

Tourism and Demography

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Demographic Changes and the Labour Market in the International Tourism Industry

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Demographic Changes and the Labour Market in the International Tourism Industry

Tom Baum

Objectives

The purpose of this chapter is:

- ◆ To evaluate the likely impact of demographic change on the tourism workforce in both developed and developing countries;
- ◆ To demonstrate the link between scenarios for tourism's future development and the labour market in the context of the European Union;
- ◆ To consider the implications of an ageing workforce for the marketing and delivery of tourism services;
- ◆ To consider the implications of labour market changes for education and training providers in tourism;
- ◆ To address the implications of a global 'talent war' on the tourism labour markets of developing countries.

Introduction

Notwithstanding the undoubted impact of technology on the distribution and delivery of tourism services, people remain a critical dimension within the successful delivery of tourism services. 'The story of successful tourism enterprises is one that is largely about people – how they are recruited, how they are managed, how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning and career development' (Fáilte Ireland, 2005: 8). Put another way, 'New Zealand's *100% Pure* positioning depends first and foremost on the people at the coalface of the tourism and hospitality industry. People are the lifeblood of the tourism game – it is the industry's people who deliver upon the promise of a *world-class visitor experience*' (Tourism and Hospitality Workforce Strategy, 2006: v).

In today's tourism environment, worldwide, the pressing issues facing the tourism sector as employers relate to a combination of the impact of recruitment and retention; labour turnover; skills shortages; training and development opportunities; and workplace conditions. It is difficult to foresee a context within which this human dependence and the issues that underpin it will change radically although, undoubtedly, the nature of work that people undertake within tourism will continue to evolve into the future (Baum, 2007).

This said, however, it is important to recognise the extent and nature of change that is occurring within the external environment and to plan for such change into the long-term future. This chapter is concerned with the impact of demographic change on the tourism workplace. In addressing this concern, we first address the nature of this change in the global context and then focus on the specific case of the European Union, where a scenario planning approach to assessing the possible impacts of demographic change on the tourism labour market has been undertaken. Our broad timeframe for this analysis is the next 20 years, up to 2030 and beyond.

Within the context of global demographic change which has already been addressed in Chapter 1, ageing is a concern that will impact on the workforce at a national level to varying degrees. The old-age dependency ratio (number of people over 65 divided by the number of people aged 15–64) will reach around 53% in 2050 for the EU-25 (up from 25% today), with the highest rates projected for Italy and Spain (66–67%) and the lowest for Denmark, Luxembourg, Malta, the Netherlands and Sweden (around 40%). The consequences of this shift are fairly dramatic. In order to hold dependency ratios steady and therefore benefits and tax rates constant, by

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