidance on social responsibility*, Geneva, June 2010, p. 98; see also: www.sustainabletourismcriteria.org/ (accessed 9 July 2010).

[32] J. Boardman, 2008, op. cit., see also: *Rezidor Sustainability Report, Creating value through Responsible Business*, 2007, and Scandic Betterworld Campaign, 2006: www.scandic-campaign.com/betterworld (accessed 25 Mar. 2010).

[33] See: Rezidor, *Responsible Business Report 2009*, p. 15; ILO/ACTRAV: *The IUF and TNCs in tourism*, Dec. 2009.

[34] IHRA: *Émeraude Hotelier Certification: Certification for sustainable tourism in hospitality*, Dec. 2009. pp. 6, 32.

5.5. Paths towards sustainable tourism

Social dialogue and international partnerships in tourism

The Global Jobs Pact, adopted in June 2009 at the International Labour Conference, promotes the strengthening of social dialogue to maximize the impact of crisis responses to the needs of the economy, equal access and opportunities for skills development, quality training, and education to prepare for recovery. The ILO and UNWTO issued a statement on tourism and employment to recognize the fundamental role of employment creation, development and elimination of poverty in September 2009 (see Appendix III).

A similar statement was signed by the ILO and the IHRA in January 2010 (see Appendix IV). This statement aimed to enhance sustainable development through the exchange of information, to undertake tripartite action programmes at the pilot level in selected regions and hotel chains, and to tackle issues such as HIV/AIDS, child labour, migrant labour, gender policy and other cross-cutting issues. Further objectives included cooperation in terms of public–private partnerships, and encouragement of constituents to improve cooperation between labour and tourism ministries, authorities and stakeholders.

In February 2010, the T20 Ministers' Meeting between tourism ministers and high officials created the T20 joint communiqué (Appendix II). It intends to strengthen growth and development of sustainable tourism by promoting social dialogue among the international community and the exchange of knowledge and best practice in the tourism sector. Among other things, it recommends enhancing the role of tourism in order to contribute to the creation of new and decent work and trade opportunities.

6.   Summary

In some respects, the employment landscape in the HCT sector, particularly in relation to training and development, has not changed radically as a result of recent economic turmoil. Notwithstanding the complexity, fragmentation and diversity of the sector, it has long been recognized that education, vocational training, training upgrades and HRD are key requisites for the operational effectiveness of the sector.

Nevertheless, workers tend to have limited professional qualifications and, except among large operators, opportunities for on-the-job training could generally be enhanced, in particular for women employees who have long been in the lower echelons of the industry. [1] Because the competitiveness and productivity of the industry depends on the skills level, the professionalism, the commitment, passion, loyalty and soft skills of the workers, training and skills development remain a priority within the sector. The challenging work environment presented by HCT 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 HCT companies. At the same time, the central role of SMEs within the sector makes the application of universal and formalized social dialogue difficult to achieve; new and creative forms of social engagement need to be developed to match the operating reality of the small HCT company. 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.

The HCT industry, in common with the wider global economy, has faced real challenges over the past two years (since mid-2008) as a consequence of the global financial crisis. The impact of this has been varied, with some regions (including parts of Asia and the Middle East) performing far better than others, notably Europe and North America. The financial crisis has led to changes in work practices in the sector and a propensity to reduce staff, to depend more directly on ICT-based strategies and to look for outsourcing solutions. All these responses have clear and serious implications for employees but also, potentially, for customers. One agenda item for debate and consideration within the social dialogue process is: how can such changes be accommodated without excessively damaging the interests of businesses, their employees and, ultimately, their customers as well?

This issues paper illustrates examples of best practice by a range of international organizations to highlight the potential for positive responses to these changes. At the same time, it is necessary to recognize that such responses are not universal and that more traditional practices remain widespread in the sector, challenging aspirations towards the achievement of decent work throughout the sector. Many of the principles of decent work have proved particularly challenging for SMEs and operators in less developed regions of the world.

The UNWTO and the ILO – frequently with national government endorsement, kindred international and national organizations and advocacy groups – have together articulated clear principles with respect to many of the themes addressed in this issues paper (agreement between the World Tourism Organization and the International Labour Organization, March 2008, see Appendix XI). These focus on key employment themes that underpin discussion here – workplace practices, industrial relations, HRD and qualification needs – together with wider issues of social and environmental responsibility. While

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[1] ILO, 2001, op. cit., pp. 86 and 101.

adopted in whole or part by some major multinational companies, it is fair to conclude that the HCT industry as a whole, particularly SMEs, could strengthen their application. It is also important to recognize that there is a significant grey economy within HCT, businesses where employment practices operate on the margins of or outside prevailing legal and ethical codes.

The tourism industry and its internationally operating enterprises are considered as actors of social development and poverty reduction in the destinations. However, it is recognized that the path towards sustainability in the tourism industry has been a long process and remains unfinished business. Today's challenges consist in the enhancement of the ratification and/or implementation of Convention No. 172, in order to achieve the effective implementation of good standards of HR practice and of existing sustainability initiatives, while promoting decent work and taking into consideration workers' rights, social protection, employment and social dialogue, which is not common across the sector. To what extent can this be realistically achieved within the diverse and fragmented structure of the international HCT industry?

At the same time, the wider environment within which HCT businesses operate – with respect to demographics, business ownership, management structure, financial performance, use of technology and approaches to managing relationships with the natural and social environment – continues to change radically in response to both short-term need and longer term realities. The long-term impact on employment and the workplace of these environmental changes is difficult to assess at this point, although there are clear indicators of changing behaviour and changing attitudes within the industry and its customers worldwide. It is also difficult to predict the long-term impact of the current financial crisis on employment and social responsibility in the HCT sector. Clearly, change has taken place in HCT workplaces in developed countries and elsewhere as a result of recent financial challenges, but whether these are temporary or herald more fundamental and structural change in this regard remains to be seen.

Changing consumer expectations and behaviour towards environmental issues and climate change give the sector the opportunity to modify its ways to operate in terms of consumption levels, efficiency, and impact on the environment. Through sustainable tourism, innovation and the creation of competitive advantage, is it possible for companies and destinations to change their approaches to operations and management and to the employment environment within their businesses? [2] Clearly, environmental and sustainable engagement within HCT companies is a collective responsibility of all stakeholders (employers, employees, customers) and there are excellent opportunities to achieve such engagement through consultation and sharing of ideas between all parties. Enhancing the sustainability actions of companies is also an important agenda item within the social dialogue process and is one where employees' contributions can make a real business contribution to the success of the organization.

Although labour relations structures are formalized in some international hotel chains at diverse levels in the organization, only two hotel chains have established an international agreement with the IUF. Does this suggest the need for alternative approaches to the enhancement of labour relations and a decent work environment that take better account of the structural and geographical diversity within HCT at international level?

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[2] T. Chiesa: "Navigating yet another perfect storm: The promise of sustainable travel and tourism", in *The Travel & Tourism Competitiveness Report 2009*, Geneva, World Economic Forum, 2009, p. 97.

The role of government is recognized as an integrating force in the organization and marketing of tourism. To become an attractive destination for tourists, a location requires a wide range of services including infrastructure such as power and water utilities, airports and roads to facilitate the provision of hotel, restaurant services and mega-events together with effective destination marketing. In return, hotels and restaurants provide numerous opportunities to reduce poverty in many parts of the world. The sector has the potential to create local jobs and significantly contribute to economic growth. Therefore, governments play a major role in boosting tourism growth within their country or region. They are also the basis for the application of statutory conditions such as safety, security, sanitation, and transport infrastructure. How can partnerships between the private and public sectors be enhanced to ensure more effective coordination and benefits for local communities?

Operational and service standards and the criteria employed to measure them lack any form of international comparability except through the branding schemes employed by multinational enterprises. This has a negative impact on consumers but also on employees with respect to vocational mobility and the relevance of their qualifications and experience in the industry. Can effective steps be taken to change this?

A gap can be observed between perceived industry needs and the outcomes of training. The HCT sector depends heavily on soft skills including language and communication skills, courtesy, ethics, friendliness, good behaviour, discipline, conscientiousness, self-confidence, adaptability, creativity and punctuality. Some of these skills can be enhanced through training, along with other more specific technical and occupational skills. There are also gaps in the capabilities of management within the industry. These are frequently addressed with little success through training in HCT institutions. What steps can be taken at national and international levels to enhance the quality of training within public and private sector schools and colleges and to support the HCT industry in upgrading its in-house training capability? Effective social dialogue, alongside a well-managed employee appraisal system within companies, can enable the development process for workers at all levels to operate in a manner that better meets the needs of companies and of individual employees.

Education and training can consist of the promotion of individual development, the need to advance knowledge and to be practical and relevant to the business requirements of the sector. Even though it may be debated what exactly should be taught, in general tourism training helps understanding the phenomenon of tourism and becoming more managerially oriented. [3] Vocational education and training provides personalized knowledge for human capital. It supports the ability to learn and of lifelong learning. In the long term it has the capacity to improve the productivity of labour, especially within SMEs. To what extent can effective employee development enable tourism-related industries to balance the cost and price disadvantages resulting from the predominance of small businesses of the sector? [4]

The growing significance of technology and increasingly demanding customers require more effective customer/employee interaction. What is the role of education and training in enhancing the ability to manage information and leveraging competitive advantage for businesses?

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[3] M. Riley, A. Ladkin, E. Szivas: *Tourism employment analysis and planning, aspects of tourism*, 2002, p. 171.

[4] OECD: "Towards an innovation-oriented tourism policy", in *Innovation and Growth in Tourism*, 2006, p. 34.

Trends towards ageing populations and changes in the workforce necessitate engagement from enterprises to invest in progressive workforce development strategies, which means they will need to engage their target workforce and enhance the skills of the existing employees (including on health-related issues) by motivating their workers and keeping their most talented employees. Satisfied employees will be more willing to stay within their company. [5] The changing workforce of the future within HCT will also include greater diversity in terms of gender, ethnic background as well as the age profile of workers. Migrant workers will become increasingly important to HCT businesses in many developed countries. How can businesses and social partners respond to these changing demographics of the HCT workforce?

To be effective, sectoral approaches to skills development should be part of long-term national growth strategies so that skills development and labour market policies are linked. Sustainable vocational training needs to be based on social dialogue structures at national, local and enterprise levels. There is a need to promote vocational training, improve working conditions and generally stable labour relations to enable the industry to continue its sustainable growth for the benefit of employers, workers and governments – and for those people who depend on the industry. To what extent can ILO activities assist the constituents in the HCT sector to ensure that professional training is closely linked to the needs of the industry and its workforce and support the development and/or improvement of labour–management relations at all levels?

Involvement by governments, employers in public and private enterprises, trade unions from the sector as well as the education and training system – including its teachers, trainers and instructors – is required to make vocational education and training provision more effective. To be effective, sectoral approaches to skills development might want to include long-term national growth strategies and governments might want to collaborate with social partners and other labour market stakeholders to identify gaps and shortages of skills. [6] The G20 Summit (Pittsburgh) recognized the importance of education and job training and the necessity to go beyond training workers to meet their specific current needs; the aim should be to "ensure access to training programs that support lifelong skills development and focus on future market needs". [7] G20 Employment and Labour Ministers may wish to consider guaranteeing that governments respond to declines in training by ensuring that school-to-work transition is facilitated for young workers, that enterprises offer sufficient training places and apprenticeships, or that quality skills and employment merges labour market measures with lifelong learning. [8] What role can the social partners play in supporting the training and transition to work needs of young people for the HCT sector at a time when their opportunities elsewhere are curtailed?

Major research and information gaps hinder effective analysis of the employment and social environment in the HCT industry worldwide. The industry continues to operate in what might be called an "information fog" with respect to areas such as gender balance and

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[5] B. Loh: "Trends in training "What business teaches us", Cobalt Strategic Partners, Presentation at annual meeting, 18 June 2004.

[6] ILO: *Upskilling out of the Downturn, Consensus-based recommendations,* Global Dialogue Forum on Strategies for Sectoral Training and Employment Security, Geneva, March 2010 (GDFSTES/2010/8).

[7] Paragraph 44 of the "Leaders' Statement: The Pittsburgh Summit", 24–25 September 2009, at www/pittsburghsummit.gov/mediacenter/129639.htm.

[8] ITUC, TUAC, Global Unions: *Global Unions statement to the G20 Employment and Labour Ministers' Meeting*, Beating the Job Crisis, Apr. 2010, p. 7.

roles within HCT industries across countries and regions; the role of tourism-related FDI and its impact on the enhancement of employment and social responsibility; and the likely long-term impact of demographic and consumer attitudinal and behavioural change on employment and social responsibility.

The HCT industry worldwide is one that offers tremendous opportunity for decent work and is one that is projected to grow significantly over the coming decade, notwithstanding the current financial crisis. The present time provides an excellent opportunity for effective engagement by government, employer and worker representatives in addressing both the opportunities that the sector affords and the workplace challenges that it faces. Effective social dialogue, tailored to the realities of all operations within the HCT industry, offers a great opportunity to address the challenges of employment growth; changing demographic profiles within the workplace; sustainable practice; skills development; and decent work. The question, therefore, is: how can meaningful social dialogue be implemented within HCT workplaces in ways that are relevant and accepted by all parties in both large multinational companies and within the SMEs that dominate the industry in many countries?

Points for discussion

1. The impact of the economic crisis on the HCT sector

2. Ways towards recovery – Recent trends and developments in the sector

3. New ownership patterns and their impact on employment, industrial relations, HRD and qualification needs

4. Diversification of accommodation, operations and consumption and their impact on employment, industrial relations, HRD and qualification needs

5. Strategies to promote social dialogue and sustainable tourism

6. Suggestions for future ILO action

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Appendix I

Tourism Satellite Accounts (TSAs)

TSA are used to provide the following data: tourism's contribution to GDP; tourism's ranking compared to other economic sectors; the number of jobs created by tourism in an economy; the amount of tourism investment; tax revenues generated by tourism industries; tourism consumption; tourism's impact on a nation's balance of payments; and characteristics of tourism human resources.

Twelve tourism industries are identified as part of TSAs:

1. Accommodation for visitors

2. Food and beverage serving industry

3. Railway passenger transport

4. Road passenger transport

5. Water passenger transport

6. Air passenger transport

7. Transport equipment rental

8. Travel agencies and other reservation services industry

9. Cultural industry

10. Sports and recreational industry

11. Retail trade of country-specific tourism characteristic goods

12. Country-specific tourism characteristic industries

(Each industry is defined in terms of the UN International Classification of Economic Activities (ISIC Rev.4).)

As part of the TSA development process, the UNWTO considers it essential to develop the System of Tourism Statistics (STS). STS should be understood as that part of the national statistical system providing reliable, consistent and appropriate statistical information on the socio-economic aspects related to tourism, integrated within all the economic and social statistics related to other fields, at different territorial levels. The new International Recommendations for Tourism Statistics 2008 (IRTS 2008) and 2008 Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF 2008) constitute the updated reference framework for the STS. Therefore, they should be used as a basis for harmonization, coordination and integration of available tourism statistical information.

Main sources: UNWTO: *TSA Basic concepts* (available online at www.unwto.org/statistics/tsa/ project/concepts.pdf); *TSA project* (available online at www.unwto.org/statistics/tsa/project.htm); and *System of Tourism Statistics* (available online at www.unwto.org/statistics/sts/ description.htm).

Appendix II

Full text of T20 joint communiqué, February 2010

1. The T20 Ministers' Meeting is a ***member-driven initiative***, acting as a forum for the growth and development of sustainable tourism by promoting dialogue and the exchange of knowledge and best practices amongst the T20 economies.

2. At the invitation of the Republic of South Africa, ***the T20 tourism ministers and high officials convened in Johannesburg*** for a first meeting at a time when the world is starting to emerge from an unprecedented global economic recession, which impacted on all economic sectors, including tourism.

3. The Meeting had the full support of the United Nations World Tourism Organization (UNWTO), and was enriched by expert contributions from the International Labour Organization (ILO), the World Travel and Tourism Council (WTTC), the United Nations Environment Programme (UNEP), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the International Trade Centre (ITC).

4. ***Considering*** that travel and tourism is an important sector of the global economy, representing a direct contribution of between 6 per cent and 7 per cent of the global gross domestic product, with an even higher contribution when tourism-related sectors are taken into consideration;

5. ***Stressing*** that the sector should be recognized as a significant economic and development driver nationally and on multilateral economic platforms;

6. ***Recognizing*** that the sector plays an important role in employment in all countries of the world, providing 75 million direct jobs worldwide; has the capacity to accelerate job creation, and offers fast entry into the workforce, particularly for youth and women in urban and rural communities;

7. ***Understanding*** that the sector is particularly important as a source of export revenue, contributing 30 per cent of the world's services exports, amounting to US$1 trillion a year, and 45 per cent of the total services exports in developing countries;

8. ***Mindful*** of the sector's great potential to encourage the transformation towards a greener and more sustainable economy;

9. ***Taking into account*** its ability to strengthen local economies, and promote and enhance local identities and cultural heritage to the benefit of future generations, and to build mutual understanding and tolerance between people in a stable and equitable world;

10. ***Believing*** that, as the world economy re-energizes following the recession, the tourism sector's contribution required for the global economic recovery stretches far and wide, and that growing an economically, environmentally as well as socially sustainable travel and tourism sector on an ethical basis can play a meaningful role to stimulate growth, create jobs, develop infrastructure and rural economies, promote trade, alleviate poverty, and particularly facilitate development in the least developed and emerging economies;

11. ***Bearing in mind*** that, although the process of recovery is under way, this is still fragile and uneven, and growing gross domestic product and employment remain the key challenges; and

12. ***Convinced*** that the economic crisis, and the coordinated international efforts that followed, demonstrated the importance of strengthened international cooperation and engagement to tackle global issues, and recognized, in this context, the need for tourism ministers and high officials to speak in a coordinated manner;

13. ***Now therefore, the T20 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.

14. ***Following a constructive and future-oriented meeting, ministers and high officials concluded with the following recommendations:***

    (a) To strengthen the analytical base that underpins the economic and development case for travel and tourism.

(b)   To intensify collaboration to position tourism as a key driver of sustainable economic and social development.

(c)   To enhance the role of tourism to contribute towards creating new, decent employment opportunities, boosting trade, renewing infrastructure, and, above all, accelerating ethical and sustainable development, thereby expanding the reach of the economic benefits of tourism to a larger segment of the world population.

(d)   To continue to examine broad international economic frameworks that have a significant impact on global tourism development.

(e)   To increase cooperation between countries, working closely with stakeholders, with a view to facilitating international movement of tourists, addressing restrictive travel barriers, and fostering mutual understanding and collaboration.

(f)   To engage and partner with the international community, including the UNWTO; G20; international and intergovernmental bodies such as UNEP, the ITC and the ILO; private sector organizations and associations such as the WTTC; national governments and regional organizations, and the European Commission, in order to advance tourism's role in stimulating the global economy, enhancing employment, creating decent jobs, alleviating poverty, supporting development, and transforming progressively into a greener, more sustainable economy.

15. *Ministers and high officials expressed their appreciation* to the South African Minister of Tourism, Mr Marthinus van Schalkwyk, and the South African Government for the leadership in hosting the first T20 Ministers' Meeting, and to the Republic of Korea for their gracious invitation to convene the second T20 Ministers' Meeting before November 2010 to review progress and continue this constructive dialogue.

Appendix III

ILO/UNWTO statement on tourism and employment, September 2009

The International Labour Organization (ILO) and the World Tourism Organization (UNWTO) consider that:

■ Tourism is one of the world's top job creators

■ Tourism is a lead export sector

■ Tourism is an important agent for development.

■ Tourism can help the transition to a green economy

In response to the current challenges faced by tourism and employment worldwide and to the global economic crisis, the ILO and the UNWTO agree on the following points:

1. Sustainable tourism continues to be one of the most dynamic sectors of economic activities in modern times, generating a wide range of benefits for tourism host and tourist-generating countries and destinations, including employment generation, foreign exchange earnings and contribution to GDP.

2. The well-established resilience of tourism can help to alleviate the effects of the sharp economic downturn observed in other employment sectors resulting from the current financial and economic crisis. Thus, tourism can and should be used by governments and international financial institutions to reactivate the economies of countries affected by the current recession, especially by offering fresh, green and decent job opportunities.

3. The ILO and the UNWTO refer specifically to the ILO resolution, "Recovering from the crisis: A Global Jobs Pact" which stresses that: "Our response should contribute to a fair globalization, a greener economy and development that more effectively creates jobs and sustainable enterprises, respects workers` rights, promotes gender equality, protects vulnerable people ..." (ILO resolution, 2009)

4. Employment in the tourism industry should include not only job creation but it should ensure decent and productive work in sustainable enterprises through national and local tourism development strategies, new tourism products and services, with a high labour content, a high labour multiplying impact and a high level of sustainability.

5. All stakeholders should collaborate in order to improve employment regulations and working conditions in the tourism industries, in line with the Employment and Decent Work Agenda originally developed by the ILO and subsequently accepted widely by the UN system. Stakeholders should also ensure safety, equality and human dignity as well as adequate levels of remuneration in tourism employment, framed in a wider ratification by countries of the ILO Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172). Member States of both UN agencies are therefore encouraged to ratify and implement the minimum standards of ILO Convention No. 172.

6. Human resource development in tourism should be given priority attention by tourism businesses and trade unions, within the framework of sectoral social dialogue at all levels and supported by governments and educational institutions. People entering the tourism labour market should be given the opportunity to develop a rewarding career, to advance their professionalism and, altogether, the security of decent work. Improved labour market information can play a crucial role in all these developments.

7. Tourism has been recognized as one of the largest generators of employment, especially for those segments of the population with less access to the labour market, such as women, young people, immigrants and rural populations. There is a need for accurate, timely and comprehensive data on employment in the tourism industries. To this end, governments and the private sector should cooperate to ensure the proper measurement of employment in the tourism industries including the number of jobs directly generated by tourism, hours of work,

compensation and the seasonality of employment. This data should also be disaggregated by gender, age, occupation, business type and size.

8. Tourism employment policies and statistics should refer to direct and indirect jobs generated by a diverse range of different activities, products, services, locations and size of companies.

9. Based on the cooperation agreement signed in December 2008, the ILO and the UNWTO will therefore carry out the following joint activities:

■ Undertake action programmes in two or three pilot countries to enhance the decent work potential of tourism.

■ Cooperate on HIV/AIDS, child labour, gender policy and other cross-cutting issues in tourism.

■ Continue the development of specialized tourism employment statistics.

Appendix IV

ILO–IHRA statement on tourism and employment, January 2010

The International Hotel and Restaurant Association (IH&RA) express the commitment to the ILO–UNWTO statement on tourism and employment

The International Labour Organization (ILO) and the International Hotel & Restaurant Association (IH&RA), consider that:

■ The hospitality sector and tourism is one of the world's top job creators.

■ Tourism is a lead export sector.

■ Tourism is a very important agent for development.

■ The hospitality sector is helping the transition to a Green Economy to mitigate better the effects of the climate change.

■ The hospitality sector is fighting against poverty in the world.

In response to the current challenges faced by tourism and employment worldwide and to the global economic crisis, the ILO and the IH&RA agree on the following points:

1. Sustainable tourism continues to be one of the most dynamic sectors of economic activities in modern times, generating a wide range of benefits for tourism host and tourist-generating countries and destinations, including employment generation, foreign exchange earnings and contribution to GDP.

2. The well-established resilience of tourism can help to alleviate the effects of the sharp economic downturn observed in other employment sectors resulting from the current financial and economic crisis. Thus, tourism can and should be used by governments and international financial institutions to reactivate the economies of countries affected by the current recession, especially by offering fresh, green and decent job opportunities.

3. The ILO and the IH&RA refer specifically to the ILO resolution, "Recovering from the crisis: A Global Jobs Pact" which stresses that: "Our response should contribute to a fair globalization, a greener economy and development that more effectively creates jobs and sustainable enterprises, respects workers` rights, promotes gender equality, protects vulnerable people ..." (ILO resolution, 2009).

4. Employment in the tourism industry should include not only job creation but decent and productive work in sustainable hospitality enterprises through national and local tourism development strategies, new hospitality products and services, with a high labour content, a high labour multiplying impact and a high level of sustainability.

5. All stakeholders should collaborate in order to improve employment regulations and working conditions in the tourism industries, in line with the Employment and Decent Work Agenda originally developed by the ILO and subsequently accepted widely by the UN system. Stakeholders should also ensure safety, equality and human dignity as well as adequate levels of remuneration in tourism employment, framed in a wider ratification or implementation of countries of the ILO`s Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172). Member States of both UN agencies are therefore encouraged to ratify or implement the minimum standards of ILO Convention No. 172.

6. Human resource development in tourism should be given priority attention by tourism leaders, within the framework of sectoral social dialogue at all levels and supported by governments and educational institutions. People entering the tourism labour market should be given the opportunity to develop a rewarding career, to advance their professionalism and, altogether, the security of a decent work. Improved labour market information can play a crucial role in all these developments.

7. Tourism has been recognized as one of the largest generators of employment, especially for those segments of the population with less access to the labour market, such as women, young people, immigrants and rural populations. There is a need for accurate, timely and comprehensive data on employment in the tourism industries. To this end, governments and the private sector should cooperate to ensure the proper measurement of employment in the tourism industries including: the number of jobs directly generated by tourism, hours of work, compensation and the seasonality of employment. This data should also be disaggregated by gender, age, occupation, business type and size.

8. Tourism employment policies and statistics should refer to direct and indirect jobs generated by a diverse range of different activities, products, services, locations and size of companies.

9. Based on this statement the ILO and the IH&RA will therefore examine how to carry out the following joint activities:

- Undertake action programmes in some member hotel chains of IH&RA to enhance the decent work potential of tourism.

- Cooperate on HIV/AIDS, child labour, migrant labour, gender policy and other cross-cutting issues in tourism.

- Provide technical assistance to the programme of Émeraude Hotelier created by IH&RA in sustainable development in the hospitality sector on request.

Appendix V

Full text of the Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172)

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 78th Session on 5 June 1991, and

Recalling that international labour Conventions and Recommendations laying down standards of general application concerning working conditions are applicable to workers in hotels, restaurants and similar establishments, and

Noting that the particular conditions characterising work in hotels, restaurants and similar establishments make it desirable to improve the application of these Conventions and Recommendations in these categories of establishments and to supplement them by specific standards designed to enable the workers concerned to enjoy a status corresponding to their role in these rapidly expanding categories of establishments and to attract new workers to them, by improving working conditions, training and career prospects, and

Noting that collective bargaining is an effective means of determining conditions of work in this sector, and

Considering that the adoption of a Convention together with collective bargaining will enhance working conditions, career prospects and job security, to the benefit of the workers, and

Having decided upon the adoption of certain proposals with regard to working conditions in hotels, restaurants and similar establishments, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention;

adopts this twenty-fifth day of June of the year one thousand nine hundred and ninety-one the following Convention, which may be cited as the Working Conditions (Hotels and Restaurants) Convention, 1991:

Article 1

1. Subject to the provisions of Article 2, paragraph 1, this Convention applies to workers employed within:

(a) hotels and similar establishments providing lodging;

(b) restaurants and similar establishments providing food, beverages or both.

2. The definition of the categories referred to in subparagraphs (a) and (b) above shall be determined by each Member in the light of national conditions and after consulting the employers' and workers' organisations concerned. Each Member which ratifies the Convention may, after consulting the employers' and workers' organisations concerned, exclude from its application certain types of establishments which fall within the definition mentioned above, but where nevertheless special problems of a substantial nature arise.

3.(a) Each Member which ratifies this Convention may, after consulting the employers' and workers' organisations concerned, extend its application to other related establishments providing tourism services which shall be specified in a declaration appended to its ratification.

(b) Each Member which has ratified this Convention may, after consulting the employers' and workers' organisations concerned, further subsequently notify the Director-General of the International Labour Office, by a declaration, that it extends the application of the Convention to further categories of related establishments providing tourism services.

4. Each Member which ratifies this Convention shall list in the first report on the application of the Convention submitted under article 22 of the Constitution of the International Labour Organisation any type of establishment which may have been excluded in pursuance of paragraph 2 above, giving the reasons for such exclusion, stating the respective positions of the employers' and workers' organisations concerned with regard to such exclusion, and shall state in subsequent reports the position of its law and practice in respect of the establishments excluded, and the extent to which effect has been given or is proposed to be given to the Convention in respect of such establishments.

Article 2

1. For the purpose of this Convention, the term "the workers concerned" means workers employed within establishments to which the Convention applies pursuant to the provisions of Article 1, irrespective of the nature and duration of their employment relationship. However, each Member may, in the light of national law, conditions and practice and after consulting the employers' and workers' organisations concerned, exclude certain particular categories of workers from the application of all or some of the provisions of this Convention.

2. Each Member which ratifies this Convention shall list, in the first report on the application of the Convention submitted under article 22 of the Constitution of the International Labour Organisation, any categories of workers which may have been excluded in pursuance of paragraph 1 above, giving the reasons for such exclusion, and shall indicate in subsequent reports any progress towards wider application.

Article 3

1. Each Member shall, with due respect to the autonomy of the employers' and workers' organisations concerned, adopt and apply, in a manner appropriate to national law, conditions and practice, a policy designed to improve the working conditions of the workers concerned.

2. The general objective of such a policy shall be to ensure that the workers concerned are not excluded from the scope of any minimum standards adopted at the national level for workers in general, including those relating to social security entitlements.

Article 4

1. Unless otherwise determined by national law or practice, the term "hours of work" means the time during which a worker is at the disposal of the employer.

2. The workers concerned shall be entitled to reasonable normal hours of work and overtime provisions in accordance with national law and practice.

3. The workers concerned shall be provided with reasonable minimum daily and weekly rest periods, in accordance with national law and practice.

4. The workers concerned shall, where possible, have sufficient advance notice of working schedules to enable them to organise their personal and family life accordingly.

Article 5

1. If workers are required to work on public holidays, they shall be appropriately compensated in time or remuneration, as determined by collective bargaining or in accordance with national law or practice.

2. The workers concerned shall be entitled to annual leave with pay of a length to be determined by collective bargaining or in accordance with national law or practice.

3. In cases where their contract expires or their period of continuous service is not of sufficient duration to qualify them for full annual leave, the workers concerned shall be entitled to paid leave proportionate to the length of service or payment of wages in lieu, as determined by collective bargaining or in accordance with national law or practice.

Article 6

1. The term "tip" means an amount of money given voluntarily to the worker by a customer, in addition to the amount which the customer has to pay for the services received.

2. Regardless of tips, the workers concerned shall receive a basic remuneration that is paid at regular intervals.

Article 7

Where such a practice exists, the sale and purchase of employment in establishments referred to in Article 1 shall be prohibited.

Article 8

1. The provisions of this Convention may be applied by or through national laws or regulations, collective agreements, arbitration awards or judicial decisions, or in any other appropriate manner consistent with national practice.

2. For the Members where the provisions of this Convention are matters normally left to agreements between employers or employers' organisations and workers' organisations, or are normally carried out otherwise than by law, compliance with those provisions shall be treated as effective if they are applied through such agreements or other means to the great majority of the workers concerned.

Article 9

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 10

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Director-General.

2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Director-General.

3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 11

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 12

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organisation of the registration of all ratifications and denunciations communicated to him by the Members of the Organisation.

2. When notifying the Members of the Organisation of the registration of the second ratification communicated to him, the Director-General shall draw the attention of the Members of the Organisation to the date upon which the Convention will come into force.

Article 13

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations full particulars of all ratifications and acts of denunciation registered by him in accordance with the provisions of the preceding Articles.

Article 14

At such times as it may consider necessary the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall examine the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 15

1.   Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides -

(a)   the ratification by a Member of the new revising Convention shall ipso jure involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 11 above, if and when the new revising Convention shall have come into force;

(b)   as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2.   This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 16

The English and French versions of the text of this Convention are equally authoritative.

Appendix VI

Full text of the Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179)

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 78th Session on 5 June 1991, and

Having decided upon the adoption of certain proposals with regard to working conditions in hotels, restaurants and similar establishments, which is the fourth item on the agenda of the session, and

Having determined, following adoption of the Working Conditions (Hotels and Restaurants) Convention, 1991, that these proposals shall take the form of a supplementary Recommendation;

adopts this twenty-fifth day of June of the year one thousand nine hundred and ninety-one the following Recommendation, which may be cited as the Working Conditions (Hotels and Restaurants) Recommendation, 1991:

I. GENERAL PROVISIONS

1. This Recommendation applies to workers, as defined in Paragraph 3, employed within:

(a) hotels and similar establishments providing lodging.

(b) restaurants and similar establishments providing food, beverages or both.

2. Members may, after consulting the employers' and workers' organisations concerned, extend the application of this Recommendation to other related establishments providing tourism services.

3. For the purpose of this Recommendation the term "the workers concerned" means workers employed within establishments to which this Recommendation applies pursuant to the provisions of Paragraphs 1 and 2, irrespective of the nature and duration of their employment relationship.

4.(1) This Recommendation may be applied by or through national laws or regulations, collective agreements, arbitration awards or judicial decisions, or in any other appropriate manner consistent with national practice.

(2) Members should:

(a) provide for the effective supervision of the application of measures taken in pursuance of this Recommendation through an inspection service or other appropriate means;

(b) encourage the employers' and workers' organisations concerned to play an active part in promoting the application of the provisions of this Recommendation.

5. The general objective of this Recommendation is, with due respect to the autonomy of the employers' and workers' organisations concerned, to improve the working conditions of the workers concerned in order to bring them closer to those prevailing in other sectors of the economy.

II. HOURS OF WORK AND REST PERIODS

6. Unless otherwise determined by the methods referred to in paragraph 4(1), the term "hours of work" means the time during which a worker is at the disposal of the employer.

7.(1) The implementation of measures fixing normal hours of work and regulating overtime should be the subject of consultations between the employer and the workers concerned or their representatives.

(2)   The term "workers' representatives" means persons who are recognised as such by national law or practice, in accordance with the Workers' Representatives Convention, 1971.

(3)   Overtime work should be compensated by time off with pay, by a higher rate or rates of remuneration for the overtime worked, or by a higher rate of remuneration, as determined in accordance with national law and practice and after consultations between the employer and the workers concerned or their representatives.

(4)   Measures should be taken to ensure that working hours and overtime work are properly calculated and recorded and that each worker has access to his or her record.

8.   Wherever practicable, split shifts should be progressively eliminated, preferably through collective bargaining.

9.   The number and length of meal breaks should be determined in the light of the customs and traditions of each country or area and according to whether the meal is taken in the establishment itself or elsewhere.

10.(1)   The workers concerned should, as far as possible, be entitled to a weekly rest of not less than 36 hours which, wherever practicable, should be an uninterrupted period.

(2)   The workers concerned should be entitled to an average daily rest period of ten consecutive hours.

11.   Where the length of paid annual holiday for the workers concerned is less than four weeks for one year of service, steps should be taken, through collective bargaining or other means consistent with national practice, to bring it progressively to that level.

III.   TRAINING

12.(1)   Each Member should, in consultation with the employers' and workers' organisations concerned, establish or, where appropriate, assist employers' and workers' organisations and other institutions in the establishment of policies and programmes of vocational education and training and of management development for the different occupations in hotels, restaurants and similar establishments.

(2)   The principal objective of training programmes should be to improve skills and the quality of job performance and enhance the career prospects of the participants.

Appendix VII

Core conditions for sustainable enterprise development

Conditions for a conducive environment for sustainable enterprises	Role of government in the promotion of sustainable enterprises	Examples of tourism-specific requirements
Peace and political stability	Facilitating and participating in social dialogue	A tourist destination in a politically stable environment will attract customers
Good governance	Labour law enforcement through efficient labour administration, including labour inspection	Effective anti-corruption measures, responsible corporate governance to guarantee long-term development of hotels and restaurants, resorts and other facilities
Social dialogue	Encouragement of voluntary concept of corporate social responsibility	Collective bargaining between employees and employers of the tourism industry is crucial to improve working conditions and reflects a positive image of the enterprise towards customers
Respect for universal human rights and international labour standards	Promotion of socially and environmentally responsible public procurement, lending and investment	Freedom of association, collective bargaining, abolition of forced and child labour and of discrimination is required in hotels and restaurants
Entrepreneurial culture	Promoting sectors and value chains	Creation of new hotel and restaurant resorts, and SMEs within the supply chain
Sound and stable macroeconomic policy and good management of the economy	Flexibility and protection to manage change	Monetary, fiscal and exchange rate policies are important to assure stable and foreseeable economic conditions for investors and local entrepreneurs
Trade and sustainable economic integration	Targeted programmes	Tourism contribution to poverty reduction, especially with regard to the value chain (intersectoral linkages)
Enabling legal regulatory environment	Research and innovation	Legal basis is required to enable tourism stability, to avoid corruption and efficiency costs, and a stable environment for customers
Rule of law and secure property rights	Access to information and business and financial services	An effective legal system is a core condition so that contracts are honoured, the rule of law respected and property rights secured, as well as for attracting investment and generating trust
Fair competition	Policy coordination and coherence	Fair travel, hotel, and restaurant prices including respect for labour and social standards without anti-competitive practices
Access to financial services	International policies	Facilitating and enabling foreign direct investment (FDI)
Physical infrastructure	Production and consumption patterns	High-quality infrastructure of physical facilities for hotels and restaurants, transport systems, utilities and other services, hospitals and its quantity is essential for enterprise sustainability
Information and communications technology	Supporting skills development	Accessibility to computers and the Internet for hotels/restaurants and their customers is fundamental to the development of the tourism industry
Education, training and lifelong learning		Education, training and lifelong learning are required in order to help workers to find good jobs and enterprises to find skilled workers
Social justice and social integration		Inequality and discrimination hinder sustainable development

Conditions for a conducive environment for sustainable enterprises	Role of government in the promotion of sustainable enterprises	Examples of tourism-specific requirements
Adequate social protection		Universal social security for workers is necessary to enhance productivity and protect workers' health and safety at the workplace
Responsible stewardship of the environment		Respect of the environment and the creation of green jobs

Enterprise-level principles for sustainable enterprises	Role of the social partners in the promotion of sustainable enterprises	Examples of tourism-specific requirements
Social dialogue and good industrial relations	Advocacy	Social dialogue structures at workplace level are essential for effective collective bargaining, worker consultation and participation, and to create a good work atmosphere and a win-win situation promoting motivation, trust and cooperation
Human resource development	Representation	Skilled, motivated and competent workers are the basis of an effective and productive and customer-friendly environment and service quality
Conditions of work	Services	Good working conditions provide a safe and motivating environment and maintain sustainable development of the workplace
Productivity, wages and shared benefits	Implementation of policies and standards	Collective bargaining agreements (CBAs) and career perspectives will improve the attractiveness of the enterprise, especially for young and female workers
Corporate social responsibility		Satisfied and qualified employees are the basis for enterprises' success in the commercial sense and in terms of the enterprises' engagement with social and environmental issues to lead to successful implementation of CSR
Corporate governance		Promotion of values such as fairness, accountability, transparency, respect of rule of law

Source: Table prepared by the ILO based on G. Buckley, J.M. Salazar-Xirinachs, M. Henriques: *The promotion of sustainable enterprises*, ILO, Geneva, 2009.

Appendix VIII

Full text of IFAs (IUF–EFFAT, Accor, Club Med)

1.   Agreement between the IUF and the Accor Group on trade union rights, June 1995

The Accor Group and the IUF:

noting that, in the global economy, all social and economic progress is contingent upon the maintaining of a society based on democratic values and respect for human rights;

further noting that the hotel industry needs peace and social consensus in order to grow;

being committed, therefore, to work in this direction, above all by the example they set;

recalling the basic right of each employee to be represented and defended by a union of his or her choice;

recognizing the reciprocal legitimacy of the other party and its right to intervene in both social and economic affairs, while both retain their own responsibilities, to the extent that they comply with applicable laws, contracts or collective agreements;

are therefore convinced that reinforcing democracy in the Group is the duty of both parties and that this implies both the recognition of differences over ways and means as well as the search for solutions through collective bargaining;

further note that this goal requires, for its achievement, an effort at educating and informing the employees concerned and their representatives [1] so that they can better understand the problems, constraints and challenges faced by the company.

In this spirit, the Accor Group and the IUF shall undertake to:

1.   Verify the faithful application by all Accor establishments of ILO Conventions Nos 87, 98 and 135, pertaining respectively to:

– the right of employees to affiliate to the union of their choice;

– the protection of employees against all acts of discrimination that tend to violate freedom of association;

– the protection of employee representatives against any measures that could harm them, including discharge, motivated by their status or activities as employee representatives, in so far as they act in compliance with applicable laws, contracts or collective agreements.

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[1] The term "workers' representatives" is used as defined in Article 3 of the Workers' Representatives Convention, 1971 (No. 135), which reads as follows: "For the purpose of this Convention the term 'workers' representatives' means persons who are recognized as such under national law or practice, whether they are:

(a) trade union representatives, namely representatives designated or elected by trade unions or by the members of such unions; or

(b) elected representatives, namely representatives who are freely elected by the workers of the undertaking in accordance with provisions of national laws or regulations or of collective agreements and whose functions do not include activities which are recognized as the exclusive prerogative of trade unions in the country concerned."

The Accor Group therefore undertakes not to oppose efforts to unionize its employees.

The Accor Group considers respect for union rights to be part of the good reputation of its brand names.

2.   Encourage the management of subsidiaries and entities to allow union representatives to carry out their mandates and to have access to the same opportunities for training, pay increases and advancement as all other equally qualified employees.

Both parties agree that any differences arising from the interpretation or implementation of this agreement will be examined jointly, for the purpose of making recommendations to the parties concerned. The French version of this agreement shall be the point of reference.

2.   Agreement regarding respect for fundamental rights at work and transnational mobility of Club Méditerranée employees (GE service staff) in Europe and Africa, revised in July 2009

Between

The Club Méditerranée company, head office at 11 rue de Cambrai, Paris, represented herein by Mr Olivier Sastre, Director of Human Resources,

And

The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations, hereinafter referred to as the IUF (Rampe du Pont-Rouge 8, Petit-Lancy/GE, Switzerland), represented herein by Mr Ron Oswald, General Secretary,

The European Federation of Trade Unions in the Food, Agriculture and Tourism Sectors and allied branches, hereinafter referred to as EFFAT (Rue Fossé aux Loups 38, Bte 3, Bruxelles, Belgium) represented herein by Mr Harald Wiedenhofer, General Secretary.

Preamble

■   The parties note that the hotel–restaurant–tourism sector is characterized by a persistent lack of qualified labour and by growing difficulties in organizing worker mobility around the world.

■   The parties recognize the need to develop solutions to allow Club Méditerranée GE service staff with the required experience and qualifications to hold employment in Club facilities in countries other than their country of origin, inasmuch as this satisfies the needs of the organization and the wishes of the employee concerned and provided that such arrangements do not imperil employment, working conditions, wage levels and other social conditions for employees in the host country.

■   The provisions of this agreement shall in no instances be substituted for provisions applicable in Club Méditerranée villages. The existence of this agreement may not result in any restrictions whatsoever of the rights arising from legislation, regulations, collective agreements or local customs.

In the event of a dispute, the Committee on the application of the agreement established under Section 4.1 may be called upon to rule, without prejudice to other means of recourse.

■   Through this agreement, the parties express their common wish to facilitate the transnational mobility of Club Méditerranée GE service staff.

I.   Scope

■   The provisions of this agreement concerning fundamental rights at work apply to all Club Méditerranée villages worldwide.

■   The provisions of this agreement concerning the transnational mobility of GE service staff apply to villages operated directly by Club Méditerranée in the following Europe and Africa zone countries where Club Méditerranée has operations: the European Union countries, Côte d'Ivoire, Egypt, Mauritius, Morocco, Senegal, Switzerland, Tunisia and Turkey**.**

The parties agree to the following**:**

II. Respect for fundamental rights at work

Based on the principles set out in the International Labour Organization (ILO) Conventions, Club Méditerranée undertakes:

■ To respect the right of staff, in accordance with applicable legislation in each country, to form a trade union or to join the trade union of their choice.

■ Not to resort to methods designed to deter trade union membership, including anti-union meetings, tracts, or verbal communications.

■ That trade union representatives, elected or designated in accordance with applicable legislation in each country, and trade union members are not subject to any discrimination in employment, wages, working conditions, access to vocational training and career development by reason of their trade union membership or activity.

■ To communicate to the trade union organizations concerned the information required under applicable national legislation regarding general operations of the Club and, where required, operations of the site concerned, in order to allow them to conduct collective bargaining in keeping with such legislation in their respective countries.

■ To allow contact between trade union representatives and Club employees, as provided for under applicable legislation, collective agreements and national or local practices.

■ Not to tolerate any form of forced or compulsory labour as a form of coercion or sanction against persons expressing political opinions, for economic purposes, as disciplinary measures at work, penalty for strike action, or discrimination based on race, social or national origin, or religious beliefs. The term "forced or compulsory labour" means any work or service required of an individual under threat of any sanction and for which the said individual has not volunteered.

■ To respect the effective elimination of child labour, with the minimum age for employment being set at 15 years of age regardless of the provisions of local legislation, or 18 years of age in the case of work activities liable to endanger the health, safety or morality of youth.

■ To respect the principle of equality of opportunities and treatment in employment, meaning to refrain from any discrimination, distinction, exclusion or preference based on race, colour, gender, religion or political opinion.

■ To ensure, by appropriate means, the application to all employees of the principle of equal pay for work of equal value between male and female employees.

Club Méditerranée guarantees the conditions for the application of the abovementioned rights to employees and to those who provide services in group establishments.

In the event of difficulties or disputes, the employees concerned may refer the matter to the Committee on the application of the agreement established under section 4.1.

III. Employee mobility (GE service staff) for Club Méditerranée employees from countries in the Europe/Africa zone

III.1. General provisions

1.1. Through this agreement, the parties express their common wish to encourage the voluntary transnational mobility of Club Méditerranée employees (GE service staff) from European and African countries classified as seasonal employees, to allow them to come and work as seasonal employees in Club Méditerranée villages located in the European Union. Such mobility is encouraged where Club Méditerranée is unable to locally hire the required labour.

1.2. Employment conditions applicable to such employees regarding wages, working hours and working conditions shall not be less favourable, pro rata temporis, than those applicable to employees working in the establishments concerned. Such provisions shall also apply to room and board. GE employees must be allowed, in case of need, to contact staff representatives of the holiday village concerned.

1.3. Where GE service staff who are permanent in their country of origin come to work in a European Union country, their assignment shall be on the basis of secondment for the duration of the season under normal employment conditions for employees of the villages concerned.

1.4. GE staff shall be allowed a minimum of 15 days of notice prior to the commencement of the proposed contract or secondment.

1.5. Staff representatives in the villages of origin shall be informed of the selection criteria and conditions of mobility for GE staff required to come and work in European Union countries.

III.2. *Provisions on the implementation of transnational mobility*

2.1. Club Méditerranée's management has undertaken an initiative to allow seasonal migration to the Alps of GE service staff from Club Méditerranée villages in the Europe–Africa zone (currently Tunisia, Morocco, Turkey). Club Méditerranée, with the support of the signatory trade union organizations, will request governmental authorities to make it possible to continue to bring migrant seasonal workers from those countries into Europe.

2.2. Based on the needs expressed and the criteria established by Club Méditerranée management, the company shall undertake the procedures under the regulations of the countries concerned to obtain the approvals required for the entry of the employees proposed by Club Méditerranée management into the respective countries.

2.3. Each season is subject to the signature of a seasonal fixed-term employment contract respecting the provisions of the social legislation of the host country and the employment and remuneration conditions resulting from the agreements and practices applicable to GE service staff in the village concerned.

2.4. Such migrant employees shall be covered by the social security of the country where they are employed during their seasonal employment in a country other than their country of origin.

III.3. *Associated measures*

In the context of the joint monitoring of conditions of transnational mobility, the parties have agreed to the following associated measures:

3.1. Information and welcome meetings shall be organized in the host country by Club Méditerranée to provide a better knowledge of the host village and tourist resort, its organization, geography and the main services provided in the village.

3.2. During the season, if such staff are present, a half-day visit by a representative of EFFAT–IUF will be arranged by Club Méditerranée to one or more establishments employing the migrant GE staff mentioned in paragraph 3.2 up to a maximum of three days of visits per season. During these visits, the social aspects of mobility will be discussed.

3.3. The time spent by the EFFAT-designated representative on the implementation of the provisions of section III.3 above shall be compensated on the basis of a fixed daily rate of 330 euros.

The modalities for payment of this compensation will be set through an agreement between management and the European trade union organizations parties to this agreement.

This compensation shall be paid upon justification of time spent by the EFFAT representative.

The EFFAT representative travel expenses (travel, lodging and meals) shall be reimbursed, following approval by the company, on presentation of supporting documentation.

IV. *Application of the agreement and general conditions*

1. The parties agree, in the event of a problem of interpretation or application of this agreement, to meet at the request of either one of the parties, in order to seek an agreed solution to the problem. This conciliation phase shall be a mandatory precondition of any other proceeding.

2. A joint committee on the implementation of the agreement shall be set up, composed of two representatives from EFFAT and the IUF and two representatives designated by the management of Club Méditerranée.

3. The committee shall meet once on the occasion of the meeting of the European Committee for Social Dialogue to discuss economic and social developments at Club Méditerranée and to consider joint mobility management planning.

4. The committee shall also be responsible for reviewing the implementation of the agreement and discussing possible improvements. It shall also meet at the request of the management of Club Méditerranée or a member of the bureau of the European Social Dialogue Committee, subject to agreement from the management of Club Méditerranée.

5. In all instances, the employer shall provide the means required for the proper conduct of the meeting, including covering the expenses incurred by representatives to take part in the meeting.

6. This agreement is established for an indefinite term. If necessary, the parties may meet to review the application of the agreement and consider any improvements to it.

7. Each party may withdraw from all or part of this agreement by giving three months' notice.

8. A copy of this agreement shall be deposited with the Employment and Social Affairs Directorate of the European Community and the International Labour Office in Geneva.

Paris, 28 July 2009

For Club Méditerranée
Mr Olivier SASTRE
Director of Human Resources

For the IUF
Mr Ron OSWALD
General Secretary

For EFFAT
Mr Harald WIEDENHOFER
General Secretary

Appendix IX

UNWTO Global Code of Ethics for Tourism, October 2001

Adopted by resolution A/RES/406(XIII) at the thirteenth WTO General Assembly (Santiago, Chile, 27 September–1 October 1999).

Preamble

We, Members of the World Tourism Organization (WTO), representatives of the world tourism industry, delegates of States, territories, enterprises, institutions and bodies that are gathered for the General Assembly at Santiago, Chile, on this first day of October 1999,

Reasserting the aims set out in Article 3 of the Statutes of the World Tourism Organization, and aware of the "decisive and central" role of this organization, as recognized by the General Assembly of the United Nations, in promoting and developing tourism with a view to contributing to economic development, international understanding, peace, prosperity and universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion,

Firmly believing that, through the direct, spontaneous and non-mediatized contacts it engenders between men and women of different cultures and lifestyles, tourism represents a vital force for peace and a factor of friendship and understanding among the peoples of the world,

In keeping with the rationale of reconciling environmental protection, economic development and the fight against poverty in a sustainable manner, as formulated by the United Nations in 1992 at the "Earth Summit" of Rio de Janeiro and expressed in Agenda 21, adopted on that occasion,

Taking into account the swift and continued growth, both past and foreseeable, of the tourism activity, whether for leisure, business, culture, religious or health purposes, and its powerful effects, both positive and negative, on the environment, the economy and the society of both generating and receiving countries, on local communities and indigenous peoples, as well as on international relations and trade,

Aiming to promote responsible, sustainable and universally accessible tourism in the framework of the right of all persons to use their free time for leisure pursuits or travel with respect for the choices of society of all peoples,

But convinced that the world tourism industry as a whole has much to gain by operating in an environment that favours the market economy, private enterprise and free trade and that serves to optimize its beneficial effects on the creation of wealth and employment,

Also firmly convinced that, provided a number of principles and a certain number of rules are observed, responsible and sustainable tourism is by no means incompatible with the growing liberalization of the conditions governing trade in services and under whose aegis the enterprises of this sector operate and that it is possible to reconcile in this sector economy and ecology, environment and development, openness to international trade and protection of social and cultural identities,

Considering that, with such an approach, all the stakeholders in tourism development – national, regional and local administrations, enterprises, business associations, workers in the sector, non-governmental organizations and bodies of all kinds belonging to the tourism industry, as well as host communities, the media and the tourists themselves, have different albeit interdependent responsibilities in the individual and societal development of tourism and that the formulation of their individual rights and duties will contribute to meeting this aim,

Committed, in keeping with the aims pursued by the World Tourism Organization itself since adopting resolution 364(XII) at its General Assembly of 1997 (Istanbul), to promote a genuine partnership between the public and private stakeholders in tourism development, and wishing

to see a partnership and cooperation of the same kind extend, in an open and balanced way, to the relations between generating and receiving countries and their respective tourism industries,

Following up on the Manila Declarations of 1980 on World Tourism and of 1997 on the Social Impact of Tourism, as well as on the Tourism Bill of Rights and the Tourist Code adopted at Sofia in 1985 under the aegis of WTO,

But believing that these instruments should be complemented by a set of interdependent principles for their interpretation and application on which the stakeholders in tourism development should model their conduct at the dawn of the twenty-first century,

Using, for the purposes of this instrument, the definitions and classifications applicable to travel, and especially the concepts of "visitor", "tourist" and "tourism", as adopted by the Ottawa International Conference, held from 24 to 28 June 1991 and approved, in 1993, by the United Nations Statistical Commission at its twenty-seventh session,

Referring in particular to the following instruments:

– Universal Declaration of Human Rights of 10 December 1948;

– International Covenant on Economic, Social and Cultural Rights of 16 December 1966;

– International Covenant on Civil and Political Rights of 16 December 1966;

– Warsaw Convention on Air Transport of 12 October 1929;

– Chicago Convention on International Civil Aviation of 7 December 1944, and the Tokyo, The Hague and Montreal Conventions in relation thereto;

– Convention on Customs Facilities for Tourism of 4 July 1954 and related Protocol;

– Convention concerning the Protection of the World Cultural and Natural Heritage of 23 November 1972;

– Manila Declaration on World Tourism of 10 October 1980;

– Resolution of the Sixth General Assembly of WTO (Sofia) adopting the Tourism Bill of Rights and Tourist Code of 26 September 1985;

– Convention on the Rights of the Child of 20 November 1989;

– Resolution of the Ninth General Assembly of WTO (Buenos Aires) concerning in particular travel facilitation and the safety and security of tourists of 4 October 1991;

– Rio Declaration on the Environment and Development of 13 June 1992;

– General Agreement on Trade in Services of 15 April 1994;

– Convention on Biodiversity of 6 January 1995;

– Resolution of the Eleventh General Assembly of WTO (Cairo) on the prevention of organized sex tourism of 22 October 1995;

– Stockholm Declaration of 28 August 1996 against the Commercial Sexual Exploitation of Children;

– Manila Declaration on the Social Impact of Tourism of 22 May 1997;

– Conventions and Recommendations adopted by the International Labour Organization in the area of collective conventions, prohibition of forced labour and child labour, defence of the rights of indigenous peoples, and equal treatment and non-discrimination in the workplace;

Affirm the right to tourism and the freedom of tourist movements,

State our wish to promote an equitable, responsible and sustainable world tourism order, whose benefits will be shared by all sectors of society in the context of an open and liberalized international economy, and

Solemnly adopt to these ends the principles of the Global Code of Ethics for Tourism.

Global Code of Ethics for Tourism

Article 1

Tourism's contribution to mutual understanding and respect between peoples and societies

1. The understanding and promotion of the ethical values common to humanity, with an attitude of tolerance and respect for the diversity of religious, philosophical and moral beliefs, are both the foundation and the consequence of responsible tourism; stakeholders in tourism development and tourists themselves should observe the social and cultural traditions and practices of all peoples, including those of minorities and indigenous peoples and to recognize their worth.

2. Tourism activities should be conducted in harmony with the attributes and traditions of the host regions and countries and in respect for their laws, practices and customs.

3. The host communities, on the one hand, and local professionals, on the other, should acquaint themselves with and respect the tourists who visit them and find out about their lifestyles, tastes and expectations; the education and training imparted to professionals contribute to a hospitable welcome.

4. It is the task of the public authorities to provide protection for tourists and visitors and their belongings; they must pay particular attention to the safety of foreign tourists owing to the particular vulnerability they may have; they should facilitate the introduction of specific means of information, prevention, security, insurance and assistance consistent with their needs; any attacks, assaults, kidnappings or threats against tourists or workers in the tourism industry, as well as the wilful destruction of tourism facilities or of elements of cultural or natural heritage should be severely condemned and punished in accordance with their respective national laws.

5. When travelling, tourists and visitors should not commit any criminal act or any act considered criminal by the laws of the country visited and abstain from any conduct felt to be offensive or injurious by the local populations, or likely to damage the local environment; they should refrain from all trafficking in illicit drugs, arms, antiques, protected species and products and substances that are dangerous or prohibited by national regulations.

6. Tourists and visitors have the responsibility to acquaint themselves, even before their departure, with the characteristics of the countries they are preparing to visit; they must be aware of the health and security risks inherent in any travel outside their usual environment and behave in such a way as to minimize those risks.

Article 2

Tourism as a vehicle for individual and collective fulfilment

1. Tourism, the activity most frequently associated with rest and relaxation, sport and access to culture and nature, should be planned and practised as a privileged means of individual and collective fulfilment; when practised with a sufficiently open mind, it is an irreplaceable factor of self-education, mutual tolerance and for learning about the legitimate differences between peoples and cultures and their diversity.

2. Tourism activities should respect the equality of men and women; they should promote human rights and, more particularly, the individual rights of the most vulnerable groups, notably children, the elderly, the handicapped, ethnic minorities and indigenous peoples.

3. The exploitation of human beings in any form, particularly sexual, especially when applied to children, conflicts with the fundamental aims of tourism and is the negation of tourism; as such, in accordance with international law, it should be energetically combated with the cooperation of all the States concerned and penalized without concession by the national legislation of both the countries visited and the countries of the perpetrators of these acts, even when they are carried out abroad.

4. Travel for purposes of religion, health, education and cultural or linguistic exchanges are particularly beneficial forms of tourism, which deserve encouragement.

5. The introduction into curricula of education about the value of tourist exchanges, their economic, social and cultural benefits, and also their risks, should be encouraged.

Article 3

Tourism, a factor of sustainable development

1.   All the stakeholders in tourism development should safeguard the natural environment with a view to achieving sound, continuous and sustainable economic growth geared to satisfying equitably the needs and aspirations of present and future generations.

2.   All forms of tourism development that are conducive to saving rare and precious resources, in particular water and energy, as well as avoiding so far as possible waste production, should be given priority and encouraged by national, regional and local public authorities.

3.   The staggering in time and space of tourist and visitor flows, particularly those resulting from paid leave and school holidays, and a more even distribution of holidays should be sought so as to reduce the pressure of tourism activity on the environment and enhance its beneficial impact on the tourism industry and the local economy.

4.   Tourism infrastructure should be designed and tourism activities programmed in such a way as to protect the natural heritage composed of ecosystems and biodiversity and to preserve endangered species of wildlife; the stakeholders in tourism development, and especially professionals, should agree to the imposition of limitations or constraints on their activities when these are exercised in particularly sensitive areas: desert, polar or high mountain regions, coastal areas, tropical forests or wetlands, propitious to the creation of nature reserves or protected areas.

5.   Nature tourism and ecotourism are recognized as being particularly conducive to enriching and enhancing the standing of tourism, provided they respect the natural heritage and local populations and are in keeping with the carrying capacity of the sites.

Article 4

*Tourism, a user of the cultural heritage of mankind
and contributor to its enhancement*

1.   Tourism resources belong to the common heritage of mankind; the communities in whose territories they are situated have particular rights and obligations to them.

2.   Tourism policies and activities should be conducted with respect for the artistic, archaeological and cultural heritage, which they should protect and pass on to future generations; particular care should be devoted to preserving and upgrading monuments, shrines and museums as well as archaeological and historic sites which must be widely open to tourist visits; encouragement should be given to public access to privately owned cultural property and monuments, with respect for the rights of their owners, as well as to religious buildings, without prejudice to normal needs of worship.

3.   Financial resources derived from visits to cultural sites and monuments should, at least in part, be used for the upkeep, safeguard, development and embellishment of this heritage.

4.   Tourism activity should be planned in such a way as to allow traditional cultural products, crafts and folklore to survive and flourish, rather than causing them to degenerate and become standardized.

Article 5

Tourism, a beneficial activity for host countries and communities

1.   Local populations should be associated with tourism activities and share equitably in the economic, social and cultural benefits they generate, and particularly in the creation of direct and indirect jobs resulting from them.

2.   Tourism policies should be applied in such a way as to help to raise the standard of living of the populations of the regions visited and meet their needs; the planning and architectural approach to and operation of tourism resorts and accommodation should aim to integrate them, to the extent possible, in the local economic and social fabric; where skills are equal, priority should be given to local manpower.

3.   Special attention should be paid to the specific problems of coastal areas and island territories and to vulnerable rural or mountain regions, for which tourism often represents a rare opportunity for development in the face of the decline of traditional economic activities.

4.   Tourism professionals, particularly investors, governed by the regulations laid down by the public authorities, should carry out studies of the impact of their development projects on the environment and natural surroundings; they should also deliver, with the greatest transparency and objectivity, information on their future programmes and their foreseeable repercussions and foster dialogue on their contents with the populations concerned.

Article 6

Obligations of stakeholders in tourism development

1.   Tourism professionals have an obligation to provide tourists with objective and honest information on their places of destination and on the conditions of travel, hospitality and stays; they should ensure that the contractual clauses proposed to their customers are readily understandable as to the nature, price and quality of the services they commit themselves to providing and the financial compensation payable by them in the event of a unilateral breach of contract on their part.

2.   Tourism professionals, in so far as it depends on them, should show concern, in cooperation with the public authorities, for the security and safety, accident prevention, health protection and food safety of those who seek their services; likewise, they should ensure the existence of suitable systems of insurance and assistance; they should accept the reporting obligations prescribed by national regulations and pay fair compensation in the event of failure to observe their contractual obligations.

3.   Tourism professionals, so far as this depends on them, should contribute to the cultural and spiritual fulfilment of tourists and allow them, during their travels, to practise their religions.

4.   The public authorities of the generating States and the host countries, in cooperation with the professionals concerned and their associations, should ensure that the necessary mechanisms are in place for the repatriation of tourists in the event of the bankruptcy of the enterprise that organized their travel.

5.   Governments have the right – and the duty – especially in a crisis, to inform their nationals of the difficult circumstances, or even the dangers they may encounter during their travels abroad; it is their responsibility however to issue such information without prejudicing in an unjustified or exaggerated manner the tourism industry of the host countries and the interests of their own operators; the contents of travel advisories should therefore be discussed beforehand with the authorities of the host countries and the professionals concerned; recommendations formulated should be strictly proportionate to the gravity of the situations encountered and confined to the geographical areas where the insecurity has arisen; such advisories should be qualified or cancelled as soon as a return to normality permits.

6.   The press, and particularly the specialized travel press and the other media, including modern means of electronic communication, should issue honest and balanced information on events and situations that could influence the flow of tourists; they should also provide accurate and reliable information to the consumers of tourism services; the new communication and electronic commerce technologies should also be developed and used for this purpose; as is the case for the media, they should not in any way promote sex tourism.

Article 7

Right to tourism

1.   The prospect of direct and personal access to the discovery and enjoyment of the planet's resources constitutes a right equally open to all the world's inhabitants; the increasingly extensive participation in national and international tourism should be regarded as one of the best possible expressions of the sustained growth of free time, and obstacles should not be placed in its way.

2.   The universal right to tourism must be regarded as the corollary of the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, guaranteed by Article 24 of the Universal Declaration of Human Rights and Article 7.d of the International Covenant on Economic, Social and Cultural Rights.

3.   Social tourism, and in particular associative tourism, which facilitates widespread access to leisure, travel and holidays, should be developed with the support of the public authorities.

4. Family, youth, student and senior tourism and tourism for people with disabilities, should be encouraged and facilitated.

Article 8

Liberty of tourist movements

1. Tourists and visitors should benefit, in compliance with international law and national legislation, from the liberty to move within their countries and from one State to another, in accordance with Article 13 of the Universal Declaration of Human Rights; they should have access to places of transit and stay and to tourism and cultural sites without being subject to excessive formalities or discrimination.

2. Tourists and visitors should have access to all available forms of communication, internal or external; they should benefit from prompt and easy access to local administrative, legal and health services; they should be free to contact the consular representatives of their countries of origin in compliance with the diplomatic conventions in force.

3. Tourists and visitors should benefit from the same rights as the citizens of the country visited concerning the confidentiality of the personal data and information concerning them, especially when these are stored electronically.

4. Administrative procedures relating to border crossings whether they fall within the competence of States or result from international agreements, such as visas or health and customs formalities, should be adapted, so far as possible, so as to facilitate to the maximum freedom of travel and widespread access to international tourism; agreements between groups of countries to harmonize and simplify these procedures should be encouraged; specific taxes and levies penalizing the tourism industry and undermining its competitiveness should be gradually phased out or corrected.

5. So far as the economic situation of the countries from which they come permits, travellers should have access to allowances of convertible currencies needed for their travels.

Article 9

Rights of the workers and entrepreneurs in the tourism industry

1. The fundamental rights of salaried and self-employed workers in the tourism industry and related activities, should be guaranteed under the supervision of the national and local administrations, both of their States of origin and of the host countries with particular care, given the specific constraints linked in particular to the seasonality of their activity, the global dimension of their industry and the flexibility often required of them by the nature of their work.

2. Salaried and self-employed workers in the tourism industry and related activities have the right and the duty to acquire appropriate initial and continuous training; they should be given adequate social protection; job insecurity should be limited so far as possible; and a specific status, with particular regard to their social welfare, should be offered to seasonal workers in the sector.

3. Any natural or legal person, provided he, she or it has the necessary abilities and skills, should be entitled to develop a professional activity in the field of tourism under existing national laws; entrepreneurs and investors – especially in the area of small and medium-sized enterprises – should be entitled to free access to the tourism sector with a minimum of legal or administrative restrictions.

4. Exchanges of experience offered to executives and workers, whether salaried or not, from different countries, contributes to foster the development of the world tourism industry; these movements should be facilitated so far as possible in compliance with the applicable national laws and international conventions.

5. As an irreplaceable factor of solidarity in the development and dynamic growth of international exchanges, multinational enterprises of the tourism industry should not exploit the dominant positions they sometimes occupy; they should avoid becoming the vehicles of cultural and social models artificially imposed on the host communities; in exchange for their freedom to invest and trade which should be fully recognized, they should involve themselves in local development, avoiding, by the excessive repatriation of their profits or their induced imports, a reduction of their contribution to the economies in which they are established.

6.   Partnership and the establishment of balanced relations between enterprises of generating and receiving countries contribute to the sustainable development of tourism and an equitable distribution of the benefits of its growth.

Article 10

Implementation of the principles of the global code of ethics for tourism

1.   The public and private stakeholders in tourism development should cooperate in the implementation of these principles and monitor their effective application.

2.   The stakeholders in tourism development should recognize the role of international institutions, among which the World Tourism Organization ranks first, and non-governmental organizations with competence in the field of tourism promotion and development, the protection of human rights, the environment or health, with due respect for the general principles of international law.

3.   The same stakeholders should demonstrate their intention to refer any disputes concerning the application or interpretation of the Global Code of Ethics for Tourism for conciliation to an impartial third body known as the World Committee on Tourism Ethics.

Appendix X

Statement of commitment to sustainable tourism development, tour operator initiative for sustainable tourism development, March 2000

1. Commitment to sustainable development and management of tourism

1.1. We regard sustainable tourism development as a guiding concept for the sound management of our business.

1.2. We define sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

1.3. We are committed to developing, operating and marketing tourism in a sustainable manner; that is, all forms of tourism which make a positive contribution to the natural and cultural environment, which generate benefits for the host communities, and which do not put at risk the future livelihood of local people.

1.4. As tour operators we believe that we can be important contributors to sustainable tourism development. We will strive to anticipate and prevent economic, environmental, social and cultural degradation. We will work towards integrating these considerations into our operations and activities.

1.5. We are entering into a partnership with the United Nations Environment Programme (UNEP), the World Tourism Organization (UNWTO), and the United Nations Educational, Scientific and Cultural Organization (UNESCO), to improve our performance in order to achieve sustainable development and management of tourism.

2. Principles of sustainable development and management of tourism

2.1 We recognize that tourism can contribute to the viability of local economies. We also recognize that tourism can have negative impacts on the economy, environment, nature, social structures and local cultures. In the long-term interest of host communities and of our industry, we will endeavour to prevent or minimize these impacts.

2.2. We are committed to complying with local, national and international laws and regulations applicable to our business activities.

2.3. We oppose and actively discourage illegal, abusive or exploitative forms of tourism.

2.4. We are committed to a continual attempt to improve our performance in the context of sustainable development and management of tourism.

2.5. We will manage and monitor the environmental, cultural and social impacts of our activities.

2.6. We will strive to pursue the best practices in all our activities – internally and when forming business relationships with partners, suppliers and subcontractors – especially with regard to:

– responsible use of natural resources (e.g. land, soil, energy, water);

– reducing, minimizing and preventing pollution and waste (e.g. solid and liquid waste, emissions to air);

– conserving plants, animals, ecosystems and protected areas (biodiversity);

– conserving landscapes, cultural and natural heritage respecting the integrity of local cultures and avoiding negative effects on social structures;

– involving, and cooperating with, local communities and people;

– using local products and skills.

2.7. We will encourage our partners, suppliers and subcontractors to improve their contribution to sustainable development and management of tourism, and will work with them and share information to assist in this.

2.8. We will seek greater cooperation within the tourism industry and between this industry and the public sector in order to further sustainable tourism.

2.9. We shall encourage and seek to cooperate with national and local authorities, local communities, or any other interested party, to develop and implement the integrated planning and management of destinations in order to preserve the quality and sustainability of these destinations.

2.10. We will develop these principles into a corporate policy. As part of this we will define measurable goals, and will monitor and report publicly on our progress.

3. *Public awareness and communication*

3.1. We wish to create awareness and active involvement among our customers towards the natural, social and cultural environment of the places they visit. We further wish to encourage host communities and our customers to develop a better understanding and mutual respect for one another.

3.2. We will endeavour in our public communication and advertising to promote behaviour and activities compatible with the principles of sustainable development and management of tourism.

3.3. We will encourage other tour operators to support this statement.

Appendix XI

Full text of the Agreement between the World Tourism Organization (UNWTO) and the International Labour Organization (ILO), March 2008

1. The World Tourism Organization (UNWTO/OMT) is a specialized agency of the United Nations and the leading international organization in the field of tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how. The UNWTO plays a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, paying particular attention to the interests of developing countries. The UNWTO encourages the implementation of the Global Code of Ethics for Tourism, [1] with a view to ensuring that member countries, tourist destinations and businesses maximize the positive economic, social and cultural effects of tourism and fully reap its benefits, while minimizing its negative social and environmental impacts. Its membership includes 157 countries and territories and more than 300 affiliate members representing the private sector, educational institutions, tourism associations and local tourism authorities. Direct actions that strengthen and support the efforts of national tourism administrations are carried out by the UNWTO's regional representatives (Africa, the Americas, East Asia and the Pacific, Europe, the Middle East and South Asia) based at the headquarters in Madrid. The UNWTO is committed to the United Nations Millennium Development Goals, geared toward reducing poverty and fostering sustainable development.

2. Recently, the ILO and the UNWTO have cooperated in the area of statistics both in terms of methodology and research on national methods of data collection of employment in the tourism industries using the Tourism Satellite Account: Recommended Methodological Framework as the basic framework. [2] To this end, a chapter has been prepared on measuring employment in the tourism industries which will be included for the first time in the revised version of the UNSD/UNWTO "International Recommendations on Tourism Statistics (IRTS–08)". Also, a joint ILO/UNWTO methodological publication, entitled "Sources and methods, labour statistics: Employment in the tourism industries", is scheduled for publication in the early part of 2008.

3. The purpose of the proposed agreement between the UNWTO and the ILO is to structure, improve and strengthen the cooperation between the two UN agencies in recognizing the fundamental role of decent work activities in bringing about social development, assisting in the eradication of poverty, promoting prosperity and international understanding of ILO standards and strengthening social dialogue in the hotels, catering and tourism sector. The proposed agreement therefore refers to the Global Code of Ethics for Tourism and the relevant ILO international labour Conventions on fundamental principles and rights at work and on the promotion of Conventions and Recommendations specific to the tourism sector. The proposed agreement is also an example of joint activities between UN agencies in order to improve the "Delivering as One" approach to delivering coherent activities and of mainstreaming employment and the Decent Work Agenda [3] in the tourism sector.

4. In light of the foregoing remarks, the Committee may wish to recommend to the Governing Body that it approve the text of the proposed Agreement between the International Labour Organization

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[1] A/RES/406(XIII) was adopted by the UNWTO General Assembly at its 13th Session (Santiago, Chile, September–October 1999), available at www.unwto.org/code_ethics/pdf/RES406-English.pdf.

[2] The Tourism Satellite Account (TSA) constitutes the second international standard on tourism statistics (approved in 2000 by the UN Statistics Commission) and is an instrument that is the unifying framework of most of the components of the system of tourism statistics.

[3] See: www.ilo.org/global/About_the_ILO/Mainpillars/WhatisDecentWork/lang--en/index.htm (accessed 15 May 2010).

and the World Tourism Organization, and that it authorize the Director-General or his representative to sign the Agreement on behalf of the ILO. [4]

Geneva, 18 February 2008

Agreement between

The World Tourism Organization (UNWTO) and the International Labour Organization (ILO)

The World Tourism Organization (UNWTO) and the International Labour Organization, represented by the International Labour Office (ILO), both organizations being specialized agencies of the United Nations,

Recognizing the fundamental role of decent work in tourism activities in bringing about social development and assisting in the eradication of poverty, and promoting prosperity and international understanding,

Considering that **tourism** industries are particularly labour intensive and have the capacity to generate employment,

Sharing the **common** objectives of ensuring that tourism activities: generate decent work; respect fundamental principles and rights at work concerning freedom of association, the right to collective bargaining, and freedom from child labour, forced labour and discrimination; and provide for adequate social protection and social dialogue,

Bearing in mind that **collaboration** between the two organizations is mutually desirable with a view to:

– Attaining internationally agreed development goals, including the Millennium Development Goals established following the Millennium Summit (2000) and the commitments made at the World Summit of 2005 and within the framework of the Economic and Social Council of the United Nations (ECOSOC);

– Contributing to the Plan of Implementation adopted by the World Summit on Sustainable Development (2002);

– Implementing the Global Code of Ethics for Tourism (UNWTO, 1999; United Nations, 2001), in which specific references are made to international labour Conventions and Recommendations adopted by the ILO, and which requires the capacities of both organizations to help implement especially the provisions of its article 5 (Tourism, a beneficial activity for host countries and communities) and article 9 (Rights of the workers and entrepreneurs in the tourism industry);

– Promoting the Decent Work Agenda;

– Promoting the ratification and application of the international labour Conventions underlying the fundamental principles and rights at work, namely, the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Forced Labour Convention, 1930 (No. 29), the Abolition of Forced Labour Convention, 1957 (No. 105), the Equal Remuneration Convention, 1951 (No. 100), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182);

– Recalling the relevance of the following other instruments: the Labour Inspection Convention, 1947 (No. 81), the Employment Policy Convention, 1964 (No. 122), the Tripartite

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[4] At its 301st Session (March 2008), the Governing Body approved the text of the proposed agreement between the International Labour Organization and the United Nations World Tourism Organization (UNWTO), and authorized the Director-General or his representative to sign the agreement on behalf of the ILO (GB.301/11(Rev.), para. 41).

Consultation (International Labour Standards) Convention, 1976 (No. 144), the Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172), as well as the Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179), the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the resolution concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (June 2007);

– Giving effect to the recommendations made by the World Commission on the Social Dimension of Globalization in 2004;

– Reinforcing the labour dimension in the implementation of the Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF, 2000);

– Striving to promote greater coherence between the economic, social, and environmental dimensions of development policies and practice, with specific reference to employment and labour issues in tourism; and

– Desirous of enhancing effective working relations with a view to the attainment of their respective mandates and avoidance of duplication.

The parties agree as follows:

I. Context for collaboration

1. For the purpose of this Agreement, the term "tourism" is defined by the scope established by the United Nations Statistical Commission (March 2000) through the Tourism Satellite Account: Recommended Methodological Framework (TSA: RMF), which states that tourism comprises "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

2. For the purposes of this Agreement, the term "decent work" is used as in the ECOSOC Ministerial Declaration of 2006, which refers to "opportunities for men and women to obtain productive work in conditions of freedom, equity, security and dignity".

II. Areas and means of collaboration

1. Within the limits of available resources, the UNWTO and the ILO will strengthen their collaboration primarily in the areas of strategic mutual interest to both organizations. At the time of signature of this Agreement, these include: statistics; education and training; employment; occupational safety and health, support to entrepreneurship and competitiveness, especially in relation to peasant, indigenous and tribal communities as tourism destinations; combating trafficking in human beings, child labour and sexual exploitation of children; improving respect for employers' and workers' rights in tourism, especially the rights of migrant workers and gender equality; and quality standards and ethics in the context of the tourism industry, as well as the promotion of social dialogue between governments and organizations of employers and workers in tourism. Collaboration may be developed in other areas in which labour and tourism issues coincide, as may be mutually identified by the secretariats of the UNWTO and the ILO.

2. Collaboration in the areas mutually identified may be pursued by means of information sharing, joint research, technical cooperation, capacity building, publications and other means as deemed appropriate and as mutually agreed.

III. Procedures for cooperative activities

1. Each organization shall designate and communicate to the other organization details concerning a focal point, or changes of the focal point, entrusted with the overall coordination and implementation of this Agreement. At the time of signature, the focal points are the following:

For the ILO:

Director, Sectoral Activities Department
International Labour Office
4 route des Morillons
1211 Geneva 22, Switzerland
sector@ilo.org
Tel. + 41 22 799 7713

For the UNWTO:

Director, Programme and Coordination Department
World Tourism Organization
Capitán Haya 42
28020 Madrid
eyunis@unwto.org
Tel. + 34 5678100

2. Within the framework of this Agreement, detailed working arrangements for cooperative activities in specific areas may be developed by the technical units concerned.

3. Use of the logos of each organization shall be subject to the respective procedures governing their use.

4. The implementation of this Agreement shall be reviewed periodically.

IV. Reciprocal representation

1. The ILO shall be invited to be represented and to participate as an observer at meetings of the UNWTO General Assembly. The ILO may also, whenever appropriate and subject to such conditions as may be agreed upon, be invited to participate in other meetings of the UNWTO dealing with subjects which fall within the competence, activities and expertise of the ILO.

2. The UNWTO shall be invited to participate in sessions of the International Labour Conference with the status of a public international organization. The UNWTO may also, whenever appropriate and subject to such conditions as may be agreed upon, be invited to participate in meetings organized by the ILO in which the UNWTO has expressed an interest.

V. Entry into force

1. Following notification of ECOSOC and approval by the governing organs of each organization, this Agreement shall enter into force on the date of its signature by the executive heads of the two organizations. It may be amended by mutual written agreement. The Agreement shall remain in force until terminated by either party, which shall give to the other six months' written notice of termination, or by mutual consent.

For the International Labour Organization:

Juan Somavia
Director-General
International Labour Office

For the World Tourism Organization:

Francesco Frangialli
Secretary-General

Date and place: 3 December 2008, Madrid