

## **Ministerial Dialogue: Reactivation of the Tourism Sector for Inclusive Growth**

### **Concept Paper**

#### Background Information

According to UNWTO Barometer, international tourist arrivals (overnight visitors) dropped by 83% in the period January-March 2021 compared to 2020, as travel restrictions remained high and consumer confidence low due to the coronavirus pandemic. This follows an unprecedented drop of 73% in 2020, the worst year on record for international tourism.

International tourism receipts plunged by US\$ 930 billion in 2020, an estimated 64% drop in real terms (local currencies, constant prices) due to the slump in global travel. International visitors spent about US\$ 536 billion in destinations last year, about one third of the amount spent in 2019 (US\$ 1,466 billion).

The pace of the vaccination rollout in some key source markets as well as policies to restart tourism safely, most notably the EU Digital Green Certificate, have boosted hopes for a rebound in some markets.

However, uncertainty remains high due to the ongoing pandemic and surge of new variants, the travel restrictions still in place and the uneven rollout of vaccines.

60% of experts now point to a rebound in 2022, up from 50% in January 2021. The remaining 40% still see a potential rebound in 2021, mostly during the second half of the year, though fewer than in the January survey (50%). Nearly half of all experts see a return to 2019 levels in 2024 or later, while the percentage indicating a return to pre-pandemic levels in 2023 has somewhat decreased (37%) when compared to the January survey (43%).

Due to weaker-than-expected results in the first quarter of 2021, our scenarios for 2021 were revised downward. The first scenario points to a rebound in July and would result in a 40% increase in international arrivals in 2021 compared to 2020, though still 63% below the pre-pandemic levels of 2019. The second scenario considers a rebound in the month of September and a 10% increase in arrivals compared to 2020, though a 75% decrease compared to 2019.

Along with the continuation of the vaccination rollout, the safe and responsible restart of tourism will depend on a coordinated response among countries regarding travel restrictions, standardized safety protocols and effective communication.

## Recovery from the COVID-19 crisis – A Framework for Inclusive Community Development through Tourism

Tourism has become one of the most dynamic, resilient, and fastest growing economic sectors, contributing to GDP, job creation and social and economic development along its value chain, and outpacing the world economy every year over the last decade.

The COVID-19 pandemic has highlighted the importance of global political action and coordination to mitigate the effects of the crisis and support recovery. Measures to support tourism businesses and safeguarding jobs and income have proven to be fundamental for the survival of the sector and are especially important for MSMEs.

Last year, under the leadership of the 2020 G20 Presidency, the World Tourism Organization (UNWTO) and the G20 Tourism Working Group have developed the *Framework for Inclusive Community Development through Tourism* to advance the potential of tourism as an effective means for contributing to and achieving inclusive community development and the Sustainable Development Goals considering:

1. Empowering People: creating conditions in which all people, especially women and youth, can live, work, and thrive.
2. Protecting the Planet: fostering collective efforts to protect our commons.
3. Shaping New Frontiers: adopt long-term and bold strategies to utilize and share the benefits of innovation.

This Framework provides guidance and inspiration to all governments as well as all other key stakeholders in the tourism sector – regional and local governments, the private sector, industry associations, civil society, communities, and tourists – with the aim of fostering a truly holistic and integrated approach to inclusive community development through tourism.

It further supports organizations working in development cooperation to prioritize tourism as an effective means to advance inclusion by supporting governments and local communities to develop policies and action plans that build and enhance public-private-community cooperation and make tourism an effective tool for inclusive development through fair and efficient distribution of the benefits of tourism throughout their territories.

Placing inclusive community development at the heart of tourism policies through education, investment, innovation, and technology can transform the livelihoods of many millions, while also preserving our environment and our culture and drive a more inclusive and sustainable recovery of tourism.

The implementation of the Framework should translate into benefits especially for under-developed regions (both rural and urban), MSMEs and disadvantaged groups (unemployed people and people engaged in non-standard employment, women, ethnic minorities and indigenous people, people with disabilities, youth, and people with lower levels of formal education)

Realizing these benefits requires policies that focus on the following key issues:

1. Capacity building for jobs and opportunities: building capacities (especially in areas such as digital literacy, financial literacy, marketing, or languages) among local communities, in particular for youth, women and ethnic, indigenous and other minority groups, to obtain employment in tourism companies, supply goods and services to tourists and tourism



enterprises and establish competitive small and medium-sized tourism enterprises, is critical for generating income and equitable distribution of wealth.

2. Promoting the role of women in communities: Women make up 54% of the tourism workforce, compared to 39% in the broader economy. It is therefore particularly important to unpack gender dimensions at the community level in rural and urban areas in terms of education, employment, leadership, the provision of health care, social norms, legal frameworks, and access to financial resources. A gender-responsive, sustainable approach to tourism planning and management should consider women's needs at a community level, generate opportunities for women to be entrepreneurial through diversified income generating activities and help to integrate gender equality at all levels of the sector. Most importantly, it will shine a light on what women want to achieve and how to achieve it.
3. Fostering innovation, digitalization and entrepreneurship including the digitalization of the whole tourism ecosystem and social entrepreneurship through support to local MSMEs is critical to empowering and developing communities, providing them competitive advantages and access to the markets at both national and regional levels. Innovations in product development, marketing and services multiply the tourism potential of communities and accelerate their inclusion into the tourism value chain with a special focus on digitalization.
4. Empowering of local communities: The inclusion of communities especially youth, women and ethnic, indigenous, and other minority groups, and their representatives in co-leading the processes of consultation and decision-making for planning, developing and managing the 'destination' should take full priority. Community development through tourism should start and end with the community's wellbeing – economic, social, cultural, and environmental – at the core.
5. Providing infrastructure and services: Community development through tourism provides an opportunity to use the sector as a means to support services and infrastructure-related development and maintenance – improved transport infrastructure not only plays a significant role in attracting tourists, but it also improves the quality of life of local residents. Furthermore, it can generate additional funding/demand for the development and better maintenance of basic healthcare and educational infrastructure, public spaces, cultural attractions, and convention centres, which all contribute to the attractiveness of destinations.
6. Communities as champions of nature and heritage preservation: With awareness raising and capacity building, local communities can play a critical role in environmental, social, and cultural preservation and valorization, which is an essential precondition to generate long-term benefits from tourism development. At the same time, tourism brings opportunities for local communities to earn income from natural and cultural assets thus increasing their desire to preserve those assets.
7. Tourism for all: Developing accessible environments, infrastructure, and services in communities benefits the local community and creates a more inclusive society for all while opening new market opportunities.
8. Decent work and formalization: Other important issues to be considered include adopting policies to improve the implementation of tourism related regulations and providing incentives to formalize/register tourism businesses that operate in the informal sector (especially in low- to middle-income countries).

9. Public/private/community development, towards a new governance model: It is key to ensure a close collaboration between governments at all levels, the private sector, and the civil society, particularly communities and residents, as well as the full engagement of tourists, to make the tourism sector work for community development.

### Objectives

In the context of the COVID-19 crisis, the Ministerial Dialogue aims to share knowledge and experiences to advance the recovery of tourism through inclusive growth.

The meeting also aims to promote the UNWTO guidelines on socially responsible and inclusive tourism that will provide guidance to UNWTO Member States and other tourism stakeholders in their efforts to support the recovery of the sector.

From this dialogue should emerge the responsible policies necessary to face the challenges of building a safe and sustainable recovery of the tourism sector, promoting economic diversification and productive transformation in rural areas, the efficient use of digital technologies, and advancing decent work in the tourism sector.

### Sources:

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