OECD HIGHLIGHTS JOB CREATION POTENTIAL OF TOURISM

The impact of tourism on employment is underestimated by OECD Member governments, according to the conclusions of a seminar on tourism and employment organised by the OECD Tourism Committee in Antalya, Turkey, from 25th-26th April.

"Tourism has the ability to generate jobs on a scale that is matched by few, if any other sectors", said Ray Spurr, Chairman of the Committee and First Assistant Secretary of Australia’s Department of Tourism, in a concluding statement.

"Given that a major OECD study on employment, due to be published in June, forecasts some 35 million unemployed in OECD countries by the end of 1994 -- not to mention a further 14-15 million who have accepted jobs which are below, or inappropriate to their skills -- this has significant implications for government policy", Mr. Spurr added.

The objectives of the seminar, which was organised in co-operation with the Turkish Ministry of Tourism, were to highlight the economic importance of tourism to OECD Members, to examine the sector’s employment potential, and to identify suitable policy initiatives that could maximise the industry’s contribution to reducing unemployment.

While tourism should not be seen as a panacea which can right all ills, the OECD seminar discussions highlighted the impact of the industry which, "...by some measures, is the largest single sector of our economies," to quote Mr. Spurr.

"In fact, tourism is already a powerhouse in terms of employment", Mr. Spurr continued, "accounting for between 5-10 per cent of the total workforce in many OECD countries".
The results of research conducted specifically for the Seminar suggest that around 50 per cent of the jobs generated by travel and tourism are in areas not directly linked to tourism. Hotel and catering -- key sectors with which the industry is traditionally identified -- account for less than 20 per cent of total expenditure on travel and tourism and a similarly modest share of all jobs generated.

"However, tourism is a complex industry that does not fit the standard criteria for national accounts' measurements, so there are insufficient data for governments to judge the real impact of tourism on their national economies", Mr. Spurr said. "It’s hardly surprising they tend to underestimate its importance", he added.

But if tourism is already a major job creator, the two days of discussions demonstrated that its future employment potential is likely to be even greater, in view of current growth forecasts for the industry well into the 21st century.

The results of a study commissioned by the government of Canada suggest that the tourism industry absorbs unemployed labour at a rate that is around 1.5 times higher than its proportion of the labour force. Moreover, this comes particularly from among the young, the unskilled and visible minority groups, highlighting the fact that tourism generates jobs for those at the very core of OECD’s unemployment.

What is now required is greater recognition by governments of the importance of tourism as a generator of employment, OECD’s Tourism Committee members agreed. And this should be supported by appropriate government policies and measures in such areas as education and training, infrastructure and transport planning, and labour market programmes.

To ensure these objectives are achieved, certain key issues need to be addressed, including:

-- improved statistical data collection and analysis, harmonised across OECD Member countries, to facilitate governments’ understanding of the linkages between tourism and employment and assist them in their policy decision-making;

-- continuing liberalisation and the reduction of barriers with a view to reducing rigidities within labour markets;

-- continuing study into what constitutes labour productivity and how to improve it through technology and other means;

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-- a strong emphasis on human resource development through education and training programmes which improve skills and quality of service;

-- a partnership between employers and employees to improve working conditions in tourism, help define occupational standards and ensure that the education system delivers skills that meet those standards; and

-- recognition that the industry provides, with its part-time, seasonal and casual jobs, a much needed work experience for new entrants to the labour force, for young people, students, women and immigrants.

Given its significance to Member economies, the issue of tourism and employment will continue to be a major focus of the OECD Tourism Committee’s work programme and activities over the next year or more -- activities which, the Committee members all agreed, should increasingly be developed in partnership with the private sector of the industry.