


DECENT WORK AND EMPLOYMENT CREATION IN THE TOURISM SECTOR





*Prepared for the Institute for Economic Justice by
Kate Rivett-Carnac and Cheryl-Lyn Selman*

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For further information contact: info@iej.org.za*

EXECUTIVE SUMMARY

This Report calls for a partnership between government, industry, communities, and labour that places the objective of employment-creating decent work, and development of the tourism industry front and centre in tourism planning in South Africa. This applies to current Covid-19 recovery plans, the master plan process, and future sectoral planning.

Main findings

1. Tourism is **important for employment** in the country, including in many small towns.
2. There are **many tourism industry organisations** involved in the sector, as well as all three spheres of government. The sector also cuts across different trade unions. This requires effective stakeholder coordination, structured ways of working, and partnerships in the sector.
3. Tourism-characteristic industries include passenger transport, accommodation, restaurants, travel agencies and other booking agencies, cultural and sports, and recreational services (Stats SA, 2019). These are the industries in which tourist consumption comprises more than 25% of total consumption. These **diverse industries challenge a 'one-size-fits-all' approach** to planning and strategy development in tourism.
4. **Many tourism jobs are located in small businesses**, some of which are informal. The prevalence of small businesses and much **atypical employment** create a number of challenges for organising for decent work:
 - › Organising small businesses that are spread out across the country is difficult.
 - › Many staff are part-time or casual (including seasonal workers) and their rights are not sufficiently protected by existing labour legislation.
 - › The work is precarious and employees may be cautious about demanding better working conditions and pay.
 - › Within informal tourism businesses, including those that comprise "own-account" work, Unemployment Insurance Fund (UIF) contributions may likely not be paid, giving workers no recourse to these funds.

Tourists on a game drive in Kruger National Park.
(Photo: imageBROKER / Alamy Stock Photo)



5. **Human resource development** is also challenged by the size of businesses and atypical work conditions:
 - › Small businesses can seldom give staff time off for training and development, and may not be able (or willing) to pay for additional skills.
 - › An effective partnership is required between regulators, educators, labour, and industry in order to ensure that the correct skills are produced for tourism industries.
6. **Covid-19** has destroyed many jobs in tourism:
 - › In 2020, South Africa lost a relatively higher share of travel and tourism jobs – at 32.4% of the total, or an estimated 473 000 direct, indirect, and induced jobs – than Australia and Thailand, two competitor tourism destinations. This is possibly due to more effective fiscal support and greater domestic tourism vibrancy in those countries.
 - › For those tourism employees who have retained their jobs in South Africa over the past two years, few were receiving their full salaries with the majority getting less than 60% of their salary in early 2021.
 - › While all of the tourism-characteristic industries have experienced job losses, accommodation, and food and beverage serving establishments have been the hardest hit from a total jobs and earnings loss perspective. Many employees in these two industries are not covered by bargaining councils.
 - › Parts of passenger transportation, like long-distance coaches and tour coach operators, car hire services, and airlines, have also been particularly negatively affected. These industries tend to already be well represented by bargaining councils as they typically comprise fewer, larger, firms.
 - › Sports and recreation, and cultural industries, have together experienced about 20 000 direct job losses. This category is a collection of smaller industries and is accordingly not easy to disaggregate.
7. **Transformation** in the tourism sector is poor:
 - › White-owned and managed businesses continue to dominate the sector and procurement from Black suppliers has been slow. Less than 50% of enterprises in accommodation, hospitality, and travel achieved the 30% Black-ownership target; only 11% had Black female executives and in general, there were low levels of Black management.
8. More research is also needed to understand the **impact on travel and tourism intermediaries**, like tour operators, tourist guides, travel agencies, and other booking agencies (including those involved in meetings, incentives, conferences, and exhibitions). These industries are heavily reliant on foreign tourism and domestic business tourism, both of which markets were very badly affected by Covid-19-related restrictions.
9. Critique of South Africa's **tourism response** to date:
 - › The establishment of the Tourism Relief Fund (TRF) happened quickly but, given the scale of the sector, R200 million was too little to provide significant relief. More than 3 000 applicants to the Fund could not be paid out. The TRF did not utilise the number of employees as a criterion when screening applicants.
 - › From a demand stimulation point of view, outside of marketing campaigns promoting the country to domestic tourists, there have been no incentive programmes to support the domestic market through government-underwritten discounted packages or similar.
 - › From a training perspective, the projects of the Tourism Department on the training of chefs, youth, and women executives, as well as its mentorship programme, have continued, but no wide-scale online training has been offered during Covid-19.
 - › There has been a limited Labour voice at the table during tourism strategy sessions: currently, there is limited union participation at a strategic level alongside the Ministry, Department, and organised business. Workers need to be more formally included in structured partnerships and discussions. Tourism employment and worker-related issues must be included in the up-front design of tourism development plans and strategies.
 - › Little research exists on informal tourism businesses and more is necessary to better understand and plan for support to informal businesses in tourism, of which there are many.

Recommendations

A range of measures can support tourism's survival. Proposals must address urgent actions during 2022 to improve the overall prospects for the sector. This is in order for it to start to recover and create the jobs that are so desperately needed, including through self-employment.

1. Fiscal support

- › Lobby for TERS-like wage support in tourism while demand remains dampened.
- › Improve administration and efficiency/speed in paying out grants for tourism applicants.
- › Motivate that for transformation, the Tourism Equity Fund or future similar funding schemes and concessionary funding, contain conditions around retention of employees and/or employment creation. Furthermore, advocate for more concessionary finance, business support services, and supplier development programmes (and value chain mapping) to support the transformation of the sector. This should in part be linked to new market and product development including for the underserved domestic market and regional market segments.

2. Government policy, strategy and planning support:

- › Unions to continue to strongly endorse and support the vaccine rollout programme amongst all members. Unions to strongly motivate tourism workers to get vaccinated and booster shots.

3. Demand-side support:

- › Advocate that global unions support South Africa's efforts through lobbying against red lists and similar negative travel advisories (a form of market access barrier) in tourist source markets.
- › Work with SADTU to support a **staggered school calendar** – this has major positive impacts for tourism businesses as it reduces the peaks and allows 'high season' to be extended and spread out.¹ Unions have advocated for a unified school calendar, while the Department of Basic Education instituted a staggered return to school this year and plans to do the same next year. The proposed school calendar for 2024 seems to suggest a return to unified school term dates. This would impact negatively on tourism businesses.
- › Work with Industry (at an organised level) and possibly also with Government to develop and support a range of holiday packages for union members to undertake domestic travel across the country.

4. Human resource development:

- › Motivate that the Department of Tourism and others support training to businesses and workers on 'post Covid' domestic and regional market segments, strategies, and digitalisation. This links to the transformation point, above.
- › Get involved in global efforts to transform tourism into a sector that is more inclusive, and sustainable.

5. Human resource development:

- › Revisit the 2017 National Tourism Human Resource Development Strategy. Together with social partners identify key actions for the short-term, as well as longer-term programmes.

1. A recent article shows that unions want a unified school calendar – this would have negative impacts for tourism businesses: businesstech.co.za/news/government/522760/unions-want-new-school-calendar-for-south-africa/?utm_source=everlytic&utm_medium=newsletter&utm_campaign=businesstech

6. Support local economy linkages including the informal tourism economy:

- › Support research on value chain mapping in tourism.
- › Support programmes that build local supply chains in tourism nodes, using an established methodology and digitally-enhanced systems.
- › Undertake a survey of informal tourism economy operators to better understand the industry, employment characteristics, barriers to formalisation, etc.

7. Address future barriers to tourism development:

- › Support a ‘whole of government’ approach to tourism. In this regard, motivate for more rapid response from government departments to unlock barriers to tourism growth, including through travel facilitation (e.g. visa reform).
- › Advocate for a just transition to a low-carbon and green economy. Unions to work with energy and transport industries and the government to advocate for a just and rapid transition towards a green and low-carbon economy. This recognises that tourism, by definition, necessarily relies on travel, and transport is a major greenhouse gas emitter. Greener forms of travel are needed to and around the destination, including green aviation fuels, electric vehicles, and passenger rail transport (assuming the electricity grid is rapidly decarbonised). Green public space development is also good for communities, recreation, and tourism. Much of tourism is based on natural areas and tourism is an important income generator for these natural areas. In the short term, many national and provincial parks are struggling with a decline in tourism income. They require fiscal support as well as new business models to reduce their reliance on tourism income.
- › Digitalisation: Advocate for digital infrastructure rollout and data access across the country including in marginalised areas in cities and in rural locations. This will allow entrepreneurs to more effectively participate in tourism.

8. Working conditions:

- › Address the issue of foreign workers in tourism through regularising those who have scarce skills and support the industry to invest in the creation of local skills for tourism.
- › Work with grading and certification institutions to consider how to include decent work measures in their programmes.

9. Labour needs to advocate for a greater transformation of tourism:

- › Unions should advocate for more concessionary finance, business support services, and supplier development programmes (including value chain mapping) to support the transformation of the sector.
- › A variety of ownership schemes should be explored to ensure transformation in shareholding to include workers, in particular those who represent marginalised groups such as Black women.
- › A transformation programme should also, but not exclusively, be linked to new market and product development including for underserved domestic market and regional market segments.
- › Unions should lobby for representation on industry boards and their capacity to participate fully, supported through development programmes and funding. Board membership should include umbrella institutions for the sector, as well as private and public tourism entities with governing boards in place. Management and executive positions should exhibit equitable representation across race and gender intersections.

TABLE OF CONTENTS

Abbreviations	vi
List of figures and tables	vii
1. Introduction	1
2. Background to South Africa’s tourism sector	2
3. Existing barriers to inclusive growth	5
4. Employment analysis	7
4.1 Overview of jobs in tourism	7
4.2. Characteristics of employees in tourism	8
4.3 Legal frameworks and trade union representation	10
4.4 Tourism policy and decent work	11
5. Covid-19’s impacts on tourism	12
5.1 Global comparisons: Covid-19 job losses in tourism	14
5.2 Working conditions, subsector characteristics and Covid-19 impacts	15
6. Global country action to support tourism	22
7. Tourism policy and Covid-19 tourism support mechanisms in South Africa	25
7.1 Covid-19 tourism support measures	25
7.2 The Tourism Sector Recovery Plan	27
8. Conclusions and proposals	29
8.1 Summary of challenges	29
8.1 Proposals	30
List of references	34
Appendices	37

ABBREVIATIONS

ACSA	Airports Company South Africa
AfCFTA	African Continental Free Trade Area
B-BBEE	Broad-Based Black Economic Empowerment
CATHSSETA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority
COSATU	Congress of South African Trade Unions
GDP	Gross-Domestic Product
IEJ	Institute for Economic Justice
ILO	International Labour Organisation
IUF	International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
LSS	Large Sample Survey
NEDLAC	National Economic Development and Labour Council
OECD	Organisation for Economic Co-operation and Development
QES	Quarterly Employment Survey
SAA	South African Airways
SAATM	Single African Air Transport Market
SADC	Southern African Development Community
SADTU	South African Democratic Teachers Union
SANParks	South African National Parks
SMME	Small, Medium, and Micro-Enterprise
TBCSA	Tourism Business Council of South Africa
TERS	Temporary Employer-Employee Relief Scheme
TRF	Tourism Relief Fund
TSA	Tourism Satellite Account
TSRP	Tourism Sector Recovery Plan
UNWTO	United Nations World Tourism Organisation
WTTC	World Travel and Tourism Council

LIST OF FIGURES AND TABLES

Figure 1 Sources of expenditure in tourism-characteristic industries, 2019, R millions	3
Figure 2 Estimated total tourism jobs, 2018, by skills levels, and by domestic/inbound markets	9
Figure 3 Tourist arrivals by month and year 2019 – 2022	12
Figure 4 Tourism Relief Fund payments, by province, and service/ category	40
Figure 5 Jobs by category of accommodation	41
Figure 6 Average salaries and wages in the accommodation industry	41
Figure 7 Income from accommodation (current prices) R million	42
Figure 8 Number of employees – hotels and restaurants	43
Figure 9 Jobs by category or sub-industry within ‘food and beverage serving industry’.	43
Figure 10 Employment by enterprise size and category	44
Figure 11 Income from food and beverages (constant 2015 prices) R million	44
Figure 12 Transport and storage services and employment	45
Figure 13 Number of employees – air transport industry	47
Figure 14 Gross earnings in the air transport industry	47
Figure 15 Number of employees – recreational, cultural and sporting activities’ industry	48
Figure 16 Gross earnings in the recreational, cultural and sports industry	49
Table 1 Direct tourism employment, 2015 – 2019, in South Africa	7
Table 2 Comparing tourism jobs lost: South Africa, Australia, Thailand and Kenya	14
Table 3 Tourism characteristic industries employment and income analysis	16
Table 4 Covid tourism support responses – selection of actions across countries	22
Table 5 South Africa’s interventions to support tourism during Covid-19	26
Table 6 Strategic Interventions in the TSRP	28
Table 7 Employees, salaries and wages, select transportation and travel agencies	46

1

INTRODUCTION

The tourism sector has been prioritised by the Government in South Africa, including through the establishment of a stand-alone Department and Ministry in 2009. Tourism’s prioritisation is due, in no small part, to its employment intensity, particularly its ability to absorb relatively low-skilled workers across the country. Despite this, to date there has been little policy and strategy focus on employment in the sector.

At a global level, the International Labour Organisation (ILO) has guidelines on decent work and socially responsible tourism. The United Nations World Tourism Organisation (UNWTO) and World Travel and Tourism Council (WTTC) highlight the importance of tourism for its employment impacts. Despite this, there are few examples of global employment-focused tourism policies that advocate for decent work and include clear strategies on how to achieve this end.²

The tourism sector – globally and in South Africa – has been particularly hard hit by Covid-19 and many jobs were lost. It is likely to recover, at least in part, and that recovery, as well as the growth thereafter, needs to ensure more attention to employment and workers. Strategies are required that target expanding decent work in tourism and drive improvements in human resource development.

In pursuit of decent work across the economy, COSATU has requested the Institute for Economic Justice (IEJ) to assist Labour in a national Master Plan process through the provision of background research and other support services. The purpose of this Report (and accompanying Policy Brief) is to support Labour in developing and justifying policy positions in the tourism economy. While a draft tourism Master Plan was developed in 2019/2020, it has since been neglected in favour of the Tourism Sector Recovery Plan (TSRP) which was adopted by Cabinet in April 2021. Objections from organised labour to abandoning the Master Plan process have recently seen the Government agree to reinstating the Master Plan process for Tourism.³ The TSRP is discussed in some detail later in this Report.

A family using a rickshaw at the beach front of Durban.
(Photo: Ruben Ramos / Alamy Stock Photo)



2. Notably, in its recent pronouncements on tourism, the G20 has called for the “promotion of legislation, regulations and good practice that provide decent work and other opportunities in tourism, including for women, youth, minorities and other vulnerable groups” (OECD, 2021).
3. Action Plan for Steering Committee Meeting – Master Plans held on 27 May 2022.

In 2019, Tourism's direct economic contribution to the South African economy was about 3.7% of GDP, R121 billion in export earnings – the foreign exchange earned locally due to tourist expenditure from foreigners within the country – and 773 533 direct jobs

2

BACKGROUND TO SOUTH AFRICA'S TOURISM SECTOR

In 2019, the global tourism sector accounted for about 10% of global GDP and more than one in ten jobs around the world. But, since March 2020, Covid-19 and measures to contain it have decimated international tourist arrivals. These declined by 74% or by 1 billion tourist arrivals in 2020, equivalent to USD \$1.3 trillion lost in tourism foreign exchange earnings in 2020 (WTTC, 2020).

South Africa received just over 10 million foreign tourist arrivals in 2019. Most tourists to the country (over 70%) come from neighbouring countries, although expenditure per tourist is far lower for regional tourists than it is from overseas source markets (SA Tourism, 2020a). Domestic tourism volumes were estimated at 28.2 million overnight domestic trips in 2019 (SA Tourism, 2020b).

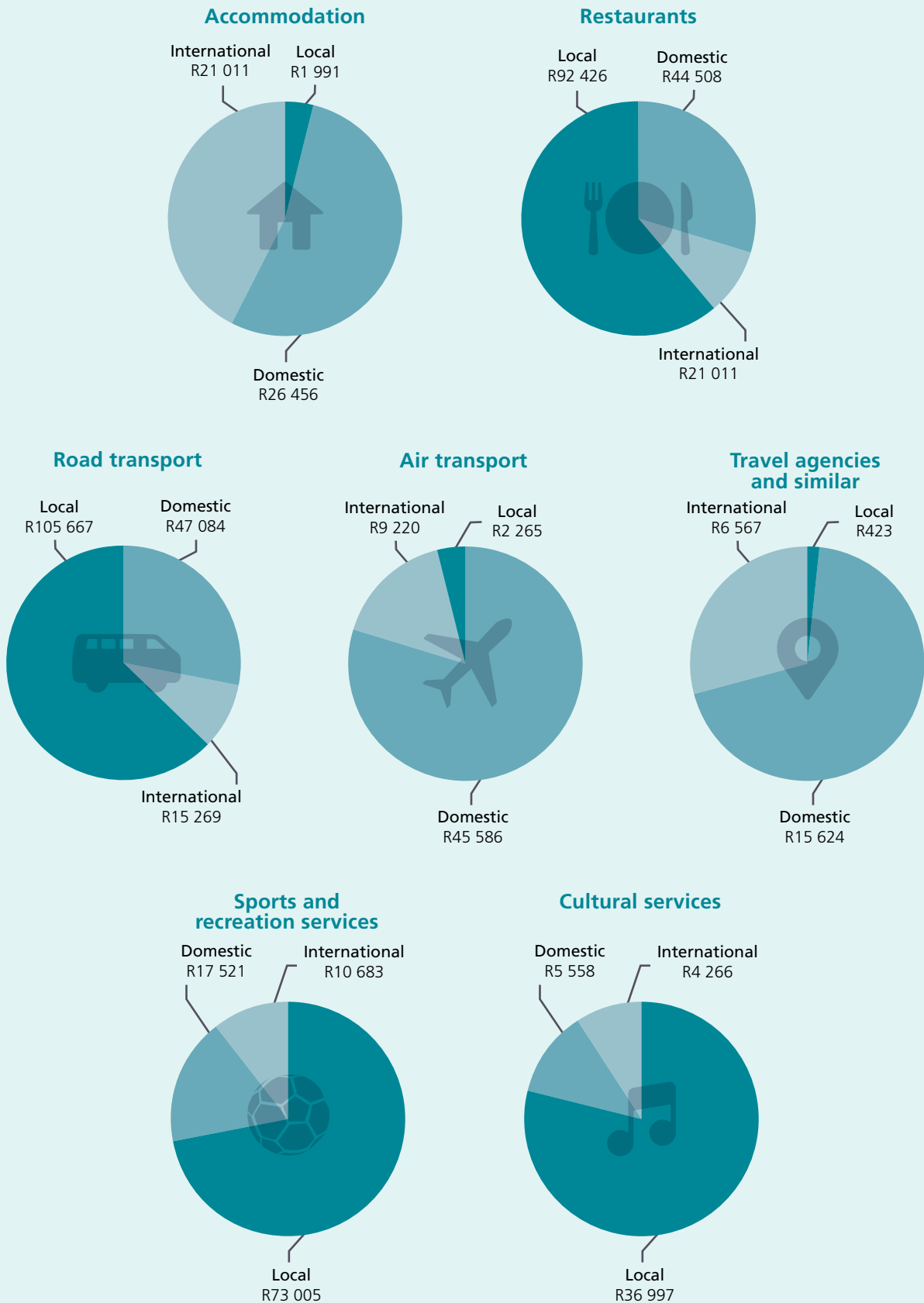
In 2019, Tourism's direct economic contribution to the South African economy was about 3.7% of GDP, R121 billion in export earnings – the foreign exchange earned locally due to tourist expenditure from foreigners within the country – and 773 533 direct jobs (Stats SA, 2019). There were also an estimated additional 74 000 indirect and induced jobs (WTTC, 2018). This economic value is established through the Tourism Satellite Account methodology which uses a consumption-based approach. Tourism-characteristic industries are identified based on where visitors' expenditure is a significant share of total consumption. Tourism-characteristic industries include passenger transport, accommodation, restaurants, travel agencies and similar, cultural and sports, and recreational services (Stats SA, 2019).

Often the passenger transportation industries are excluded in tourism analyses, although tourists constitute a significant share of the demand experienced by these industries. This is because passenger transportation also includes local non-tourist travel, such as daily commutes to and from places of work. The ILO's 2017 'Guidelines for decent work and socially responsible tourism' excludes passenger transportation services (air, road, water, rail) and the retail impacts of tourists. In a similar way, the Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority (CATHSSETA) in South Africa covers the six sub-sectors of Arts, Culture and Heritage; Conservation; Gaming and Lotteries; Hospitality; Sport, Recreation and Fitness; and Tourism and Travel Services, but does not include passenger transportation.

Each of the tourism-characteristic industries in South Africa has a different reliance on international, domestic tourists and local residents for income. While 'sports and recreational services', 'cultural industries', 'restaurants', and 'road transportation' rely more on local use (by residents of the area where they operate), 'air transport', 'accommodation', and 'travel agents' are heavily reliant on foreign and domestic tourist expenditure. The pre-Covid different sources of expenditure for different market segments are shown in Figure 1.

FIGURE 1

Sources of expenditure in tourism-characteristic industries, 2019, R millions



Source: Author's own graphs based on 2019 Tourism Satellite Account, Statistics SA.

50 000 tourism SMMEs were tax-registered in South Africa in 2018 ... SMMEs are estimated to constitute about 90% of all tourism businesses in the country.

Beyond its industrial composition, tourism's economic importance includes its role in the geographic dispersion of economic activities across the country. Tourism is a critical source of income for many small towns around the country. For example, Bitou, Knysna, and Overstrand in the Western Cape; Bela-Bela in Limpopo; and Okhahlama in KwaZulu-Natal, are municipalities where more than 30% of local GDP came from tourism pre-Covid-19 (Rogerson & Rogerson, 2020a). Tourism enterprises are also an important source of innovation and diversification with links to country brand positioning and investment promotion.

Globally, while the sector comprises a number of major multinational firms in industries operating as hotels, cruise liners, airlines, and tour operations, most enterprises, by far, are small, medium, and micro-enterprises (SMMEs). In South Africa, 50 000 tourism SMMEs were tax-registered in South Africa in 2018 (Glocker and Haxton, 2020). In fact, SMMEs are estimated to constitute about 90% of all tourism businesses in the country.⁴ This estimation is supported by the three surveys conducted between May and November 2020 which, based on responses ranging from 1 570 to 3 500 businesses, indicated that approximately 58% of companies in the tourism sector generate less than R5 million in annual revenue. This is a higher percentage – 70% – for accommodation and hospitality businesses (DT, 2021a). Many informal tourism enterprises also exist, including tourist guides, crafters, informal food operators, home-sharing establishments, and informal transport providers.

In terms of policy and administration, tourism cuts across all three spheres of government and many different agencies of government. Relevant agencies include those responsible for overseeing national and provincial parks, museums, airports, and public transportation services. There are also many local tourism entities in different municipalities that market the local area.

Industry associations exist for most of the tourism-characteristic industries, although not all of these are representative of the breadth of businesses operating in the industry due to the fragmentation of the sector and its multiple small enterprises. The Tourism Business Council of South Africa (TBCSA) is the umbrella body that represents the sector at large. Its board comprises many industry-specific associations, which in turn represent the tourism-characteristic industries.

Strategic implications for a labour-friendly tourism agenda

Tourism is important for employment in the country, including in many small towns.

Many tourism jobs are located in small businesses, some of which are informal. This requires an organising strategy for SMMEs and for geographic dispersion.

There is a multitude of tourism industry organisations involved in the sector, as well as across all three spheres of government, which, while it provides industry and government with various opportunities to drive tourism agendas, impedes the overall coordination of the sector. The sector cuts across different trade unions too, which also requires effective coordination. This need for greater stakeholder coordination necessitates structured ways of working and structured partnerships in the sector.

4. In 2019/20, of the total number of 39 824 enterprises registered with CATHSSETA, 37 928 were small enterprises. The CATHSSETA's funds are severely curtailed as SMMEs are exempt from paying the Skills Development Levy. This limits the tourism human resource development work that can be undertaken. (CATHSSETA, 2020).

3

EXISTING BARRIERS TO INCLUSIVE GROWTH

Despite tourism performing comparatively well relative to other economic sectors in South Africa prior to Covid-19, the growth rate in foreign tourists to South Africa between 2013 and 2019 was lacklustre. The compound average annual growth rate was only 2%, compared with a global average of about 4% for the same period. In terms of domestic tourism, the 28 million domestic trips undertaken by domestic tourists in South Africa in 2019 represented a 61% increase on 2018 numbers (SA Tourism, 2020a) but a return to 2014 numbers (Department of Tourism, 2017).

Affordability continues to be the main reason that South Africans do not travel (SA Tourism, 2020a and Department of Tourism, 2017). The main factors impacting foreign tourism demand are limited awareness of the destination, poor brand associations, lack of affordable air access, restrictive visa regulations, and perceptions of poor safety and security (and the reality thereof) (Department of Tourism, 2017 and Department of Tourism, 2020). For example:

- Major events such as Ebola outbreaks (in West Africa) and the Day Zero drought in Cape Town upset travel patterns as media coverage of Africa (for the former) and Cape Town (for the latter) impacted prospective travellers' confidence and interest in the destination.

V & A Waterfront, Cape Town.
(Photo: Jean van der Meulen)



- The South African visa changes introduced in 2014 and 2015 requiring in-person applications, as well as additional documents for minors travelling from visa-exempt markets, had severe impacts for tourism to the country (Glocker and Haxton, 2020). Rolling back these regulations took a number of years and an effective e-visa regime is yet to be introduced, although e-visas were launched for fourteen priority tourist markets in February 2022.⁵
- The absence of a functioning Air Services Licensing Council restricts carriers from accessing dormant route rights and expanding operations (Robertson, 2021a). This is a current situation, with the tenure of the members of the Air Services Licensing Council coming to an end in early 2021 and no subsequent appointments being made.⁶

Comprehensive value chain analysis and studies have not been undertaken for tourism in South Africa. These could be instrumental in mapping procurement opportunities.

Transformation

Transformation of the sector has been slow overall despite some progress in large hotel groups, where Black shareholding exists and some Black executives have been hired. Overall, however, the tourism sector remains dominated by white-owned and managed SMMEs. Many of these operate family-owned businesses. The 2018 State of Transformation Report indicates that less than 50% of enterprises in accommodation, hospitality, and travel achieved the 30% Black ownership target; only 11% had Black female executives and in general, there were low levels of Black management. Furthermore, the majority of large enterprises have low levels of procurement from enterprises with a majority of Black shareholding (Tourism Transformation Council of South Africa, 2021).

A recently announced Tourism Equity Fund seeks to address white ownership of tourism by offering blended concessional finance for Black-owned and managed businesses in the sector. Project transactions need to have a value of R10 million or more to be considered by the fund. This will exclude much of the sector that operates small and micro-businesses. This Tourism Equity Fund's criteria have been contested by Solidarity and AfriForum and funding remains on hold as of June 2022.

Climate Crisis

The climate crisis is becoming an increasingly important issue for global tourism. Destinations like South Africa that rely, in part, on long-haul flights might find that in time demand is constrained and that prices increase for aviation, to better factor in climate costs and concerns (Gossling and Higham, 2020).

Strategic implications for a labour-friendly tourism agenda

Labour needs to advocate for greater transformation of tourism. Given that white-owned and managed businesses continue to dominate the sector and that procurement from Black suppliers has been slow, unions should advocate for more concessional finance, business support services, and supplier development programmes (and value chain mapping) to support the transformation of the sector. A transformation programme should also, but not exclusively, be linked to new market and product development. A focus on growing new market segments can improve resilience through market diversity and expansion of the sector. This can create opportunities for Black-owned businesses and can expand job opportunities.

5. <https://www.southafricavisa.com/e-visa-south-africa-launch/>

6. At the time of publication, an Air Service Licensing Council had been established and was in operation.

Black African South Africans held 76% of total jobs across the tourism industries in 2019. These jobs were typically less-skilled and more junior. Women held close to 40% of all tourism industry jobs, again often more junior and poorly paid roles.

4

EMPLOYMENT ANALYSIS

As indicated earlier, tourism-characteristic industries as measured by the Tourism Satellite Accounts (TSA) which include transport, accommodation, restaurants, entertainment, recreation, travel agencies, and culture and sports. The retail sector is also included in calculating tourism’s economic value, but as a non-characteristic industry, as visitor expenditure on retail only comprised 9% of all retail income in 2019. The TSA tourism jobs are those jobs in the tourism-characteristic industries that are attributed to tourism (and not local demand). These are established by applying a ‘tourism industry ratio’ to the total jobs in each of the tourism characteristic industries. Accommodation, water and air transport, transport equipment rental industry, travel agencies, and other reservation services are the industries most highly reliant on tourism – that is, where the tourism industry ratio is 65% or over.

4.1 Overview of jobs in tourism

According to the TSA, tourism’s share of total employment in South Africa over time, has remained relatively close to 4% of total employment in the country, with some growth in 2019. This is shown pre-Covid in Table 1 for the years 2015 to 2019.

TABLE 1

Direct tourism employment, 2015 – 2019, in South Africa

	2015	2016	2017	2018	2019
Direct employment numbers	635 544	630 509	575 910	611 737	773 533
Tourism share of total employment in SA	4%	4%	3,6%	3,7%	4,7%

Source: Statistics South Africa. 2021. Tourism Satellite Account.

In 2019, the breakdown of the total 773 533 direct tourism jobs (that is, those jobs created by foreign and domestic visitor consumption in tourism-characteristic industries) was: road passenger transport industry, 241 155 jobs; food and beverage industries, 147 833 jobs; retail trade industries, 151 625 jobs; and accommodation industry, 118 346 jobs. The smaller industries of travel agencies and other reservation services, the cultural industry and the sports and recreation industry, together accounted for about 67 000 jobs in 2019.

Black African South Africans held 76% of total jobs across the tourism industries in 2019. These jobs were typically less-skilled and more junior. Women held close to 40% of all tourism industry jobs, again often more junior and poorly paid roles. While there are considerably more women than men employed in the food and beverage serving industry and accommodation industry, there are far fewer women than men working in road transportation. Detailed employment numbers by industry are shown in [Appendix C](#).

4.2. Characteristics of employees in tourism

Characteristics of employment in tourism include:

Women and youth dominate the tourism sector globally

Globally, most workers are under 35, half under 25; women make up 60 to 70% of employees (ILO, 2020). The South African tourism sector also comprises many young people and women as employees. This varies somewhat by industry – for example, male employees dominate passenger transportation industries but women dominate in the Accommodation, and Food and Beverage industries.

Relatively low barriers to entry exist in terms of skills

CATHSSETA (2020) notes that in South Africa the tourism industries are, “labour intensive and constitute a major source of employment for those at the lower end of the labour market spectrum. Critical in these sub-sectors is the degree to which women, youth and migrant labour gain relatively easy access to employment and entrepreneurship. As a result, these sub-sectors play a significant role in addressing the national unemployment rate.”

Much of the work is poorly paid and poorly protected

Women and young people are often over-represented in lower-skilled and unskilled work. This means they may be paid less and be more vulnerable to poorer working conditions. Research published in 2012 by the Labour Research Service, indicates that in South Africa the sector is, “dominated by young, Black, female workers in low skill, low pay employment” (Taal, 2012).

Informal traders in Greenmarket Square, Cape Town.
(Photo: R. Fuchs / Alamy Stock Photo)



Migrant workers make up a large share of workers in tourism industries around the world

In South Africa, 2017 Statistics South Africa's Quarterly Labour Force Survey data indicates that 6.5% of housekeeping and restaurant workers are foreign nationals (Africa Check, 2020). These are more likely to be permanent jobs in formal businesses. It is not clear what level of part-time or casual work is undertaken by foreign workers.

Many tourism businesses are informal

Within the accommodation, tourist guiding, passenger land transportation, food services, cultural industry performers and artists, craft production, and merchandising sub-sectors, many enterprises are not formally registered as businesses. Most are likely own-account workers. The Bureau for Economic Research (2021) recently estimated, through modelling, that, in 2018, 33% of all jobs created and supported by the tourism sector (that is, including direct, indirect, and induced jobs) were within the informal economy – numbering around 500 000 in total. This is shown in Figure 2.

New technologies, particularly digital platforms, have increased informality detracting from decent work

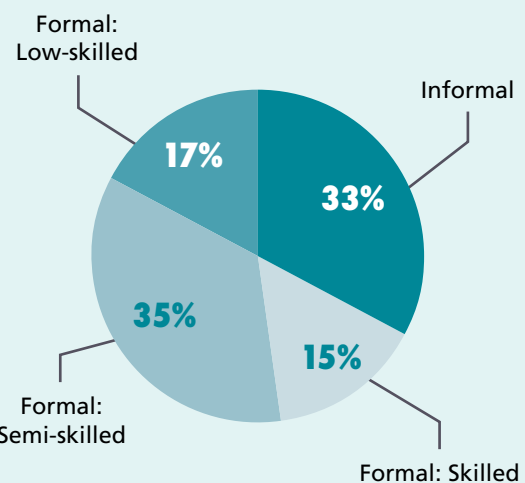
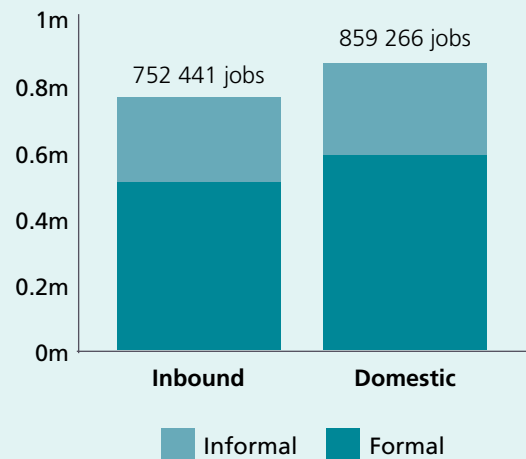
These platforms may require new legal frameworks (ILO, 2017). Over the past decade, there has been a large growth in so-called micro-entrepreneurship with the advent of online platforms like Airbnb and Uber.

These online platforms have resulted in significant self-employment and micro-entrepreneurship, but this work is often tenuous. In addition to platform jobs supported through Airbnb and Uber, tourism marketing and intermediation are also increasingly undertaken by tourism 'content creators' – this includes travel bloggers and influencers, many of whom replace traditional forms of travel advice and intermediation (Ionnides, 2021).

It seems plausible that the platform industries in tourism in South Africa **have created new jobs or work opportunities**, as they have increased opportunities for participation (although this is skewed to benefit those with access to assets and resources such as properties, cars, and digital skills and technology). However, there is a threat that certain of these new platform jobs replace previously protected jobs in formal businesses. For example, where hotel cleaners or housekeeping staff are protected by employment contracts, *ad hoc* domestic staff at part-time privately-run Airbnbs may not be. Similarly, where car hire or metered taxis are replaced by Uber transport operators. In South Africa, it is not clear what the scale of the displacement of jobs has been as a result of the new platform businesses relative to new employment or enterprise growth. [Appendix B](#) contains more information on platform technologies and employment in South Africa.

FIGURE 2

Estimated total tourism jobs, 2018, by skills levels, and by domestic/inbound markets



Source: Bureau of Economic Research, 2021.

Tourism industries present a number of work challenges including informality, poor working conditions for low-skilled and unskilled workers (like long hours), inequality of opportunity, violence, and sexual harassment

Shift work, casual work, part-time work, and seasonal work are common in tourism

Tourism industries present a number of work challenges including informality, poor working conditions for low-skilled and unskilled workers (like long hours), inequality of opportunity, violence, and sexual harassment (ILO, 2017). The nature of tourism is seasonal, with peak holidays resulting in casual, seasonal work. Similarly, large events might require casual workers for a limited period of time.

Other non-standard forms of employment in tourism include outsourcing and contract work

The use of atypical or non-standard employees or workers who do not qualify as employees in terms of the legislation is prominent (Vettori, 2015). Outsourcing is also a characteristic in larger firms: research conducted in 2012 indicated that the number of core, permanent workers in Gauteng hotels had declined as a consequence of outsourcing and restructuring. Half of hotel staff in that year were not employed by hotels but by different service providers (Webster, 2012 in Vettori, 2015). It is not clear, however, if this remains a prevalent practice. Statistics SA's large sample survey of the accommodation industry in South Africa in 2018 indicates stable to slightly growing numbers of hotel employees.

In terms of human resource development, there is often little upward mobility and few career pathways exist in tourism

Many jobs exist in cleaning/housekeeping, food servicing, and kitchen work. Few jobs exist in supervisory and management roles.

4.3 Legal frameworks and trade union representation

Legal protections and trade union representation remain inconsistent across the sector reinforcing the characteristics described above. Permanent tourism workers have some protection under Sectoral Determination 14 of the Basic Conditions of Employment Act which deals with hospitality workers and provides minimum standards, including wages and benefits.

For part-time and casual workers, however, while the 2015 Labour Relations Act amendments make provision for part-time workers, in hospitality, the duration of seasonal workers' contracts is often less than three months so they remain excluded from the protection provided. Furthermore, most businesses still fall below the threshold of applicability (of more than ten employees). For this reason, many hospitality employees do not benefit from the provisions in the Labour Relations Act. In terms of collective bargaining, it has been estimated that more than 70% of workers in the hospitality sector are not covered by collective agreements (Vettori, 2015). (Even in a Scandinavian welfare state such as Norway, a survey of hospitality workers in Oslo showed that unionisation rates were on average only 22% (Ionnides, 2021)).

A recent development is that an extension of the Collective Agreement for the Bargaining Council for Fast Food, Restaurant, Catering and Allied Trades, to non-parties from 18 January 2021, has been interdicted to prevent its enforcement. The Bargaining Council agreement to all non-parties included all tearooms, restaurants, catering, coffee shops, pubs, taverns, roadhouses, cafes, snack bars, fast food outlets, convenience stores, industrial and commercial caterers, function caterers, amongst others, across the country, excluding Johannesburg and Pretoria. It was roundly criticised by Industry which has not yet begun to recover its 2019 operating levels of income.

4.4 Tourism policy and decent work

Decent work does not feature within the National Tourism Sector Strategy (2016 – 2026) – the overarching tourism strategy for the country. A Tourism Human Resources Development Strategy and Skills Audit was, however, developed by the Human Sciences Research Council for the Department of Tourism in 2016 and 2017. It focused on the tourism industries covered by CATHSSETA – and therefore excluded passenger transportation services. It is not clear to what extent the strategy and proposals have been implemented.

Critical skills and training by the Department of Tourism

From a critical skills point of view, the Department of Home Affairs' 2020 critical skills for tourism workers lists:

- Chefs;
- Caravan park and camping site managers; and
- Accommodation assessors and travel agency managers (DNA Economics, 2020).

Responding to certain of these skills gaps, current training programmes offered by the Department of Tourism for youth include chefs, sommeliers, a national certificate in food and beverages, and fast food services courses. A New Venture Creation Programme is in the process of being set up for youth in food services; Tour Operator and Technology Innovation incubators are also in the process of being set up (Department of Tourism, 2021c).

Strategic implications for a labour-friendly tourism agenda

The prevalence of small businesses and much atypical employment create a number of challenges for organising for decent work:

- A highly fragmented tourism industry along geo-spatial, subsector, size, formality, and work organisation lines, necessitates that unions use the bargaining council as a site for centralised bargaining to achieve binding agreements on transformation issues, conditions of work, and worker protection.
- Additionally, unions may need to prioritise organising in a far smaller set of formal medium and large enterprises and to focus on getting in place the conditions for a supportive work environment for the remainder of mainly small businesses.
- Decent work does not feature as an explicit objective of tourism policy.

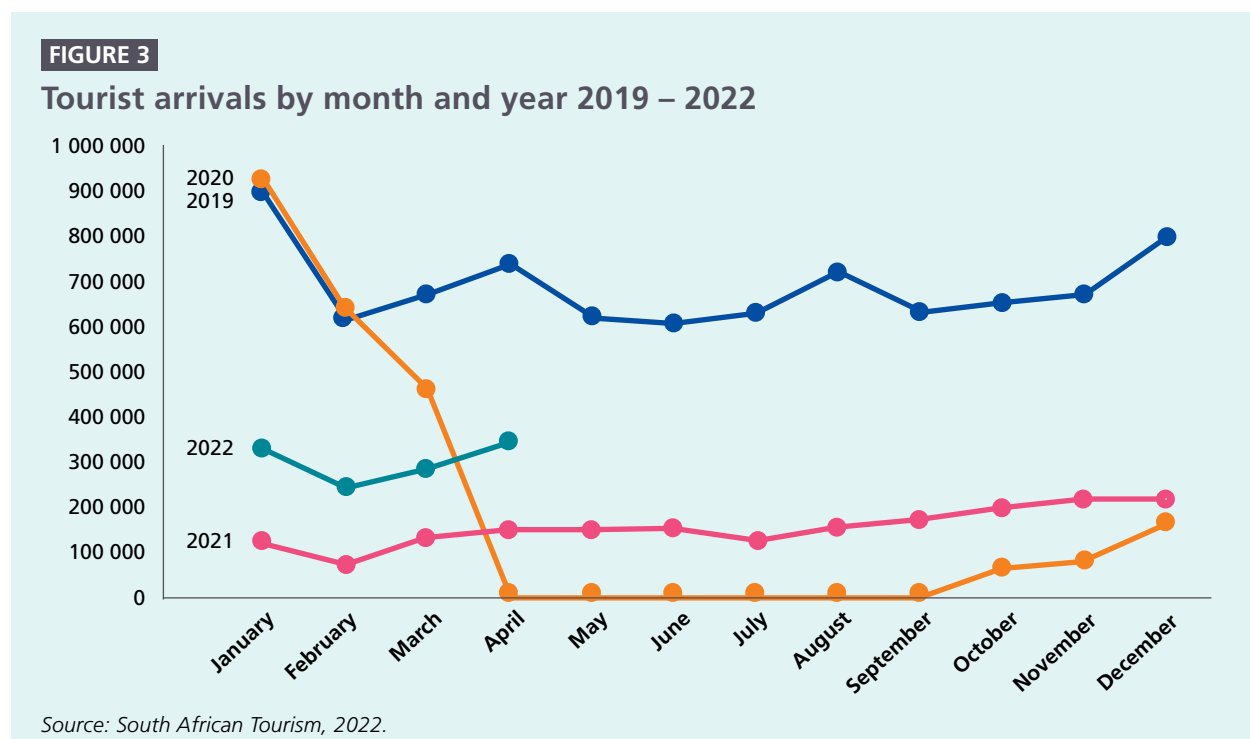
Human resource development is also challenging by the size of businesses and atypical work conditions:

- Small businesses can seldom give staff time off for training and development, and may not be able (or willing) to pay for additional skills.
- Strategies are needed to support employees in small businesses, some of them informal.
- An effective partnership is required between regulators, educators, labour, and industry in order to ensure that the correct skills are produced for tourism industries. This partnership needs to respond adequately to the reality of 90% of the businesses being small. This requires appropriate strategies to address the cost of training and time off for training. Furthermore, the limited opportunities for career progression and quite considerable flux in casual employees require thoughtful intervention. Training and human resource development need to be part of a robust strategy to support SMMEs in tourism to improve their capabilities and productivity.

5

COVID-19'S IMPACTS ON TOURISM

The impacts of Covid-19 have been severe across the tourism-characteristic industries. As seen in the image below, total foreign tourist arrivals declined from 10.2 million in 2019 to 2.8 million in 2020.⁷ Tourist arrivals in 2021 did not see an uptick in numbers. The Omicron Covid-19 wave and travel red listing significantly hurt tourism in late 2021 and early 2022 over the summer season with 2021 ending at 81% of 2020 and 22% of 2019 tourist arrivals.⁸ While travel is beginning to pick up globally and internationally, unconfirmed data available for Q1 of 2022 shows tourist arrivals in South Africa at 39% of their 2019 levels for the same period.⁹



South Africa’s more traditional foreign leisure and business tourism markets from the continent and further afield – particularly the UK, US, Germany, France, China, and India – all had restrictions on travel to South Africa in 2021 including different requirements for quarantine on return. These requirements were routinely changed based on vaccination rates, infection levels, and the prevalence of variants of interest and concern.

- In August and September 2021, **South Africa was removed from most travel red lists**. A notable exception was the United Kingdom which only removed South Africa from its red list in October 2021 after significant pressure. This removed the requirement to quarantine (and the associated cost implications), upon returning from South Africa. Unfortunately, South Africa was (temporarily) re-added to red lists following the discovery of the Omicron variant in late November 2021.

7. South African Tourism. Tourist Arrivals Report <https://www.southafrica.net/gl/en/corporate/page/international-tourist-arrivals-report>

8. ibid

9. ibid

Overall, it is likely to be a number of years before pre-Covid-19 volumes of travel are seen again, if they are to be regained at all. Both supply and demand disruptions make future projections and the timing of recovery particularly hard to predict.

- Particularly **impacted by the absence of overseas tourist markets during 2020 and 2021**, have been the tourism industries made up of tour operators, travel agents, and tourist guides; the meetings, incentives, conferencing, and exhibitions industry; and major events' venues, as well as air transport, particularly airlines servicing international routes, and car hire. Some of the larger firms operating in these industries may be able to recover and restructure their debt and operations, but a number of smaller businesses have already gone out of business.
- **Most of South Africa's tourists come from the region**. There are no red lists operating in the SADC region but regional tourists have experienced entry requirements and had movements limited by reduced numbers of ports of entry and the need to demonstrate recent negative PCR test results. Barriers to travel to South Africa for regional tourists, such as the vibrant market of informal cross-border traders who have a major impact on the GDP of Johannesburg and border towns,¹⁰ have certainly reduced regional tourist numbers and their expenditure (and associated economic impact).

Domestic tourism has also been hard hit with varied impacts:

- Small towns that rely on domestic tourism, including from domestic events, have been badly affected.
- Private accommodation and caravan and camping have performed better than other categories of accommodation services, like hotels. Many formal accommodation establishments have cut back on staffing numbers in response to Covid-19 and also cut wages.
- Markets, small food trucks, and other informal operators that rely on recreation and local events have all been badly affected. These, often informal, businesses are not covered in most statistics and little is known about impacts, business closures, and job losses.
- Airlines have been massively hit by a combination of the decimation of international tourism with little domestic business and leisure travel demand. Four of the country's eight domestic airlines in operation pre-Covid-19 have ceased operations pending liquidation, significantly reducing flight availability and pushing up the price of domestic air travel.

Overall, it is likely to be a number of years before pre-Covid-19 volumes of travel are seen again, if they are to be regained at all. Both supply and demand disruptions make future projections and the timing of recovery particularly hard to predict.

Ensuring that tourism recovery takes a more sustainable path requires greater transformation and innovation in the sector. As already indicated, while finance will be required for new entrants, together with business development and enterprise support (including market access linkages), investment in domestic and regional market development can also help transform the industry. Domestic and regional tourist markets are recognised for their critical role in providing a diversity of demand and income as well as for overall sector resilience.

¹⁰ Cross-border traders travel to South Africa where they shop for goods for resale back in their country of origin. These cross-border traders form part of the broader definition of tourism with their purpose of visit indicated as shopping for business purposes.

5.1 Global comparisons: Covid-19 job losses in tourism

South Africa is not the only country economy to suffer a significant contraction in tourism. Global comparisons shed light on how the country has performed relative to other destinations.

The World Travel and Tourism Council's expanded tourism satellite accounting for economic impact calculations¹¹ has been chosen as the basis to compare South Africa's recent tourism jobs' performance with that of Australia, Thailand, and Kenya.¹² Table 2 below shows changes in Travel and Tourism GDP contribution, jobs numbers, share of employment, and job losses from 2019 to 2020. In 2020, all four countries saw major contractions compared with 2019. South Africa, Australia, and Kenya saw their Travel and Tourism economies close to halve in value (in United States' Dollar terms), while Thailand saw a 60% drop in Travel and Tourism GDP (also in dollar terms).

Of the four countries in the small sample, South Africa lost the greatest share of jobs, at 32.4% of total, and Australia the least, at 13.4% of total. South Africa's tourism job losses as a share of total are also high compared with the average world performance of 18% of tourism jobs lost. Both Australia and Thailand experienced far fewer job losses as a share of 2019 jobs than did South Africa and Kenya. This is possibly due to more effective fiscal support and greater domestic tourism vibrancy in those economies, which allowed for more market substitution, than was the case in South Africa. Also, both Australia and Thailand saw relatively low Covid-19 infection rates in 2020 which led to fewer disruptions to domestic travel in that year.¹³

For those tourism employees who retained their jobs in South Africa in 2020, a February 2021 survey¹⁴ indicated that only 15% of tourism workers received their full salaries in January 2021. 65% were getting less than 60% of their salary (Daily Southern & Eastern African Tourism Update, 2021).

Overall, this indicates poor recovery from Covid-19-induced downturns, including in comparison with other tourist destinations.

TABLE 2
Comparing tourism jobs lost: South Africa, Australia, Thailand and Kenya

Year	World		South Africa		Australia		Thailand		Kenya	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Total T&T contribution to GDP	10.4% \$9 170 bn	5.5% \$4 671 bn	6.9% \$22.1 bn	3.7% \$11.1 bn	10.7% \$149.1 bn	6% \$81.4 bn	20.1% \$106.5 bn	8.4% \$41.7 bn	8.1% \$8 bn	4.2% \$4.18 bn
Change in GDP	-49.1%		-49.8%		-45.4%		-60.8%		-48.2%	
Total T&T jobs- direct, indirect, induced	334 mn	272 mn	1 460 900	987 400	1 652 800	1 431 900	8 047 200	6 830 300	1 548 500	1 109 200
Share of employment	10%	9%	8.9%	6.5%	12.8%	11.3%	21.4%	18.1%	8.5%	6.4%
Est. job losses	61.6 mn		473 500		220 900		1 219 000		439 300	
Share of jobs lost	18%		32.4%		13.4%		15.1%		28.4%	

Source: Compiled from WTTC country fact sheets. 2021.

11. The World Travel and Tourism Council estimates the economic impact of tourism in countries around the world each year. They use multipliers to expand impacts from direct ones to estimate and include indirect and induced GDP and job effects too, leading to larger GDP and employment numbers for the total Travel and Tourism (T&T) economy than measured by South Africa's TSA. In South Africa's case the ratio of direct jobs to indirect and induced jobs (together) is about 1:1

12. Australia (a major competitor destination), Thailand (a tourism-reliant developing country), and Kenya (our closest competitor in Africa for global long-haul leisure travel).

13. This has not been the case in Australia in 2021.

14. The survey was based on 549 respondents. It's not stated which industries were included. It was undertaken by the leading tourism online news source – Tourism Update.

5.2 Working conditions, subsector characteristics and Covid-19 impacts

A view of the performance of the various tourism industries in South Africa over the past few years is provided in Table 3. Data from the TSA and various industry Large Sample Surveys (LSS)¹⁵ are drawn upon. As neither the TSA nor the LSS's cover the Covid-19 period, these are supplemented by additional sources in order to estimate losses in jobs and gross earnings. These additional sources include data from the Quarterly Employment Survey (QES) and other data from Statistics South Africa, as well as other sources of industry data, including media reports.

Main findings include:

- While all of the tourism characteristic industries have experienced job losses, **accommodation and food and beverage serving establishments have been the hardest hit** from a total jobs and earnings loss perspective. Many employees in these two industries are not covered by bargaining councils.
- Although these typically account for fewer jobs, pockets of **passenger transportation** – like long distance coaches, car hire services, and airlines – have also been **particularly negatively affected**. These industries tend to already be well represented by bargaining councils and they often comprise fewer, larger firms.
- **Sports and recreation, and cultural industries have experienced about 20 000 direct job losses**. This category is a collection of smaller industries and is accordingly not easy to disaggregate for meaning. Gambling is included in this category which likely has a major impact on earnings.
- More research is also needed to understand **Covid-19's impacts on tour operators, tourist guides, travel agencies**, and other booking agencies like those involved in meetings, incentives, conferences, and exhibitions.
- The QES surveys formal, registered businesses. Far more research is required to **include informal businesses**, of which there are many.

Elephant safari ride at Camp Jabulani near Hoedspruit.
(Photo: Yvette Cardozo / Alamy Stock Photo)



15. While the TSA provides employee numbers, race and sex, the large sample surveys provide data on average wage, total wage bill, concentration levels, and income, amongst other data. In this way the LSSs provide greater insight on industry-by-industry performance and allow for a disaggregation within industry categories. Appendix D contains a more detailed narrative view of the industries and data which appear in Table 3. Note that 'Black' as a category in the table denotes all jobs held by Black African, Coloured, and Indian South Africans.

TABLE 3

Tourism-characteristic industries employment and income analysis



ROAD PASSENGER TRANSPORTATION

Employee characteristics

- 94% are Black employees¹⁶; 89% are male.

Working conditions

- Difficult; at times dangerous.

Sector characteristics

- Largely minibus taxis; some long-distance coaches and some tourism charter coaches.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
TOTAL = 222 666 tourism jobs (TSA, 2018)	Unclear	Around 7000 including transport via pipelines (QES).	About R1 billion less per quarter in 2020, or 8% down (QES).

PRIORITY FOR RECOVERY

See below by segment.

ROAD PASSENGER TRANSPORTATION: [SEGMENT 1]

Employee characteristics

- Unclear – likely similar to above.
- The total wage bill for this category: R3.9 billion in 2016
- Average salary in 2016 = R164 174 (both LSS).

Working conditions

- The sector is formalised and part of an industry bargaining council (SABOA, 2020): ‘South African Road Passenger Bargaining Council’.
- A 4% wage increase was signed effective 1 April 2021 (Mkentane, 2021).

Sector characteristics

- Concentration ratio: 80% of income is in the hands of 10 firms (LSS, 2016).
- Early in 2021, Greyhound and Citiliner closed down. New entrants include the Travelstart-owned Eldo Coaches and Africa People Mover buses.
- Covid-19 has resulted in stationary fleets and retrenchments.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
‘Other scheduled passenger land transport’ accounted for 23 841 jobs in 2016 (Large Sample Survey).	R12.9 billion (2016) for ‘other scheduled passenger land transport’. Long-distance bus companies = R5 billion turnover pre-Covid (South African Bus Operators Association, 2020).	About 4000 (Mkentane, 2021).	Unclear.

PRIORITY FOR RECOVERY

Low – new entrants and existing incumbents can take up demand.

16. In this table, ‘Black’ includes Indian and Coloured workers too.

ROAD PASSENGER TRANSPORTATION: [SEGMENT 2]

Employee characteristics

- Likely similar to the above.

Working conditions

- Formally organised with conditions of services regulated by an industry bargaining council (SABOA, 2020).

Sector characteristics

- Pre-Covid had a seating capacity of 51 000 per month. In the cross-border market, no tourism licenses have been issued since March 2020 and there is a high cost associated with safety protocols. Operating licence costs compounded the problems¹⁷ (Lubbe and Vermooten, 2021).

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
Travel and tourism coach segment: unclear.	Unclear.	Unclear.	Unclear.

PRIORITY FOR RECOVERY

High – jobs reliant on package tourists, necessary for parts of the tourism sector.



AIR TRANSPORTATION

Employee characteristics

- 60% Black South Africans in 2018 (TSA); 60% male.
- Total wage bill: R9 billion in 2016.

Working conditions

- Average salary in 2016 = R525 141 (LSS)
- Represented by unions.

Sector characteristics

- Highly concentrated in 2016: 80% of income was received by the ten largest enterprises (LSS).
- Global effects from Covid have been pronounced. Domestic passenger numbers reached a high point of two-thirds pre-Covid numbers in March 2021 but declined again with restrictions and the 3rd wave.
- As of August 2022, seat capacity was limited; prices high and jet fuel expensive; constraining domestic travel demand. Of the airlines servicing domestic routes in SA, SAA, Mango, Kulula, British Airways, and SA Express all entered business rescue after the onset of the Covid-19 pandemic. Only SAA has resumed operations.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
26 896 (TSA of 2018) 17 126 (LSS of 2016)	R64.6 billion (2016, Transport and Storage Industry report, 2016)	According to the QES, about 10 000 jobs have been lost in Air Transport – close to half of the total jobs. It appears jobs began to increase again slightly in March 2021 as air travel slowly picked up.	R7.1 billion cumulatively less in gross earnings between April 2020 and March 2021, relative to the same quarters in the previous year.

PRIORITY FOR RECOVERY

High – critical enabler of tourism and connection with domestic and international markets.

17. These range from R25 000 to R55 000 per bus and are now due even though Industry has yet to operate. Ground operator transport licenses are in general severely delayed with negative effects for the tourism ground operators.



TRANSPORT EQUIPMENT RENTAL

Employee characteristics

- 87% Black South Africans; 69% male (TSA).

Working conditions

- Not known.

Sector characteristics

- In 2020, vehicle rental companies in South Africa disposed of many of their cars as they could not rent them out on a short-term basis (Mabasa in Venter, 2021).¹⁸

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
12 711 (TSA)	Not known.	Not known.	Not known.

PRIORITY FOR RECOVERY

Medium – car rental industry important for independent travellers and during Covid as people want to 'self-drive'.



FOOD AND BEVERAGE INDUSTRIES

Employee characteristics

- 89% Black employees; 37% male.
- 50% of jobs are in 'restaurants and coffee shops'; the remainder within 'catering' and 'fast food and takeaways'. Casual employees are likely not accounted for and would comprise a fair share of employees over peak season.

Working conditions

- Many low-paid shift work jobs. Work is quite seasonal.
- Part-time formal employees numbered 10% of total, or 20 336 across the food serving industries, in 2018.
- Total wage bill: R14.6 billion in 2018
- The average salary and wage in the industry (across all three categories) in 2018 was R78 374, up from R35 561 in 2009. By category, the average salary was slightly higher amongst Caterers than Restaurants or Takeaways.

Sector characteristics

- The Statistics SA 2019 business sampling frame for businesses registered for VAT contained 9 851 food and beverage serving businesses in April 2019.
- Most of the jobs were in small and micro 'restaurants and coffee shops', at 84 416 jobs in total. In contrast, within the categories of Takeaway and fast food, and Caterers, most jobs were created by large enterprises at 34 905 jobs and 26 043 jobs respectively.
- Concentration ratios were highest amongst Caterers, where the top five enterprises accounted for 44.5% of total income. The top five 'Take away and Fast food outlets' contributed 26.2% to total income. The 'Restaurants and coffee shops' category was far less concentrated, with the top 5% contributing only 9.7% to total income; the top 20% only 14,9%.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
139 250 (TSA ¹⁹) 205 411 (LSS)		60 000 to 70 000 in Hotels and Restaurants – with some seasonal variation in actual numbers employed (QES).	Hotels and Restaurants together earned R12.2 billion less between April 2020 and March 2021 than in the same quarters of the previous year (QES).

PRIORITY FOR RECOVERY

High – important for access to low-skilled jobs with low barriers to entry. Also provides jobs for women and youth. Dispersed across the country.

18. Bidvest Car Rental, which was one of the three largest car rental companies in the country, sold their car rental group in July 2020 due to poor operating conditions. In July 2020, the Avis Budget brand within Barloworld's logistics and automotive division was put under review with more than 2 500 jobs to be lost (West, 2020).

19. Drawn from the QLFS which more likely captures all jobs while the LSS is only based on businesses on the SARS business register (tax register).



ACCOMMODATION

Employee characteristics

- 88% Black employees; 40% male.
- While SMMEs create the most jobs overall, as a sub-category large Hotels, Motels and Inns (turnover over R130 million) created the most jobs per category at 40 836 of total.

Working conditions

- Total wage bill in 2018 was R12, 136 up from R9, 499 million in 2015.
- The average salary across categories of accommodation in 2018 was R115 868. (LSS).
- Concentration ratio: the five largest firms earned 24% of total in 2018; the twenty largest firms accounted for 41% of earnings.

Sector characteristics

- The Statistics SA 2019 business sampling frame for businesses registered for VAT contains 4 319 accommodation businesses in total.
- This is likely an underrepresentation of accommodation enterprises as very small operators are unlikely to be tax registered.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
128 031 (TSA ²⁰) 104 714 (LSS)	R24.8 billion in 2018	60 000 to 70 000 in Hotels and Restaurants – with some seasonal variation in actual numbers employed (QES).	Hotels and Restaurants together earned R12.2 billion less between April 2020 and March 2021 than in the same quarters of the previous year (QES).

PRIORITY FOR RECOVERY

High – low barriers to entry. Jobs for women and youth. Dispersed across the country.

Cleaning staff at Kwandwe Lodge in the Eastern Cape.
(Photo: John Warburton-Lee Photography / Alamy Stock Photo)



20. Drawn from the QLFS which more likely captures all jobs while the Large Sample Survey is only based on businesses on the SARS business register (tax register).



CULTURAL: SPORTS AND RECREATIONAL INDUSTRIES

Employee characteristics

- 70% Black South Africans; 62% male (Cultural industry).
- 82% Black; 49% male (Sports and Recreational industry).

Working conditions

- R189 861 was the average wage in 2018 for CRS industries combined.
- R11.5 billion in total wage bill
- Concentration ratio: The top 5 largest enterprises in the 'Other entertainment activities', 'sporting activities and 'recreational activities' categories received between 35% – 41% of income. For 'library, archives, and museums and other cultural activities', the top 5 enterprises accounted for 78%

Sector characteristics

- According to the QES, 20 000 jobs have been lost in the Recreational, Cultural and Sporting Activities²¹ industries since the onset of Covid-19. This is just less than 20% of jobs in this industry.
- Similarly, 20% of full-time jobs were lost amongst survey participating attractions' business between 2019 and 2020²². In 2019, these businesses employed approximately 5 200 staff of whom 72% were full-time, the remainder were part time employees.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
35 236 – Cultural industry (TSA) 23 725 – Sports and Recreational industry (TSA)	R76 billion in 2018 (LSS of Personal Services)	According to the QES, 20 000 jobs have been lost in the Recreational, Cultural and Sporting Activities industries since the onset of Covid-19. This is just less than 20% of jobs in this industry.	R5.167 billion less in gross earnings between April 2020 and March 2021 (QES).

PRIORITY FOR RECOVERY

Activities and experiences provide the basis of the visitor experience. This creates opportunities for cultural industry entrepreneurs, including youth — important for nation building and country brand innovation.

Crowds arrive at Soccer City FNB Stadium in Soweto.
(Photo: Africa Media Online / Alamy Stock Photo)



21. Included in the sports industry are all the activities related to gaming, gambling, lotteries, and bookmaking – a large share of all income is attributed to these.
22. A recent (August 2021) survey by the African Association of Visitor Experiences and Attractions, based on 52 completed surveys (likely including major attractions in the country operating as members of the association).

South Africa needs to invest in growing its domestic market to create sector resilience in the face of possible future global 'events' which threaten international tourism.



TRAVEL AGENCIES AND OTHER RESERVATION SERVICES

Employee characteristics

- 84% Black employees; 66% male (TSA)

Working conditions

- Total wage bill: R3.4 billion (LSS, 2016).
- Average salary R239 637 (LSS, 2016)
- Concentration ratio: 41% of income was received by the top 20 enterprises, indicating low levels of concentration (LSS).

Sector characteristics

- For some years travel agencies have been under pressure as their businesses have been disrupted by online travel agencies and other intermediary booking sites and platforms.
- There are approximately 9 000 self-employed tourist guides in South Africa, most of whom would have been unemployed for a large portion of the last 30 months.
- Inbound tour operators have also been hard-hit. They are almost completely reliant on foreign tourists.

PRE-COVID		UNDER COVID	
Number of jobs	Total industry income	Jobs lost	Turnover lost
31 318 (TSA) 14 000 (LSS, 2016)	R15.5 billion (LSS, 2016)	Not known.	Not known.

PRIORITY FOR RECOVERY

Medium – travel agency model was challenged before Covid-19.

High – tourist guides – 9 000 self-employed.

High – Inbound tour operators, meetings, incentives, conferences, exhibition organisers.

Strategic implications for a labour-friendly tourism agenda

South Africa has experienced a greater share of tourism job losses from Covid-19 than its competitor destinations of Australia, Thailand, and Kenya. It is possible the limited fiscal support to tourism relative to other countries as well as the relatively high informality – and the limited grants to cover the informal sector and atypical employment – have exacerbated this. Australia likely also benefits from a greater domestic tourism market while Thailand took measures to incentivise domestic travel. South Africa needs to invest in growing its domestic market to create sector resilience in the face of possible future global 'events' which threaten international tourism. More needs to be done to understand and support the informal tourism economy, including financial and non-financial support.

South Africa can learn from the policy measures adopted elsewhere to support the tourism sector as the 'longtail' of Covid-19 continues to impact demand and tourism's prospects for recovery.

6

GLOBAL COUNTRY ACTION TO SUPPORT TOURISM

Around the world governments have acted to support tourism in a multitude of ways, including fiscal support, travel harmonisation and visa relaxations, demand stimulation, liquidity measures for tourism firms, worker wage support, and training and development.

The OECD (2021) indicates that in the main, governments and industry have focused their efforts on:

1. Lifting travel restrictions and working with businesses to access liquidity supports, apply new health protocols for safe travel, and help to diversify their markets.
2. Restoring traveller confidence and stimulating demand with new safe and clean labels for the sector, information apps for visitors, and domestic tourism promotion campaigns.
3. Preparing comprehensive tourism recovery plans to rebuild destinations, encourage innovation and investment, and rethink the tourism sector.

Examples of such support, on a country-by-country basis are given in Table 4.

TABLE 4

Covid tourism support responses – selection of actions across countries

Category	Example
Harmonised approach to safe travel	EU – includes digital Covid-19 certificate for travel.
Risk management for international arrivals	Greece rejected mandatory testing and mandatory quarantine, opting for a risk-based approach.
	Greece also prioritised vaccine rollouts for residents and hospitality workers on 'tourist' islands.
Supporting traveller costs	Andalusian authorities cover Covid-19 insurance costs – should travellers fall sick and not be covered privately – if they stay in regulated accommodation.
Visa relaxation	Egypt waived visa fees for travel to certain tourism nodes and introduced e-visas.
	Barbados introduced a 'Welcome Stamp' visa — a one-year residency permit that allows remote employees to live and work from the country.
Wage support measures	The UK Government paid employee salaries up to 80% – the scheme ended in September 2021 although not limited to tourism.
	The French government supported employers to pay wages of up to 70% and extended this to 12 months.
Training and reskilling	Portugal created the Upgrade Program, aimed at tourism professionals, to enable small and very small companies to acquire knowledge and skills for the future. The programme aims to accelerate training in digital transformation and sustainability. It has enabled the training of approximately 150 000 workers since April 2020.
	In Jamaica, the government gave free online training certification classes to 10 000 tourism workers to help improve their skills.
	Portugal and Chile have provided training and capacity building for tourism workers during the lockdown through free or subsidised online courses.

It is clear that wage support subsidies have been particularly important to support employees. So too has been the stimulation of domestic tourist markets through voucher schemes or incentivisation.

Category	Example
Liquidity	Canada's national tourism organisation provided financial support to provincial agencies which in turn supported SMMEs. Canada also launched a new stimulus fund for the indigenous tourism industry.
	Hong Kong provided travel agents and tour guides with subsidies to promote domestic travel. Electronic consumption vouchers were also issued to domestic tourists. Funds to invest in cultural heritage and creative tourism projects were also put aside. Further funds for tourism marketing efforts were given by the tourism board.
	China provided funds through credit lines to small tourism and cultural businesses to help reduce funding costs.
	The US increased financial support to airports to allow for continued operations.
	In Brazil, the Ministry of Tourism provided a targeted tourism credit line for SMMEs available through 17 financial institutions registered with the General Tourism Fund, Fungetur.
Fiscal support	Australia deferred various business taxes like employee taxes, and excise taxes. Also territorial waivers on environmental, water, sewerage rates, as well as vehicle license fees.
	Iceland deferred payroll taxes, commercial property taxes, reimbursed VAT payments on labour for work carried out.
	UK deferred tax payments and cut VAT for tourism businesses to 5% (from 15%) until September 2021.
Incentivising domestic travel demand.	Thailand incentivised domestic travel through the Rao Thieu Duaykan (We Travel Together) programme, initially worth THB 22.4 billion (USD 0.71 billion), in July 2020. The project was extended twice and ended on 31 August 2021, with a new proposal and funding for the period 1 May 2021 to August 2021 to cover an additional two million applicants.
	South Korea extended a number of special travel initiatives with massive discounting and subsidies for employees to travel.
	Argentina provided 50%-off coupons for future travel. Approximately 600 000 Argentines used the pre-trip programme, injecting ARS 15 billion (USD 157 million) into the sector.
	In Costa Rica, national holidays were temporarily moved to Mondays to boost domestic tourism by extending weekends.
Other	In Jamaica, an online platform was launched that allows buyers in the hotel industry to directly purchase goods from local farmers. Exports, including services, could also be expanded, using regional agreements to address the constraints imposed by limited economies of scale.

Sources: WTTC, 2021 and IMF, 2021.

It is clear that wage support subsidies have been particularly important to support employees. So too has been the stimulation of domestic tourist markets through voucher schemes or incentivisation. A range of other measures helped to cushion firms too – from liquidity support to reduced taxes.

In April 2020, the International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) – the global trade union federation representing workers throughout the hotel and tourism sectors – made a number of recommendations to the G20. These include that bailout funds should contain conditions linked to companies' retention of employees; that short-time work agreements should be arrived at to keep employees working; and that global union federations are to be included in the UNWTO's Global Tourism Crisis Committee (IUF, 2020).

Strategic implications for a labour-friendly tourism agenda

A range of measures can support tourism's survival. This is not just limited to fiscal and liquidity support, but includes waivers on local rates and taxes and VAT payments; domestic demand stimulation; and retraining and skilling for better skills in tourism and for work opportunities in other sectors.

A broad plan that supports enterprises with reduced costs, creates incentives for domestic travel, reduces barriers for foreign travellers and supports reskilling of workers, can all help soften the impacts of Covid-19 on the sector. Unions should advocate for a broad plan that addresses all these areas in substantive, tangible ways, against which progress can be measured.

Unions can also support global union federations in their quest for participation in important tourism committees to ensure decent work is clearly placed as a priority for recovery.

Sightseeing tour minibus in front of the Orlando Towers, Soweto.
(Photo: Ian Dagnall / Alamy Stock Photo)



7

TOURISM POLICY AND COVID-19 TOURISM SUPPORT MECHANISMS IN SOUTH AFRICA

Support mechanisms have been put in place to revive and grow the tourism sector. These included short-term responses to the Covid-19-induced downturn and the longer-term Tourism Sector Recovery Plan (TSRP). These are reviewed here.:

7.1 Covid-19 tourism support measures

The Tourism Relief Fund and Tourist Guides Fund were targeted measures by the national Department of Tourism in 2020 to provide cash relief to tourism businesses. This said, the largest financial support in value has been through the economy-wide wage support programmes of the Temporary Employer-Employee Relief Scheme (TERS). The various measures are summarised below in Table 5, which also points to their weaknesses. Ongoing work on visa reform is not included as this has been promised for a number of years (pre-dating Covid-19), but will also assist with supporting demand recovery.

In addition, the Department of Tourism made a successful submission to the Presidential Employment Stimulus Package and will be supported to the value of R108 million in Phase Two of this programme. The tourism initiatives involve 40 provincial tourist attractions and tourism monitors. Also relevant to tourism is the R15 million in funding which will be made available to the Department of Sports, Arts and Culture for the District 6, Phanzi, and Hip Hop museums. It is estimated this will create/support 1 064 jobs or livelihoods.

Restaurant worker holds a placard during a protest against COVID-19 restrictions.
(Photo: Mike Hutchings / Alamy Stock Photo)



TABLE 5**South Africa's interventions to support tourism during Covid-19**

Programme	Funds injected	Impact / Jobs / businesses saved	Weaknesses
Tourism Relief Fund²³	R200 million	4 000 small businesses.	Only formally registered businesses could apply; not enough funds to support all applicants (4 000 of 7 288 applicants paid); limited to a once-off R50 000 transfer. A September 2021 ruling of the Supreme Court of Appeal found that the Minister erred in attaching B-BBEE criteria to the scoring of enterprises in their ability to access the fund.
Tourist Guides Fund	R30 million	Just over 4 650 tourist guides were recommended for payments.	R1 500 a month for 3 months. Only registered guides. The Tourist Guides industry is almost entirely reliant on foreign tourists so are largely unemployed.
Temporary Employer-Employee Relief Scheme	Unknown	Mooted up to 600 000 jobs supported. No verified data available.	TERS has been a critical line of wage support for employees of formal tourism enterprises. It has helped sustain many jobs but there have been extensive administrative issues in this fund. Data on TERS is not publicly available which makes it hard to assess the scale and characteristics of its tourism wage support to date. In August 2021, there were up to 24 000 unpaid claims due to system failure (Cornwell, 2021). The TERS claim period ended in July 2021.
Funding to conservation areas	R39 million to Isimangaliso Wetland Park; R961 million to SAN Parks	Not clear. But would have helped sustain jobs at important natural conservation sites.	Not a relief fund but helped sustain jobs in conservation. Far more funding was made available to these conservation areas than the tourism sector at large – although this is more of a criticism of the lack of tourism relief funds than the scale afforded to conservation. The two are strongly linked as conservation areas rely on tourism earnings for operations.
Business continuity insurance pay-outs	Unclear	Unclear – likely significant where it has paid out.	The private sector insurance industry has been slow to pay out business relief insurance and is subject to legal action. Delays experienced in processing certain claims have likely contributed to business closures (Knowler, 2021).
Norms and standards for Covid safe operations	Not a funding mechanism	Not clear.	Draft norms and standards were gazetted in January 2021. The norms and standards are for the safe operation of the sector and cover universal practices to prevent Covid-19. Their intent is to promote traveller confidence. They include the training of staff, staff protocols, monitoring the well-being of staff and ensuring the provision of PPE to staff. There is no reference to staff transport as proposed by the IUF.

23. See [Appendix A](#) for more detail on this.

The establishment of the Tourism Relief Fund (TRF) happened quickly but, given the scale of the sector, R200 million was too little to provide significant relief. More than 3 000 applicants to the Fund could not be paid out.

Critique of South Africa's tourism response to date:

- The establishment of the Tourism Relief Fund (TRF) happened quickly but, given the scale of the sector, **R200 million was too little to provide significant relief**. More than 3 000 applicants to the Fund could not be paid out. The R200 million allocated to the Fund was less than 10% of the fiscal transfer to the Department each year. It is also small when compared to the relief provided to SANParks, SAA, and ACSA. The TRF did not prioritise the number of employees as a criterion when screening applicants.
- There has **not been a concerted or coordinated effort to reduce the tax burden** on tourism businesses while Covid-19 endures. While at a local and regional level there have been a few examples of waivers of rates, this has not been widespread. Furthermore, there has been no effort to cut or defer VAT payments for tourism operators.
- From a demand stimulation point of view, outside of marketing campaigns promoting the country to domestic tourists, there have been **no incentivised programmes to support the domestic market** through government underwritten discounted packages or similar. Stellenbosch town introduced its own discounted promotional scheme to support participating restaurants, but this was at least in part thanks to donations and was not widely replicated.
- From a training perspective, the projects of the Department on the training of chefs, youth and women executives, and its mentorship programme, have continued. There have **not been any new online training endeavours** at scale during Covid-19.

7.2 The Tourism Sector Recovery Plan

The Tourism Sector Recovery Plan (TSRP) was developed in mid 2020 with some participation from Industry. The final TSRP, approved by Cabinet and launched in April 2021, recognises that there have been significant job losses in tourism, and only expects tourism to recover to 2019 levels in 2023. While it was opened for public comment and input, and then submitted to Cabinet in late 2020, it is not clear that Labour was explicitly engaged to provide comment on the plan, or input into it. The strategic themes in the TSRP are: protecting and rejuvenating supply, re-igniting demand, and strengthening enabling capability for long-term sustainability (DT, 2021a).

The Department of Tourism expects the plan's implementation to result in the preservation of R189 billion of value and help the sector to recover to its 2019 output and employment levels by 2023, as well as position the sector for long-term sustainable growth. Furthermore, the implementation of the TSRP is expected to reduce the impact of the Covid-19 crisis on employment by 125 000 jobs (ibid.).

The TSRP identifies a set of high level strategic interventions which cover areas that have previously also been in national tourism plans (such as the National Tourism Sector Strategy 2016 – 2026) around market access barrier removal and domestic and international market development. In this way, it is relatively comprehensive. In terms of process, however, it was not a product of NEDLAC or a structured engagement with Labour. It also does not prioritise employment creation *per se* and lacks a decent work framing. Objections from organised Labour to abandoning of the Master Plan process have resulted in its reinstatement. Reinstating the Master Plan process is essential to ensure widespread consultation and agreement from all sector representatives, including the opportunity to focus on hereto neglected areas.

The strategic interventions in the TSRP are shown in Table 6 below. So too are the enablers.

TABLE 6
Strategic interventions in the TSRP

Strategic interventions
<ul style="list-style-type: none"> • Implement norms and standards for safe operation across the tourism value chain to enable safe travel and rebuild traveller confidence; • Stimulate domestic demand through targeted initiatives and campaigns; • Strengthen the supply-side through resource mobilisation and investment facilitation; • Support for the protection of core tourism infrastructure and assets; • Execute a global marketing programme to reignite international demand; • Integrate regional tourism; and • Review the tourism policy to provide enhanced support for sector growth and development.
Enablers
<ul style="list-style-type: none"> • Forming targeted, strategic partnerships between government and industry; • Partnering with relevant departments to ensure improved travel facilitation through the implementation of e-visas, tourist safety, airlift capacity and quicker turnaround times in the processing of tour operator licences; • Deployment of the vaccine to frontline workers, attainment of population immunity and participation in global efforts to facilitate safe travel; and • Stimulating domestic demand through government consumption expenditure.

Source: Department of Tourism, 2021

None of the seven strategic interventions, nor the further key enablers, **directly** support the **retention of jobs** in the sector. There is no clear reference to how jobs will be protected, how to improve employment conditions and how to accelerate human resource development in tourism, noting that the future of tourism will be different to the tourism of 2019.

The tourism sector policy framework review initiated in October 2020 by a task team of experts appointed by the then Tourism Minister, Minister Kubayi, may have more to say about employment, labour, and human resource development issues although not much is publicly known about its policy recommendations. Nor is it clear whether Minister Lindiwe Sisulu, appointed Minister of Tourism in August 2021, supports proposals contained in this policy review. How this policy review relates to the existing National Tourism Sector Strategy or the TSRP is also not clear at this point.

In terms of the TSRP, many of the critical areas which are traditional barriers to growth, such as visas, are not part of the seven strategic interventions but are rather discussed as priorities under enablement. Progress in these areas has historically been slow and a new way of working is necessary to ensure that priorities for tourism growth are seen as priorities in other departments.

Strategic implications for a labour-friendly tourism agenda

Unions must ensure that existing and future tourism policies, plans, and strategies actively foreground tourism employment considerations in their design. This has not been the case to date. A better understanding of how to protect and grow employment is necessary as part of strategy design rather than as an assumed outcome. This may require more research too, to better inform choices around resource allocation to programmes, and the monitoring of employment outcomes in the sector.

The most urgent actions must be to improve the overall prospects for the sector so that it can sustain the remaining jobs, start to recover, and create new jobs.

8

CONCLUSIONS AND PROPOSALS

As already indicated in this report, tourism is a dynamic sector made up of a number of industries. If supported to grow, it can create many jobs – many of which have relatively low barriers to entry and can absorb young people and unskilled and low-skilled workers.

8.1 Summary of challenges

A labour-friendly agenda in tourism is however challenged by a number of factors and developments: the structure and nature of the sector, existing policy and strategy responses, and existing policy process failures.

The structure and nature of the sector:

- Tourism comprises **many small businesses, many informal businesses, and is geographically dispersed**. This limits the ability of workers and unions to organise, and of businesses to put in place human resource development programmes, including those that facilitate mobility within and across businesses.
- Tourism is **largely white-owned and managed** – limiting the participation of Black South Africans and impeding growth potential. There is a distinct need to introduce new Black-owned businesses that not only transform the sector in general, but can cater to emerging Black domestic and regional tourists, many of whom are not adequately catered to by existing white businesses and offerings.
- An **increase in informal platform economy businesses** and jobs are likely with the advent of Airbnb and other forms of the sharing economy. While Airbnb creates unprecedented market access for small, including Black businesses, it could also erode traditional tourism models, including corporate models that provide a level of protection for workers.
- **Workplace characteristics** in tourism often include low wages, high levels of casual and seasonal staff, limited skills development and training, and limited levels of worker organisation outside of larger firms and existing bargaining council provisions. This makes improving working conditions more challenging.

Existing policy and strategy responses:

- There has been **limited direct fiscal support from the government** to the sector during the Covid-19-induced crisis.
- There is a **lack of explicit focus on Labour issues**, worker rights, and human resource development-related issues in the various response measures, including the Tourism Relief Fund and the TSRP – to date, the main tourism strategy to guide priorities and resources.
- The reliance of tourism on **other 'enabling' departments**, particularly Transport, Home Affairs, and Safety and Security, which have not always been responsive to tourism's needs, constrains the potential to grow the sector and create jobs.

Existing policy process failures:

- There has been a **limited Labour voice at the table** during tourism strategy sessions. Currently, there is limited union participation at a strategic level alongside the Ministry, Department, and organised business. Social dialogue between government, employers, and workers' organisations should take place. Issues to be addressed should include job creation, decent working conditions and wages, job security, occupational health and safety, human resource development, non-standard forms of work, the transition from the informal to the formal economy in tourism, and finance and development schemes that facilitate greater participation in governance and ownership by Labour to advance sector transformation.

8.1 Proposals

The most urgent actions must be to improve the overall prospects for the sector so that it can sustain the remaining jobs, start to recover, and create new jobs that are so desperately needed, including through self-employment.

1. Fiscal support:

- Lobby for a TERS extension to tourism while tourist demand remains dampened including for the improved administration and efficiency/speed in paying out grants for tourism applicants. Motivate for improved data from TERS to be shared to better understand where employees have received wage support (by industry, geographic area) in order to better respond in the future.
- For transformation, motivate that the Tourism Equity Fund or future similar funding schemes and concessionary funding, contain conditions around retention of employees and/or employment creation. Furthermore, advocate for more concessionary finance, business support services, and supplier development programmes (and value chain mapping) to support the transformation of the sector. This should in part be linked to new market and product development including for underserved domestic market and regional market segments.

Staff cooking breakfast on outdoor grill for safari guests at Sabi Sands game reserve.
(Photo: Sally Anderson / Alamy Stock Photo)



Digitalisation training is critical given the growing importance of technology in communicating with tourists, managing inventory and developing consumer insights.

2. Government policy, strategy and planning support:

- Unions to strongly endorse and support the vaccine rollout programme amongst all members. Unions to strongly motivate tourism workers to get vaccinated.

3. Demand-side support:

- Advocate that global unions support South Africa's efforts through lobbying against red lists and similar negative travel advisories in source markets.
- Work with SADTU to support **staggered school calendars** – this has major positive impacts for tourism businesses as it reduces the peaks and allows 'high season' to be extended and spread out.²⁴
- Work with industry (at an organised level) and possibly with Government, to develop and support a range of **holiday packages for union members** to undertake domestic travel across the country. Include in this in particular Covid-19 frontline workers – consider special discounted packages, perhaps off-peak to recognise the tireless work and sacrifices as well as to drive volumes (at reduced rates) to tourism businesses. Union members are a potential market segment to boost domestic travel.

4. Human resource development:

- Motivate that the Department of Tourism and others support training to businesses and workers on 'during Covid' and 'post Covid' domestic and regional market segments, strategies, and digitalisation. **Digitalisation training is critical** given the growing importance of technology in communicating with tourists, managing inventory and developing consumer insights. Targeted training modules should be developed online and **provided free of cost** on a variety of operational interventions and efficiencies so SMMEs can participate as and when they are able to do so.
- Get involved in global efforts to transform tourism into a sector that is **more inclusive, and sustainable**. Support the IUF's agenda at the UN World Tourism Organisation's Global Crisis Committee and beyond. Furthermore, a decent work agenda is often not highlighted in the work of sustainable tourism organisations. Together with global tourism unions and federations, develop a clear and progressive agenda on decent work as well as how best to monitor and communicate this. Collaborate in particular with unions in the global South where other countries also have a strong dependence on tourism.

5. Human resource development:

- Revisit the 2017 National Tourism Human Resource Development Strategy and together with social partners identify key actions for the short-term, as well as longer-term programmes.

6. Support local economy linkages and the informal economy:

- Support research on value chain mapping in tourism.
- Support programmes that build local supply chains in tourism nodes, using an established methodology and digitally enhanced systems. A number of examples already exist of where this has been piloted. Links can be made between tourism and transport services, agricultural inputs, etc.
- Undertake a **survey of tourism's informal economy operators** to better understand the industries, employment characteristics, barriers to formalisation, etc. Use this to better support informal economy businesses and workers in tourism.

24. A recent article shows that unions want a unified school calendar – this would have negative impacts for tourism businesses: businesstech.co.za/news/government/522760/unions-want-new-school-calendar-for-south-africa/?utm_source=everlytic&utm_medium=newsletter&utm_campaign=businesstech

7. Address future barriers to tourism development:

- Support a ‘whole of government’ approach to tourism and motivate for more rapid response from government departments to unlock barriers to tourism growth, including facilitating travel through visa reform.
- Just transition to a low-carbon and green economy: Unions to work with energy and transport industries and government to advocate for a just and rapid transition towards a green and low-carbon economy recognising that tourism relies on travel and that transport is a major emitter.
 - › Support work on the green hydrogen economy which could see South Africa well positioned to benefit from consumer shifts as well as avoid carbon taxes and the like from traditional aviation fuels.
 - › Support investments in passenger rail which could both support the economy at large and unlock a regional tourism rail market,²⁵ as well as result in reduced emissions from road transportation, assuming the national grid decarbonises. Relevant recent developments in the potential for regional transport linkages include the African Continental Free Trade Area (AfCFTA), which came into effect in 2021. Together with related efforts such as the Free Movement Protocol and Single African Air Transport Market (SAATM), the SSA region has the potential to unlock its untapped tourism potential and grow its underdeveloped intra-regional tourism market and air route capacity²⁶.
 - › Support better-articulated linkages between work on ecosystem services and tourism, recognising that much of tourism relies on nature-based assets.
 - › Support programmes that invest in vibrant and inclusive public spaces and corridors to create opportunities for local economic development and informal economy entrepreneurs. This includes spaces for vibrant markets and parks and local retail precincts. Inclusive public space supports a dynamic recreation and tourism economy.
- Digitalisation: as indicated above, digital infrastructure access and skills are critical for ‘jobs of the future’. Advocate for digital infrastructure rollout and data access across the country including marginalised areas in cities and in rural locations.

Group performing traditional Zulu dance at uShaka Marine World, Durban.
(Photo: Ian Trower / Alamy Stock Photo)



25. The Department of Tourism has recently undertaken work into a rail tourism model which notes there are broader issues relating to the state of rail infrastructure that need to be addressed.

26. WEF Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future. Insight Report May 2022. www3.weforum.org/docs/WEF_Travel_Tourism_Development_2021.pdf

8. Working conditions:

- Address the issue of migrant workers in tourism through regularising those who have scarce skills and supporting the industry to invest in the creation of local skills for tourism.
- Work with grading and certification institutions to consider if and how to include decent work measures in their programmes:
 - › Explore with the Tourism Grading Council of South Africa how best to include decent work provisions in their grading criteria.²⁷
 - › Research the potential of introducing a trade union ‘stamp’ or equivalent for decent work certification for those hospitality businesses that support labour-friendly workplaces. While Fair Trade in Tourism South Africa does include decent work provisions and routinely audits these at member establishments, its reach is limited. Certification, if to be reasonably rigorous and regularly audited, can have prohibitive costs for small businesses so this needs a proper assessment of costs versus benefits.

9. Labour needs to advocate for a greater transformation of tourism:

- Unions should advocate for more concessionary finance, business support services, and supplier development programmes (including value chain mapping) to support the transformation of the sector. A variety of ownership schemes should be explored to ensure transformation in shareholding to include workers, in particular those who represent marginalised groups such as Black women.
- A transformation programme should also, but not exclusively, be linked to new market and product development including for underserved domestic market and regional market segments.
- Unions should lobby for representation on industry boards and their capacity to participate fully, supported through development programmes and funding. Board membership should include umbrella institutions for the sector, as well as private and public tourism entities with governing boards in place. Management and executive positions should exhibit equitable representation across race and gender intersections.

Vendors on bicycles selling ice cream cones in Soweto tourist area.
(Photo: Sunshine Seeds / Alamy Stock Photo)



27. Recently the TGCSA has updated grading criteria to include other aspects of responsible tourism. It is possible that further enhancements could include one or two measures on decent work, too.

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APPENDICES

APPENDIX A Employment in the tourism industries by population group and gender	37
APPENDIX B Advent of platform technologies and 'micro-entrepreneurship'	38
APPENDIX C Tourism Relief Fund	39
APPENDIX D Industry performance – narrative detail	40

APPENDIX A

Employment in the tourism industries by population group and gender, TSA (2019)

Population group	Accommodation for visitors	Food and beverage serving industry	Railway passenger transport industry	Road passenger transport industry	Water passenger transport industry	Air passenger transport industry	Transport equipment rental industry	Travel agencies and other reservation services industry	Cultural industry	Sports and recreational industry	Retail trade (of tourism-connected goods)	Total
Tourism industry ratio (%)	79	39	9	37	70	96	68	98	23	20	11	
BLACK AFRICAN	89 874	114 663	4 854	202 247	0	15 427	7 205	19 379	13 068	12 353	108 621	587 691
Male	38 445	44 384	3 314	187 524	0	6 430	4 345	11 944	8 430	6 641	53 148	364 606
Female	51 429	70 280	1 539	14 723	0	8 997	2 860	7 435	4 638	5 712	55 473	223 085
COLOURED	16 333	14 475	359	14 676	280	5 872	898	4 311	2 188	2 267	18 251	79 911
Male	4 864	4 092	296	13 003	179	3 182	620	1 554	1 049	1 685	8 059	38 583
Female	11 469	10 383	63	1 673	101	2 690	278	2 757	1 139	583	10 193	41 328
INDIAN/ASIAN	614	5 407	385	7 922	0	298	192	1 822	379	721	9 555	27 294
Male	457	3 123	385	7 922	0	298	192	598	252	598	6 976	19 883
Female	157	2 284	0	918	0	0	0	1 223	127	123	2 579	7 411
WHITE	11 525	13 288	720	16 309	99	6 944	1 670	7 024	3 930	1 928	15 199	78 637
Male	5 567	8 369	577	10 027	99	5 922	873	3 841	1 780	1 198	8 215	46 467
Female	5 958	4 919	143	6 283	0	1 022	798	3 184	2 150	730	6 984	32 169
TOTAL	118 346	147 833	6 318	241 155	379	28 541	9 966	32 536	19 564	17 269	151 625	773 533

Individual figures may not add up to stated totals due to rounding.

Source: Statistics South Africa. 2021. Tourism Satellite Account.

APPENDIX B

Advent of platform technologies and ‘micro-entrepreneurship’

New technologies, particularly digital platforms, have increased informality detracting from decent work. They may require new legal frameworks (ILO, 2017). In the past decade, the tourism sector has been disrupted by platform technologies, such as Airbnb and Uber. These online platforms have resulted in significant self-employment and micro-entrepreneurship, but this work is often tenuous. In addition to platform jobs supported through Airbnb and Uber, tourism marketing and intermediation are also increasingly undertaken by tourism ‘content creators’ – this includes travel bloggers and influencers, many of whom replace traditional forms of travel advice and intermediation (Ionnides, 2021).

All of these jobs create opportunities for participation (although this is skewed in favour of those with access to assets and resources such as properties, cars, digital skills and technology). Certain of these new platform jobs replace previously protected jobs (for example, where hotel cleaners/housekeeping staff were protected by employment contracts, ad hoc domestic staff at part-time privately run Airbnbs may not be). It is not clear what displacement of jobs has occurred as a result of the new platform businesses. Airbnb and Uber have certainly also grown the market and created more opportunities for micro-entrepreneurship, as tenuous as this might be: Airbnb estimates that it supported 22 000 jobs in South Africa in 2018. It further indicates that many people use the platform to supplement their income (Airbnb, 2018). Airbnb’s experiences platform and inclusion of homestays in townships arguably provide more market access for new players and traditionally excluded businesses, than other efforts by the Government to create market access have achieved. This is due to the scale of the platform and its broad acceptance by users. The analysis also showed a trending increase in domestic travel and township and rural areas experienced positive year-on-year growth in both local visitors and hosts (Genesis Analytics, 2021).

E-hailing services like Uber and Bolt have been criticised for their lack of recognition of drivers (‘transport operators’) as employees. Lawyers are currently seeking to rectify this and have drivers recognised in terms of the Labour Relations Act (Moyo, 2021). Uber and Bolt’s drivers have protested in the last two years due to changes in pricing and fees, as well as safety concerns. UberEats drivers have also expressed concerns that their earnings have declined due to discounted pricing in 2021.

In the future, low-skilled jobs in hospitality may be under threat with the advent of robots in restaurants and hotels although it is hard to quantify this risk. Certainly, digital infrastructure and skills will become increasingly important for tourism enterprises, including micro-enterprises, in order to access markets, manage inventory and provide 24-hour customer service in an increasingly competitive global sector.

APPENDIX C

Tourism Relief Fund

The main tourism-specific financial relief measure from the Government was the Tourism Relief Fund, which was announced in March 2020 by the national Department of Tourism. A total amount of R200 million was financed from reallocated funds and provided cash relief (in the form of once-off R50 000 grants) to qualifying small or medium enterprises with a turnover of no more than R5 million per annum. It was only applicable to the main tourism industries and excluded certain passenger transport services (i.e. air transport and minibus taxis), fast-food and takeaway outlets, nightclubs, bars, gaming and gambling venues, franchised restaurants, and restaurants attached to tourism facilities wholly or partially owned by the government (NDT, 2020c).

4 000 businesses were paid out from 7 288 applications. The successful applicants had a wide geographical footprint, and just over 2 000 were Black-owned businesses (NDT, 2020c). Media reports suggest that 3 284 applications were unsuccessful because the fund lacked resources; some of these applicants had met the criteria (Selisho, 2020). Although successful recipients were grateful for the funding, some business owners pointed out it was simply 'a drop in the ocean' relative to the finance they needed to survive (Booyens et al., 2021 in Rogerson, Rogerson and Rivett-Carnac, 2021).

FIGURE 4

Tourism Relief Fund payments, by province, and service/ category

Province	Total Applications received	Total approved applications	Accommodation (hotels)	Hospitality and related services (restaurants)	Travel and related services (vehicle hire, bus companies)	Other (event organisers)
Eastern Cape	746	457 (11%)	255	111	62	29
Free State	285	133 (3.3%)	65	43	18	7
Gauteng	1 752	1 017 (25.4%)	246	257	439	75
KwaZulu-Natal	1 149	610 (15.3%)	233	176	155	46
Limpopo	529	294 (7.4%)	123	74	76	21
Mpumalanga	434	238 (6%)	119	56	48	15
North West	298	161 (4%)	90	29	25	17
Northern Cape	222	124 (3.1%)	77	24	12	11
Western Cape	1 876	966 (24.2%)	352	179	348	87
TOTAL	7 291	4 000	1 560	949	1 183	308

Source: AGSA, 2020

APPENDIX D

Industry performance – narrative detail

Accommodation industry

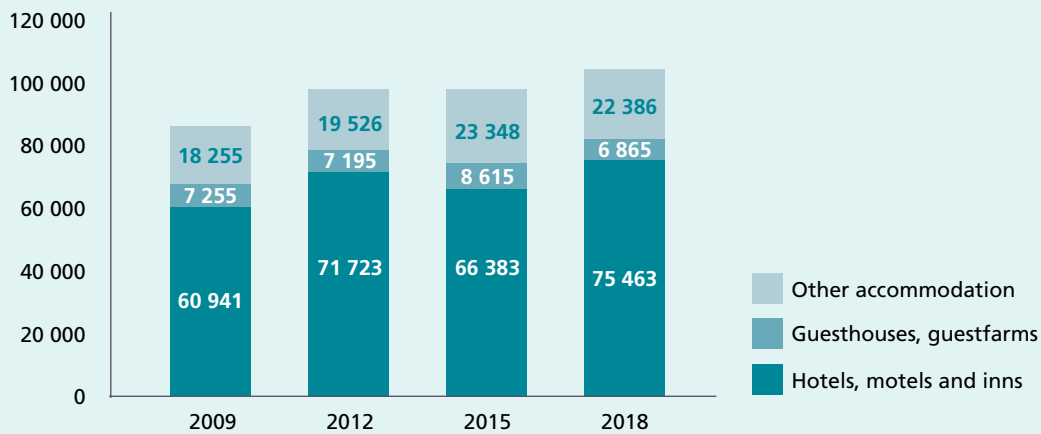
This industry is measured by Statistics South Africa in three categories: Hotels, motels and inns; Guesthouses and guest farms and 'Other accommodation'. 'Other' covers a wide array of accommodation from campsites to luxury game lodges.

According to Statistics South Africa's detailed Accommodation Survey of 2018, total jobs in Accommodation grew from 86 451 in 2009 to 104 714 in 2018. This number is lower than the Quarterly Labour Force Survey derived number of jobs used in the TSA, likely because it relies only on those enterprises registered with SARS that are part of the business register. As the QLFS is a household survey, it would include informal economy SMMEs in tourism which are not VAT registered.

Most jobs by far, fall within the category of 'hotels, motels and inns', at 75 463 in 2018, or 72% of total jobs. 'Other accommodation' accounted for 21,4% of jobs in 2018, a similar level to 2009 (21,1%).

FIGURE 5

Jobs by category of accommodation



Source: Statistics SA. 2019. Accommodation Industry, 2018. Report no. 64-11-01 (2018).

The total wage bill for accommodation establishments was R12.136 million in 2018, up from R9.499 million in 2015. Salaries and wages contributed about 27% to 28% of total operating expenditure across all accommodation types. Average salaries and wages were highest in Hotels, motels and inns and lowest in Guesthouses and guest farms. The average salary across categories of accommodation in 2018 was R115 868. (Statistics SA, 2019).

FIGURE 6

Average salaries and wages in the accommodation industry

Type of service	2009			2012			2015			2018		
	Salaries and wages (R million)	Total employees (number)	Av. salaries and wages (Rands)	Salaries and wages (R million)	Total employees (number)	Av. salaries and wages (Rands)	Salaries and wages (R million)	Total employees (number)	Av. salaries and wages (Rands)	Salaries and wages (R million)	Total employees (number)	Av. salaries and wages (Rands)
Hotels, motels and inns	4 224	60 941	69 246	5 599	71 723	108 361	6 973	66 383	105 042	9 228	75 463	122 285
Guest-houses and guest-farms	332	7 255	47 429	393	7 195	56 143	524	8 615	60 824	569	6 865	82 884
Other accommodation	782	18 255	43 444	1 138	19 526	56 900	1 763	23 348	75 510	2 336	22 386	104 351
TOTAL	5 338	86 451	62 070	7 130	98 444	72 755	9 259	98 346	94 147	12 133	104 714	115 868

Source: Statistics SA. 2019. Accommodation Industry, 2018. Report no. 64-11-01 (2018).

Large enterprises (those with an annual turnover greater than R130 million – which in tourism would constitute a very large enterprise) contributed 62,2% to the total income of the Accommodation industry in 2018, but 43,8% to employment. The majority (56,2%) of the employment in the industry was created by small, medium and micro enterprises whilst their contribution to income was 37,8%.

However, as a subcategory, *large* Hotels, motels and inns created the most jobs at 40 836 of total, followed by *micro* Hotels, motels and inns and *micro* 'Other accommodation' – at 18 156 and 14 906 respectively. *Medium-sized* 'Hotels, Motels and Inns' were the next largest employees as a category, at 14 401 of total. Part-time employees were less than 10% of total employees in 2018, numbering only 8 306 of 104 714 accommodation employees.

Performance during Covid-19

In terms of accommodation income in 2020 and 2021, the industry has not yet nearly recovered to 2016 levels, let alone 2019 levels. December 2021 saw the best monthly performance since March 2020: income from accommodation was over 50% of 2019 levels.

FIGURE 7

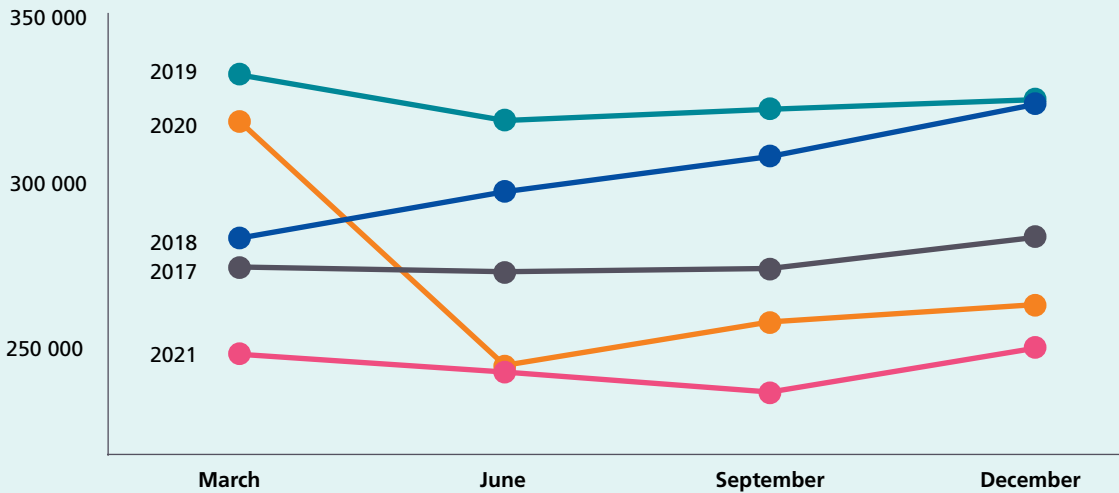
Income from accommodation at current prices (R million)

Month	2017	2018	2019	2020	2021	2022*
January	2 450.4	2 503.8	2 398.6	2 524.9	734.5	1 215.7
February	2 547.0	2 432.6	2 347.8	2 568.9	640.9	1 271.2
March	2 617.0	2 559.5	2 556.1	1 504.8	893.4	
April	2 326.0	2 223.1	2 303.3	45.0	1 076.0	
May	1 954.3	1 943.6	1 993.6	50.4	919.6	
June	1 869.3	1 928.8	2 063.3	113.0	851.4	
July	2 204.7	2 211.3	2 286.0	183.4	626.3	
August	2 232.4	2 288.6	2 410.4	406.0	915.1	
September	2 250.2	2 355.9	2 547.2	652.5	1 136.8	
October	2 605.3	2 600.6	2 699.0	843.6	1 281.3	
November	2 507.3	2 573.1	2 578.3	808.5	1 278.0	
December	2 894.8	2 838.5	2 887.1	1 322.5	1 522.5	
TOTAL	28 458.7	28 459.4	29 070.7	11 023.5	11 875.8	

*Figures for 2022 are preliminary. Source: Statistics South Africa, 2022. Tourist Accommodation. February 2022. P6410.

A granular level of jobs losses can be calculated for Hotels and Restaurants (the data is provided together for these two tourism characteristic industries) by drawing on recent data from the Quarterly Employment Statistics of Statistics SA published in September 2022.

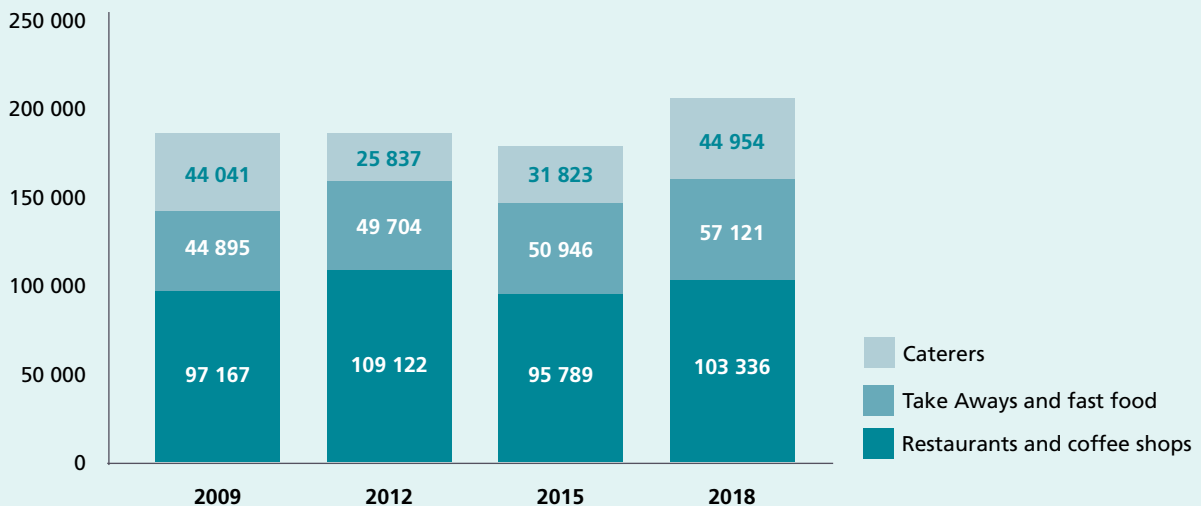
According to this survey, between 60 000 and 70 000 direct jobs have been lost in Hotels and Restaurants in South Africa since the onset of Covid-19 (Statistics SA, 2022). This is about 25% of total direct employment in these two tourism industries.

FIGURE 8**Number of employees – hotels and restaurants**

Source: Statistics South Africa, Quarterly Employment Statistics, February 2022. P0277.

Food and beverage serving industries

According to Statistics South Africa's large sample survey of the Food and Beverage serving industry in South Africa in 2018, most employment in the industry was within Restaurants and coffee shops, at about 103 336 persons, followed by Take-away and fast food outlets at 57 121 and then Catering, at 44 954 persons.

FIGURE 9**Jobs by category or sub-industry within 'food and beverage serving industry'**

Source: Statistics South Africa, 2018. Food and Beverages industry, 2018. Report 64-20-01 (2018).

Large enterprises contributed relatively more to income in the industry, at 39,4% of total than employment at 35,2% of total. Small and micro enterprises contributed 50,8% to income but 56,9% to employment in 2018. Most of the jobs were in *small and micro* 'Restaurants and coffee shops', at 84 416 jobs in total. In contrast, within the categories of 'Takeaway and fast food' and 'Caterers', most jobs were created by large enterprises at 34 905 jobs and 26 043 jobs respectively.

FIGURE 10**Employment by enterprise size and category**

Type of service	Large enterprises	Medium enterprises	Small and micro enterprises	Total
Restaurants and coffee shops	11 445	7 475	84 416	103 336
Takeaway and fast-food outlets	34 905	5 624	16 592	57 121
Caterers and other catering services	26 043	3 104	15 807	44 954
TOTAL	72 393	16 203	116 815	205 411

Source: Statistics South Africa, 2018. Food and Beverages industry, 2018. Report 64-20-01 (2018).

Concentration ratios were highest amongst 'Caterers', where the top five enterprises accounted for 44,5% of total income. The top five 'Take away and fast food outlets' contributed 26,2% to total income. The 'Restaurants and coffee shops' category was far less concentrated, with the top 5% contributing only 9.7% to total income; the top 20% only 14,9%. As with the large sample Accommodation survey, the Food and Beverage serving industry survey sample is drawn from the SARS business register so likely does not cover a large number of SMMEs which operate informally and are not registered for VAT.

The average salary and wage in the industry (across all three categories) in 2018 was R78 374, up from R35 561 in 2009. By category, the average salary was slightly higher amongst Caterers than Restaurants or Takeaways.

Part-time employees numbered 10% of total, of 20 336 across the food serving industries, in 2018. They form a slightly higher share of employees in 'Restaurants and coffee shops' than they do in Caterers. Casual employees are likely not accounted for and would comprise a fair share of employees over peak season.

Performance during Covid-19

Taken together the income earned by the Food and beverage serving industry has not yet recovered to 2019 levels (although it has fared better than the Accommodation industry). By December 2021, total income was close to 69% of 2019 levels (constant 2015 prices). The third wave and subsequent restrictions on alcohol and patron numbers had negative impacts for much of the second half of the year.

The category of 'Fast food and take-aways' has performed the best. These food-serving businesses quickly returned to within 10 to 20% of pre-Covid income levels as they do not rely on sit-down trade, events and meetings, nor do they serve alcohol. While Catering businesses were allowed to operate from as early as May 2020, they struggled to recover to 2019 levels likely due to limited events and meetings taking place. They also rely more on business demand than do restaurants and fast food establishments, which rely heavily on individual/ household consumption.

FIGURE 11**Income from food and beverages at constant 2015 prices (R million)**

Month	2017	2018	2019	2020	2021	2022*
January	4 712.4	4 611.3	4 804.8	4 852.8	2 562.7	3 761.7
February	4 647.5	4 644.3	4 816.6	4 786.3	3 087.0	3 621.6
March	4 971.1	5 180.5	5 622.4	3 745.5	3 574.8	
April	4 775.8	4 845.7	4 877.6	254.2	3 570.8	
May	4 574.6	4 612.3	4 889.0	593.5	3 747.6	
June	4 367.3	4 614.0	4 829.0	1 602.8	3 233.9	
July	4 921.3	4 952.4	4 821.4	2 002.6	2 772.9	
August	4 796.8	4 970.2	5 030.6	2 343.1	3 408.4	
September	4 939.4	4 974.7	4 973.1	2 826.0	3 583.9	
October	4 947.3	5 093.6	5 014.6	3 152.9	4 074.7	

Month	2017	2018	2019	2020	2021	2022*
November	5 152.0	5 422.0	5 408.4	3 479.9	4 011.8	
December	5 776.8	6 206.3	6 174.8	3 873.2	4 601.3	
TOTAL	58 582.3	60 127.3	61 262.3	33 512.8	42 229.8	

*Figures for 2022 are preliminary. Source: Statistics South Africa, 2022. Food and Beverages. February 2022. P6420.

As indicated above, Hotels and Restaurants together have lost between 60 000 and 70 000 jobs since March 2020.

Other tourism characteristic industries

In 2016 Statistics South Africa conducted a large sample survey of the 'Transport and Storage industry'. Published in 2018, it provides a detailed analysis for a number of transport and storage-related categories of enterprises. As with the large sample surveys for Accommodation and Food and Beverage serving industries considered above, it is drawn from the register of VAT registered businesses so excludes informal economy transport operations. It excludes minibus taxis. It also excludes municipal bus services.

FIGURE 12

Transport and storage services and employment

Type of service	2010		2013		2016	
	Number	% contribution	Number	% contribution	Number	% contribution
Railway transport	48 195	15.5	55 820	18.7	54 748	16.5
Other scheduled passenger land transport	20 028	6.4	19 055	6.4	23 841	7.2
Freight transport by road	102 254	32.9	98 968	33.1	126 248	38
Transport via pipelines	734	0.2	655	0.2	818	0.2
Water transport	2 093	0.7	669	0.2	810	0.2
Air transport	19 172	6.2	21 097	7.1	17 163	5.2
Cargo handling	18 519	6	13 956	4.7	17 318	5.2
Storage and warehousing	15 321	4.9	18 600	6.2	18 283	5.5
Other supporting transport activities	36 811	11.8	26 000	8.7	23 513	7.1
Travel agencies and related activities	18 736	6	12 942	4.3	14 426	4.3
Activities of other transport agencies	29 205	9.4	30 867	10.3	34 832	10.5
TOTAL	311 068	100	298 629	100	332 000	100

Source: Statistics South Africa, 2016. Transport and Storage Industry. 2016. Report No. 71-02-01 (2016)

The types of services of most direct relevance to tourism are 'other scheduled passenger land transport', 'air transport' and 'travel agencies and related activities'. The analysis below is restricted to these three categories.

TABLE 7**Employees, salaries and wages, select transportation and travel agencies**

Type of Service	2010			2013			2016		
	Salaries and wages (R mil)	Total employees	Average Salaries and Wages (R million)	Salaries and wages (R mil)	Total employees	Average Salaries and Wages (R million)	Salaries and wages (R mil)	Total employees	Average Salaries and Wages (R million)
Other scheduled passenger land transport	2 330	20 038	116 337	3 021	19 055	158 549	3 926	23 841	164 674
Air transport	5 477	19 172	285 677	7 097	21 097	336 401	9 013	17 163	525 141
Travel agencies and related activities	2 778	18 736	147 470	2 350	12 942	181 578	3 451	14 426	239 637

Source: Statistics South Africa, 2016. *Transport and Storage Industry, 2016. Report No. 71-02-01 (2016)*

Employees in 'air transport' and 'travel agencies, etc.' declined between 2010 and 2016 while the number of employees grew slightly in 'other scheduled passenger land transport'. Further analysis of these industries and others included in the TSA is undertaken below based on industry and media reports, and the QLFS data in the TSA.

Passenger road transportation industry

According to the TSA, in 2018 a total of 222 666 tourism jobs existed within road passenger transportation services. This number does include minibus taxis, municipal buses and other informal economy operators. Within this large category, a South African Bus Operators Association (SABOA) June 2020 presentation indicates that the interprovincial/ long distance/ cross border bus segment comprises about 1 000 buses, with annual revenue of over R5 billion and moves in excess of 5 million people each year. The sector is formalised and part of an industry bargaining council (SABOA, 2020).

Covid exacerbated poor operating performance for some of these coach companies and early in 2021, Greyhound and Citiliner closed down due to declining passenger numbers and poor regulatory compliance which had resulted in operating losses for several years (News24wire, 2021). There are however new entrants in the industry including the Travelstart-owned Eldo Coaches and Africa People Mover buses. The gap left by Greyhound and low-cost brand Citiliner is also likely to be filled by competitors such as Intercape, Translux and City to City.

The travel and tourism coach segment is categorised separately by SABOA and presumably, this refers only to those services chartered by tour operators or equivalent. According to SABOA, this travel and tourism segment has a seating capacity of 51 000 per month and is formally organised with conditions of services regulated by an industry bargaining council (SABOA, 2020). This segment was also under significant pressure with no tourist groups chartering coaches for their itineraries. From a cost pressures' perspective, requests made by industry to the Department of Transport to review, waive, or delay licensing costs have not been met. These range from R25 000 to R55 000 per bus.

Car rental industry

The jobs associated with transport equipment rental are largely linked to tourism, that is, 65% (or 12 711 jobs) of total in 2018. These result from car and other vehicle rentals by domestic and foreign tourists. In 2020, vehicle rental companies in South Africa disposed of many of their cars as they could not rent them out on a short-term basis (Mabasa in Venter, 2021). Bidvest Car Rental, which was one of the three largest car rental companies in the country, sold its car rental group in July 2020 due to poor operating conditions. In July 2020, the Avis Budget brand within Barloworld's logistics and automotive division was put under review with more than 2 500 jobs to be lost (West, 2020).

Air transportation industry

According to the TSA, 26 896 tourism jobs existed in air transport in 2018 in South Africa. The global and domestic air transport industries have also been seriously impacted by Covid-19: the Board of Airline Representatives of South Africa (BARSA) reported in early 2021 that of its 32 international airline members, 19 were not operating to South Africa. The remaining 13 members were operating at reduced capacity and offering low fares in order to entice passengers to travel (Robertson, 2021a). This slowly improved with Emirates and Lufthansa and then other airlines announcing increased flights.

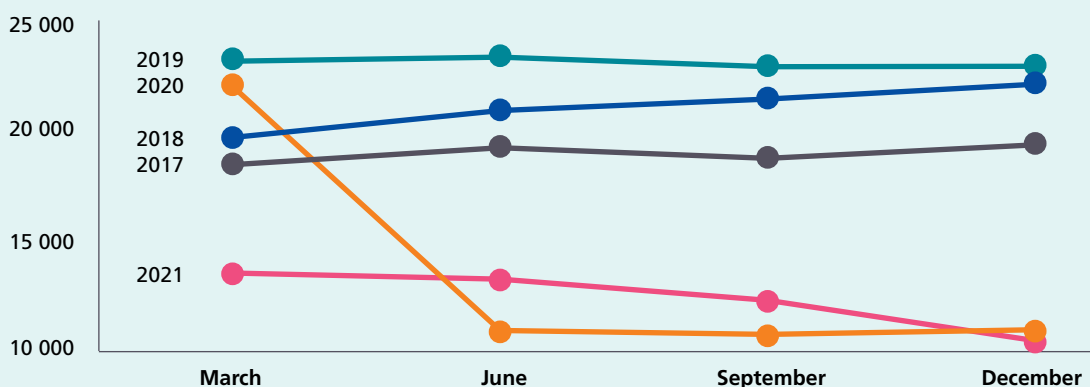
In terms of airlines operating domestic routes in South Africa, SAA, Mango and Kulula all entered business rescue since the advent of the Covid-19 pandemic. SAA resumed operations in late September 2021, while Mango's voluntary business rescue process continues, counter to the request by Numsa, the Mango Pilots Association, and the South African Cabin Crew Association that the airline be placed under (forced) business rescue (Robertson, 2021b).

ACSA's data for domestic passenger numbers at its airports shows that between March and June 2021 total passengers (including arrivals and departures) were at about two-thirds of 2019. But this declined to one-third in July as a result of Covid-19 related third wave travel restrictions out of Gauteng (ACSA, 2021).

According to the QES, almost 13 000 jobs have been lost in Air transport – 55% of the total jobs. It appears jobs began to increase again in March 2021 as air travel slowly picked up. By the end of the year, however, jobs in Air transport had fallen below the worst Covid-19 levels.

FIGURE 13

Number of employees – air transport industry

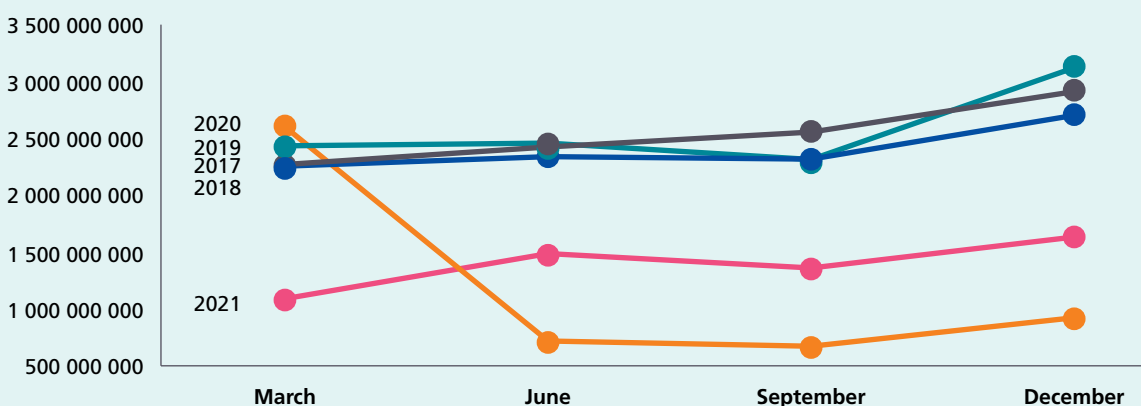


Source: Statistics South Africa, Quarterly Employment Statistics, February 2022. P0277.

Gross earnings collapsed in the Air transport industry: from R3 billion for the quarter ending December 2019 to R900 million in December 2020. By March 2021, a significant increase in earnings was achieved but still only 62% of pre-Covid earnings for this industry. Air transport revenue recovery is inconsistent with a decline in jobs. The industry currently benefits from higher demand for seats on the fewer airlines operating on domestic routes putting upward pressure on ticket prices, along with being able to use the same fleet and staff complement for more daily flights.

FIGURE 14

Gross earnings in the air transport industry



Source: Statistics South Africa, Quarterly Employment Statistics, February 2022. P0277.

Travel agencies and other reservation services

While the large sample survey of Transport and Storage VAT registered enterprises indicated that there were just over 14 000 employees in this industry in 2016, the TSA indicates 31 318 people were employed by travel agencies and other reservation services in 2018. The TSA category includes tour operators, tourist guides and tourist information services and might be a larger category than the one covered in the Transport and Storage large sample survey. Furthermore, as already indicated, the TSA is drawn from a household survey which includes informal businesses.

For some years travel agencies have been under pressure as their businesses have been disrupted by online travel agencies and other intermediary booking sites and platforms. Agencies typically rely on three segments: Corporate travel, Domestic and outbound travel bookings, and Government travel. The industry experienced serious drops in all three segments in 2020 and 2021. The Association of South African Travel Agencies, ASATA, was forced to close its own offices in 2021 as members were unable to pay membership fees.

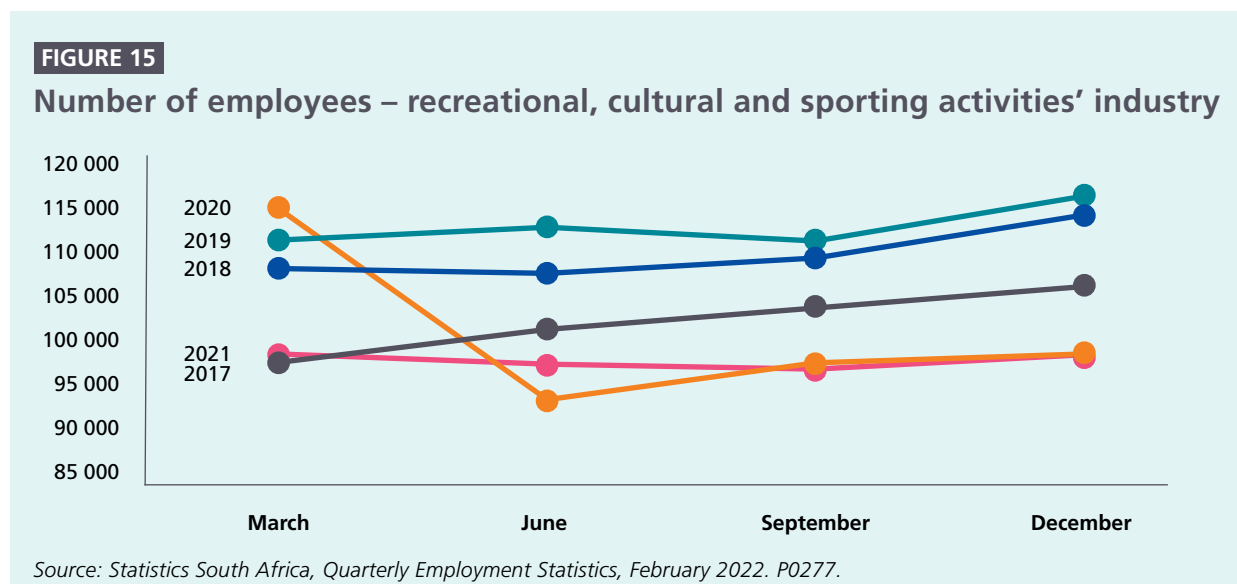
There are approximately 9 000 self-employed tourist guides in South Africa, most of whom would have been unemployed much of the past 30 months. A relief fund was set up to support these self-employed entrepreneurs (see Tourist Guides Fund, under section 6).

Inbound tour operators have also been hard-hit as there has been almost no inbound business or leisure tourists visiting the country over the past 18 months. There is little data on job losses in this industry although it's likely there would have been many as this part of the tourism sector is almost completely reliant on foreign tourists.

Cultural industry, Sports and Recreation

These categories of businesses fall under the policy space of the Department of Sports, Arts and Culture and not Tourism but they form part of the tourism and recreation offering of the country. Data is sparse but a recent (August 2021) survey by the African Association of Visitor Experiences and Attractions, based on 52 completed surveys (likely including major attractions in the country operating as members of the association) indicates that 20% of full-time jobs were lost amongst survey participating business between 2019 and 2020. In 2019, businesses participating in the survey employed approximately 5 200 staff of whom 72% were full-time, and the remainder part-time employees (African Association of Visitor Experiences and Attractions, 2021).

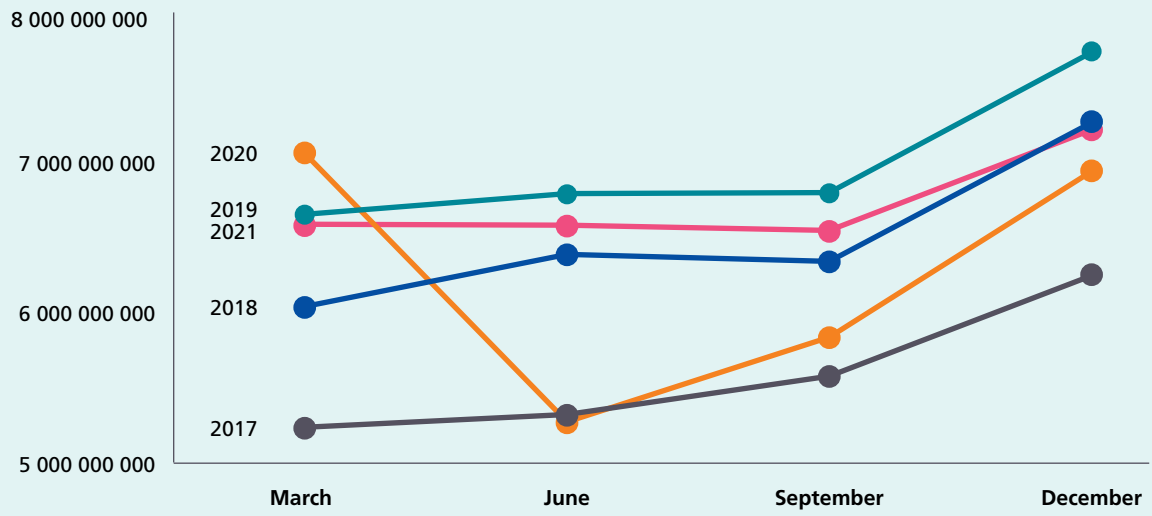
According to the QES, 15 000 jobs have been lost in the Recreational, Cultural and Sporting Activities industries since the onset of Covid-19. This is just less than 15% of jobs in this industry.



Gross earnings in this industry also declined, but made a better recovery in 2021 than many other industries, surpassing pre-Covid levels, and perhaps indicating a strong reliance on local resident support.

FIGURE 16

Gross earnings in the recreational, cultural and sports industry



Source: Statistics South Africa, Quarterly Employment Statistics, February 2022. P0277.



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