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وزارة السياحة
Ministry of Tourism
Kingdom of Saudi Arabia



THE SOCIAL IMPACT OF GLOBAL TOURISM

December 2023

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Introductory letter | H.E. Ahmed Al Khateeb

Minister of Tourism, Kingdom of Saudi Arabia



Travel & Tourism is a sector all about people. It is the hundreds of millions of individuals working in the sector who make travelers' experiences truly unique.

The social impact of Travel & Tourism is undeniable. Beyond the revenues and jobs it creates, the sector reduces poverty and supports diversity and inclusion, employing and offering opportunities to people from all walks of life, including women, youth and minorities.

Even beyond those directly employed by the sector, Travel & Tourism enriches local communities, improving the lives and livelihoods of people indirectly touched by the sector from small villages to large urban centers.

Yet truly capitalizing on Travel & Tourism and unlocking its social impact potential requires concerted action.

This focus on people is at the heart of Saudi Arabia's Vision 2030, as the Kingdom thrives to create a vibrant society and enhance the quality of life of its citizens.

Today, young people, males and females, account for 70% of the population under the age of 35; making them the backbone of the Saudi economy. Increasingly, young entrepreneurs are benefiting from new business opportunities in the Kingdom. What is more, since 2013, women's participation in the workforce has tripled to reach 30%, showcasing the narrowing economic participation gap.

This focus and approach are directly translated into the Kingdom's tourism strategy. Indeed, to accomplish our targets of welcoming 150 million visitors by 2030, having tourism account for 10% of GDP and creating one million new jobs in Travel & Tourism – skills development is essential. In that context, and among other initiatives, at the Ministry of Tourism, we have launched a series of programs to develop tourism skills to attract 100,000 young Saudis and create a growing talent pool for our booming sector.

We believe in the potential of Travel & Tourism to truly make a difference to people's lives.

Globally, Travel & Tourism accounted for over 10% of global GDP and 1 in 10 jobs on the planet in 2019. The sector's growth also significantly outpaced global economic growth in the 2010s, enriching people at a faster rate than the overall economy.

Yet, internationally and across sectors, young people accounted for 33% of total unemployment in 2022. At the same time, the World Economic Forum revealed that it will take 131 years to close the global gender gap.

We must be part of the solution and tackle these critical societal challenges proactively. To do this, we need insights and data into the status quo to be able to set clear goals for the years to come.

This is exactly what the Sustainable Tourism Global Center, initiated by Saudi Arabia will do. This unique multi-country, multi-stakeholder global coalition will lead, accelerate, and track the tourism industry's transition to net zero emissions, as well as drive action to protect nature and support communities.

Through this important social impact research, we are undertaking in partnership with the World Travel & Tourism Council (WTTC), we are doing just that. We are enabling countries and industry sub-sectors to gain a clear understanding of where they stand. And this will enable meaningful change.

I am pleased to support this important effort. I believe this will be an invaluable resource for decision makers around the world.

A handwritten signature in blue ink, appearing to read 'Ahmed Al Khateeb'.

H.E. Ahmed Al Khateeb
Minister of Tourism
Kingdom of Saudi Arabia

FOREWORD

The global Travel & Tourism sector represented 1 in 11 jobs and accounted for 7.6% of the world's GDP in 2022. As part of the new first-of-its-kind research delivered by the World Travel and Tourism Council and the Sustainable Tourism Global Center (STGC), incubated by the Ministry of Tourism of Saudi Arabia, this report examines the social footprint of our sector, broken down by age, gender and wage income. By **supporting quality employment for young people and levelling the playing field for women in the workforce**, we are not only setting our sector on a sustainable path, but **raising living standards in some of the hardest to reach places on the planet**.

As one of the fastest growing regions for Travel & Tourism GDP, the Middle East will be a critical driver of our global economic recovery. Saudi Arabia's recent investments have been unprecedented in the history of tourism, aiming to lift the sector's contribution to 14% of the national economy, with 150 million annual visitors by 2030. This will be driven by new airports, destinations and technology, as well as training for 100,000 young Saudis every year led by the Ministry of Tourism of Saudi Arabia.

Programmes like this are crucial, not just to sustain our sector, but because **the quality of job opportunities for women and young people are strong indicators of a country's future prosperity and social progress**. Travel & Tourism remains an important source of employment for those aged 15 to 24, with great progress in the last decade. At its peak before the pandemic, our sector employed **18.9 million young people globally in 2019** - roughly 4.5% of all youth employment, up from 3% in 2010. Most regions followed this pattern; for instance, the Middle East saw a rise from 3% in 2010 to 4.2% in 2019.

Travel & Tourism is also an important source of employment for women. And it's growing: **between 2010 and 2019, the number of women in the sector increased from 38.6 million to 47.8 million**, or 3.7% of all female employment. These opportunities are critical, especially in countries with a typically male-dominated labour market. But despite progress, there is more work to be done globally in closing the gender gap, and unlocking even more growth.

Finally, the report finds that Travel & Tourism supports many high-wage jobs around the world, representing 34% of overall employment in the sector in 2021. This share has grown steadily from 29.6% in 2010. **Between 2010 and 2019, the sector employed an additional 8.5 million people in high-wage jobs**. Again, this is a critical indicator of progress - demonstrating that the sector can provide opportunities for people of all backgrounds to create meaningful, globally competitive careers.

Everyone in our sector has a role to play in boosting our economic recovery and increasing participation in the workforce. This new social research is a vital step, giving both travel providers and governments the data they need to spark change. In focusing on each of these areas – youth employment, opportunities for women, and high-wage jobs – **our sector has an opportunity to catalyse prosperity and drive social progress in the decades ahead**.



Julia Simpson
President & CEO
World Travel & Tourism Council



Gloria Guevara
Chief Special Advisor,
Ministry of Tourism of Saudi Arabia



1. EXECUTIVE SUMMARY

The Travel & Tourism sector is a significant contributor to the global economy and a major employer around the world. It is a highly inclusive and diverse sector, helping to strengthen social fabric and enrich communities. In particular, the sector provides an important source of employment for young workers and women – both of which are demographics expressly **identified by the United Nations Sustainable Development Goals framework**. This report analyses the social impact footprint of Travel & Tourism for these groups and investigates the extent to which the sector creates high-wage jobs across countries.¹

The Travel & Tourism sector is a critical source of employment for young workers worldwide, directly employing 18.9 million young people in 2019,² up 31.0% from 14.5 million in 2010. The percentage of young workers employed in the sector globally as a share of all young workers increased to 4.5%, compared to 3.0% in 2010. While the employment figures dropped in 2020 as a result of COVID-19, it has since showed signs of recovery, with employment rising to 15.3 million jobs in 2021.

Young workers remain an important component of the sector's workforce, holding approximately 15% of all jobs in the Travel & Tourism sector in both 2010 and 2021. By contrast, the share of young workers in overall global employment fell from 16.5% in 2010 to 12.5% in 2021.

Travel & Tourism is particularly important for young workers in Europe, directly accounting for 5.7% of all youth employment in 2021. The sector also provided jobs for 3.5% of all young workers in the Middle East in 2021, rising from 3.0% in 2010, supporting their efforts at tackling relatively high youth unemployment.³ In contrast, the sector directly contributed just 1.3% of all youth jobs in Africa in 2021, owing to the importance of the agricultural sector and the positive perception of – and hence competition for – tourism jobs when it comes to pay, formality, and security.

The Travel & Tourism sector is also an important source of job opportunities for women. **The sector directly employed 38.6 million women in 2010, rising to 47.8 million in 2019, an increase of 24%.** Jobs in Travel & Tourism are marginally more likely to be held by women than in other sectors: on average, women made up 39.8% of the jobs in the global Travel & Tourism sector in 2019, compared to 39.5% in the overall economy. Hospitality is the leading employer within the Travel & Tourism sector for women, accounting for more than half of all female employment in the sector. Similarly, around 50% of overall hospitality employment was represented by women in both 2019 and 2021.

Beyond the proportion of young people and women employed in Travel & Tourism, the report assessed the extent to which the sector provides high-wage jobs, by estimating the number of jobs supported by Travel & Tourism that are in the top third of earnings in each country. **About 34% of jobs in the global Travel & Tourism sector were categorised as high-wage in 2021, higher than the global economy average of 30%.** The share in the sector has grown steadily from 29.6% in 2010. The research finds that **38.7% of jobs directly supported by Travel & Tourism in Asia-Pacific were within high-wage sectors in 2021**, higher than any other region. By contrast, in Europe just 15.1% of high-wage jobs were in the Travel & Tourism sector that year.



2. YOUTH EMPLOYMENT IN TRAVEL & TOURISM

KEY FINDINGS

- The number of those aged 15-24 employed in the Travel & Tourism sector worldwide grew by 31.0% between 2010 and 2019 to reach a peak of 18.9 million.
- More than half of global youth employment in Travel & Tourism is in the Asia-Pacific region, at 9.2 million in 2021.
- Travel & Tourism jobs make up the greatest share of total youth employment in the highest income group of countries, at 6.4% in 2021, compared to 0.8% in the lowest income group of nations. This can be explained by the combination of agriculture's prominence as one of the largest employers in low-income countries and the better perception of tourism jobs when it comes to pay, formality, and security in low-income countries.
- Across most regions of the world, except Africa, Travel & Tourism features a larger share of youth employment than does the economy overall.
- The sector's share of economy-wide youth employment increased in all regions between 2010 and 2019, albeit only marginally in Africa. In the Middle East, for instance, the share increased from 3% in 2010 to 4.2% in 2019.
- The Travel & Tourism sector is of particular importance to Caribbean islands, and especially so for young workers. More than a quarter of young workers in six Caribbean economies (St. Lucia, Cayman Islands, St. Kitts and Nevis, Bermuda, The Bahamas and Grenada) were employed in the Travel & Tourism sector in 2019, a higher share than for workers of all ages.
- Hospitality is the leading employer within the sector for youth, accounting for almost 60% of all youth employment in Travel & Tourism in 2019.

Travel & Tourism supports economic activity and jobs across the world, within countries at very different levels of development, and with diverse age profiles. For all countries – but in particular for ones with relatively younger populations – the extent of quality job opportunities for young people strongly influences the country's likely future path for human capital development, and long-term economic growth.

Indeed, reducing youth unemployment is part of one of the United Nations' (UN) Sustainable Development Goals (SDGs), under the theme of "Promoting economic growth and decent work for all" (SDG 8), and this chapter highlights Travel & Tourism's significant role in supporting progress towards this goal. This is achieved by examining the sector's support for employment opportunities for the global labour force of young people, which is defined here as those aged 15 to 24.⁴

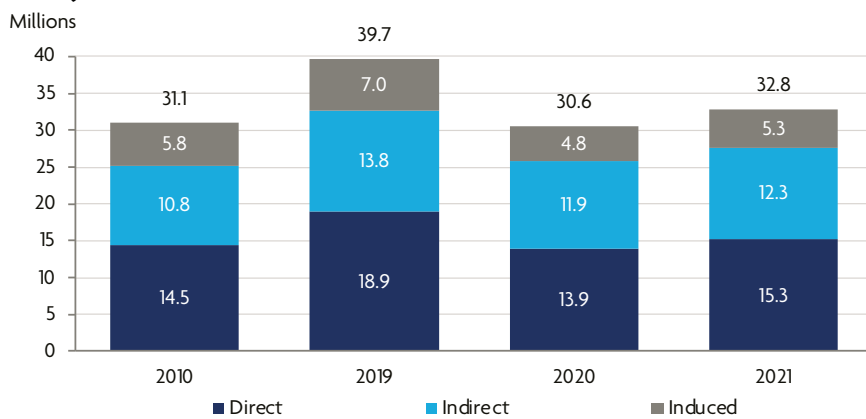
2.1 GLOBAL TRENDS

The last decade saw steady growth in the number of young people employed directly by the Travel & Tourism sector worldwide, rising by 31.0% from 14.5 million in 2010 to 18.9 million in 2019. This growth in job opportunities led to 4.5% of young workers being employed in the Travel & Tourism sector in 2019, up from 3.0% in 2010. As well as employing young people directly, the sector also supported further youth employment through its indirect and induced effects: a total of 39.7 million jobs were supported by the Travel & Tourism sector worldwide in 2019, up from 31.1 million in 2010, as shown in Figure 1 below.

The COVID-19 pandemic severely disrupted global tourism, taking youth employment in the Travel & Tourism sector back below 2010 levels. Youth employment supported by the sector fell by 27% between 2019 and 2020, compared to 22% for those aged 25 and above. The extent of job losses in 2020, however, was much less severe than the drop in tourism spending and activity. This indicates that government pandemic support schemes had some success in sustaining Travel & Tourism and youth employment. The results for 2021 suggest that direct youth employment in the sector rebounded with more than one million additional jobs, while many restrictions were still in place.

The share of jobs in the Travel & Tourism sector held by young workers remained relatively constant over the analysis period, at 15.4% of all Travel & Tourism jobs in 2010 and 15.0% in 2021. By contrast, the share of jobs held by young people across the entire global economy fell during the same timeframe, from 16.5% of all jobs in 2010 to 12.5% in 2021, highlighting the importance of the sector for young workers.

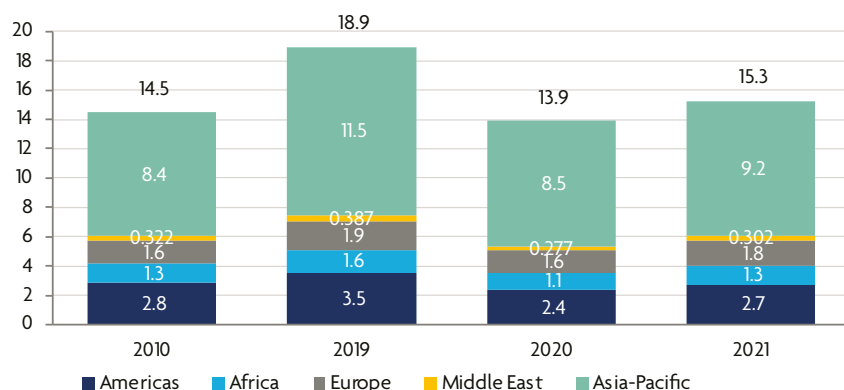
Fig. 1. Total global youth employment supported by the Travel & Tourism sector, by type of impact and year



2.2 TRENDS BY REGION AND NATIONAL INCOME LEVEL

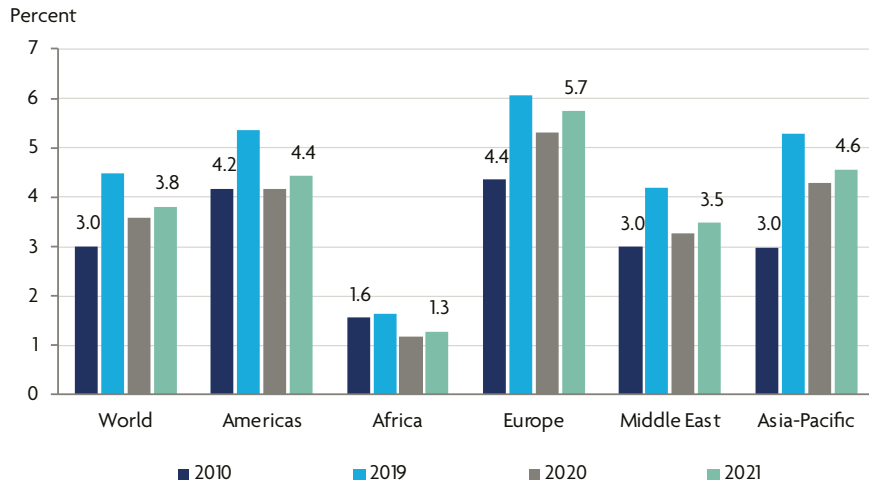
More than half of all youth employment in the Travel & Tourism sector was in the Asia-Pacific region, in all years analysed. There, the youth employment growth rate of nearly 37% between 2010 and 2019 outpaced the other regions which were all closer to 20%. It also exceeded the 33% growth rate for all direct Travel & Tourism jobs in the Asia-Pacific region. This reflects the importance and growth of tourism in the Asia-Pacific region, as well as its younger overall workforce.

Fig. 2. Direct youth employment in the Travel & Tourism sector, by region



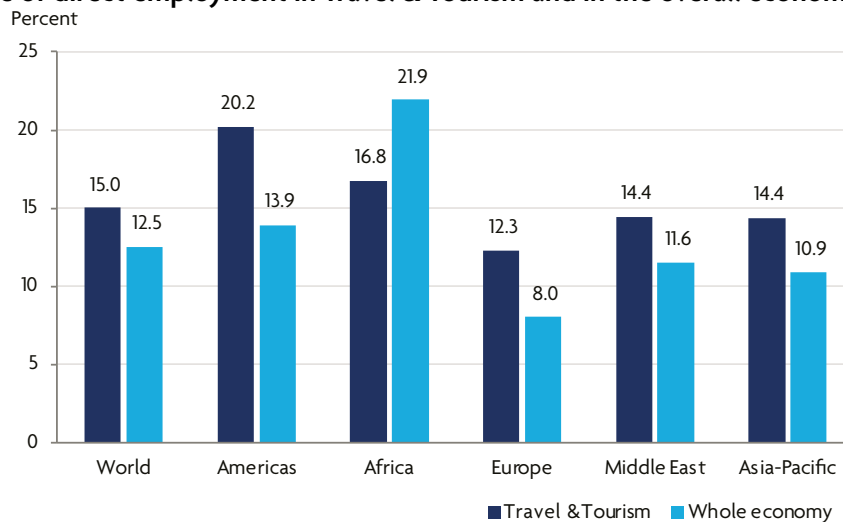
Although Travel & Tourism in the Asia-Pacific region directly employed the highest number of young workers in absolute terms, Europe had the largest share of youth employment in 2021. Travel & Tourism is a critical source of jobs for young people in Europe, where it accounted for 5.7% of all youth employment that year. By contrast, jobs supported by the Travel & Tourism sector represented just 1.3% of all youth employment in Africa in 2021, where the agricultural sector is the main employer of young people. Regions including the Americas and the Middle East fall closer to the global average of 3.8%, accounting for 4.4% and 3.5% respectively.

Fig. 3. Direct youth employment in Travel & Tourism, as a share of total youth employment in each region



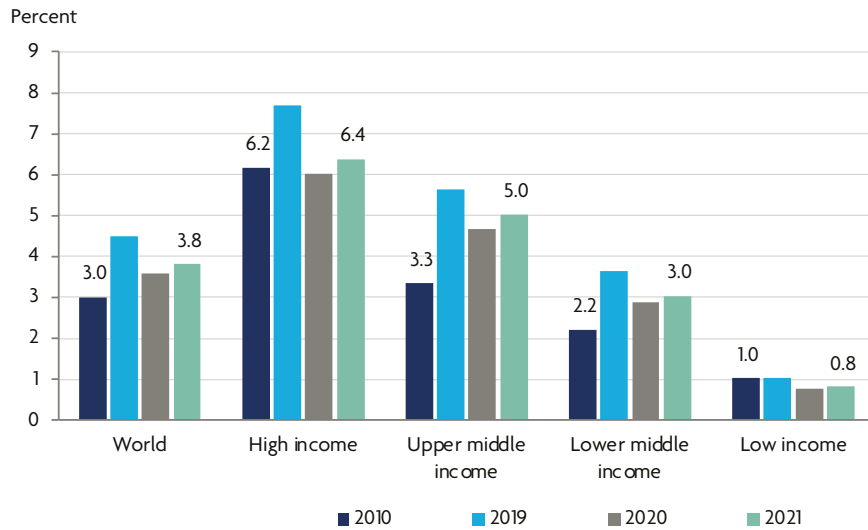
Across the world, young workers made up a larger share of the Travel & Tourism workforce (15.0% of the total) in 2021 than for the economy as a whole (12.5%). However, this differs by region: in the Americas, young workers made up a larger share of the Travel & Tourism workforce than any other region, and much more than in the overall workforce of the Americas region. By contrast, young workers were less represented in the Travel & Tourism sector of Africa than across the African economy as a whole.

Fig. 4. Youth share of direct employment in Travel & Tourism and in the overall economy, by region, 2021



Generally, tourism in higher-income nations supports a larger share of youth employment than in lower-income countries. For instance, across high-income countries, 6.4% of young peoples’ jobs were in Travel & Tourism in 2021, compared to just 0.8% in low-income countries.⁵ This may be linked to the nature of tourism jobs at various levels of economic development. In higher-income countries, typical Travel & Tourism jobs such as hospitality and retail roles could represent entry-level or casual work opportunities, characterised by high turnover, and mostly sought after by younger people, students, and part-time workers. By contrast, in developing nations, jobs in these industries may represent valuable and scarce ‘formal’ sector jobs. In these economies, Travel & Tourism jobs would be more sought-after, and generally held for longer tenures and by more senior workers.

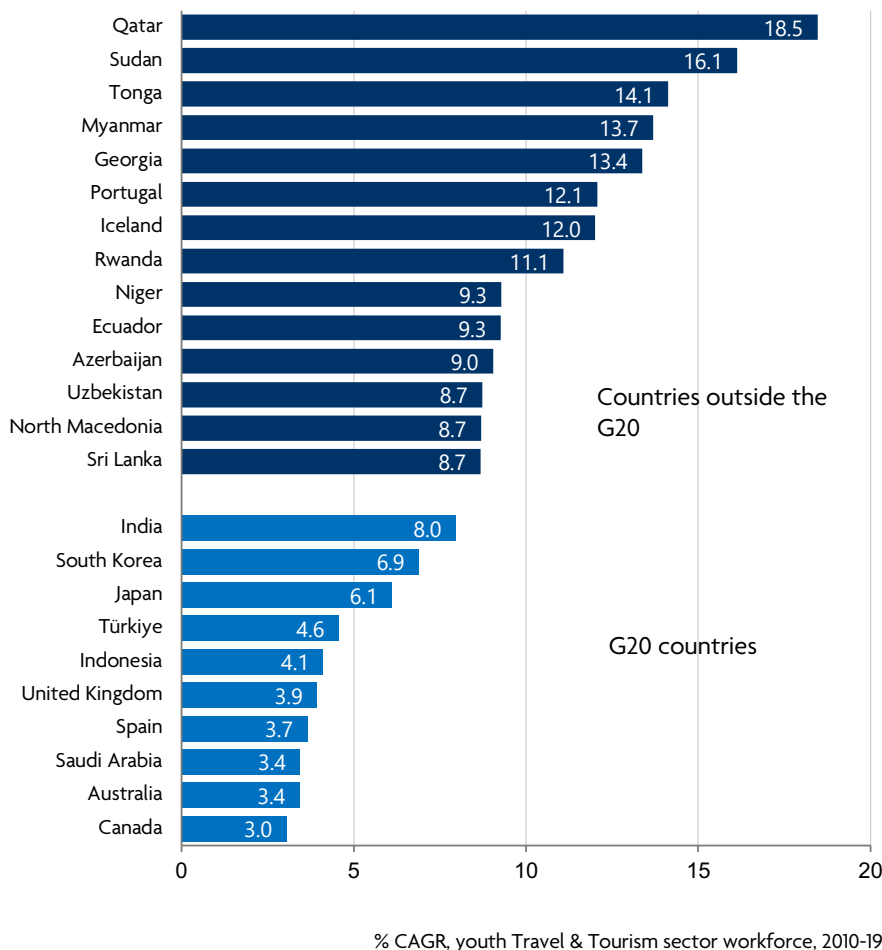
Fig. 5. Direct youth employment in the Travel & Tourism sector, as a share of total youth employment by income group



2.3 TRENDS BY COUNTRY AND INDUSTRY

Youth employment in Travel & Tourism grew rapidly in the last decade across a wide range of countries. Qatar saw the fastest growth, with a compound annual growth rate (CAGR) of 18.5% from 2010 to 2019. However, countries with the fastest growth rates were spread across many regions of the world and multiple income categories, rather than being limited to countries with a particular set of characteristics, including both G20 and non-G20 nations. In the G20, India was the fastest growing country for direct youth employment in Travel & Tourism, followed by South Korea, Japan, Türkiye, Indonesia, the United Kingdom, Spain, Saudi Arabia, Australia and Canada.

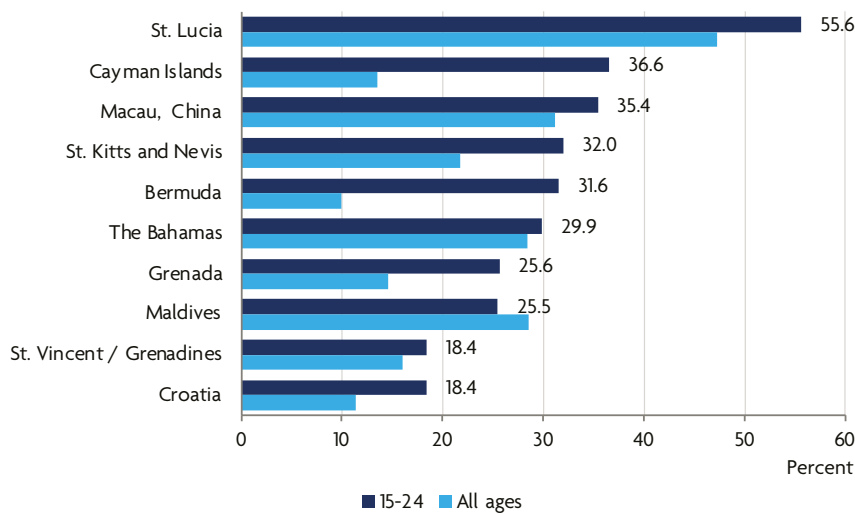
Fig. 6. Fastest growing countries for direct youth employment in Travel & Tourism, top 15 non-G20 and top 10 G20, average growth (CAGR) 2010-19



The Travel & Tourism sector is particularly important for youth employment in the Caribbean. In six Caribbean economies (St. Lucia, Cayman Islands, St. Kitts and Nevis, Bermuda, The Bahamas and Grenada), more than a quarter of total youth employment was in the Travel & Tourism sector in 2019. While this somewhat reflects the fact that the Travel & Tourism sector is a significant employer in these countries across all age groups, for most of these countries, was even more important for young workers than for older ones. For instance, 55.6% of youth employment is in the Travel & Tourism sector in St. Lucia, in 2019, compared to 47.2% across all ages.

The Travel & Tourism sector is also a critical provider of jobs for young workers in many other countries around the world. The chart below shows the ten countries with the highest proportion of youth employment in the sector in 2019. In each of these countries, more than one in six young people worked in Travel & Tourism.

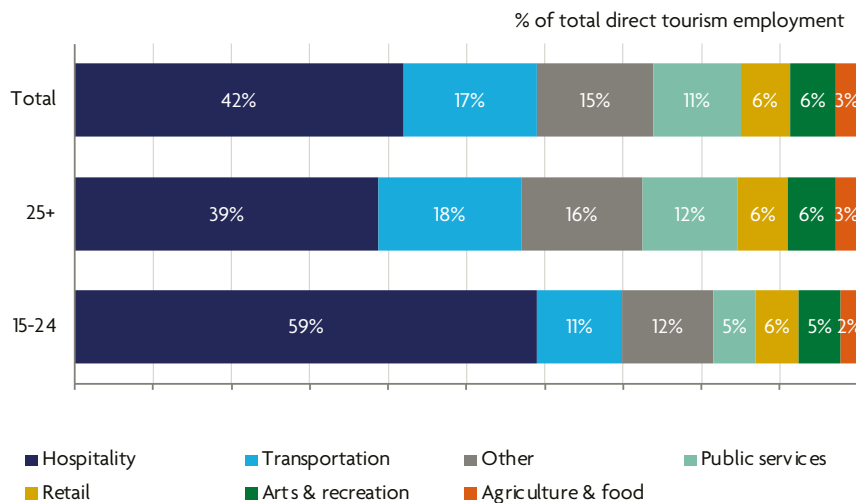
Fig. 7. **Direct Travel & Tourism sector employment, as share of total national employment by age group, top 10 countries for proportion of young people, 2019**



Disaggregating the results by industry shows that hospitality is a major contributor of employment for young Travel & Tourism workers. Nearly 60% of those in the 15-24 age bracket were employed in these roles in 2019, broadly unchanged from the start of the decade. By comparison, just 39% of those aged 25 or over were in hospitality roles, with proportionally larger representation in other segments.

Looking at the results by region, hospitality was the largest employer of young Travel & Tourism workers in the Americas and Europe, with 67% and 64% of the total working in these roles. For the Middle East, this proportion reached 53%. By comparison, just 36% of young workers in the sector in Africa were in hospitality roles, while a relatively larger share (19%) than in other regions worked in transportation roles.

Fig. 8. **Split of Travel & Tourism sector employment by industry and by age group, 2019**





3. FEMALE EMPLOYMENT IN TRAVEL & TOURISM

Key findings

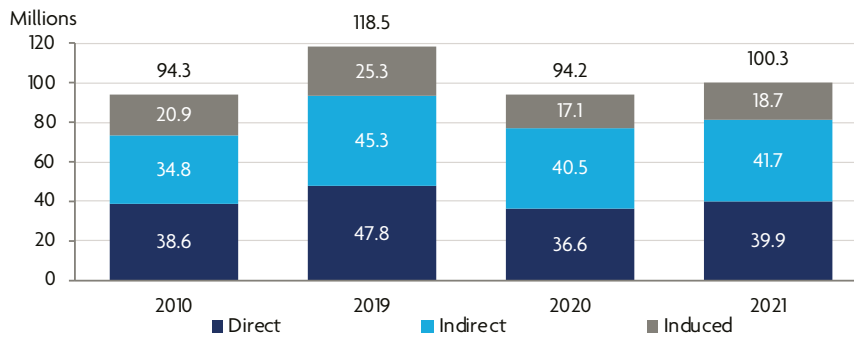
- The Travel & Tourism sector employed a peak of 47.8 million women in 2019, prior to the pandemic, rising by 23.8% from 38.6 million in 2010.
- Women make up a larger share of the Travel & Tourism workforce than the economy-wide workforce in Asia-Pacific and the Americas.
- The share of women in the Travel & Tourism workforce in Africa has been rising since 2010, and female employment across the economy in the Middle East has grown significantly in that time.
- Across the Travel & Tourism sector, approximately 40% of jobs were held by women in 2019. For hospitality roles, the female employment share was around 50% in 2019 and 2021.

While the Travel & Tourism sector is a critical source of work for men and women alike, employment opportunities in the sector are particularly significant for women in countries with a traditionally male-dominated labour market. Increasing the share of women in work has been shown to boost development outcomes for lower-income countries, by diversifying economies, improving productivity and increasing income equality.^{6,7} Achieving gender equality and empowering all women is another UN SDG, and this chapter looks at how the sector is helping to achieve this.

3.1 GLOBAL TRENDS

As with youth employment, **the Travel & Tourism sector directly employed a rapidly rising number of women between 2010 and 2019, increasing from 38.6 million to 47.8 million.** As a result of this growth, jobs in the sector represented an increasingly large share of overall female employment, rising from 3.4% of all jobs for women in 2010 to 3.7% in 2019. Growth in the sector itself also helped to support a larger number of jobs through its indirect and induced value chain. **In total, Travel & Tourism supported employment for 118.5 million women in 2019, up from 94.3 million in 2010.** While these indicators dropped significantly during the COVID-19 pandemic, they have since shown signs of recovery.

Fig. 9. Total global female employment supported by the Travel & Tourism sector, by type of impact and year



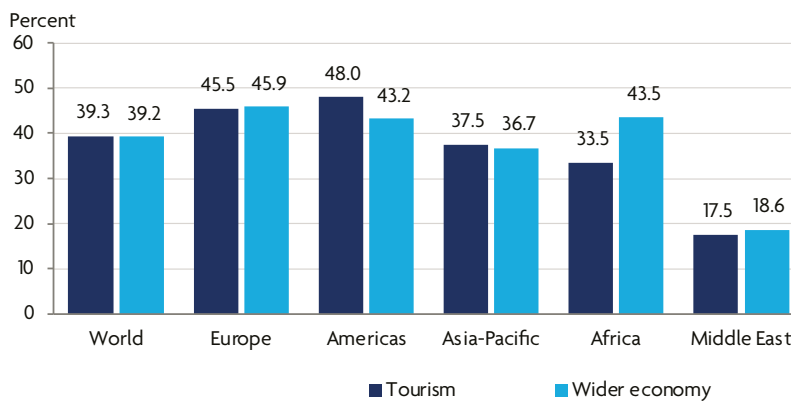
3.2 TRENDS BY REGION AND NATIONAL INCOME LEVEL

Globally, Travel & Tourism employs a marginally higher share of women than other sectors do. On average, women made up 39.3% of jobs in the global Travel & Tourism sector in 2021, compared to 39.2% across the overall economy. This gap has decreased slightly since 2019, when 39.8% of Travel & Tourism workforce was made up of women, compared to 39.5% for the economy as a whole.

Differences are more pronounced in some regions than others. In Africa, the share of women in the Travel & Tourism workforce was 33.5% in 2021, below the economy-wide average for the region of 43.5%. However, this share of the Travel & Tourism sector has been on the rise since 2010, when it stood at 30.5%.

By comparison, the Travel & Tourism workforces of the Americas and Asia-Pacific were balanced more in favour of women than the regional overall economy average, as shown in Figure 10.

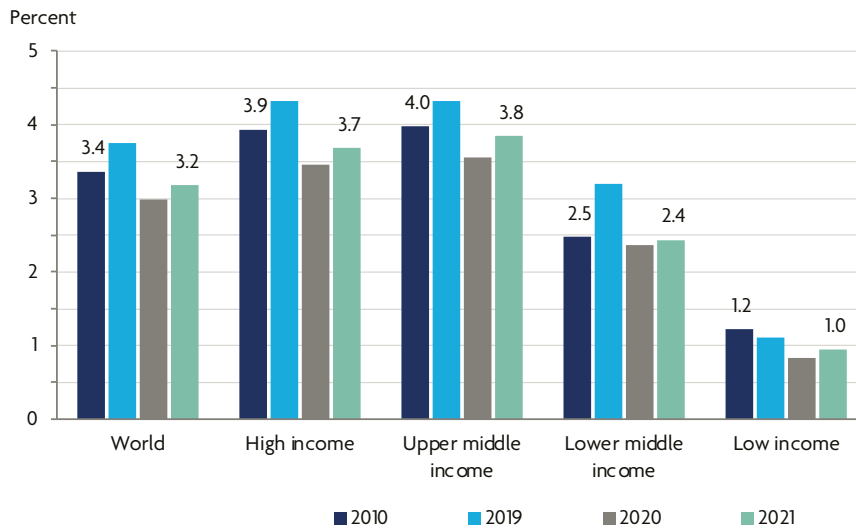
Fig. 10. Female share of direct employment in Travel & Tourism and in the overall economy, by region, 2021



A similar trend can be seen when assessing countries by income group. In high and upper-middle income countries, the share of women directly employed in Travel & Tourism was higher than in the overall economy in 2021. However, in lower-middle and low-income countries, women are much less represented in Travel & Tourism than in the wider workforce.

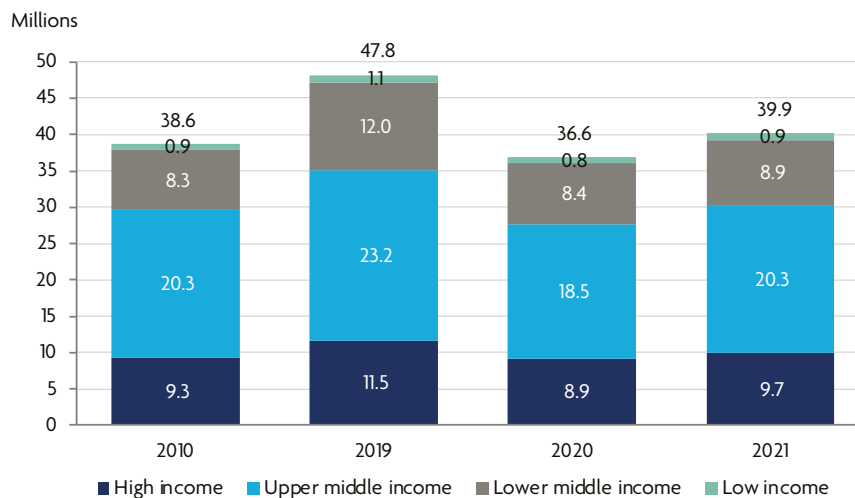
This is also evident when looking at how many women are employed by the Travel & Tourism sector as a share of total female employment. In high and upper-middle income countries, the sector accounted for 3.7% and 3.8% of all female jobs respectively in 2021. This falls with income to 1.0% in low-income countries.

Fig. 11. Direct female employment in Travel & Tourism, as a share of total female employment by income group



These trends, combined with the relative size of the sector in different country groups, means that the sector employs relatively few women in low-income nations — just 2.4% of the global total, or 0.9 million jobs, in 2021 (see Figure 12).

Fig. 12. Female direct employment in Travel & Tourism, by income group, 2021

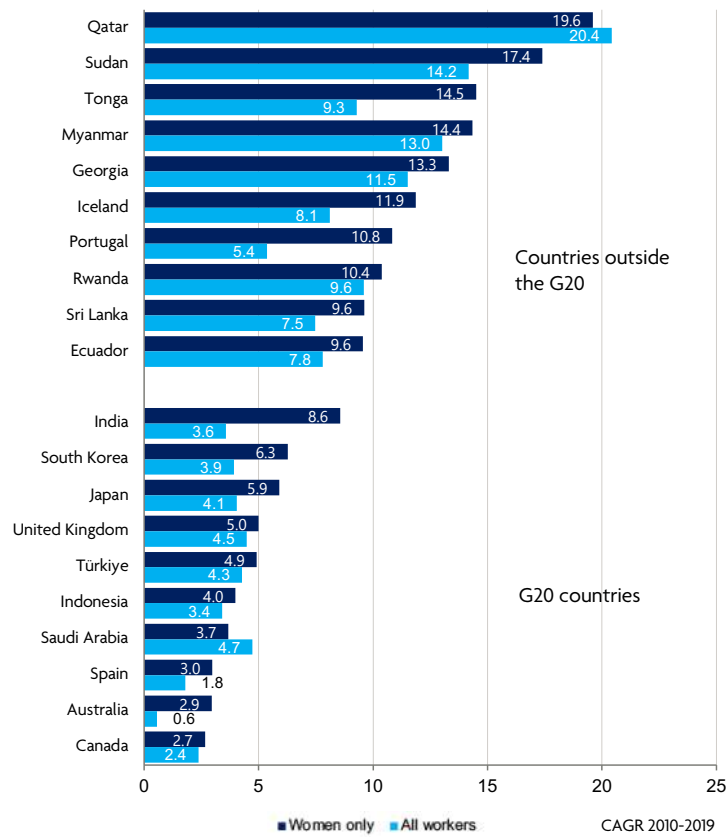


3.3 TRENDS BY COUNTRY AND INDUSTRY

Qatar was the country with the fastest growth in female employment in the Travel & Tourism sector in the last decade, with an average annual growth rate of 19.6% between 2010 and 2019. This was driven by the rapid growth in the overall Travel & Tourism sector of Qatar, with total jobs in the sector growing at 20.4% over the same period.

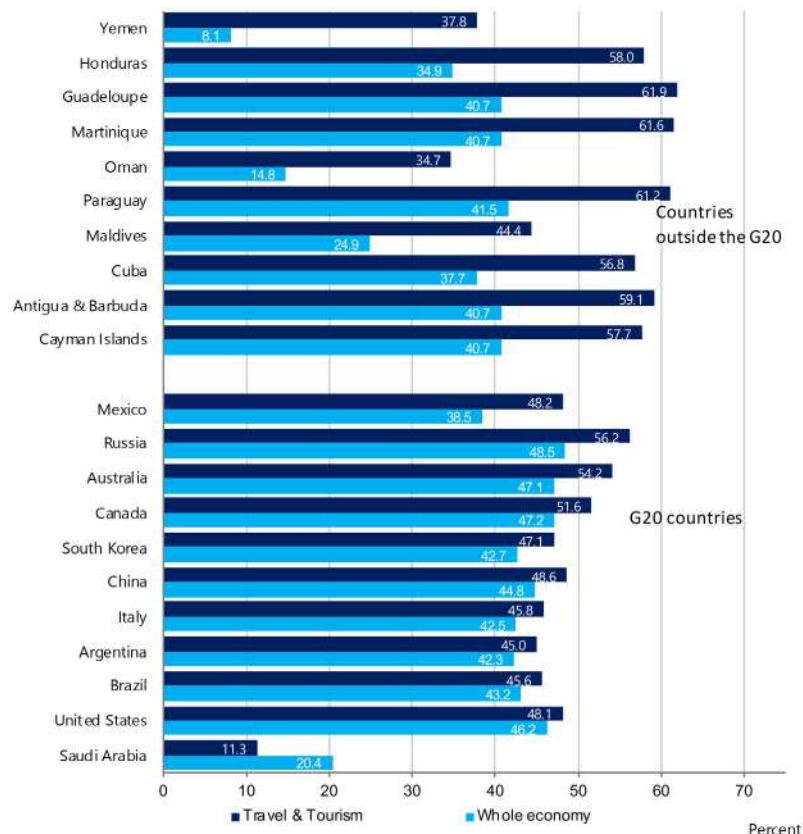
However, other countries saw growth in Travel & Tourism jobs held by women outpacing growth of the overall sector’s workforce. For example, in Tonga, female-held jobs grew at an average annual rate of 14.5% compared to 9.3% for the overall sector, while in Portugal and India, growth in female Travel & Tourism employment was at least double that of the overall sector. In the G20, the top 10 countries in terms of growth in Travel & Tourism jobs held by women, were India, followed by South Korea, Japan, the United Kingdom (4th), Türkiye (5th), Indonesia (6th), Saudi Arabia (7th), Spain (8th), Australia (9th) and Canada (10th).

Fig. 13. Growth in Travel & Tourism jobs held by women vs growth in total Travel & Tourism jobs, top 10 non-G20 countries and top 10 G20 countries, 2010-19



In some countries, the sector supports a notably greater share of women than the wider economy. For instance, in Honduras in 2021, 58.0% of direct Travel & Tourism employment was female, compared to 34.9% in the total workforce.

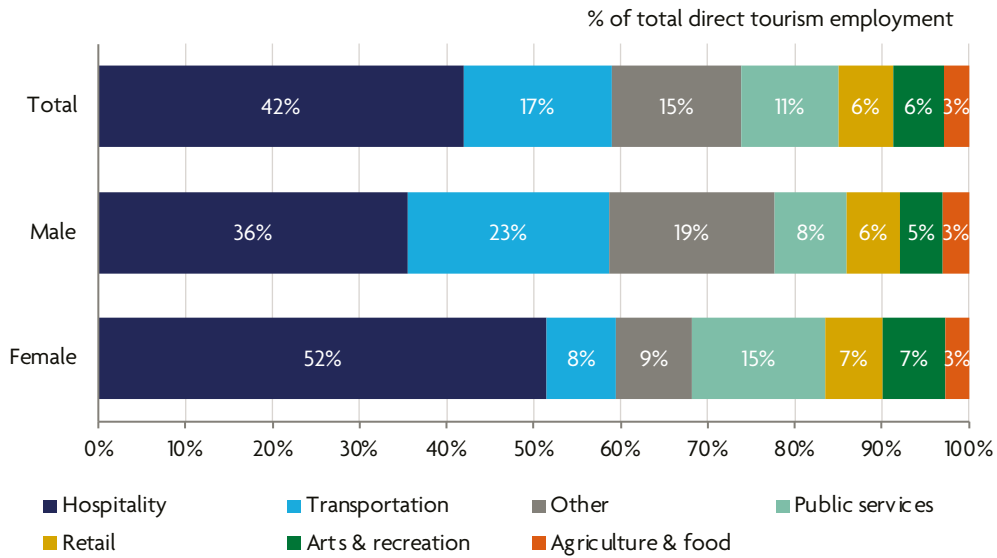
Fig. 14. Female percentage share of direct employment in Travel & Tourism, compared to the whole economy. Ten countries with widest disparities, plus top 10 G20 countries, 2021



Looking at the results by industry, **hospitality is the leading employer within the sector for women**, accounting for more than half (52%) of all female employment in the sector in 2019, a slight increase from 49% in 2010.

Asia-Pacific has the highest share of women working in hospitality roles, at 54% of all female Travel & Tourism sector workers. By comparison, 40% of female Travel & Tourism sector workers in the Middle East are in hospitality roles, with a larger share in public services roles than in other income groups.⁸

Fig. 15. Split of Travel & Tourism sector employment by industry and by gender, 2019





4. HIGH WAGE JOBS SUPPORTED BY TRAVEL & TOURISM

Key findings

- A peak of 36.2 million high-wage jobs were supported directly by the Travel & Tourism sector in 2019, rising from 27.7 million in 2010.
- The proportion of direct Travel & Tourism jobs that are 'high-wage' rose globally from 29.6% in 2010 to 33.9% in 2021.
- In 2021, 38.7% of all Travel & Tourism jobs in Asia-Pacific were high-wage jobs, a higher share than any other region, though Africa was a close second at 36.2%. By contrast, just 15.1% of employment in the European Travel & Tourism sector was in high-wage sectors that year.
- Looked at by income group, high-wage jobs make up a larger share of all Travel & Tourism sector employment in low and lower-middle income countries than in other income groups. This is likely due to other high-wage sectors being more developed in high- and upper-middle income nations.

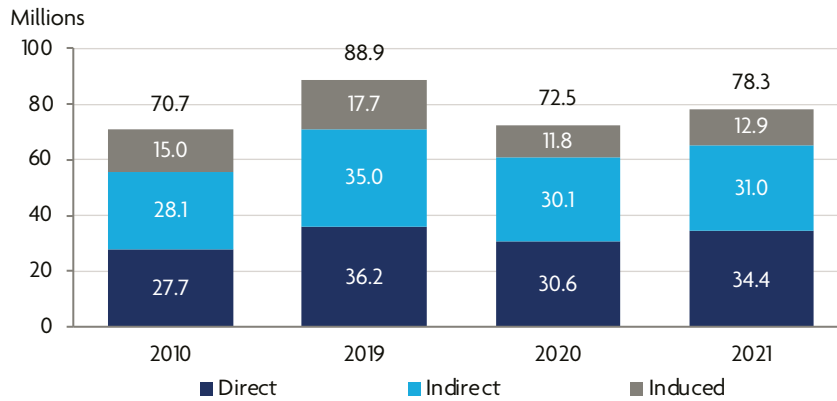
This section addresses the relative wages of the jobs created and sustained by Travel & Tourism. Breaking down sectoral employment by income is challenging, due to limited comparable international wage data.⁹ For the purposes of this report, **“high-wage” sectors are defined as those in which average wages are roughly in the top third of earnings** in a given country (above the 65th percentile).

This measure allows for some degree of comparison between international earnings. This, in turn, helps identify the jobs and industries which might be considered desirable within a given country. These high-wage sectors encompass a different set of industries in different countries, and also describe a different wage level (and standard of living) in each country.¹⁰

4.1 GLOBAL TRENDS

Travel & Tourism-linked employment in high-wage jobs is rebounding. Between 2010 and 2019, the Travel & Tourism sector directly employed an extra 8.5 million workers in high-wage jobs. Despite dropping in 2020 to near-2010 levels, employment within these sectors rebounded quickly.

Fig. 16. Total Travel & Tourism high-wage employment, by type of impact

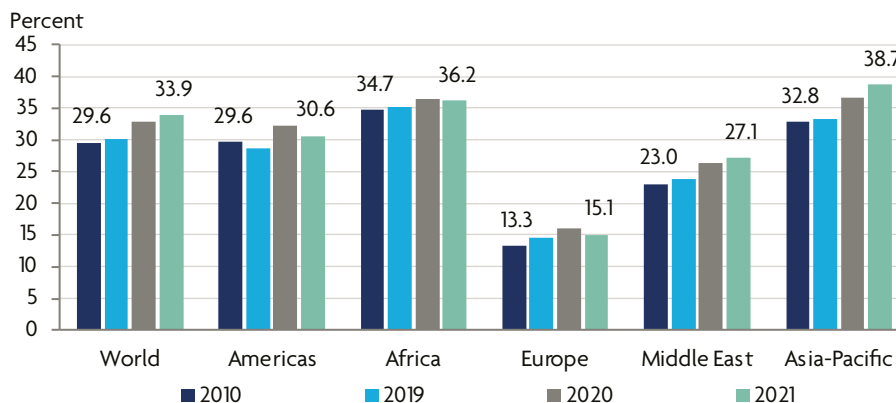


About 34% of jobs in the global Travel & Tourism sector were categorised as high-wage in 2021. This share has grown steadily from 29.6% in 2010.

4.2 REGIONAL AND COUNTRY TRENDS

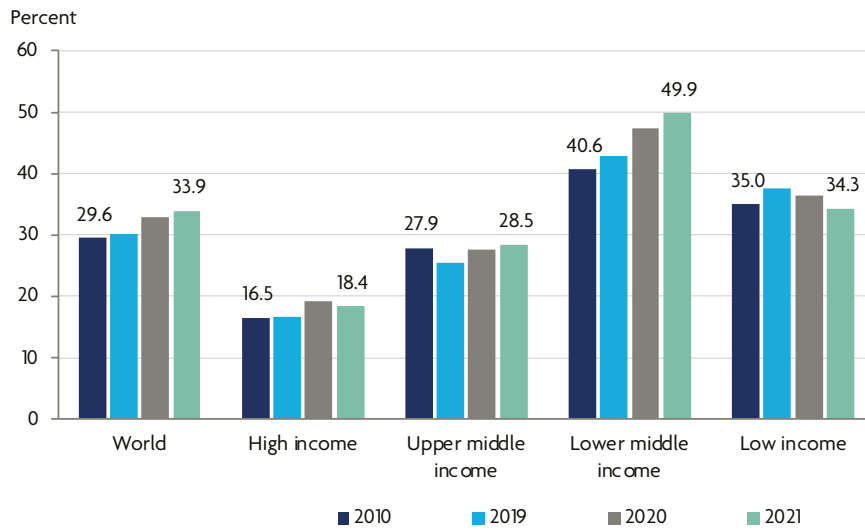
In 2021, Asia-Pacific was the region with the highest share of high-wage jobs in Travel & Tourism, amounting to 38.7% of all direct jobs in the sector. Africa was a close second at 36.2%. By contrast, just 15.1% of employment in the European Travel & Tourism sector was in high-wage sectors that year.

Fig. 17. Proportion of direct Travel & Tourism jobs in high-wage sectors, by region



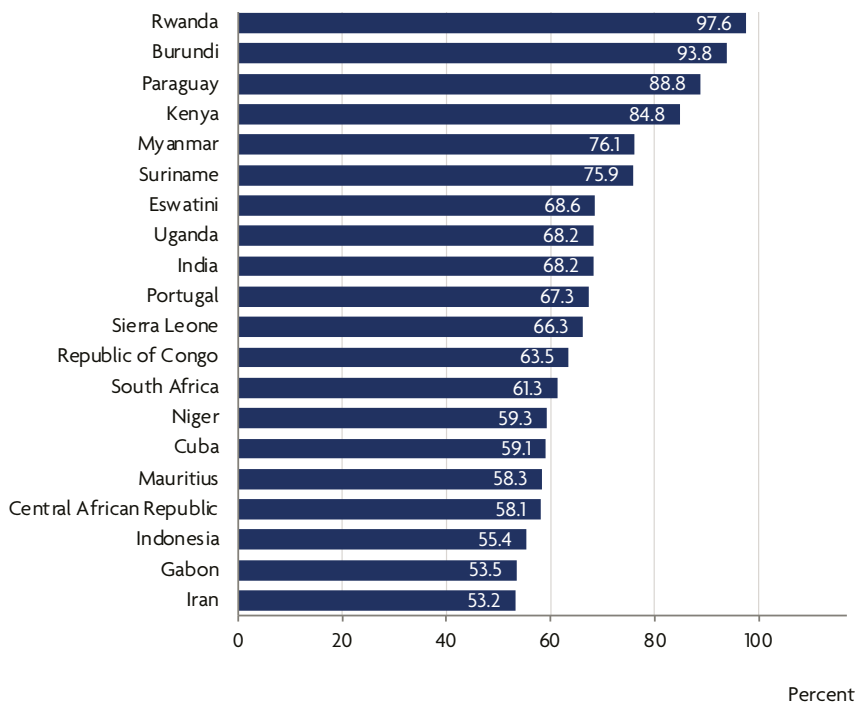
Looking at the results split by income group, it is lower-middle income countries where Travel & Tourism provides the largest share of high-wage jobs (with almost half in the sector being high-wage during 2021). The figure is greater than for high-income and upper-middle income countries, due to sectors other than Travel & Tourism tending to be more developed and offering a greater share of high-wage jobs.

Fig. 18. Proportion of direct Travel & Tourism jobs in high-wage sectors, by income group



Disaggregating the regional results by individual country further highlights this trend. In 2021, the vast majority of the top 20 countries for high-wage employment in Travel & Tourism were located in either Africa or the Asia-Pacific region. The countries with the very highest proportions, as shown in Figure 19 below, are generally those where the hospitality and/or transport industries meet the threshold to be considered high-wage sectors. Within the Americas, high-wage jobs represented a relatively large share of overall Travel & Tourism employment for several countries in the Caribbean, such as Cuba with 59%, Guadeloupe with 46% and Antigua & Barbuda with 45%. In Latin America, several countries had even higher shares, such as Paraguay at 89% and Suriname with 76%. By contrast, the countries of North America had much lower shares, from Canada’s 23% to 32% in the US.

Fig. 19. Top 20 countries with highest proportion of direct Travel & Tourism jobs in high-wage sectors, 2021





5. CONCLUSIONS

The Travel & Tourism sector is a significant contributor to the global economy and a major employer around the world, with jobs ranging from hospitality, transportation, cultural occupations as well as various support services. While the sector was impacted significantly by the effects of COVID-19, it remains a major supporter of employment around the world and has been rebounding since the pandemic. The sector also helps address and support several UN Sustainable Development Goals, including providing employment opportunities for women and for young workers.

A key theme that emerged from the study is the extent to which the industry supports jobs for these demographics, and how that varies between regions and income groups. For instance, the study found that the region with the largest Travel & Tourism workforce in absolute terms was Asia-Pacific for both young workers and women, largely due to the size of that region's overall economy. However, for both these demographics, it is higher-income countries where the sector has the greatest importance in relative terms. In high income countries, 6.4% of all young workers were employed in the Travel & Tourism sector in 2021, a figure that declines with income down to 0.8% in low-income nations. Similarly, the share of all female workers employed in Travel & Tourism in high-income countries was 3.7% in 2021, compared to 1.0% in the low-income group of countries.

The sector is also an especially important provider of higher-wage jobs in lower- and middle-income countries. In more developed countries, other sectors (typically mature and capital-intensive ones) account for more of the higher-wage jobs in the economy, meaning Travel & Tourism comprises a smaller share.

This has implications for policymakers to consider: the fact that the Travel & Tourism sector employs proportionally more young people and women in higher income countries suggests that helping to support entry into the sector's workforce may be an effective route for boosting overall employment in these demographics in lower income countries. Moreover, in many developing countries, Travel & Tourism jobs can represent relatively higher-quality and higher-wage opportunities, often in the formal economy. This underlines that helping women and young people into Travel & Tourism jobs could contribute to alleviating their poverty and economic exclusion.

In general, a decent work approach is recommended to encourage increased female and youth employment in tourism. For women, countries and businesses should adopt family-friendly policies and conditions, provide opportunities for upskilling, increase the representation of women in decision-making positions, eliminate discriminatory wage gaps and improve the inclusion of women from disadvantaged minority groups including migrant women. With regards to youth employment in Travel & Tourism, effective policies include those that have a direct influence on high-quality training and that increase positive perceptions of Travel & Tourism jobs.

This research has shown that Travel & Tourism provides a wide range of opportunities for the economic inclusion of vulnerable groups such as women and youth, as well as for well paid formal sector employment. Governments, multilateral organisations and the private sector are encouraged to develop appropriate incentives and policy frameworks in light of the dynamics that occur at country and regional levels in order to leverage the enormous potential of the sector to strengthen the social fabric of our nations and communities.

Endnotes

1: The direct impact of the Travel & Tourism sector is the main focus of this report, although supply chain (“indirect”) and worker spending (“induced”) impacts are included in some findings to illustrate the wider reach that the sector has.

2: Young workers are defined here as those aged 15 to 24 inclusive.

3: IMF, Time to tap growth opportunities in the Middle East and North Africa, August 2023

4: Many countries publish labour statistics disaggregated among specific age bands. The 15-24 age range is used for the study as the most relevant bracket with data available across the broadest range of countries, although it is recognised that many at the lower end of the bracket will be in education rather than employment.

5: The assignation of countries into income categories follows the World Bank classifications of 2022.

6: Kings College London, Women are the key to economic development in third-world countries, 2019

7: IMF Working Paper, Inequality, Gender Gaps and Economic Growth: Comparative Evidence for Sub-Saharan Africa, 2016

8: Public service jobs include jobs in public administration such as border and customs services, operation of tourist offices, governmental promotion and marketing of destinations, regulation and supervision of Travel & Tourism and hospitality sectors, and the administering of taxes/subsidies. Also included in this category are health jobs, capturing the services rendered to health tourists, as well as providers of cultural, sporting or vocational training (i.e., excluding the teaching of international students who travel for general education).

9: Earnings data do exist in most parts of the world, but consistent analysis is complicated by wide variations in the sources, methods, timeliness, concepts, and coverage of such data. Currency fluctuations, differences in price levels and purchasing power all also confound breakdowns that seek to be truly international in scope.

10: This analysis also does not presume that each country’s ‘high-wage’ earnings level is sufficient to keep a worker out of significant hardship. The only criteria is that it would place a worker within the top third of wage earners in that country.

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The Sustainable Tourism Global Center (STGC) is the world's first multi-country, multi-stakeholder global coalition, incubated within the Ministry of Tourism of Saudi Arabia, that will lead, accelerate, and track the tourism industry's transition to net-zero emissions, as well as drive action to protect nature and support communities. It will enable the transition while delivering knowledge, tools, financing mechanisms and innovation into the tourism sector. The STGC was announced by His Royal Highness the Crown Prince Mohammed Bin Salman during the Saudi Green Initiative in October 2021 in Riyadh, Saudi Arabia. His Excellency Ahmed Al Khateeb, Minister of Tourism for Saudi Arabia then led a panel discussion during COP26 (November 2021) in Glasgow, United Kingdom, to elaborate on how the Center will deliver on its mandate with founding country representatives and experts from partner international organisations.



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