

---

## 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.<sup>1</sup> 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.<sup>2</sup> 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

<sup>1</sup> UNFPA: *The State of World Population 2009: Facing a changing world: Women, population and climate*, New York, 2009, p. 22.

<sup>2</sup> 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.”<sup>3</sup>

## 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.<sup>4</sup> 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).<sup>5</sup> In 2000, the sector in the United Kingdom and the United States

<sup>3</sup> 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).

<sup>4</sup> 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.

<sup>5</sup> *ibid.*, p. 93.

employed 1,286,247 and 7,903,790 migrant workers respectively. <sup>6</sup> 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. <sup>7</sup>

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. <sup>8</sup> 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.

<sup>6</sup> ILO research, International Migration Programme, 2000.

<sup>7</sup> See: [www.hrsdc.gc.ca/eng/workplaceskills/foreign\\_workers/temp\\_workers.shtml](http://www.hrsdc.gc.ca/eng/workplaceskills/foreign_workers/temp_workers.shtml); [www3.thestar.com/static/PDF/080315\\_foreign\\_workers.pdf](http://www3.thestar.com/static/PDF/080315_foreign_workers.pdf).

<sup>8</sup> 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.<sup>9</sup>

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.<sup>10</sup> 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).<sup>11</sup> 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.<sup>12</sup>

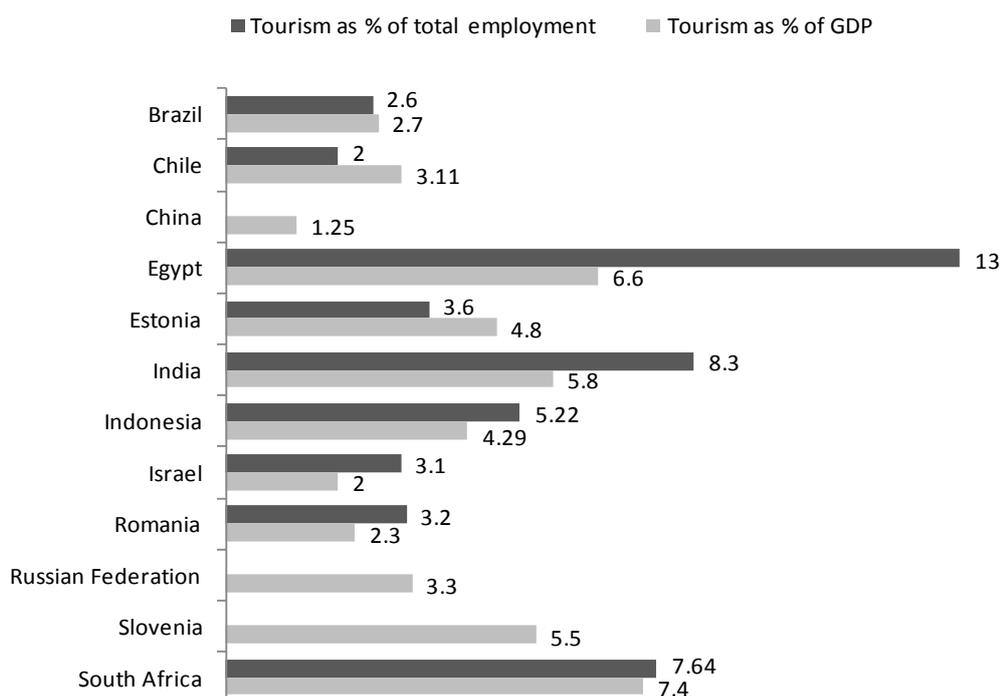
<sup>9</sup> UNWTO: *World Tourism Barometer*, Interim Update, Madrid, Apr. 2010.

<sup>10</sup> See: [www.chinadaily.com.cn/bizchina/2010-03/29/content\\_9654759.htm](http://www.chinadaily.com.cn/bizchina/2010-03/29/content_9654759.htm) (accessed 28 June 2010).

<sup>11</sup> See: [www.wttc.org/eng/Tourism\\_Research/Economic\\_Research/Country\\_Reports/China/](http://www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/China/) (accessed 28 June 2010).

<sup>12</sup> UNWTO: *World Tourism Barometer*, Interim Update, Apr. 2010, p. 8.

Figure 13. Tourism in non-OECD member countries, emerging markets 2009 <sup>13</sup>



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.<sup>14</sup> 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.<sup>15</sup> These figures show the importance of regional and domestic tourism for the Asia-Pacific region.

<sup>13</sup> The data do not consider the different methodologies of organizations and can therefore differ.

<sup>14</sup> See: [www.wttc.org/eng/Tourism\\_Research/Economic\\_Research/Country\\_Reports/Malaysia/](http://www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/Malaysia/) and [www.wttc.org/eng/Tourism\\_Research/Economic\\_Research/Country\\_Reports/India/](http://www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/India/) (accessed 28 June 2010).

<sup>15</sup> 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.”<sup>16</sup>

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.<sup>17</sup>

- *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.<sup>18</sup> 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).<sup>19</sup> Some 750,000 Americans are estimated to have travelled abroad for medical purposes in 2007.<sup>20</sup> 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.<sup>21</sup> Thailand has up to 1 million medical tourists per year, Malaysia more than 85,000, and Singapore plans to attract 1 million

<sup>16</sup> 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.

<sup>17</sup> S. Foster: Overview of the Asia–Pacific spa industry, *ITB Experts Forum Wellness*, 2010, p. 1.

<sup>18</sup> 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.

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

<sup>20</sup> See: [www.discovermedicaltourism.com/industry/](http://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).

<sup>21</sup> See: [www.who.int/bulletin/volumes/85/3/07-010307.pdf](http://www.who.int/bulletin/volumes/85/3/07-010307.pdf).

---

foreign patients per year by 2012.<sup>22</sup> 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.<sup>23</sup>

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.<sup>24</sup> 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

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

<sup>23</sup> 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>.

<sup>24</sup> 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.<sup>25</sup>

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.<sup>26</sup> 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).<sup>27</sup>

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.<sup>28</sup> Also priceline.com now has listings for over 100,000 hotels in over 90 countries.<sup>29</sup> 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

<sup>25</sup> See: [http://inventorspot.com/articles/top\\_ten\\_hotel\\_brands\\_tweet\\_above\\_rest\\_30174](http://inventorspot.com/articles/top_ten_hotel_brands_tweet_above_rest_30174) (accessed 30 June 2010).

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

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

<sup>28</sup> C. Petersen: “If you ran the circus, Harnessing user-generated content & social media to transform the face of travel”, ITB, Berlin, 2010.

<sup>29</sup> “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.<sup>30</sup> 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.<sup>31</sup>

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 <sub>2</sub>	
	Million tons	Share in tourism (%)
Air transport	515	40
Car	420	32
Other transport	45	3
Accommodation	274	21
Other activities	48	4
<b>Total tourism emissions</b>	<b>1 302</b>	<b>100</b>
<b>Total world emissions</b>	<b>26 400</b>	<b>–</b>
Share of tourism in total world emissions (%)		4.9

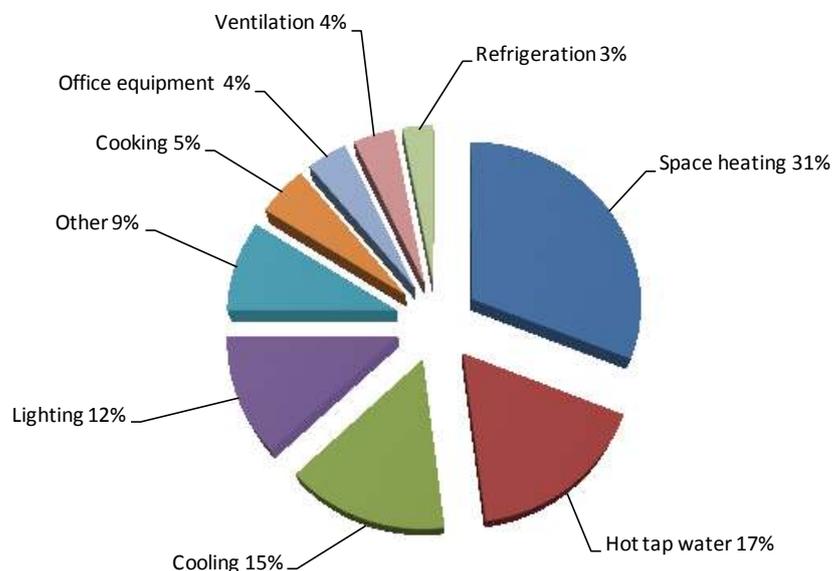
Source: UNWTO and UNEP, *Climate Change and Tourism, Responding to Global Challenges*, 2008, p. 33.

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

<sup>31</sup> 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/](http://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<sub>2</sub> emissions and strengthening their level of CSR.<sup>32</sup> 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.<sup>33</sup> 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.<sup>34</sup> 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<sub>2</sub> 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.<sup>35</sup>

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

<sup>33</sup> *ibid.*

<sup>34</sup> UNEP–WMO–UNWTO: *Climate Change and Tourism, Responding to Global Challenges*, 2008, p. 38.

<sup>35</sup> 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”.<sup>36</sup> 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.<sup>37</sup>

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.<sup>38</sup>

#### 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

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

<sup>37</sup> 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).

<sup>38</sup> 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.<sup>39</sup> 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<sup>40</sup> 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

<sup>39</sup> ISO: *Tourism services – Hotels and other types of tourism accommodation – Terminology*, International standard, ISO 18513, Geneva, 2003.

<sup>40</sup> 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.<sup>41</sup> 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.<sup>42</sup> 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.

<sup>41</sup> IHRA: *Visioning the Future – Major Forces driving Change in the Global Hospitality Industry*, 2000.

<sup>42</sup> N. Salerno: "Hotel management strategies for tough times", in *Hotel Online*, Sep. 2009.