Towards a Statistical Framework for the Measurement of the Contribution of Tourism to Employment Generation: A Subnational Perspective from the Philippines

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Economic contribution of Tourism is recognized

- income generation
- employment generation
- investment generation
- foreign exchange generation

Philippine Development Plan has identified Tourism as a Key Industry towards

- sustained high economic growth
- massive job creation
- reduction of poverty
Employment is a key development issue that, unfortunately, has not received sufficient attention

- Jobless Growth?
- Growth not trickling down to the poor?
- Growth is not inclusive?
- Despite growth, Inequality persists?
I. Introduction

Employment is a key development issue that, unfortunately, has not received sufficient attention

- And so Poverty Persists!
- The MDGs are at risk!
- And the Full Potential of Tourism has not been realized!

With a Year to Go, but certainly in the Post 2015 Development Agenda,

- Need for Greater Focus on Job Creation (in the Development Plan)
- Need for Greater Focus on Quality Employment/Jobs (Higher Income)!
I. Introduction

In the Philippines,

For 2000-2012, tourism contributed on the average, about 5.9 percent to GDP with sustained growth in share during the last 3 years.
For 2000-2012, tourism contributed on the average, about 10.0 per cent to total employment!
I. Introduction

From 2007-2012,

Visitor arrivals
• Average annual growth rate of 6.7 percent

Tourism receipts
• Average annual growth of 5.6 percent

Inbound tourism expenditure to Total Exports ratio
• 4.0 percent

Average daily expenditure of visitors in 2012
• US$ 93.00
I. Introduction

• The increase in visitor expenditure and investments arising from tourism activities creates livelihood and jobs.

• In the **Philippine Tourism Development Plan**, Tourism development will be pursued in sustainable manner to **continuously create jobs** not only in big cities but especially in local communities.

• Unfortunately, the devastation caused by Typhoon **Haiyan** (Yolanda) has adversely affected tourism employment opportunities.

• The **Philippines is grateful** for the overwhelming show of support by the UNWTO, the PATA, IATA, and the international community as a whole.
II. The Tourism Value Chain and Employment

- Tourism value chain

  • **Tourist** as a focal point
  
  • sequence of multiple and complex tourism-related *products and services* across sectors that are delivered to tourists
  
  • visualizes the complete visitor ‘journey’ and the method of cohesively *satisfying the needs of the tourist*
II. The Tourism Value Chain and Employment

- **Tourism demand** for products and services is **met by the joint efforts** of individuals/groups who do the job of delivering the products/services, **both in the outbound country and in the inbound country**

- **In the Tourism Value Chain (complex), the required Job/Work**
  
  • covers a **wide range of positions** that vary in skills and specializations
  • employed in **various subsector industries**, including tour operators, travel agencies, transportation, accommodation, food and beverage, and tourist sites
  • (every job in tourism creates 1.4 other jobs in the other sectors – UN WTO Secretary General)
II. The Tourism Value Chain and Employment

![The Tourism Value Chain](source: Duke University Center on Globalization, Governance and Competitiveness (CGCC)
II. The Tourism Value Chain and Employment

Outbound Country

- Distribution

  - Tourism products - purchased by tourists
    - Travel agents - the retail outlet for tourism products (transportation, lodging, and excursions)
    - Tour operators - wholesalers who purchase and bundle tourism products and services in various package arrangements.
    - Tourists can bypass intermediaries and book their trip components directly.
II. The Tourism Value Chain and Employment

Outbound Country

- International Transport

  - Movement of passengers from the place of origin to the destination and back

  - International transport mode
    - international air carriers
    - cruise services
II. The Tourism Value Chain and Employment

Inbound Country

- Regional Distribution and Transport
  - National tour operators
  - Global tour operators
II. The Tourism Value Chain and Employment

Inbound Country

- Lodging
  - rent
  - utilities and use of appliances and furniture

- Excursions
  - local activities representative of the tourism product
II. The Tourism Value Chain and Employment

Monitoring the Tourism value chain helps

• Establish the cost of employment in the sector

• Develop the workforce within a locality

• Identify various employment opportunities not only in the destination but also in the nearby places within the circuit of the destination

• And therefore, it enhances the chances of realizing the Full Potential of Tourism
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

**IRTS 2008**

- Employment as an important dimension in the characterization of tourism in the economy

Currently available Tourism employment statistics in the Philippines:

- Share of tourism employment to total employment has been on the rise, averaging **10.0 percent** for the years 2000-2012
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

Employment in tourism industries was estimated at 4.2 million in 2012, up by 1.1 percent from 3.8 million in 2011, and growing at an annual average of 3.6 percent in 2000-2012

Top tourism industries, in share to total employment in the tourism industry 2000-2012

- Transport service industry - 41.3%
- Food and beverage serving industry - 24.2%
- Miscellaneous - 9.9%
- Entertainment and recreation - 9.4%
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

Top tourism industries, in share to total employment in the tourism industry 2000-2012

- Shopping - 7.4%
- Travel agencies & other reservation services - 4.7%
- Accommodation - 3.1%

Limitations of data/methodology

- Employment in tourism industries covers all persons employed in the industries including those who did not serve visitors specifically (example: passenger transport employees)
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

Official Data Sources (Statistical Offices, Tourism Authority, Local Government Units)

- Household-based sample surveys
- Establishment-based sample surveys/censuses
- Administrative recording/reporting systems (both at the national and local levels)
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Household surveys (Labour Force Survey)
  - generates employment statistics for all industries related to tourism, but does not specifically generate tourism employment
  - covers all categories of workers, including the self-employed and casual workers
  - captures economic activity in both formal and informal sectors, as well as informal employment.
  - currently releases only national and regional estimates (no provincial, no city, no municipality)
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Establishment-based sample surveys/censuses (Quarterly and Annual Surveys of Philippine Business and Industry)
  - jobs and persons employed
  - data on earnings, remuneration
  - labour costs for each specific industry
  - do not cover informal establishments (employment)
  - release data only at the national level
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Establishment-based sample surveys/censuses (Census of Philippine Business and Industry (CPBI))
  - benchmark estimates for tourism industries
  - parameters on employment in tourism industries (for the TSA)
  - conducted every five years
  - cover all establishments in the Philippines regardless of ownership and economic organization
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Establishment-based sample surveys/censuses (*Survey of Tourism Establishments in the Philippines (STEP)*)
  - statistics on tourism activities relating to supply and capacity of tourism establishments
  - number of establishments engaged in activities catering to tourism industry
  - number of employees of tourism establishments by nationality and sex, by region and industry group
  - available facilities/amenities by region and industry group
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Establishment-based sample surveys/censuses (Survey of Tourism Establishments in the Philippines (STEP))
  - revenues/sales and the percent share generated from tourism by region and industry group
  - number of tourism establishments with plans for expansion/renovation within the next five years by region and industry group
  - distribution of tourism establishments with DOT accreditation by region and industry group
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Establishment-based sample surveys/censuses (Accommodation Capacity Survey (ACS))
  - census of accommodation establishments in a pre-determined destination (conducted last in 2012)
  - volume and capacity of accommodation establishments
  - number of employees
  - profile of accommodation establishments - location, contact details, type, accreditation status
  - plans for expansion
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

- Administrative recording/reporting systems (both at the national and local levels)
  - sources of flow statistics and other longitudinal data
  - Regional Travellers’ Report based on the reporting forms accomplished regularly by accommodation establishments and submitted to the Department of Tourism regional offices
  - Reporting forms of the local government units
III. Tourism Employment Statistics Currently Available in the Decentralized Philippine Statistical System (PSS)

Tourism employment in the TSA
- estimated by integrating/linking the employment data from the Labor Force Survey, CPBI
- Employment data from the latter are used to disaggregate employment by type of tourism activities since employment data from LFS lacks detailed information to provide estimates for tourism industries

Example

Transportation, Communication, and Storage (TCS)
  - Passenger transport
  - Travel agencies, tour operators, and tour guides
  - Other TCS

LFS level
Disaggregated level (tourism industry)
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

Why Subnational?

- Subnational statistics, including tourism employment statistics are generally not available in developing countries

- But subnational statistics, specially tourism statistics are needed for local/decentralized planning (tourism development planning)

- The successful promotion of tourism subnational destination areas will depend on the availability and accessibility of high quality and credible subnational statistics (UN WTO Secretary General)
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

Why Palawan?

- Palawan is where the Puerto Princesa Underground River (longest in the world) and Coron are

- Palawan is one of the priority tourism development areas in the National Tourism Development Plan

- Palawan has a relatively high level of statistical development and appreciation
  - It developed and compiled a Palawan Provincial Product Account
  - It has a Community-Based Monitoring System
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

Why Palawan?

• Palawan is very cooperative/successful in the implementation of tourism/statistics projects

• Accommodation establishments in Palawan are cooperative

• Palawan has a functional tourism office
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

Towards capturing Formal employment in Palawan

- **Existing mechanisms** in Puerto Princesa can generate employment in tourism industry

- Administrative data through the Licensing/Tax Office in the LGU can provide **number of employed persons by tourism industry**

- **Details on employment** (type of workers, skill, number of hours) can possibly be gathered but not yet generated
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

Towards capturing Informal/unorganised employment in Palawan

• Existing statistical mechanisms in Palawan do not capture informal employment

• Barangay (lowest administrative level of governance) level data gathering mechanisms can be key to informal tourism employment statistics

• Community Based Monitoring System (CBMS) at present can not supply data on tourism employment (inappropriate classification system used) but potentially can be an important source
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>SUB-COMPONENTS</th>
<th>KEY INDICATORS/STATISTICS</th>
<th>POSSIBLE SOURCE OF BASIC DATA</th>
<th>POSSIBLE DATA COMPILER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employment in Tourism Industries</td>
<td>1.1 Employed persons</td>
<td>- number of employed persons by type of industries</td>
<td>Local Government Units (LGU) Licensing Division or</td>
<td>DOT Subnational</td>
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<tr>
<td></td>
<td></td>
<td>- number of employed persons by age and gender</td>
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<td></td>
<td>- number of employed persons by type of skills</td>
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<tr>
<td></td>
<td></td>
<td>- number of employed persons by number of hours worked</td>
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<tr>
<td></td>
<td>1.2 Number of hours worked</td>
<td>- total hours worked by industry</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- mean hours worked by industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.3 Full-time equivalent</td>
<td>- full time equivalent by industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Informal employment in tourism</td>
<td>2.1 Number of jobs</td>
<td>- Number of jobs by sector</td>
<td>National Statistics Office (NSO)</td>
<td>DOT Subnational</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Average number of jobs per person</td>
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<td></td>
<td></td>
<td>- Number of self-employed</td>
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Part [1/2]
### IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

#### Part [2/2]

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>SUB-COMPONENTS</th>
<th>KEY INDICATORS/STATISTICS</th>
<th>POSSIBLE DATA COLLECTION</th>
<th>FREQUENCY OF RELEASE</th>
<th>MODE OF DISSEMINATION</th>
</tr>
</thead>
</table>
| 1. Employment in Tourism Industries | 1.1 Employed persons | - number of employed persons by type of industries  
- number of employed persons by age and gender  
- number of employed persons by type of skills  
- number of employed persons by number of hours worked  
- total hours worked by industry  
- mean hours worked by industry  
- full time equivalent by industry | Administrative-based LGU Licensing Forms  
- do-  
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- do-  
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- Derived | Annual  
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- Annual | Publication  
- do-  
- do-  
- do-  
- do-  
- do-  
- do-  
- Publication |
| 1.2 Number of hours worked | - Number of jobs by sector  
- Average number of jobs per person  
- Number of self-employed | Survey Community Based Monitoring System (CBMS)  
- do-  
- do-  
- do- | Annual  
- do-  
- do-  
- do- | Publication  
- do-  
- do-  
- do- |
| 1.3 Full-time equivalent | - Number of jobs by sector  
- Average number of jobs per person  
- Number of self-employed | | Annual  
- do-  
- do-  
- do- | Publication  
- do-  
- do-  
- do- |
IV. Proposed Statistical Framework to Measure Subnational Tourism Employment: The Palawan Model

Organizational Flow Tourism Employment Statistics

TOURISM RESEARCH AND STATISTICS DIVISION
InterAgency Committee on Tourism Statistics
National Statistical Coordination Board/National Statistics Office
CBMS National Network

DOT Subnational Office

Local Government Units (LGU) Tax/Licensing Division/CBMS Local Network

Tourism Establishments/Households
V. Conclusion and Way Forward: Towards a Subnational TSA to Realize the Full Potential of Tourism

1. Technical Enhancement and Institutionalization

• Improving administrative record systems on tourism at the Local Government Unit (LGU) level

• Institutionalizing the generation and use of administrative-based tourism industry statistics (the New Zealand model)

• Enhancement/Redesign of Community Based Monitoring System (CBMS) questionnaire

• Continuing methodological guidance from the international community (UN WTO, ILO, UNSD, etc.)
V. Conclusion and Way Forward: Towards a Subnational TSA to Realize the Full Potential of Tourism

2. Strengthening Coordination Mechanisms in Countries

- Stronger interagency ties thru formal agreements and actual collaboration at the subnational level

- National – local government units connection

3. Statistical Capacity Building

- Capacity building of LGU data producers
- Capacity building of LGU data users
- Continuing support of UNWTO
V. Conclusion and Way Forward: Towards a Subnational TSA to Realize the Full Potential of Tourism

4. Enhancing Statistical Advocacy

- Need to organize more events like this (UN WTO Secretary General)

- Statistical Appreciation seminars for the Local Government Unit officials/Private Sector/Media

- Engagement with the private sector thru Private Public Partnership in tourism statistics

- Sharing success stories with other Local Government Units
V. Conclusion and Way Forward: Toward a Subnational TSA to Realize the Full Potential of Tourism

4. Enhancing Statistical Advocacy

- Fora/Venues for Sharing of ‘Success Stories’
  - Tourism Congress (consultative body created by the Tourism Act of 2009)
  - DOT Tourism Statistics Training for LGUs
  - Orientation for Accommodation Establishment
  - Annual Convention of Association of Tourism Officers in the Philippines
  - Philippine Statistical Association (PSA) Annual Conference
  - National Convention on Statistics (NCS)
V. Conclusion and Way Forward: Towards a Subnational TSA to Realize the Full Potential of Tourism

And so we can hope, we can dream…

➢ Better tourism employment statistics;

➢ A Subnational TSA with fully articulated tables on tourism employment; and

➢ Realizing the Full Potential of Employment in Tourism

✓ Towards Inclusive and Sustainable Development of the Philippines
Muchas Gracias!

Salamat Po!

Thank you!

Tourism Statistics is More Fun in the Philippines!!!