

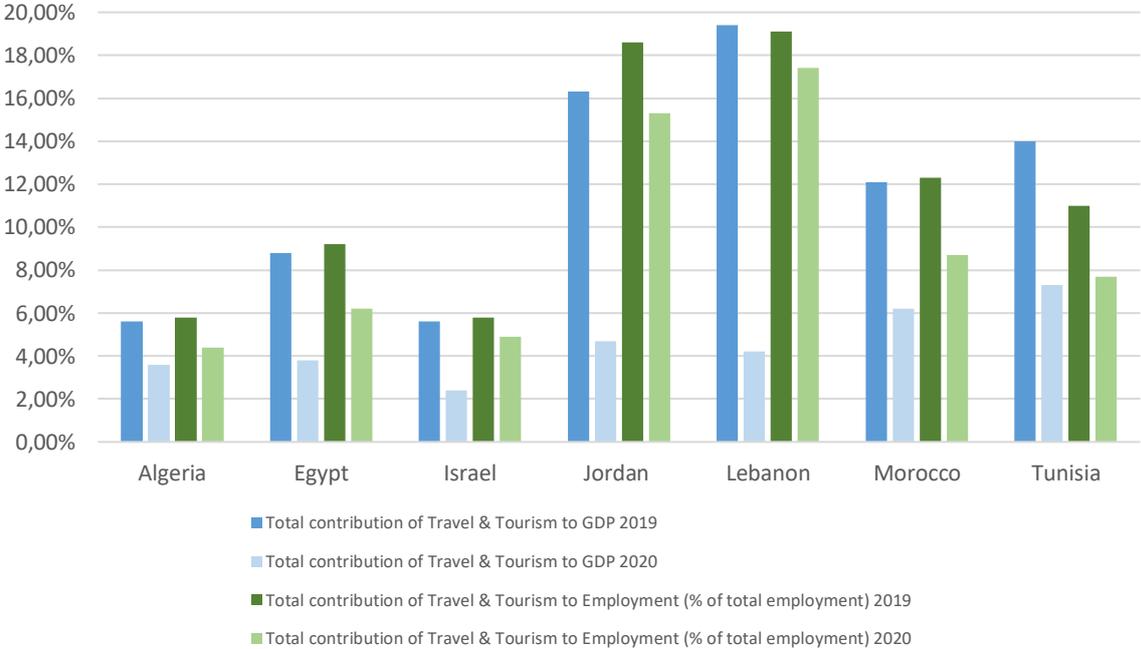
Draft report on
Service sector reorientation: transferring skills from the tourism sector

This draft report was drawn up by rapporteur Mohamed Boudra, president of the Moroccan mayors' association, for discussion at the 7th meeting of the ARLEM Commission for Sustainable Territorial Development in Brussels on 26 October 2021 with a view to its adoption in the 13th ARLEM plenary session.

Introduction

The Mediterranean region has been severely affected by the COVID-19 pandemic, not least because of its economy's heavy reliance on tourism (see Figure 1). The hope for this sector's recovery, one of the hardest hit due to national lockdowns, border closures and movement restrictions, is high thanks to widespread vaccination campaigns. Nonetheless, it remains volatile and vulnerable to outside shocks, including security threats such as the 2015 Sousse attacks. Therefore, in line with the objectives laid down in the European Union's new Agenda for the Mediterranean (EC/HR 2021), notwithstanding the tourism sector's recovery and current trends within tourism as outlined below, the region could benefit from diversifying and broadening its economies, to foster resilience and sustainability.

Figure 1 Total contribution of travel & tourism to GDP and employment (% of total employment) in selected ARLEM Mediterranean partner countries in 2019/2020



Source: WTTC (2021a). *No data for Palestine

This report aims to explore how the existing skills of those previously employed in the tourism sector (and potentially also of those trained or currently employed) can be used as a catalyst to strengthen the service sector at large. To capture its full potential, the tourism sector is understood in its widest sense, to include not only hotel and restaurant employees but also craftspeople and entrepreneurs.

I. Tourism and its trends in two exemplary countries in the region – Morocco and Tunisia

The economies of Morocco and Tunisia, as many others in the region, have for a long time depended heavily on the tourism sector. In the former, tourism contributed 12% to the country's GDP and represented 12.4% of total employment – when accounting for both direct and indirect jobs, over 2 million people were employed in the sector (WTTC, 2021b; Moroccan Secretary of State for Tourism). As a result of the 92% decline in the number of foreign tourists that arrived in the country in 2020 compared to 2019 (Treasury and External Finance Directorate, Ministry of Economy, Finance and Administration Reform), the approximate number of jobs lost in the tourism sector exceeded 500,000 (DFTE, 2021).

In Tunisia, before the pandemic (in 2019), the travel and tourism sector contributed 13.9% to GDP and 10.8% of total employment (WTTC, 2021c). In 2020, those numbers went down to 7.3% and 7.5%, respectively; travel and tourism GDP decreased by 52.1% (compared to 8.6% in the real economy) and 118 500 jobs in the sector were lost (WTTC, 2021c). The exact number of people employed in the sector is, however, difficult to estimate; while the World Trade and Tourism Council (WTTC) assesses pre-pandemic direct employment at 234 000 and overall employment at 478 599 jobs, according to the National Institute of Statistics of Tunisia only about 158 000 direct jobs in the sector existed in 2019.

This disparity might be partially explained by the size of the informal economy, a problem not just in Tunisia but in other countries in the region as well. Indeed, a considerable share of those working in the tourism and hospitality sector are doing so informally (although the issue of informality is most pronounced in agriculture) and, consequently, are more likely to lose their jobs than those operating in the formal economy. Overall, up to 58.8% and 79.9% of all workers in Tunisia and Morocco, respectively, are estimated to participate in the informal sector (ILO, 2018; ILO, 2020) which makes it even harder to trace shifts in business sectors properly.

On their path to recovery, local and regional authorities (LRAs) in Morocco and Tunisia currently see the digitalisation of both the public and private sectors as a top priority. The energy transition, with an emphasis on sustainable mobility, is also their concern; more broadly, they see the need to switch to sustainable energy and implement climate change policies, which are undoubtedly connected to improving the sustainability of the tourism sector as well. Indeed, some LRAs imagine the future of tourism education in terms of smart tourism, which according to the European Parliament is based on three pillars: connectivity, sustainability, and inclusion (of civil society in tourism projects).

Smart tourism is mainly an urban destination issue, but in some European countries such as Spain, it is a priority for rural areas as well. The Añora Declaration of the Cordoba Province may serve as an inspiration to all ARLEM members as it underlines that "digitisation and

promotion of smart rural territories are key to the future of the economy, society and the environment". It further stresses that the digital transition and social innovation are key for the development of a sustainable and environmentally friendly agri-food sector as well as to attract more people to reside in rural areas. In the longer term, these processes are crucial for "generating wealth and quality employment" and for supporting the sustainable development of rural areas (Añora Declaration, 2018).

Smart tourism is embedded into a bigger trend towards sustainable tourism (ARLEM 2013) which, according to the UNWTO, "takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities" (CoR 2020). Within the general policies on tourism, specific attention must be paid to promoting and empowering women: "Women play a key role in preserving tourist businesses, as they are the main players in combating depopulation. Making sure they are employable is a way of anchoring people in an area. This means assessing their needs and giving them targeted training with tools to acquire skills and become more competitive" (CoR 2020).

II. Main transferable skills for successful reorientation in the two case studies Morocco and Tunisia

As the European Committee of the Regions suggests (CoR 2021), the pandemic-induced crisis in the travel and tourism industry might be a good moment to rethink the future development strategy for the sector. This is especially true given some major trends in the global economy, most importantly the digital and green transitions, as well as evolving consumer preferences. The sector will necessarily have to adapt to the changing realities. Certain jobs will undoubtedly be lost and new ones created – which makes the present exercise of rethinking the way in which existing skills can be repurposed both within and outside of the industry particularly timely.

The importance of education, training and skills advancement in the tourism sector has been highlighted in the UNWTO Mayors Declaration (endorsed by the CoR) in order to "enhance the socio-economic development of communities and create a highly qualified workforce that underpins the competitiveness of the sector, enhances and protects jobs in the tourism sector" (UNWTO 2021a).

The most widespread definition of skills defines them as "the ability to apply knowledge and use know-how to complete tasks and solve problems" (European Qualifications Framework). Hard skills, on the one hand, are the qualifications required to perform job-specific tasks and responsibilities, and involve the use of specific tools or software. For the hospitality sector, they are fairly easy to acquire, and are taught at Moroccan and Tunisian hotel and tourism training establishments. Some are considered important sector-wide. Most prominently,

computer skills (such as word processing, Excel spreadsheets, bookkeeping, and automated billing systems) are considered increasingly important and are included, at least at a basic level, in all curriculums. Relatively new skills that have been added to the list include, for instance, management of social media and reservation software, search engine optimisation, Google analytics, email and marketing automation. Among the most basic, but also transferrable skills (included in Appendix I) is the ability to use office suite software (Word, Excel, PowerPoint), which is indeed a necessary skill for most computer-related occupations.

Soft skills, on the other hand, can be applied in every job and include qualities that enable a person to be successful in the workplace. They are usually associated with transversal skills indispensable for personal and professional development, and include communication, time management, leadership and creativity. It is usually the soft skills that ultimately grant alumni of tourism schools employment in other sectors such as banking, insurance, supermarkets, hospitals and clinics (CASE 2021). Capturing how tourism alumni and previous tourism employees have succeeded in moving to other sectors might be a worthwhile endeavour, so as to replicate it more easily whenever a pressing need arises.

III. Existing opportunities in the service sector and how the tourism industry could boost other economic sectors in Morocco, Tunisia and the wider region

Approximately 40% of the alumni of the International Higher Institute of Tourism in Tangier (ISITT) have for years searched for jobs outside of the hospitality and tourism sector upon graduation, mostly due to low salaries in the sector, in particular for entry-level jobs, and because the skills needed on the market differed from those provided during the course of the training. A similar situation occurred in Tunisia, where an estimated 40-45% of tourism school graduates eventually found jobs outside of the sector (see paragraph above).

Moving between sectors has also been a practice since before the pandemic hit, either seasonally or as their main place of employment following a training in hospitality and tourism. As Section II shows, this might be due to the fact that those working in the tourism sector possess a broad spectrum of skills allowing them to move easily to other sectors.

With the acceleration of digital transition processes and more focus put globally on the transition to sustainable energy, certain sectors are bound to attract more employees in the future and could thus absorb former or current tourism employees as well as those trained in tourism. This is true for sales, e-commerce, and logistics, as well as for jobs related to the energy transition such as building energy efficiency (Aboubadra-Pauly et al., 2017).

The UNWTO and the G20 recognise travel and tourism as drivers for economic growth (UNWTO, 2012). In addition, tourism is seen as a driver for innovation in transportation, building, catering, and now digitalisation (UNWTO, 2021b).

Beyond the trends, however, numerous service sector jobs are potentially open to employees trained for the tourism and hospitality sector. An analysis by the Center for Social and Economic Research (CASE) of 28 occupations from the sector listed on the O*NET OnLine data base under the tourism and hospitality career cluster shows that trade and transportation have high potential for absorbing former tourism and hospitality sector employees (see Appendix II). Additionally, and more specifically in the case of Morocco and Tunisia, experts CASE interviewed suggested that those trained for the tourism sector might find employment in the services required for the functioning of the fisheries sector (transformation and administration) and the agricultural sector (for instance, around argan trees in Morocco or olive trees in Tunisia), especially in the face of the sustainability-related reforms underway in both countries.

In Morocco, the regional tourism centres perceive the tourism sector as one with the potential to boost other economic sectors such as crafts, organic agriculture, energy-efficient industries, and green and sustainable transport/mobility. Beyond the ones mentioned above, these include, on the one hand, working in heritage museums where local crafts are taught to tourists and locals alike (such as in Essaouira where workshops on Thuja/cedar trees are organised). In Marrakech, on the other hand, the idea is to train small entrepreneurs capable of reviving gardens (contributing to greening of the city) where local people would meet tourists.

Designed in line with the United Nations Sustainable Development Goals, those plans would, however, involve developing and strongly promoting a new type of tourism, capable of attracting new and different types of tourists, with a particular focus on ecological and energy transformation (trend sustainable tourism see above). In order to achieve them, LRAs are focusing on rural areas. A possible new model of economic development envisioned in Morocco aims to link tourism sector development to plans for other sectors, such as agriculture, forestry and cultural and creative sectors (with a focus on preservation of tangible and intangible heritage).

IV. The role of local and regional authorities

Currently, local and regional authorities (LRAs) in the region only have limited capacity to offer assistance to the fledgling tourism sector, which was mostly delivered by state-level authorities. The Division of Powers website¹ of the European Committee of the Regions offers more detail, country by country, on the competences in tourism for different levels of government; in general, the powers of local and regional levels in this sector, as well as their fiscal means, are limited.

¹ <http://portal.cor.europa.eu/divisionpowers/Pages/default.aspx>

LRAAs are, however, key actors for promoting economic development and, in particular, for bringing about the diversification of economies. The decentralisation processes that have slowly been progressing in both countries are therefore cause for optimism: With developments such as the adoption of the local government code in April 2018 in Tunisia or the creation of regional tourism councils in Morocco, Tunisian and Moroccan regions are becoming increasingly aware of their own specific local situations and are keen on building regional development strategies capitalising on their local strengths. Nonetheless, they acknowledge that coordination between various administrative units is crucial to ensure cohesive and sound development of their respective countries.

Despite the rather limited role in creating policies for the tourism sector itself, another primary strength of LRAs is that they possess in-depth knowledge of the situation on the ground when it comes to the needs and challenges of the labour market. In cooperation with the private sector, universities and civil society, local and regional authorities can create a climate that is conducive to economic transformation, entrepreneurship and the uptake of innovation.

V. Recommendations

Based on the findings above, there are several areas in which LRAs in the Mediterranean ARLEM member countries can help strengthen the economy by enabling re-orientation both within the tourism sector and from the tourism sector to other sectors. These include:

Harnessing the in-depth knowledge of the situation on the ground when it comes to the needs and challenges of the labour market

To make use of the knowledge on the ground, LRAs can:

- a. conduct research into strategies that have already worked for the above-mentioned alumni group, in order to better understand how (former) tourism sector employees can be assisted in pivoting to other sectors;
- b. gather the experience of employees who were moving back and forth between different sectors depending on the time of year, long before the outbreak of the pandemic;
- c. actively support the development of programmes such as the *Cités de Métiers et des Compétences* which are under development in Morocco, that can help provide vocational trainings tailored to the needs of the municipalities in the Mediterranean region.

Focusing on digital skills to adapt to new realities

The acceleration of digitalisation processes is indispensable for creating a context conducive to skills transfers and broadening the service sector. The silver lining of the ongoing COVID-19 pandemic is that both national and subnational authorities truly realised the need to digitalise and moved this issue up towards the top of their agendas. In this regard, we recommend that LRAs:

- d. cooperate with existing training institutions by tailoring their offers to the needs of a given region; to organise online programmes trainers will have to be trained first;
- e. help identify the most in need of assistance to develop their digital skills in their areas and regions and build partnerships with the private sector at national level to provide training for basic digital skills and assistance so people can gain access to fast and reliable internet as well as laptops or tablets, for example;
- f. create operational and regularly updated websites that provide information on opportunities in their region; and ensure that own employees are trained in digital skills as well.

Pursuing a coordinated approach to ensure best results

For best results, a coordinated approach towards skills transfers should be undertaken, for example under the umbrella of the Union for the Mediterranean, in cooperation with, e.g., the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME) or the European Training Foundation (ETF), a European Union (EU) agency supporting the countries of the EU neighbourhood to reform their education, training, and labour market systems. Drawing on the experiences of other countries and regions is invaluable as well. LRAs could thus:

- g. survey existent strategies in other countries; especially those with similar socio-economic characteristics. The exchange of experiences within the Mediterranean region could prove particularly useful;
- h. focus more closely on soft skills in training provided in the region, as they are highly transferrable and can be applied in most jobs.

Thinking long-term to secure economic recovery and resilience

Finally, for all Mediterranean countries, in order to secure economic recovery and resilience, it is important to think long-term with regard to the green transition in the energy and blue economy sectors. Both have great potential to generate numerous jobs – both more technical and services-oriented jobs.

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Appendices

Appendix I: Transferability of soft and hard skills in the tourism sector



Source: Analysis by CASE (2021) based on data from the O*NET OnLine databas

Appendix II: Occupations in the tourism and hospitality sector with suggestions for redirection to other career paths

| Tourism & hospitality sector occupation | Possible transfer |
|--|---|
| Customer Service Representative | Customer Service Associate (for example, at a hospital) Sales Associate (for example, at a grocery store) Receptionist (for example, at a logistics company) Bank Teller (for example, at a financial institution) Driver (for example, at a delivery company) |
| Hotel Managers, Reception, Marketing Managers, Accommodation Lodging Managers, Restaurant, Bar, or Cafe Managers | Sales Manager (for example, at an auto shop) Shift Supervisor (for example, at a pharmacy) Inventory Manager (for example, at a logistics company) General and Operations Managers Administrative Services Managers Transportation, Storage, and Distribution Managers Food Service Managers |
| Hotel, Motel, and Resort Desk Clerks Hotel Receptionists, Travel Reception Agents, Hotel Reception Cashiers | Pharmacy Aides Retail Salespersons Bill and Account Collectors Tellers Court, Municipal, and Licence Clerks Customer Service Representatives Interviewers, Except Eligibility and Loan Receptionists and Information Clerks Hospital or Clinic Receptionist Cashiers (for example, at a grocery store) |
| Baggage Porters and Bellhops | Parking Enforcement Workers Security Guards Funeral Attendants Postal Service Clerks and Service Mail Carriers Shipping, Receiving, and Inventory Clerks Parking Attendants |
| Recreation Workers | Education and Childcare Administrators Preschool and Day-care Social and Human Service Assistants Directors, Religious Activities and Education Preschool Teachers, Except Special Education Career/Technical Education Teachers, Middle School Coaches and Scouts |

| | |
|---|---|
| | Recreational Therapists First-Line Supervisors of Personal Service Workers Residential Advisors |
| Maids and Housekeeping Cleaners | Food Preparation Workers Food Servers, Non-restaurant Dining Room and Cafeteria Attendants and Bartender Dishwashers Locker Room, Coatroom, and Dressing Room Attendants Graders and Sorters, Agricultural Products Meat, Poultry, and Fish Cutters and Trimmers Laundry and Dry-Cleaning Workers Pressers, Textile, Garment, and Related Materials |
| First-Line Supervisors of Material-Moving Machine and Vehicle Operators | Cooks, Fast Food Fast Food and Counter Workers Waiters and Waitresses Food Servers, Non-restaurant Hosts and Hostesses, Restaurant and Coffee Shop Animal Caretakers Cashiers Counter and Rental Clerks Stockers and Order Fillers |
| Chefs and Head Cooks | Industrial Production Managers Food Service Managers First-Line Supervisors of Food Preparation and Serving Workers Cooks, Institution and Cafeteria |
| Dining Room and Cafeteria Attendants and Bartender Helpers | Cooks, Fast Food Food Preparation Workers Fast Food and Counter Workers Waiters and Waitresses Food Servers, Non-restaurant Meat, Poultry, and Fish Cutters and Trimmers Home food delivery, possibly linked with supermarkets Clerks (in supermarkets) |
| Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop | Cooks, Fast Food Fast Food and Counter Workers Food Servers, Non-restaurant Cashiers Stockers and Order Fillers |

| | |
|---|--|
| Tour Guide | Sales Associate Caregiver Receptionist (for example, at a hospital) Bank Teller (for example, at a financial institution) Delivery Driver (for example, using a delivery app) Security Guard (for example, at an essential retail store) Stocker (for example, at a grocery store) Warehouse Associate (for example, at an e-commerce company) Shopper (for example, for a delivery app) |
| Travel Agent, Travel Consultant, Travel Manager, Ticketing & Booking Agents | Sales manager (for example, at an auto shop) Shift supervisor (for example, at a pharmacy) Inventory manager (for example, at a logistics company) |
| Purchasing Managers/Assistants | Purchasing managers/assistants in big supermarkets |

*Source: Compilation by CASE (2021) based on data from the O*NET OnLine database.*