

Points of consensus ¹

Preamble

Government, Employer and Worker representatives attended the Global Dialogue Forum on New Developments and Challenges in the Hospitality and Tourism Sectors and their Impact on Employment, Human Resources Development and Industrial Relations, held at the ILO, Geneva, from 23 to 24 November 2010. The purpose of the Forum was to examine developments in the hotels, catering and tourism (HCT) sector and their impact on the employment, decent work, skills development, vocational training, HRD, labour–management relations and working conditions. The Forum has based its points of consensus on the Decent Work Agenda, the ILO Declaration on Fundamental Principles and Rights at Work (1998), the Declaration on Social Justice for a Fair Globalization (2008) and the Global Jobs Pact (2009). The Forum developed consensus on the following:

Point 1: The impact of the economic crisis on the hotels, catering and tourism sector

1. Hospitality and tourism – one of the largest and most dynamic industries in today’s global economy – has shown some resilience compared to other sectors since the economic and financial crisis, after several years of consecutive growth up to mid-2008. The HCT industry, in common with the wider global economy, has faced major challenges over the past two years, and the impact of the crisis has been variable, with some regions performing far better than others. The crisis has led to changes in work practices in the sector. Social dialogue is a key to accommodating such changes while reconciling the interests of enterprises, their workers and their customers.

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

2. There have been some encouraging indicators of increased tourist arrivals in 2010, but trends elsewhere in the global economy suggest that it may take some years for sustained recovery to be experienced in all regions. The crisis could be taken as an opportunity for

¹ Subject to approval by the Governing Body of the ILO.

the hospitality and tourism sector to increase its social dialogue, skills development and indirectly facilitate economic recovery. Engagement from governments, employers and workers and their representatives² is required to ensure effective vocational education and training provision that is properly aligned with the skills needs of the sector. This is especially important because the G20 Summit in November 2010 (Seoul) recognized that creating quality jobs must be at the heart of global economic recovery, acknowledged the importance of private sector-led growth and stressed that development should be centred on investment, jobs and social protection.

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

3. The environment within which HCT businesses operate continues to change with respect to demographics, ownership, management structure, technology and approaches to the natural and social environment. Ownership trends in recent years indicate that a growing proportion of the industry operates through franchising, leasing or management contracts rather than direct ownership. There has also been increased involvement of private equity firms and real estate investment trusts in the industry. Large hotel chains have tended to refocus on specific elements of their core business, while shifting other parts of the business to outside service providers or working entirely through franchises, thus having less direct involvement with HRD issues than before. Such firms' corporate social responsibility (CSR) policies should be fully reflected throughout operations under their brand name, respecting the principles of the ILO's tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and the OECD Guidelines for Multinational Enterprises and in accordance with national law and practices.

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

4. The diversification of accommodation formats and of alternative tourism products, such as sports, medical and wellness tourism, boutique hotels, apartments let on a temporary basis, sustainable tourism packages and other formats, have had a variable impact on jobs, social dialogue, HRD and skills. In this context of diversification:
 - Diversification should be acknowledged as a means of increasing the growth of the industry and of reducing the effects of seasonal variations, thus promoting the sustainability of enterprises and jobs.

² Throughout this text when the term "workers' representatives" is used, it refers to *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.

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- Governments should include – in the concept of accommodation and catering facilities – the various forms of services which respond to diversification of demand.
 - In global studies on tourism, accommodation and catering, the ILO and the UNWTO should carry out deeper regional analysis, in consultation with governments and representatives of workers and employers from the hospitality and tourism industry, including on the development of SMEs.
 - Governments should promote a legal framework for labour issues in tourist accommodation and hospitality that guarantees uniform practice of decent and productive work, adapted to the supply and demand characteristics of the facilities included in the concept of hospitality and catering, in conformity with the situation in each country.
5. There has also been significant growth in tourist numbers in emerging markets. Workforce trends and ageing populations require progressive workforce development strategies, enhancing the skills, motivation and working conditions of existing employees. The future HCT workforce will have greater diversity of gender, ethnic background and age profile. To be effective, approaches to skills development for the sector should be part of long-term national growth strategies so that skills development, the industry's HR needs and overall national labour market policies are linked. Vocational training needs should be identified through social dialogue at national, local and enterprise level. There is a need to promote skills development, improved working conditions and stable labour relations to enable the industry to continue its sustainable growth for the benefit of employers, workers and society as a whole – especially for those people who depend on the industry or on its extensive supply chains.
6. The success of the HCT sector depends heavily on its quality of service, which in addition to the technical and occupational skills of its staff, also relies 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.

Point 5: Strategies to promote decent work and sustainable tourism through social dialogue

7. The HCT industry is projected to grow significantly over the coming years, including through the development of sustainable tourism. Government, Employer and Worker representatives should consider the decent work opportunities that the sector's new orientation offers and the workplace challenges that it faces. Effective social dialogue – including collective bargaining – tailored to the realities of the HCT industry, can enhance labour-management relations and thus the operational environment of the sector and its potential for employment growth; address changing demographic profiles within the workplace; and promote sustainable tourism, skills development and decent work. There may be a need to explore alternative approaches to the enhancement of labour relations and decent work which take better account of the structural and geographical diversity within HCT, the importance of promoting equal opportunities and treatment for women in the workforce, and the central role of SMEs within the sector.
8. For many young women and men, the HCT sector remains a major entry point into employment. The employment of a particularly large number of women in the sector in most countries can significantly contribute to the achievement of equal opportunity policies and contribute towards reaching MDG targets on gender. It is especially important that the sector's ability to continue to generate employment for women be supported as part of overall socio-economic development strategy.

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9. Good standards of HR practice can be combined with sustainability initiatives to promote decent work. Public–private partnerships are often crucial to tourism development, and social dialogue could encourage more effective coordination of such development to maximize benefits for customers, employers, workers and society as a whole.
 10. Changing consumer expectations and behaviour towards ecological issues give the sector the opportunity to improve its image and its performance in terms of consumption levels, efficiency, and environmental impact. The HCT industry and its enterprises are considered to be crucial actors of social development and poverty reduction in many countries. Through sustainable tourism, innovation and the creation of competitive advantage, companies and destinations can change their approaches to operations and to the employment environment within the sector. Environmentally sustainable development is a collective responsibility of all industry stakeholders and there are excellent prospects for consultation and sharing ideas among them. This is especially important in the case of major global sporting and similar events, which could benefit greatly from social dialogue in a way that would support stable and decent work in hotel, catering and tourism facilities developed for such mega events.
 11. Labour migration is a growing phenomenon around the world, providing a pool of workers for sectors such as hospitality and tourism in many countries. However, where migrant workers have little or no education or training, they may face a heightened risk of exploitation. The potential for “win-win-win” solutions exists, whereby the sending and receiving countries and the individual migrant can all benefit. The ILO’s Multilateral Framework on Labour Migration – non-binding principles and guidelines for a rights-based approach to labour migration – can assist governments, social partners and stakeholders in their efforts to regulate labour migration and protect migrant workers. It is essential to have equity in the treatment of migrant workers in the context of managing new developments and challenges in the HCT sector, especially in time of crisis.
 12. The values embodied in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up of 1998 should be promoted to advance social dialogue in the HCT sector. These principles should be upheld by all the parties concerned, irrespective of the format of the HCT operator, the form of ownership, the size of the company (especially SMEs) or the employment relationship between worker and employer. The application and implementation of these principles and rights would assist in promoting and sustaining decent work in the HCT sector. Low-cost formats can be a legitimate competitive advantage for some operators and countries, but national law and the core international labour standards embodied in the 1998 ILO Declaration on Fundamental Principles and Rights at Work should apply to all to ensure a minimum floor for conditions of employment and decent work.
 13. The Forum recognizes the central role of governments in the facilitation and marketing of tourism, through ensuring an enabling environment, the required infrastructure provision and effective destination marketing. Governments also play a central role in areas such as investment, labour law, occupational safety and health, skills certification, security, sanitation and transport infrastructure, which are critical to the development and sustainability of the industry. They should ensure that the legal framework and their enforcement mechanisms promote adherence to decent work standards throughout the sector, and that all formats of accommodation are treated equitably as regards compliance with applicable labour, safety, commercial and taxation law and regulations.
 14. Effective social dialogue, alongside well-managed enterprise-based employee training, performance management systems and skills certification, can enable the development process for workers at all levels to operate in a way that better meets the needs of employers and individual workers. It is important that workers’ views are taken on board

on issues that fundamentally affect their interests, including those relating to training, skills development and certification, and performance management systems.

Point 6: Suggestions for future ILO action

15. The ILO, in close cooperation with the UNWTO, the OECD and other organizations, can assist all parties involved in hospitality and tourism (governments, employers and workers) to address sufficiently the sustainable development of the sector. To this end, the ILO should:

- in consultation with concerned authorities, collect statistics, compile information on best practices, monitor and analyse trends in employment, working conditions, wages, business activities and ownership in the sector, at the regional as well as the global levels, and especially on small and medium-sized enterprises, and include reference to this research in work relating to the sector's contribution to the Global Jobs Pact and recovery from the economic crisis;
- promote the ratification/implementation of the Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172);
- provide technical support, including through capacity building, to member States and social partners to promote poverty reduction through tourism and development of sustainable tourism, within the framework of the Decent Work Agenda, and continue its cooperation with other UN agencies such as the UNWTO;
- undertake research on: gender issues within HCT industries in different countries and regions; the role of tourism-related foreign direct investment and its impact on wider employment; CSR issues; the role of international framework agreements in the HCT sector; the nature of employment relationships in different parts of the sector; and the likely long-term impact of demographic, attitudinal and behavioural change on employment, corporate practices and CSR;
- organize activities to assist constituents in the HCT sector to ensure that training is closely aligned to the needs of the industry and its workforce and to support the development and/or improvement of labour-management relations at all levels, including through the organization of national or regional workshops on decent work and sustainable tourism through social dialogue in the HCT sector in future programmes and budgets.