

THE LABOUR MARKET IN THE TOURISM INDUSTRY

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I. INTRODUCTION

Tourism is playing an increasingly important role in the world economy; tourism activities, taken as a whole, are accounting for a growing share of the economic activity in most countries and the upward trend looks likely to continue in coming years. Tourism's job-creating potential has long been recognised but employment in the tourism industry has up to now been one of the least studied aspects.

To fill this gap the Tourism Studies Institute (Instituto de Estudios Turísticos, IET) decided to set up a conceptual framework for analysing the labour market in the tourism sector. It did so by including tourism employment in the sphere of interest of the Tourism Satellite Account of Spain and stressed the importance of regular monitoring of the labour market in the tourism industry.

Existing employment sources are now being used not only to draw up the corresponding table of the Tourism Satellite Account but also to serve as a basis for the analysis of the labour market of the tourism industry, hitherto lacking a reference

statistical framework that would allow it to be dealt with in a similar manner to agriculture, industry and construction.

The next step taken by IET was to determine the economic activities that would be encompassed in the study of employment in the tourism industry. This was based on the document "Tourism Satellite Account: Tourism Satellite Account. Recommended Methodological Framework" (TSA.RMF), approved by the Statistical Commission in March 2000, and in the document The Tourism Satellite Account of Spain: Methodology and First Estimations" (TSAS), of May 2002. The latter was brought out by the Spanish Statistics Institute (INE) to define a list of characteristic tourism activities according to the recommendations of the aforementioned TSA.RMF; it adopted the list of characteristic tourism activities furnished in Annex B of the TSA.RMF and in the TSAS in its correspondence with the National Classification of Economic Activities, 93 rev.1 (NACE-93), in the use of existing employment sources.

This paper is going to study employment in terms of the three-figure breakdown of the

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various sectors of economic activity established by the NACE (see Annex 1). It should be pointed out here that, although the data offered in all sections refer to the tourism industry as a whole, special stress has been placed on the activities considered to be most typically tourist in nature, such as the HORECA sector (hotels, restaurants and cafés) and travel agencies.

One of the problems that have to be tackled when analysing employment in the tourism industry is the fact that it is not reflected as such in the NACE. This is because economic activity is defined in terms of the production of goods and services, while the tourism activity involves the use of these goods and services by tourists and same-day visitors, whether or not they are residents in Spain. The tourism industry is hence analysed by aggregating a set of activities considered to be tourist in nature but which are carried out in establishments or companies whose main activity is not tourism.

The analysis of employment in the tourism industry is therefore going to be carried out from a conventional approach, i.e., by NACE-based identification of the activities bound up with tourism demand, the units of analysis being the companies or establishments that carry out typical tourism activities.

In view of the above, this paper will tackle tourism from the supply side, i.e., from the point of view of the production of goods and services generated totally or partially by companies and then purchased by tourists and same day visitors in Spain at that moment.

Some perils of studying the labour structure of the tourism industry from the

supply side need to be pointed out before we start:

- a) Underestimation of the number of workers in this industry, since companies providing the raw materials for the production of the final goods and services are left out of the picture, thus excluding indirect jobs.
- b) Overestimation of the number of workers since their production of goods and services includes work carried out for residents who are not tourists.

II. SOURCES USED

The source used for drawing up the part of this paper that delimits the characteristics of the workers of the tourism industry is the Household Labour Force Survey (LFS), produced by the National Statistics Institute (INE). This is a quarterly, continuous, sample-based survey directed at households. It has been coming out since 1964 although the results shown herein refer to the year 2003.

The Instituto de Estudios Turísticos regularly receives from the INE the LFS microdata on economic activities that are characteristic of the tourism industry (see annex 1) at a three-figure breakdown level of NACE-93. The LFS will be the main source for the comments made on the employment characteristics of the tourism industry in the next section, so it is worthwhile making the following methodological points beforehand:

- The growth of the immigrant population and their incorporation into the total

population affects migratory calculations, based on the data furnished by the population registers (continual register). This would call for new population adjustments.

- A more detailed study is needed of the delays with which the immigrant population is incorporated into the government registers and the LFS itself, and also the relation between both delays.
- These methodological changes in the LFS, and the inclusion of new questions will not be redressed until 2005. Until then due consideration must be made of these limitations when interpreting the data offered herein.

After making these clarifications we can move on to say that the LFS information now forms part of IET's DATATUR database, a multidimensional database including not only the aforementioned LFS information but also the information from the administrative register of the Social Security on wage-earning and self-employed workers registered for social security purposes.

Registration with the Social Security System is obligatory for all persons included in the field of application thereof and it is single for the whole life of the worker and for the whole system, regardless of later de-registrations and re-registrations or any other variations that may occur thereafter. In other words workers are registered when they begin their working lives and are included under any social security scheme.

The figures on registered workers given

herein refer to workers who are currently employed or in similar situations, such as temporary incapacity, short-time working, partially unemployed...; they do not include unemployment situations, set-aside agreements, workers of companies opting in to conversion plans and receiving aid in the form of early retirement and special situations with no effect on social security contributions. It should also be pointed out that the number of registered workers does not necessarily correspond to the number of workers but rather to the number of situations generating contribution obligations; in other words the same person is counted as many times as he/she is obliged to make contributions, due to having several work activities in the same scheme or in several schemes.

This paper uses mainly these two sources, since DATATUR's other employment information has not yet been sufficiently processed (to be used for this study): the LFS is used to explain the characteristics of the Spanish labour market in the tourism industry and job creation, and the administrative register for social security purposes is used to explain the creation of employment through other sources and seasonality.

III. CHARACTERISTICS OF THE LABOUR MARKET IN THE TOURISM INDUSTRY

As already pointed out at the beginning of this paper, its aim is to quantify the number of workers working in the various characteristic tourism activities and the trend thereof, by tapping into available statistical sources. The aim, in short, is to identify the structural characteristics of the labour market and the

characteristics of age, sex, level of studies, type of contract, geographical distribution of the employment, etc. doing so by analysing the statistical base data.

According to the LFS, the number of labour force population in the tourism industry (working and unemployed) in 2003 amounted to 2,254,378 (a figure that represents 12% of the labour force population at national level and 20% of the services sector). Of this figure 2,042,350 were working (12% of the working population at national level and 19% of those working in the services sector) and 212,029 were unemployed (10% of the total unemployed population at national level and 24% of the unemployed in the services sector).

III.1. Employed Population

The working population is made up by wage-earners and self-employed workers. The employed population in 2003 in tourism was 2,042,350, accounting for 12% of the working population at national level and 19% of total services. As regards the professional situations of the workers working in the tourism industry 73% were wage earners and 27% were self-employed.

III.1.1. Wage earners

In 2003 the number of wage earners in tourism was 1,486,816, a figure representing 11% of the national total of wage-earners and 17% of the total of wage earners in the services sector. When wage-earners in the tourism industry as a whole are broken down by sex, male workers are seen to heavily

outnumber females, 60% to 40%. A large part of this bias however is due to the fact that nearly half the male workers are employed in the transport sector, which weighs heavily in the tourism industry as a whole.

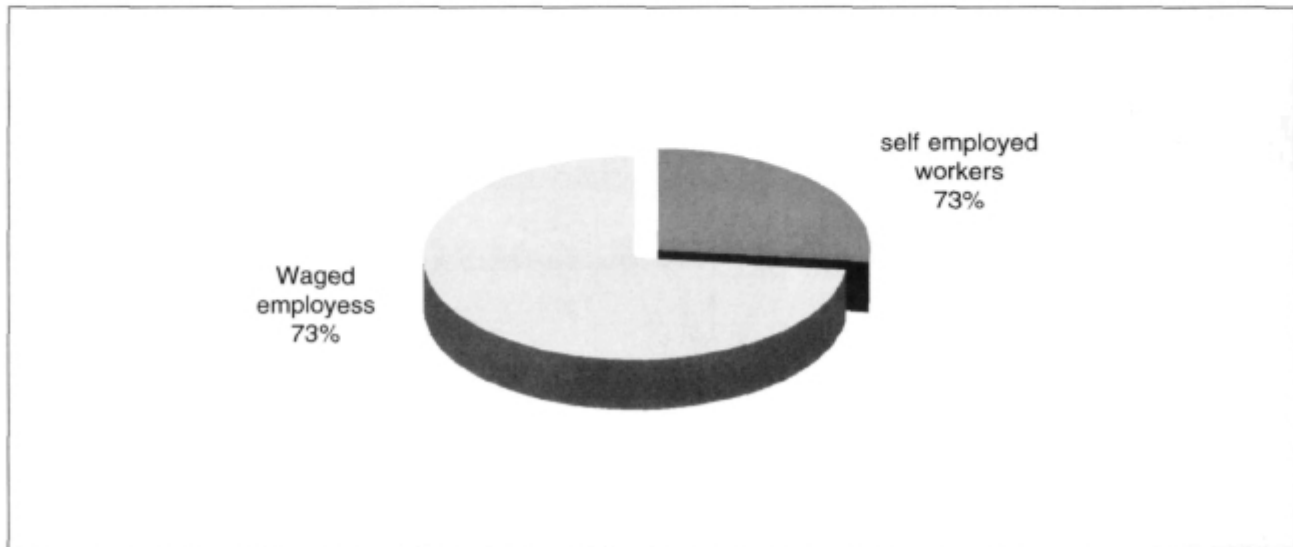
Broken down by age the wage-earning workers in the tourism industry are fairly young; 62% of them are under 40; 30% are under 30 and 32% aged 30 to 39. Broken down by sex there are more males in the 30 to 39 age bracket (19%) than females (13%) while the numbers in the first age bracket are practically the same. As for the level of studies, the medium level prevails; over half the total of wage-earners in tourism has secondary education, followed by wage-earners with primary studies, representing 21%. More males have post-secondary studies (36%) than females (23%)

As regards the distribution of wage earners among the various activities making up the total tourism industry, most are employed in hotels and restaurants (50%), specifically in restaurants and cafés (30%) and in hotels and other accommodation (16%), canteens (21%), transport (30%), travel agencies (3%), renting of automobiles and other entertainment activities (7%), cultural and sporting activities (7% and diverse recreational activities (4%).

III.1.2. Self-employees Workers

The number of self-employed workers in tourism in 2003 was 552,960, a figure representing 18% of the total of self-employed workers at national level and 18% of the total of self-employed workers in the services sector. Self-employed workers

Figure 1
Percentage of wage earners and self-employed workers working in the tourism industry. 2003



Source: Labour Force Survey, INE 2003.

account for 27% of those working in tourism, so they are heavily outnumbered by wage earners. Broken down by sex male self-employed workers outnumber women by 73% to 27%. But this heavy bias of male workers obtains mainly in activities such as transport and restaurants and cafés, and the picture is quite different if the percentages of hotel and travel agent activities are analysed in the tourism industry as a whole.

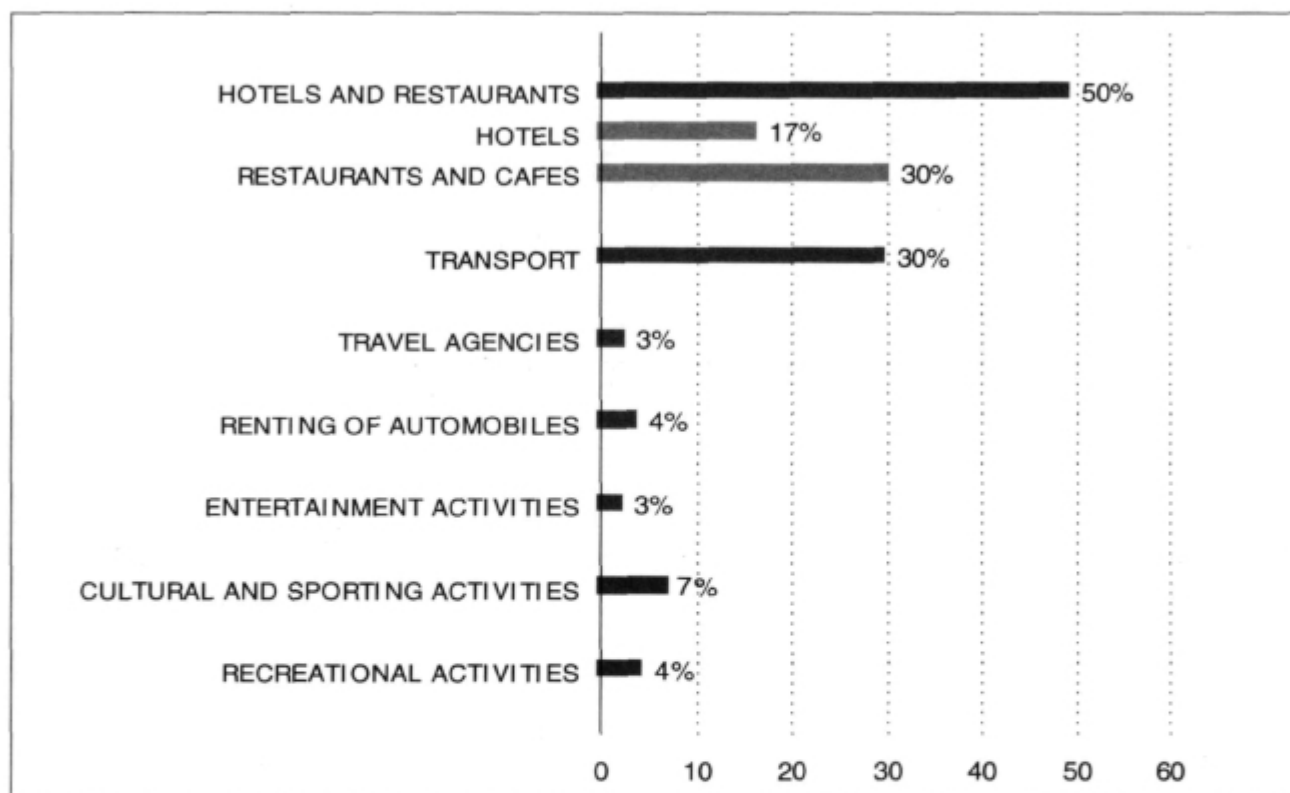
As for age, the self-employed workers tend to be young but less so than wage earners; 42% of self-employed workers are aged between 30 and 44, with 30% in the 35 to 44 age bracket. The older age bracket of 45 to 54 accounts for 24%. A breakdown by sex shows that the distribution of both male and female self-employed workers is similar in the abovementioned age brackets, with the

difference that there are far more male entrepreneurs or professionals than women.

Geographically, the highest percentage distribution of self-employed workers is to be found in Catalunya (20%), followed by Andalucía (13%), the Regional Community of Valencia (10%), Madrid (10%) and both archipelagos (with 4% each); in all of them men more than double the women.

Within the tourism industry as a whole over half the self-employed workers work in hotels and restaurants (55%) (52% in restaurants and cafés and 3% in hotels and other accommodation), 35% in transport, 1% in travel agencies and the remaining 9% are shared out among the other tourism-related activities (renting of automobiles, entertainment, cultural sporting and recreational activities)

Figure 2
Percentage distribution of wage-earners in the tourism industry, broken down by characteristics activities. 2003



Source: Labour Force Survey, INE 2003.

III.2 Unemployed Population

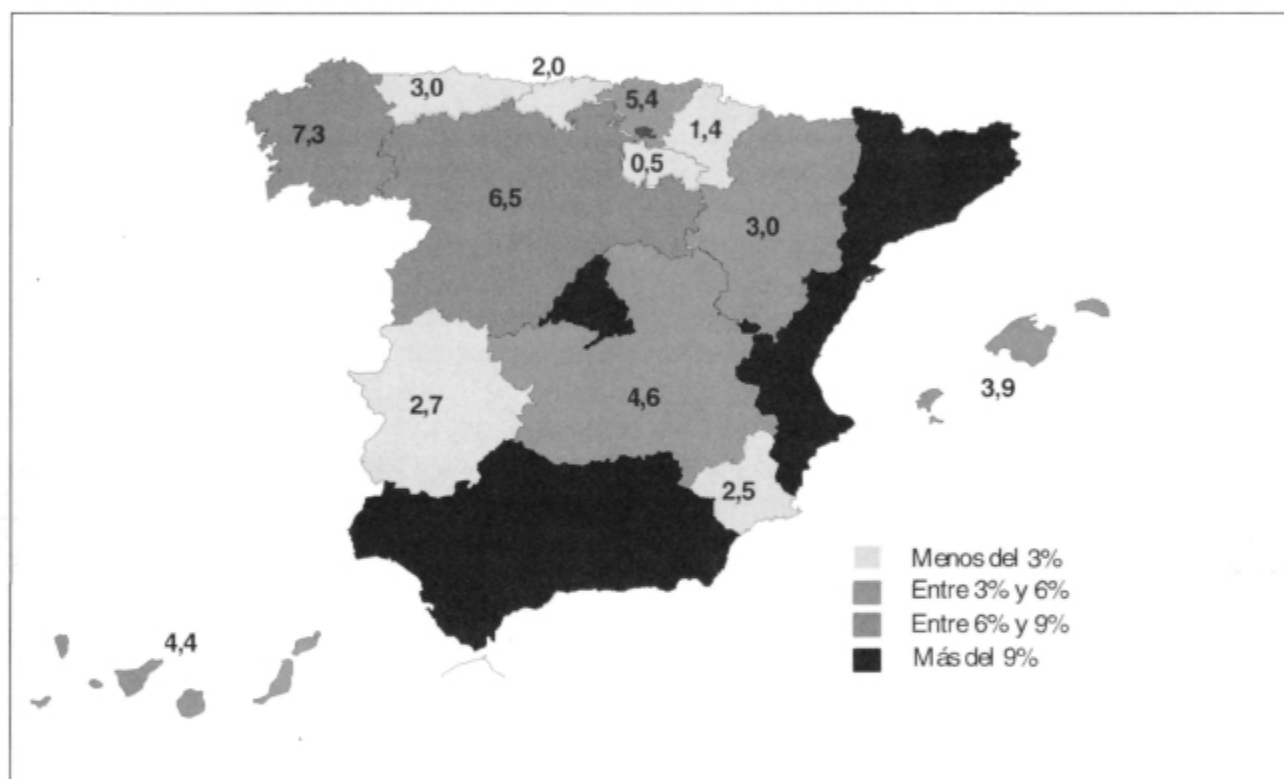
The total number of unemployed in tourism in 2003 was 212,029. This figure represents 10% of the total of unemployed in Spain and 24% of the total of unemployed in the services sector. Of the total of unemployed, 42% are male and 58% female.

Broken down by ages, nearly half the unemployed in the tourism industry are under 30, slightly over one quarter are aged 30 to 39 and the rest are over 40. A breakdown by sex

shows up significant differences: males under 30 account for 19%, while women represent 28%. Likewise, unemployed males in the 30 to 39 age bracket represent a lower percentage (11%) than women (17%). It can also be said here, therefore, that unemployment in the tourism industry is predominantly a female phenomenon. As for the level of studies, 61% of the unemployed in tourism have secondary studies, 20% post-secondary studies and 19% only primary studies.

To gain a better understanding of the

Figure 3
Distribution of self-employed workers in the tourism industry as a percentage of the national total, broken down by autonomous communities. 2003



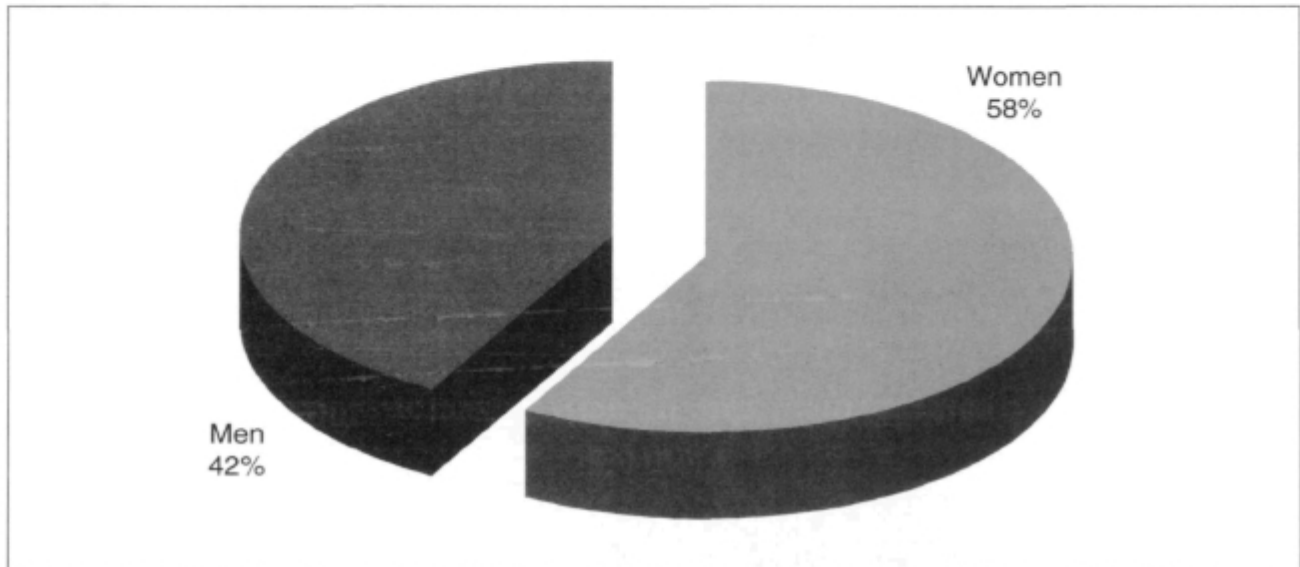
Source: Labour Force Survey, INE 2003.

significance of unemployment in the tourism industry we need to look at the **unemployment rate** (1). For the activity as a whole it was 9.4% in 2003; this figure is nearly 2 percentage points lower than the general total and nearly 2 percentage points more than in the services sector and in practically all the sectors making up the national economic activity except for the agriculture sector. This is due to the fact that the labour force population in the tourism activity grew at the same rate as the occupation level, so the growth of

unemployment is not offset by the advent of new labour force persons on the labour market.

Broken down by the Autonomous Communities, the unemployment rate in Andalucía was 14.5%. This region has the highest unemployment rate in hotels and other accommodation (20.5%) and restaurants and cafés (18.2%) for the activity as a whole, whereas the unemployment level recorded in hotels and other accommodation (30.3%) and restaurants and cafés (14.1%) is

Figure 4
Percentage distribution of unemployed in the tourism industry, broken down by sex. 2003



Source: Labour Force Survey, INE 2003.

far above the rate of Andalucía. The Balearic Islands (11.1%) and the Canary Islands (8.4%) also show a considerable unemployment rate, especially the Balearics, with has a 16.2% unemployment rate in hotels and other accommodation, an 8.9% rate in restaurants and cafés. Particularly striking is the low unemployment rate in Madrid: 4.5% for the tourism activity as a whole with somewhat higher levels in hotels and other accommodation and restaurants and cafés.

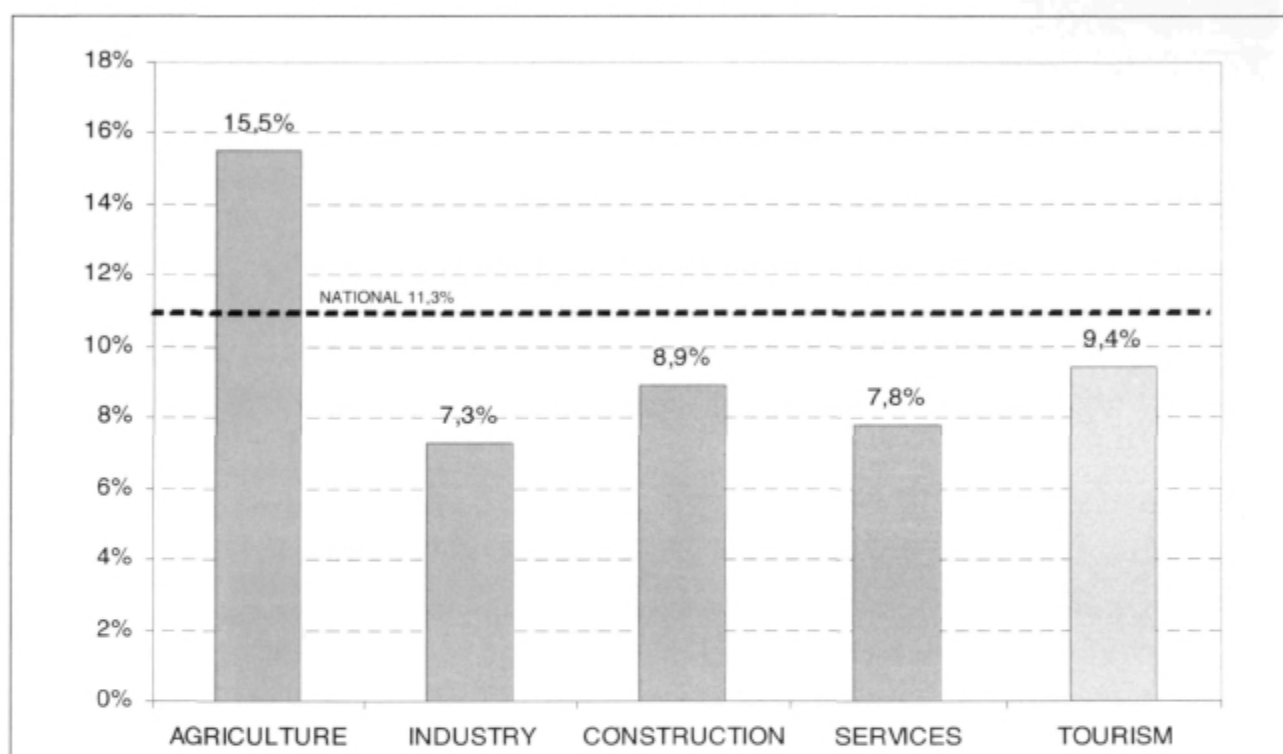
The annual variation in the tourism unemployment rate stood at 3%. This shows a sharper job-loss rate than at national level, where unemployment fell, and in the services sector, where the unemployment rate rose only by 1%. A breakdown by sex showed that the increase in the unemployment rate

occurred mainly in the female population, 5% up on the previous year, while the male unemployment level dropped by nearly three percentage points on 2003. The growth in the female unemployment rate had the greatest effect on women with post secondary studies (15%), women in the 35 to 39 age bracket (18%) and the Autonomous Communities of Catalunya (21%) and Madrid (15%).

III.3. Temporary Work in Tourism Employment

In 2003 the number of wage earners on a temporary work contract in the tourism industry (471,627) represented 11% of the total of wage earners with a temporary work contract at national level and 20% of the total in the tertiary sector. In other words one in ten

Figure 5
Unemployment rate by activity sector. 2003



Source: Labour Force Survey, INE 2003.

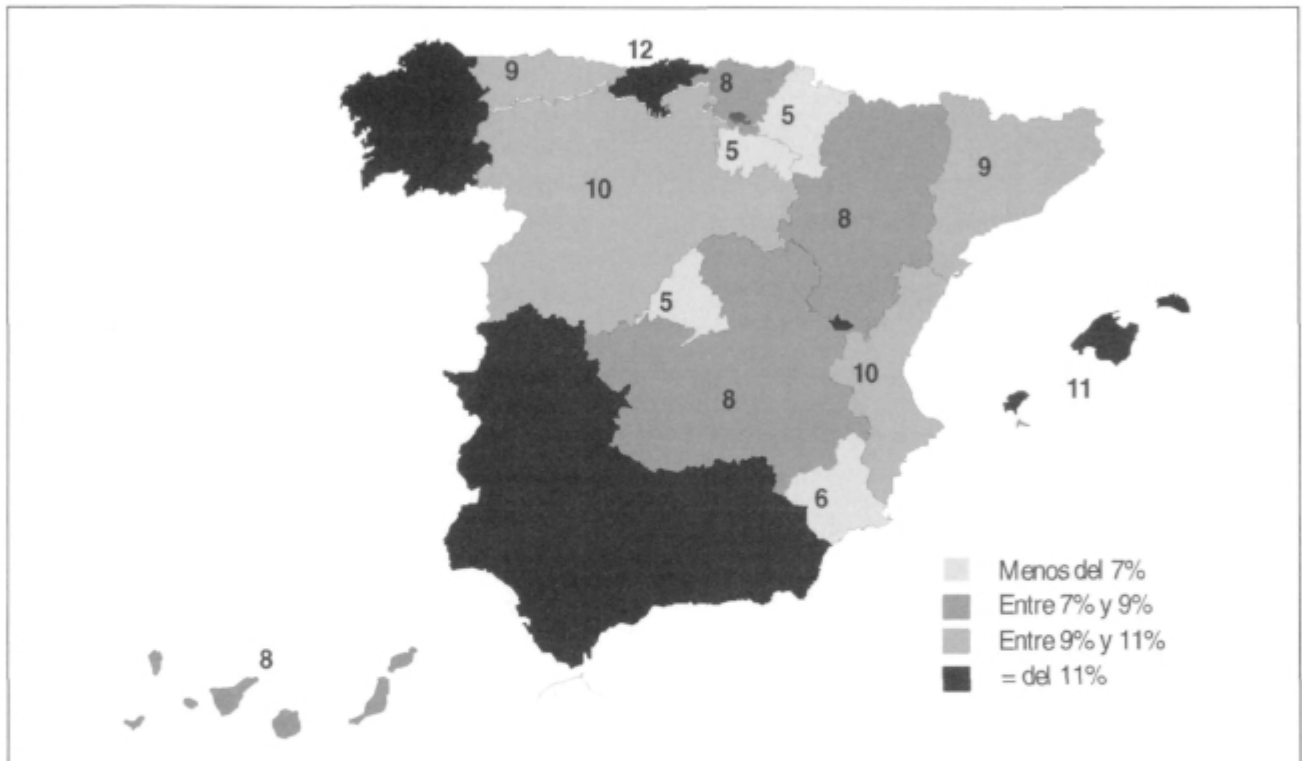
of the wage earners in Spain with a temporary employment contract was working in the tourism industry and one out of every five wage earners on a temporary contract in the services sector was working in tourism.

Temporary contracts in the tourism industry accounted for 32% of the total of contracts while permanent contracts in this activity represented 68%. A breakdown by sex shows that temporary work is eminently female. Of the total of female wage earners in the tourism industry, 40% had been taken on under a temporary contract, as compared with only 26% of male wage earners. Broken

down by age it is the 25 to 29 age bracket that shows the highest percentage of wage earners on a temporary contract for both sexes (24%), followed by the 20 to 24 age bracket (22%).

Having dealt with the general characteristics of workers on a temporary contract, we should now pay particular attention to the temporary employment rate². For the tourism activity as a whole this stood at 32% in 2003, five percentage points above the temporary work rate in the services sector, 27 percentage points less than the agriculture rate and 10 points more than the industry rate.

Figure 6
Unemployment rate in the tourism industry, broken down by autonomous communities. 2003



Source: Labour Force Survey, INE 2003.

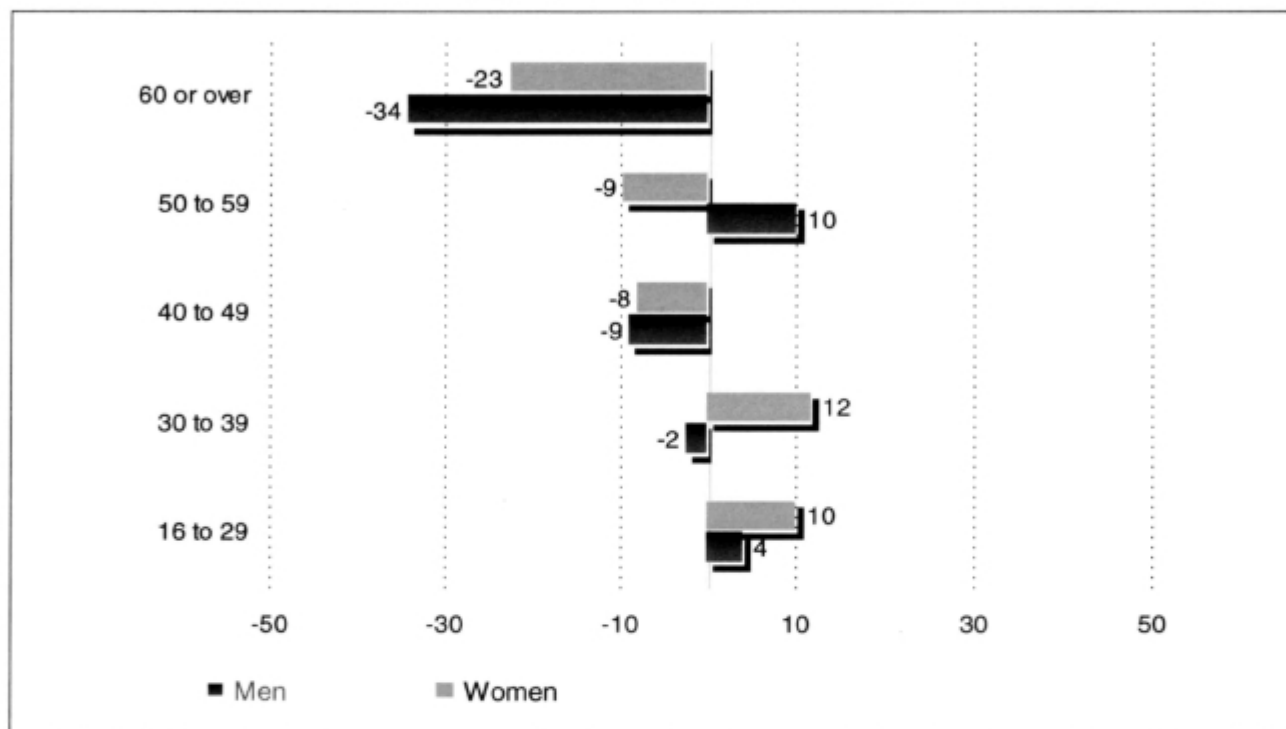
In other words, temporary contract working is not significantly more widespread in this industry than in the rest of the economic activity sectors.

Broken down by sex, the temporary employment rate in tourism shows glaring differences: the temporary employment rate for males, although high at 26%, is much lower than the women's rate (40.3%)

With regard to the Autonomous Communities, the highest rate of temporary

employment is found in Galicia with 42.3%. There is a particularly high rate in the restaurants and cafés sector (55.6%), in hotels and other accommodation (46%) and in travel agencies (43.9%). Galicia is followed by Andalucía (40.2%) and the Community of Valencia (39.3%). For their part the Balearics and Cataluña record a temporary employment rate of about 30% while the Canaries weighs in with 35%. The temporary employment rates are similar in the sectors of restaurants and cafés, hotels and other accommodation and travel agencies. There is

Figure 7
Unemployment rate in the tourism industry, broken down by sex and age.
Annual variation. 2003



Source: Labour Force Survey, INE 2003.

a particularly low rate of temporary employment in Madrid (in relation to the aforementioned Autonomous Communities); for the tourism industry as a whole its rate was 17.2%, with similar temporary employment rates in other sectors of economic activity considered herein.

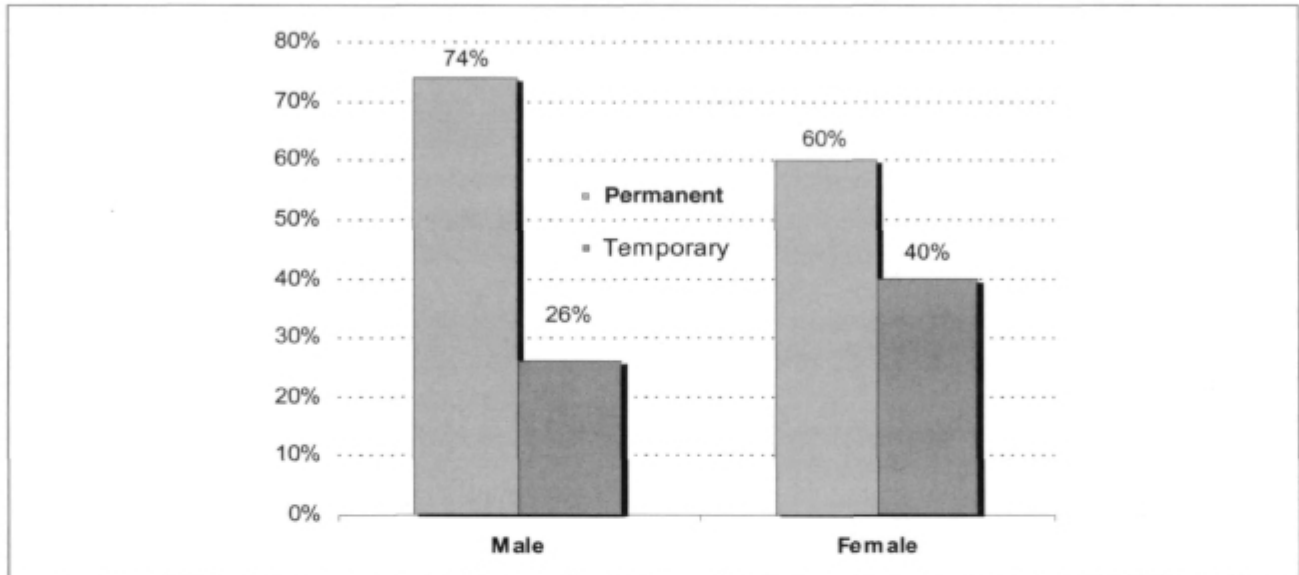
III.4. Working day in the Tourism Industry

In 2003 the number of wage earners working full time (1,318,778) represented 11% of the national total and 17% of the services sector, while wage earners working

part time (168,038) represented 15% of the total of wage earners at national level and 16% of the tertiary sector. Within the tourism industry, 89% of the workers work full time and 11% part time.

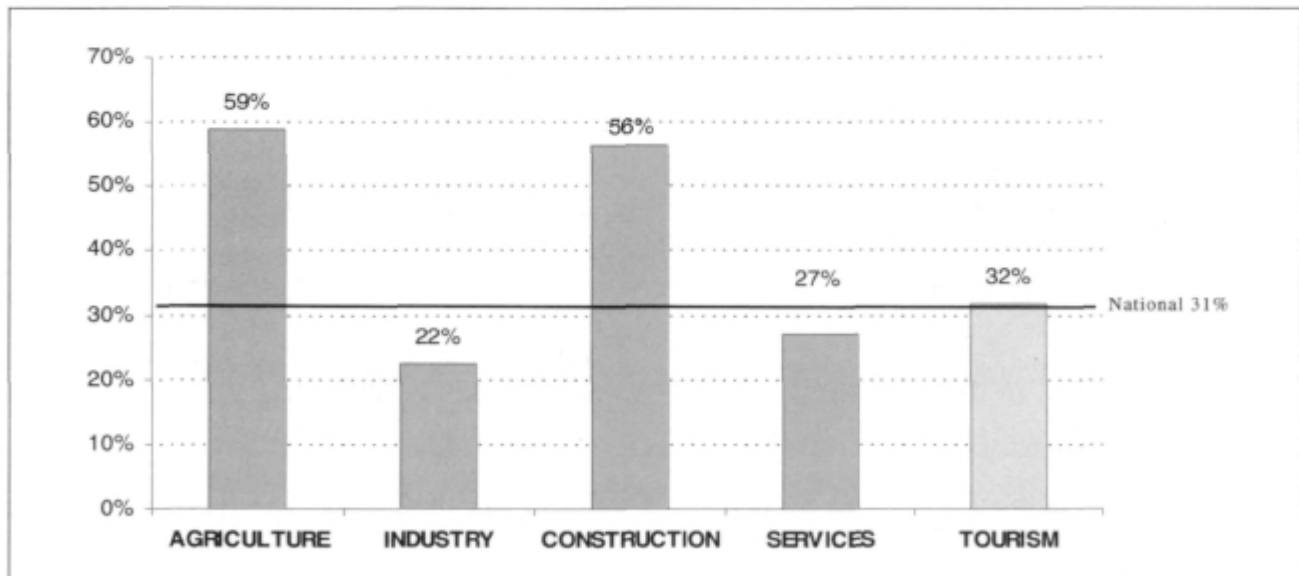
Broken down by sex, the vast majority of both males (94%) and females (80%) work full time, although there are more women part time workers (20%) than males (6%). By age, slightly over half of the part time workers are under 30, although the biggest percentage of part time workers is to be found in the 20 to 24 age bracket. Nonetheless there is a significant age difference between men and women working full or part time.

Figure 8
Wage-earners in the tourism industry, broken down by sex and type of contract. 2003



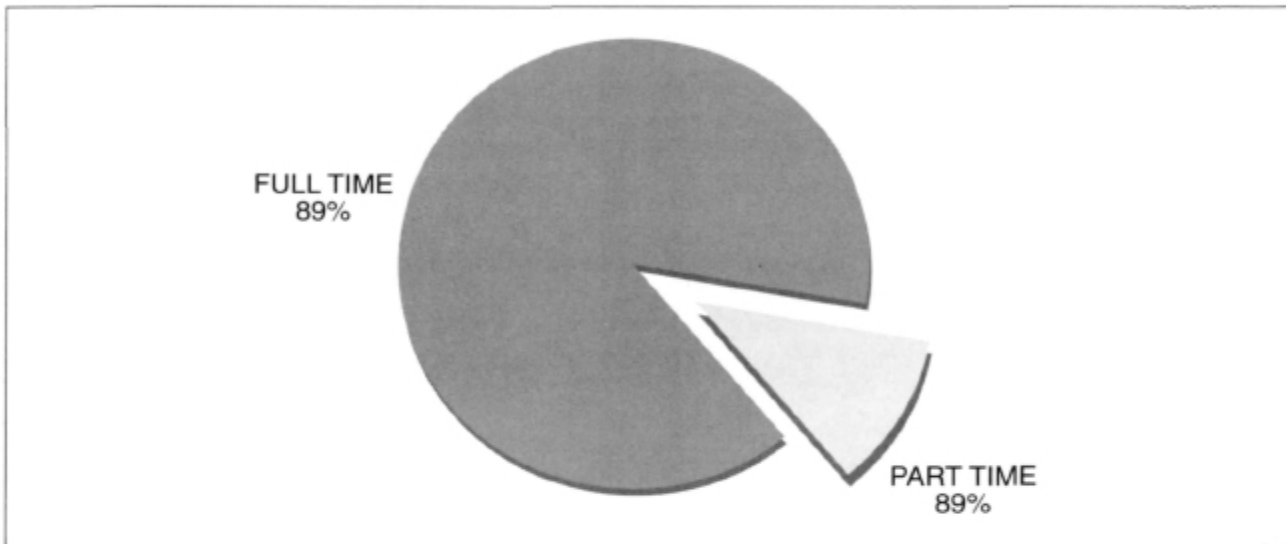
Source: Labour Force Survey, INE 2003.

Figure 9
Temporary work by activity sector. 2003



Source: Labour Force Survey, INE 2003.

Figure 10
Wage earners in the tourism industry, broken down into full time and part time contract. 2003



Source: Labour Force Survey, INE 2003.

III.5. Foreign Population in the Tourism Industry

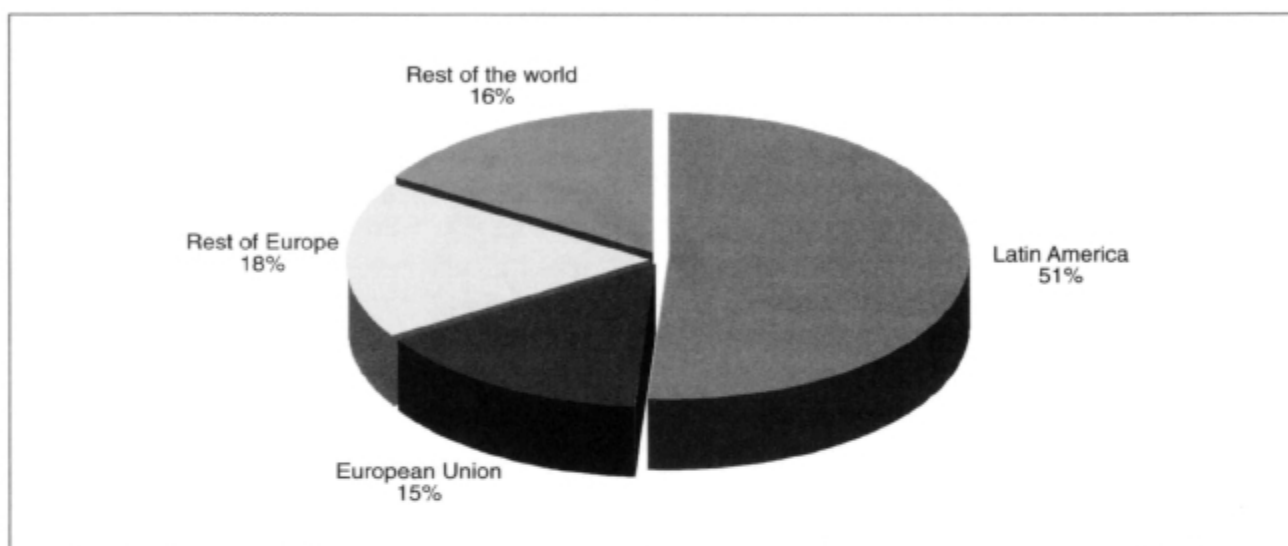
The number of **economically foreign labour force population** in the tourism industry in 2003 was 123,944 (17% of the national foreign labour force population and 29% of the foreign labour force population in the services sector).

The number of **working foreigners** in characteristic tourism activities in 2003 was 108,085, a figure representing 5% of the total working foreign population in Spain. This percentage bears comparison to the proportion of foreigners in agriculture, is higher than the percentage recorded in industry (3%) and services (4%), and lowers by one percentage point than the construction figure. One of the characteristics of the working foreign population in the tourism industry is that 87% are wage earners; in other words only 13% of

the foreign population working in tourism in Spain do so as self-employed workers.

Of the total wage earning population in Spain, 93% are nationals and 7% are foreigners. The number of **foreign wage earners** in the whole tourism industry in 2003 was 93,682, a figure representing 17% of the national total and 29% of the tertiary sector. Of the total foreign wage earners working in Spain, half of them come from Latin America and 18% from non EU European countries. The sector of economic activity where most foreign wage earners work is in hotels and restaurants, mainly those who come from Latin America (89%) and, within this category, in restaurants and cafés (71%). Foreigners account for a surprisingly high 12% of the total wage earners in Spain in restaurants and cafés, of which 7% work in hotels and other accommodation and 4% in travel agencies.

Figure 11
Wage earners in the tourism industry, broken down by nationality, 2003



Source: Labour Force Survey, INE 2003.

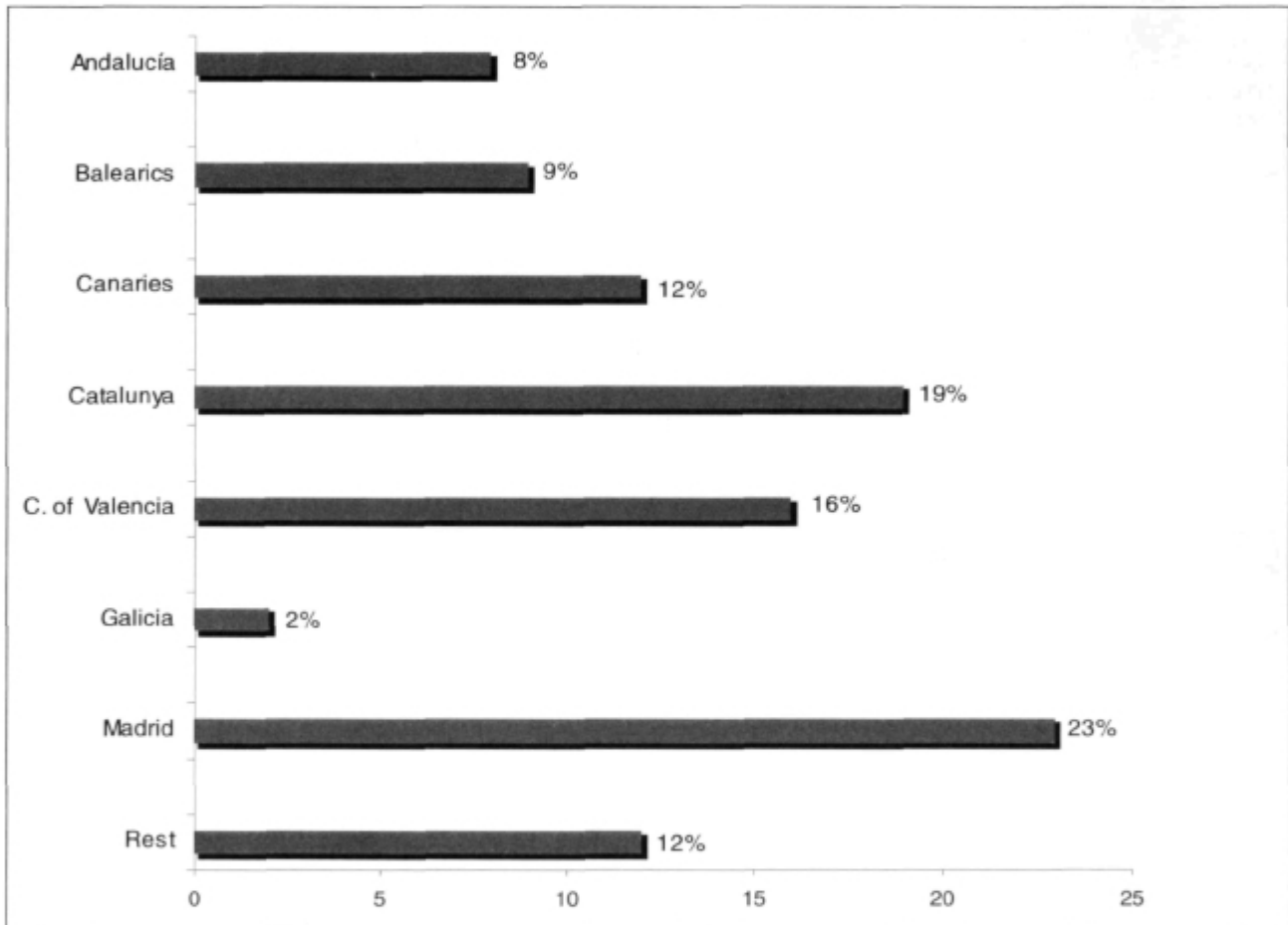
Broken down by sex, 49% of foreign wage earners are male and 51% are women. The foreign population is predominantly young; 38% of foreign wage earners are under 30 and 37% aged 30 to 39. A breakdown by level of studies shows them to be a population with a high level of studies; 60% have secondary studies and 22% have obtained some type of higher qualification. Women with secondary studies (65%) outnumber men while men with post-secondary studies (24%) in turn outnumber women.

The geographical distribution of foreign wage earners in the tourism industry as a whole does not correspond to the areas traditionally considered to be tourist in nature, such as the strictly tourist coastal resorts. The greatest number of foreigners are found in the Community of Madrid (23%), followed by Catalunya (19%) and the Community of Valencia (16%), while

tourism resorts such as the Canaries (12%), Balearics (9%) and Andalucía (8%) are those that attract the lowest number of foreign wage earners.

The unemployment rate of foreigners in 2003 was 13%, two percentage points higher than the unemployment rate for the Spanish and practically equal to that recorded in the tertiary sector. Broken down by sex, the male unemployment rate among foreigners was 10% while the female was 16%. The economic activity sector with the highest rate was travel agencies (23%), followed by hotels and other accommodation (14%) and restaurants and cafés (13%), showing notable differences when broken down by sex. Indeed the female unemployment rate was higher than the male in hotels and other accommodation and restaurants and cafés (16% as compared with a 10% rate for males in each activity). By Autonomous

Figure 12
Foreign wage earners in the tourism industry, broken down by autonomous communities. 2003



Source: Labour Force Survey, INE 2003.

Community the highest unemployment rate was registered in the Community of Valencia (21%), followed by the Balearics (16%), Catalunya (15%) and Galicia (12%)

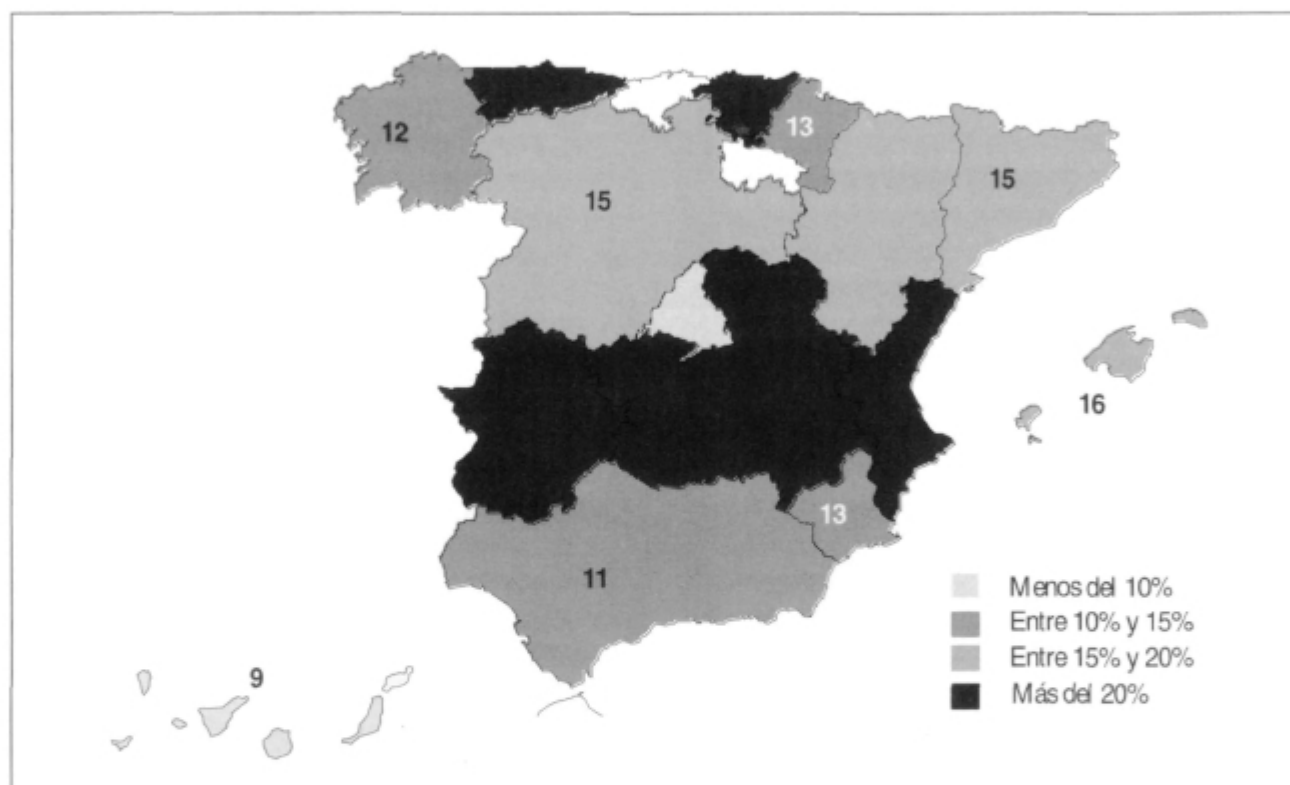
The unemployment rate of foreigners grew at a brisk annual rate (annual variation of 19%). The male growth rate was 9%, far lower than the rate for female foreigners (29%). The most striking growth in the

unemployment rate was recorded in Andalucía (45%), Catalunya (35%) and the Community of Valencia (27%).

IV. JOB CREATION IN THE TOURISM INDUSTRY

The climate of the tourism industry labour market showed no significant improvement in

Figure 13
Foreigner unemployment rate in the tourism industry, broken down by self
autonomous communities. 2003



Source: Labour Force Survey, INE 2003.

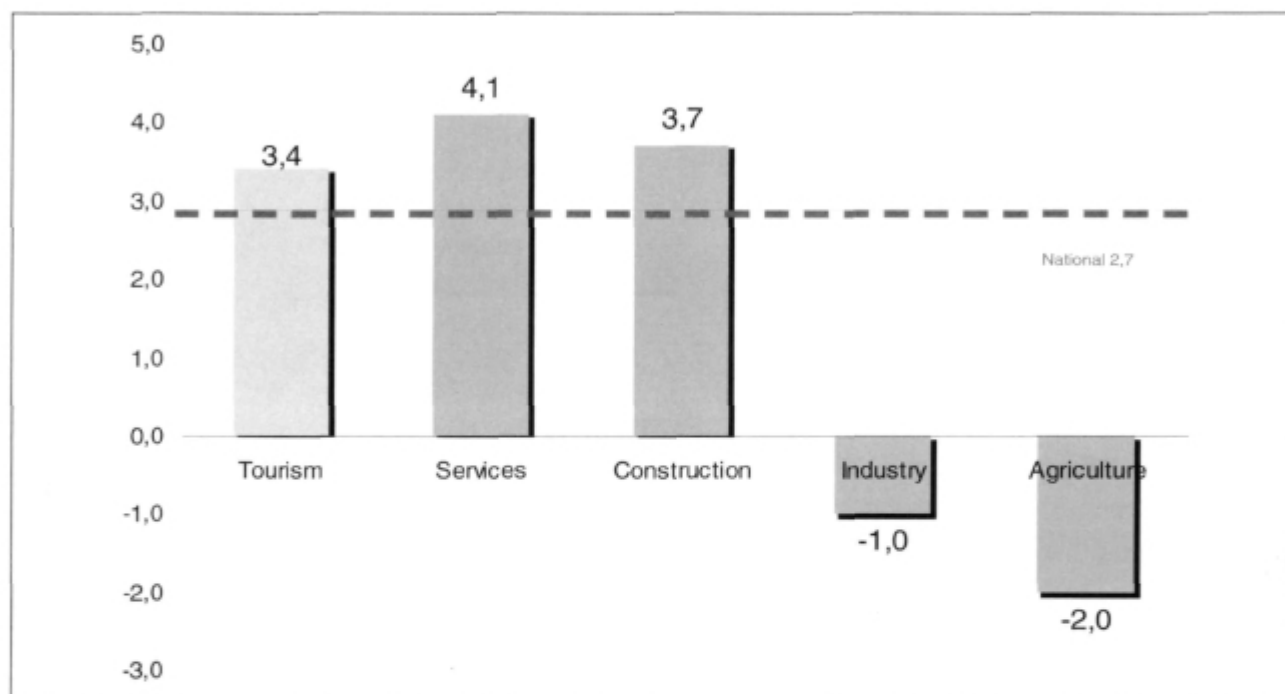
2003. According to the LFS figures, the working population in the tourism industry was 2,039,776, representing a slight slide on the figures recorded for the same period the previous year. The year-to-year job creation rate stood at 3.4%, one percentage point below the rate of 2002.

Despite this fall in job creation, however, the tourism industry fared better than other sectors of the national economy. It chalked up a higher year-to-year rate of growth than industry, which fell by 1% on the previous

year, and the agriculture sector, which also fell, this time by 2%. It also maintains a growth rate very similar to the national rate, at 3.5%, but below the growth recorded by the tertiary sector, which was 4.1% up on 2002.

The Autonomous Community that showed it to be most buoyant in terms of job creation in the tourism industry was the Balearic Islands, with an annual growth rate of 8%, and the Canaries with 7%, followed by the Community of Valencia (5%) and Catalunya

Figure 14
Year-to-year variation rate of the employed population, broken down by economic sectors. 2003



Source: Labour Force Survey, INE 2003.

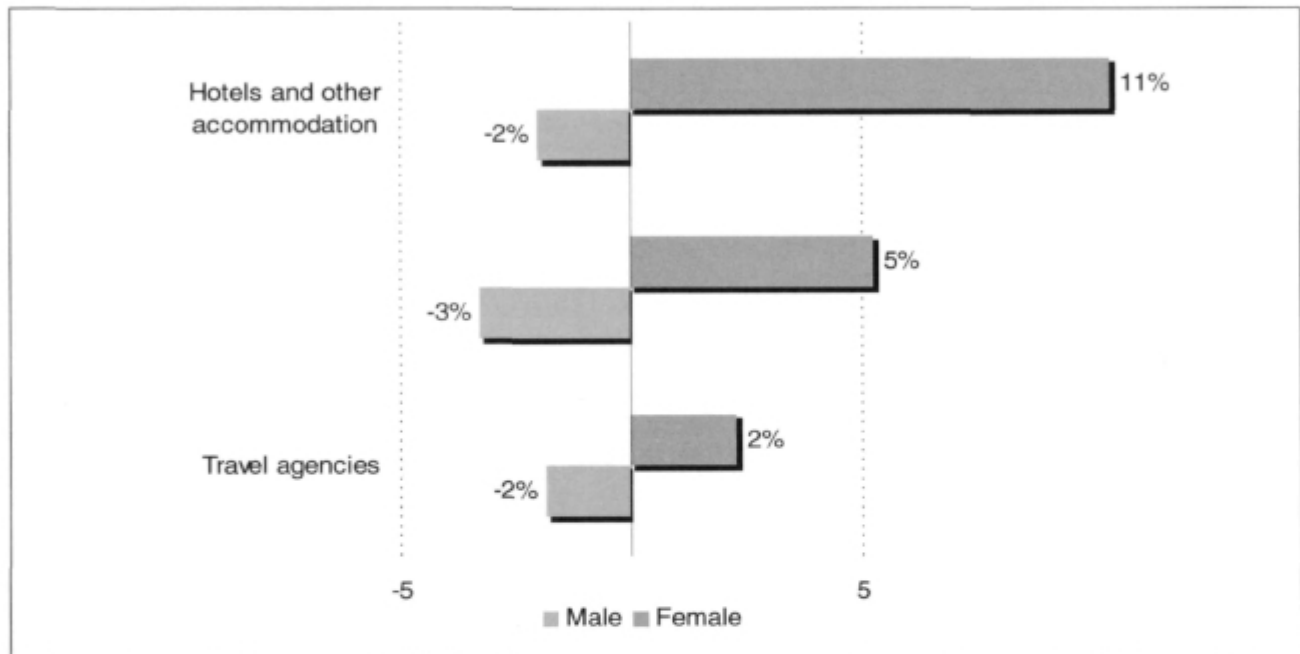
(4%). The activity sectors recording the sharpest growths were hotels (17% in the Canary Islands), canteens in the Balearics (153%), campsites in Madrid (161%) and restaurants and cafés in Catalunya (19%). For their part the Balearics and Canaries also recorded a sharp qualitative growth in the sector of travel agencies (34% and 33% respectively), followed by Madrid with 14% in this same economic activity.

If the working population is broken down by their **professional situation**, i.e. by whether they are wage earners or self-employed workers, employment among wage earners grew by 5% on the previous year,

while self-employed workers recorded only a minimal increase of 0.2% (the following comments will therefore refer basically to wage earners). Most of this increase was chalked up by wage earners working in hotels and other accommodation (4%), without taking into consideration activities other than HORECA and travel agencies.

Within the wage earners there is a marked distinction between those working on a **permanent contract** and those on a **temporary contract**. The year-to-year variation of those on a permanent contract was 5.5%, over one percentage point higher than at

Figure 15
Year-to-year variation of wage earners in horeca and travel agencies, broken down by sex. 2003



Source: Labour Force Survey, INE 2003.

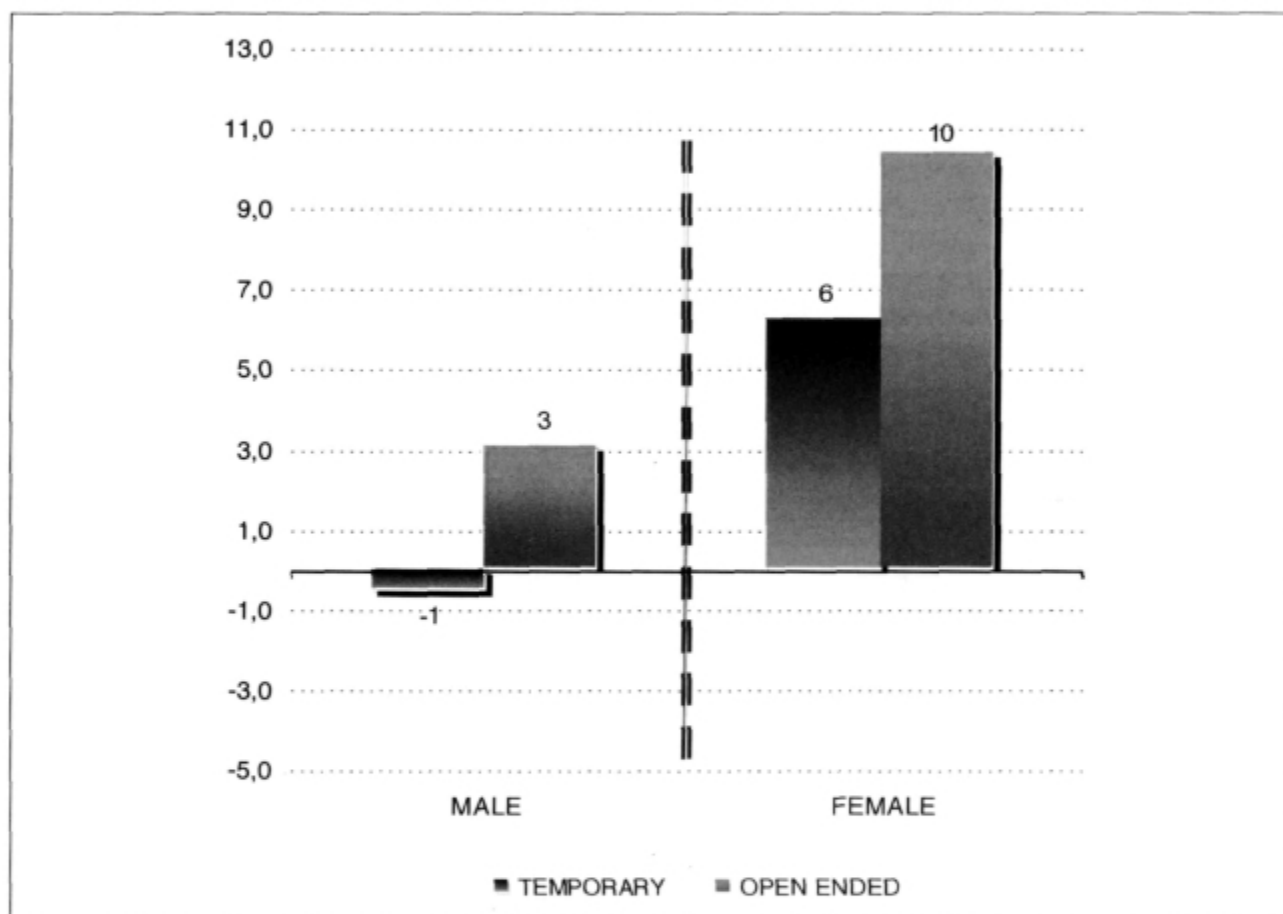
national level and practically the same as that recorded in the tertiary sector. The growth recorded by wage earners on a temporary contract, however, was 3% up on the previous year, just above the yearly variation recorded at national level (2%) and below that recorded in the services sector (4%).

Nonetheless the creation of permanent employment and temporary employment showed glaring differences according to the sector of economic activity under consideration. The categories of restaurants and cafés, on the one hand, and travel agencies on the other both performed well as job generators, with a marked permanent character (4% and 11%, respectively)

whereas these same activities performed much more erratically in terms of temporary work contracts (a fall of 4% in the first and 25% in the second, as compared to the previous year). These differences were smaller in the case of hotels and other accommodation (4% more wage earners on permanent contracts and 5% more wage earners on temporary contracts).

Broken down by sex, however, there are truly striking differences between permanent and temporary work contracts. Males recorded a 3% annual growth in permanent contracts while women chalked up a 10% increase. And while the former recorded a downturn in temporary contracts, the latter

Figure 16
Annual variation of wage earners in the tourism industry, broken down by
length of contract and sex. 2003

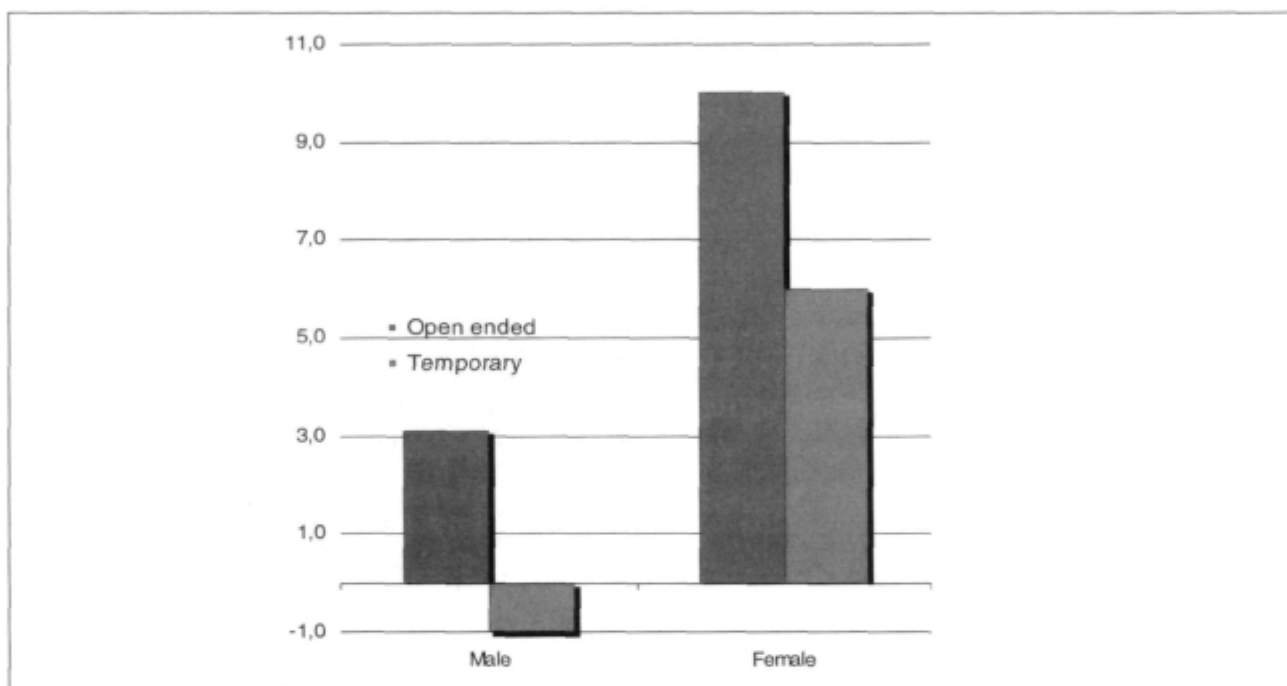


Source: Labour Force Survey, INE 2003.

increased their temporary employment by 6% on the previous year. If the variation rates are broken down by economic activity sector, the differences between both sexes are even more striking; male job creation on temporary contracts fell on last year's figure in all activities of HORECA and travel agencies, whereas women recorded a more than significant growth rate of 16% in hotels and other accommodation.

Foreign employment grew by 24% on the previous year; the sector that generated most employment here was hotels and other accommodation with 51%, followed by restaurants and cafés with 17%. Temporary employment increased most sharply in restaurants and cafés (24% as compared with the 9% increase recorded by permanent employment in this sector of activity). A better performance in job creation was

Figure 17
Year-to-year variation of foreign wage earners in the tourism industry, broken down by type of contract and sex. 2003



Source: Labour Force Survey, INE 2003.

recorded in the sector of hotels and other accommodation, where 71% of the new contracts were permanent in character. As regards job creation among foreigners, 27% of the newly hired wage earners joined the tourism labour market on an permanent contract and 20% did so a temporary contract. A breakdown by sex shows that temporary employment in tourism is higher in the male foreign population (36%) than in the female (10%). Very high variation rates were recorded by males working in hotels and other accommodation (70% more temporary contracts) and in restaurants and cafés (59% increase on the previous year, again under temporary contracts).

IV.1. Job Creation According to other Statistical Sources

An interesting comparison can now be made with the figures furnished by the **government register of workers registered for social security purposes**. Job creation according to social security registration shows similar results to the LFS, holding steady at an annual growth rate of 3.2%, a similar figure to that recorded at national level and one percentage point lower than the services sector rate.

In terms of the **professional situation** of the registered workers, however, there is

Figure 18
Year-to-year variation of registered workers in horeca and travel agencies, broken down into wage earners and self-employed workers



Source: Labour Force Survey, INE 2003.

some observable discrepancies vis-à-vis the LFS. The increase of registered wage earners in the tourism industry stood at 3.8% (six tenths lower than the LFS growth rate), while the self-employed workers recorded a more significant growth in the government register (1.3% more than the previous year, as against the 0.2% of the LFS). Restaurants and cafés recorded an annual variation rate of 3.6%, while hotels grew at an annual rate of 2.1%: particularly noteworthy was the annual

growth rate of wage earner employment in travel agencies (3.5% up on the previous year), but even more so of self-employed workers (6.7%).

Turning to the results of **national accounts**, we find that employment in terms of equivalent full-time jobs, without seasonal and time adjustment of the series, increased by 2.1%, i.e., five tenths more than the previous year. The trends of the aforementioned indicators were all borne out, since

construction recorded an annual growth rate of 4.5% and services 3.4%, with a slide in industry (-2.4%) and agriculture (-1.5%) If the occupation is broken down into wage earners, the year-to-year variation rate in terms of national accounts was 2.6% in 2003, with an increase in employment in all sectors of economic activity except for industry (-2.4%)

V. SEASONALITY IN THE TOURISM INDUSTRY

One of the most often-repeated statements about the tourism labour market is the seasonal nature of the employment in this industry. Whilst accepting this axiom as true, some clarifications do have to be made, for the degree of seasonality might vary in terms of the sector of economic activity taken into consideration and also the Autonomous Community.

To analyse seasonality in tourism employment we used a simple method that proves to be highly enlightening for explaining it at both national and regional level. This involved the calculation of a seasonality coefficient³ for each year taken into consideration (see annex 2). This was based on the data furnished by the Ministry of Employment and Social Security (Ministerio de Trabajo y Seguridad Social) via the administrative registration of workers registered for social security purposes and for the labour activity sectors of hotels, campsites, restaurants and cafés and travel agencies. It is well worth making some comments on the results since they give a fairly good idea of the varying degree of employment seasonality in the tourism industry.

Although Annex 2 shows the coefficients from 2000 to 2003, our comments and the accompanying graphs will deal only with the latter year, since the results are very similar in all periods considered and any year chosen will be representative of all of them. The comments will also deal only with wage earners, since the employment of these workers has been seen to have a more variable degree of seasonality than self-employed workers. Nonetheless, the seasonality coefficients of the latter are shown by year and economic activity sector in the aforementioned annex.

V.1. The Seasonality of Wage Earner Employment

It should first and foremost be pointed out that the sector of hotels and campsites shows the highest seasonality coefficient at national level, while restaurants and cafés and travel agencies show a lower seasonality factor. As has already been pointed out, however, it is of great interest to study this coefficient at regional level. Of all regions considered, the Autonomous Community of the Balearic Islands shows the highest degree of seasonality across the board in the tourism industry, particularly hotels and campsites with a coefficient of 0.75 and 0.83 respectively. But there is a striking difference between the two most important tourism archipelagos of Spain. If the Balearics are a region with a high degree of seasonality, the Canaries show a low degree of seasonality in all sectors considered, ranging from the 0.08 coefficient of travel agencies right down to the 0.03 of restaurants and cafés.

Catalunya and Galicia show medium

Figure 19
Seasonality coefficient of wage earners in hotels. 2003

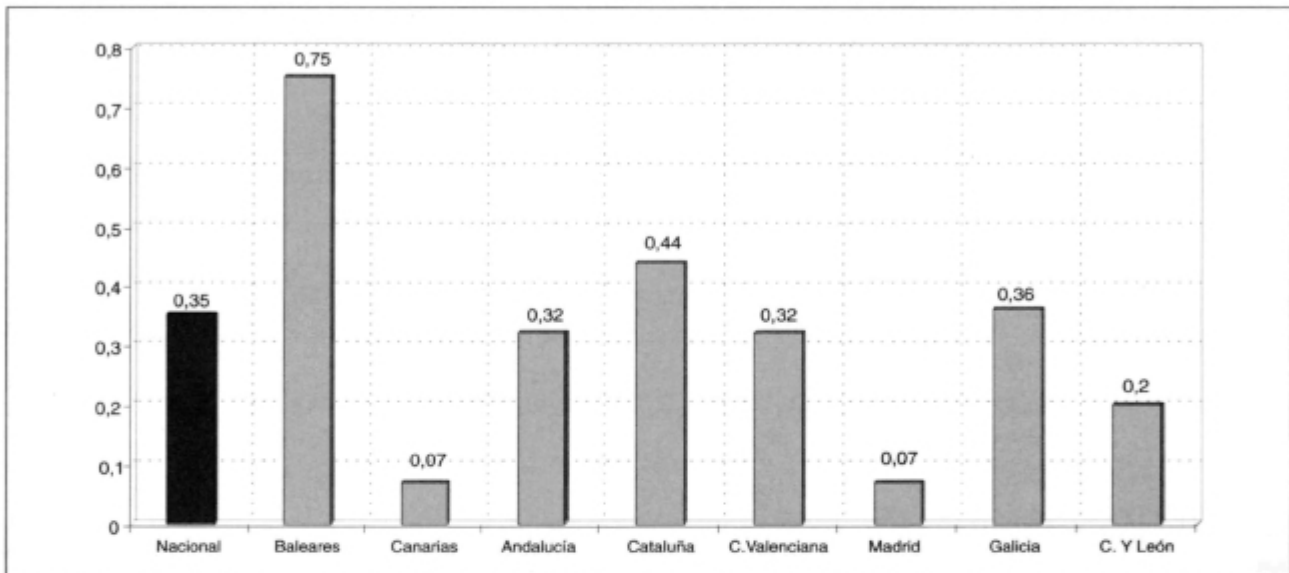


Figure 20
Seasonality coefficient of wage earners in campsites. 2003

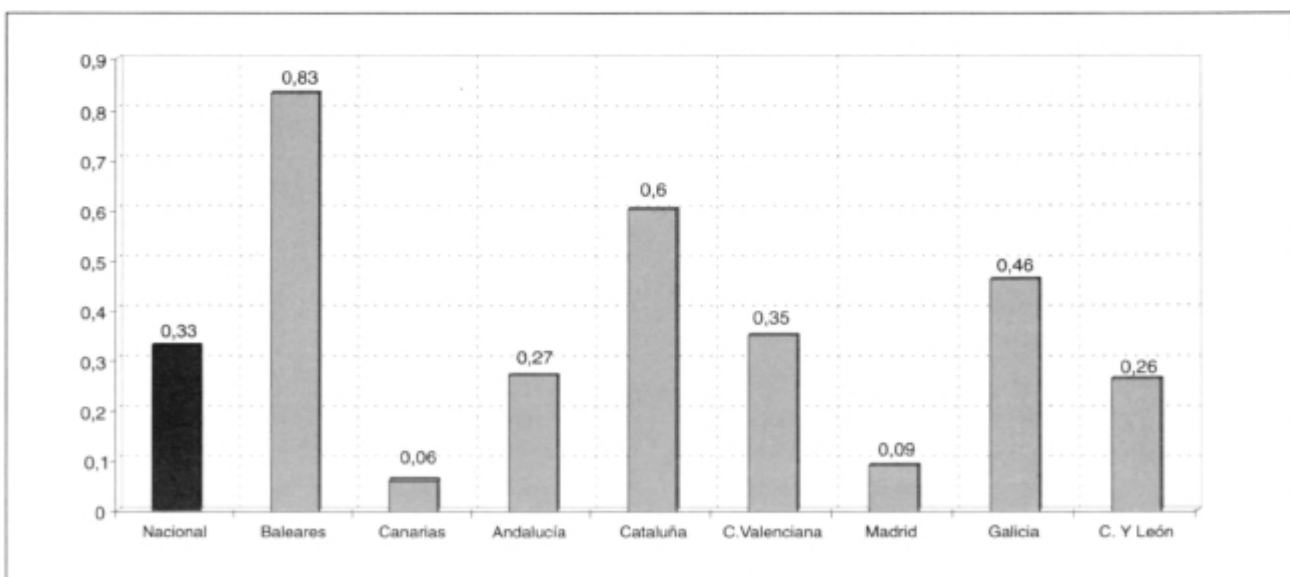
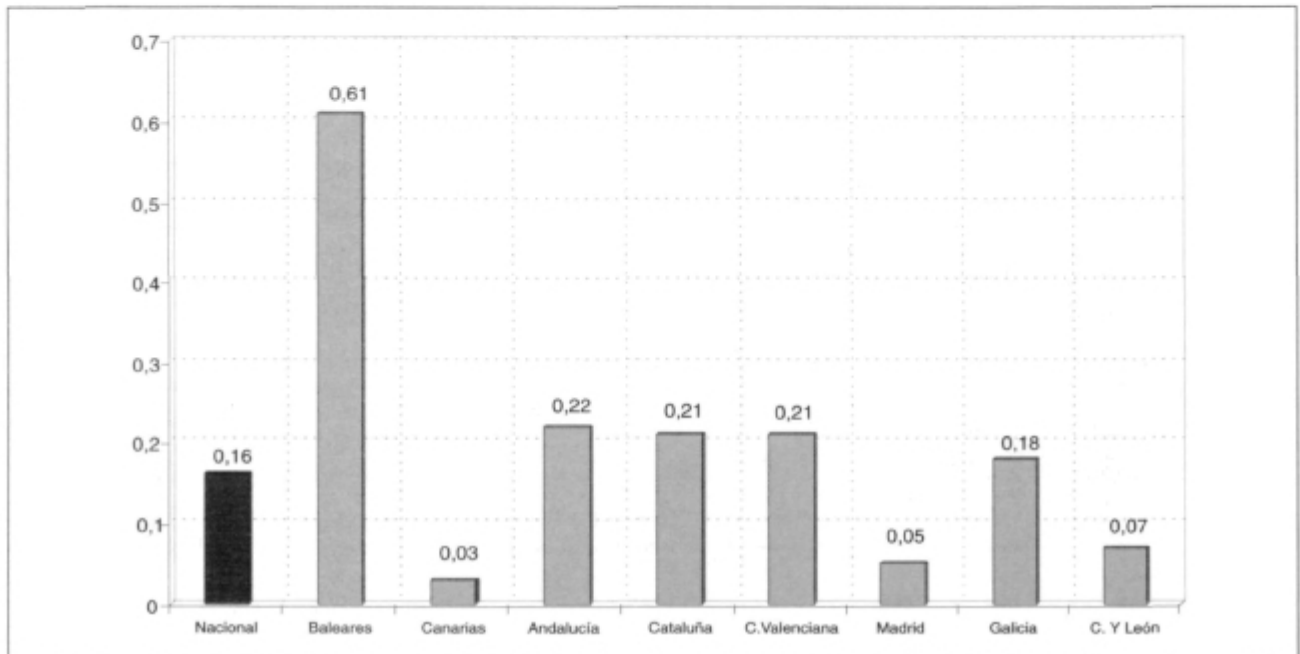
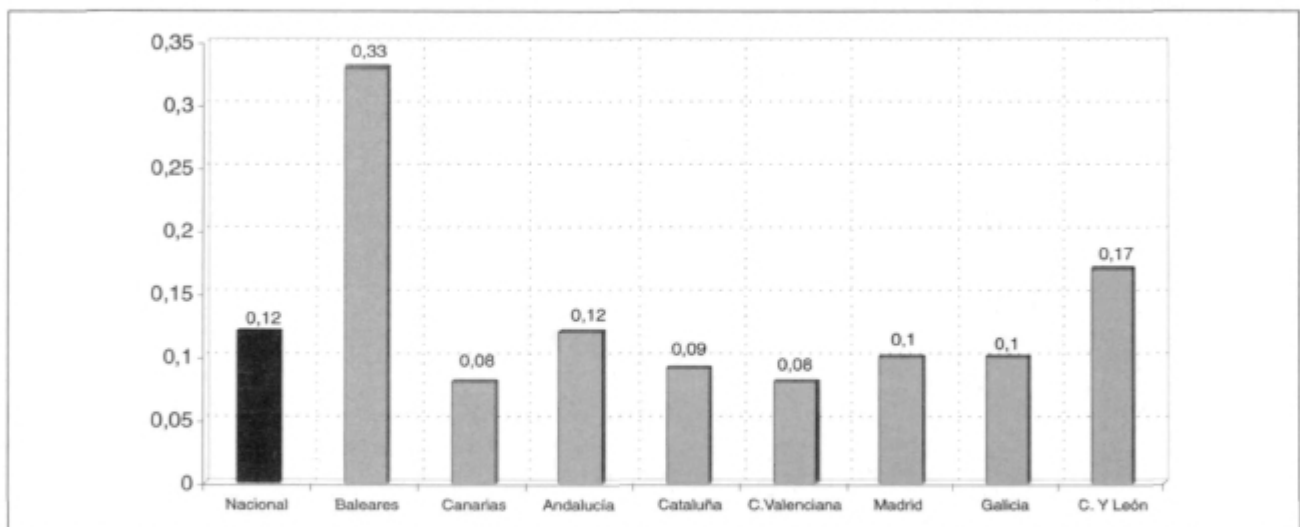


Figure 21
Seasonality coefficient of wage earners in restaurants and cafes. 2003



Source: Drawn up by IET from data furnished by the Ministry of Employment and Social Affairs. 2003.

Figure 22
Seasonality coefficient of wage earners in restaurants and cafes. 2003



Source: Drawn up by IET from data furnished by the Ministry of Employment and Social Affairs. 2003.

levels of seasonality in wage earner employment. Hotels record coefficients of 0.44 and 0.36 respectively, while their respective campsite coefficients are 0.60 and 0.46.

The coefficient levels of Andalucía and Galicia do not reach 0.50 for wage earner employment in all sectors considered, while Madrid shows a low degree of seasonality in wage earner employment in all sectors taken into consideration.

These regional differences are partly explained by the varying tourism pressure in the Autonomous Communities referred to. A calculation has therefore been made of the ratio of the number of tourists per inhabitant in 2003, using extrapolations from the 2001 population census for the year 2003 and the figures for incoming tourists heading for the indicated Autonomous Communities, taken from the monthly series, also for 2003, of the Spanish Inbound Tourism Survey (Estadística de Movimientos de turistas extranjeros en fronteras: FRONTUR) and the Spanish Domestic and Outbound Tourism Survey

(Movimientos turísticos de los españoles; FAMILITUR).

This table shows how much the tourist-inhabitant ratio varies from one Autonomous Community to another. The Balearics, for example, have a very high tourism pressure, the ratio rising from 0.09 in January to 1.70 in August. This partly explains why this Autonomous Community has such a high degree of seasonality in wage earner employment. The same goes for Catalunya y Valencia, where the tourism pressure is again seen to exert a big influence on the degree of employment seasonality, albeit to a lower degree than the Balearics.

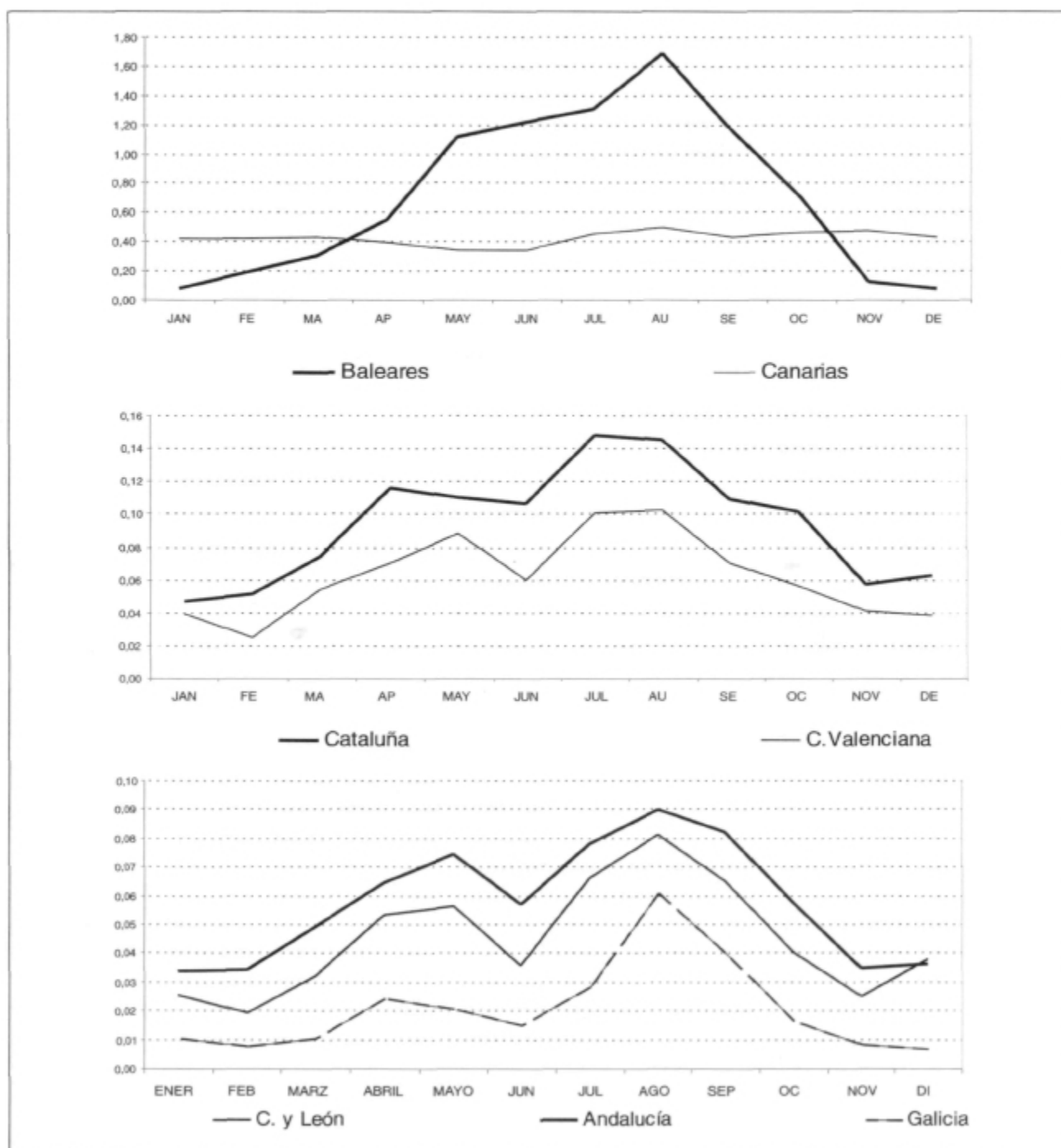
The Canaries, an eminently tourist resort, shows a tourist-inhabitant ratio that varies a little over the year. This explains why the degree of seasonality in wage earner employment is so low in this region.

The following graphs give a good idea of the tourism pressure of some of the selected Autonomous Communities.

Table 1
Number of tourists per inhabitant

2003	Balearics	Canaries	Catalunya	Andalucía	Galicia	C. y León	Madrid	C.Valencia
JAN	0.09	0.41	0.05	0.03	0.01	0.03	0.03	0.04
FEB	0.20	0.41	0.05	0.03	0.01	0.02	0.04	0.02
MAR	0.31	0.42	0.07	0.05	0.01	0.03	0.04	0.05
APRIL	0.56	0.39	0.12	0.06	0.02	0.05	0.05	0.07
MAY	1.13	0.34	0.11	0.07	0.02	0.06	0.06	0.09
JUN	1.23	0.33	0.11	0.06	0.02	0.04	0.05	0.06
JUL	1.32	0.45	0.15	0.08	0.03	0.07	0.05	0.10
AUG	1.70	0.50	0.14	0.09	0.06	0.08	0.05	0.10
SEP	1.18	0.43	0.11	0.08	0.04	0.06	0.05	0.07
OCT	0.72	0.46	0.10	0.06	0.02	0.04	0.05	0.06
NOV	0.14	0.47	0.06	0.03	0.01	0.02	0.04	0.04
DEC	0.09	0.42	0.06	0.04	0.01	0.04	0.04	0.04

Figure 23
Tourism pressure (number of tourists per inhabitant). 2003



VI. MAIN CONCLUSIONS

- In 2003 the great majority of the labour force population in the tourism industry were working, either as a wage earner or a self-employed worker, with a ratio of three wage earners for each self-employed worker.
- A singular feature of the tourism activity is the fact that males heavily outweigh females in both the wage-earning and self-employed population in this industry. When the information is restricted to the sectors considered to be traditionally tourist, however, such as hotels, restaurants and cafés (HORECA) and travel agencies, the share of female employment is seen to be higher. The wage-earning population is younger than the self-employed population; six out of every ten wage earners in the tourism industry are under 40 with a medium level of studies; the median level is secondary studies.
- The employment rate in the tourism industry was higher than that of other economic activity sectors except agriculture. The rate of job loss was higher for the female population. The highest employment rate in 2003 was recorded in Andalucía, followed by Galicia and the two archipelagos.
- Temporary work is not higher in tourism than in the other economic activity sectors. Nonetheless almost seven out of every ten employment contracts signed in 2003 were permanent in character; most of the temporary contracts are for women. The highest rate of temporary work is recorded in Galicia, followed by Andalucía and the Community of Valencia.
- In 2003 the foreign population working in the tourism industry accounted for 5% of the total working population in Spain. This figure is higher than that of the industry and service sectors, similar to that of agriculture and somewhat lower than that of construction. Most working population are wage earners; it is in hotels and restaurants that most foreign wage earners work. A little over half of the foreign workers in this industry are women; it is a very young population with a high level of studies. They are concentrated geographically in Madrid, Catalunya and the Community of Valencia. The unemployment rate for these workers was higher than for the whole Spanish population, higher for women than for males and with a much higher annual growth rate in the former.
- Job creation in the tourism industry showed a more solid performance in 2003 than industry and agriculture; its year-to-year growth rate, however, was somewhat lower than the services sector and construction. The increase occurred mainly in wage earner employment and in the Balearic Islands and Canaries. The creation of permanent wage earner employment was higher than temporary work, higher for women than for men, although women recorded by highest growth of temporary work as compared with the previous year's figures.
- The seasonality coefficients show great variation from region to region. The Balearics is the region showing the

highest degree of seasonality in the activity sectors considered: HORECA and travel agencies. The Canaries, on the other hand, show a very low degree of seasonality. These inter-regional variations are largely explained by the varying degree of tourism pressure to which each region is subjected.

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NOTES

(1) Unemployment rate = quotient between unemployed and employed persons multiplied by 100.

(2) Temporary employment rate = quotient between wage earners on a temporary contract and the total of wage earners.

(3) $Sc = 1 - (\text{minimum value of } Id/100)$. This coefficient varies from 0 to 1, where 0 indicates that the degree of seasonality is very small and 1 that it is very high.

Id = the difference between the maximum value and each value of the monthly series *100.

ANNEXES

ANNEX 1

National Classification of Economic Activities (tourism industry)

- 551 HOTELS
- 552 CAMPING SITES AND OTHER COMMERCIAL ACCOMMODATIONS
- 553 RESTAURANTS
- 554 BARS AND OTHER DRINKING PLACES
- 555 INSTITUTIONAL FOOD SERVICES, CATERERS
- 601 TRANSPORT VIA RAILWAYS
- 602 OTHER LAND TRANSPORT
- 611 SEA AND COASTAL WATER TRANSPORT
- 612 INLAND WATER TRANSPORT
- 621 SCHEDULED AIR TRANSPORT
- 622 SCHEDULED AIR PSGR TRANSPORT
- 632 SUPPORTING AND AUXILIARY TRANSPORT ACTIVITIES
- 633 TRAVEL AGENTS, TOUR OPERATORS AND GUIDES
- 711 RENTING OF TRANSPORT EQUIPMENT
- 712 RENTAL OF TOURIST-RELATED GOODS, NOT ELSEWHERE CLASSIFIED
- 921 MOTION PICTURES, RADIO, TV AND OTHER ENTERTAINMENT
- 922 OTHER ENTERTAINMENT ACTIVITIES, N.E.C.
- 925 LIBRARIES, ARCHIVES, MUSEUMS AND OTHER CULTURAL ACTIVITIES
- 926 SPORTING ACTIVITIES
- 927 OTHER RECREATIONAL ACTIVITIES

ANNEX 2

SEASONALITY COEFFICIENTS

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
NATIONAL												
Hotels	0.33	0.35	0.08	0.35	0.37	0.08	0.37	0.38	0.08	0.35	0.36	0.09
Campsites	0.32	0.33	0.21	0.33	0.34	0.20	0.32	0.33	0.22	0.33	0.33	0.27
Restaurants and cafés	0.12	0.16	0.05	0.13	0.18	0.05	0.13	0.18	0.04	0.13	0.18	0.04
Canteens	0.45	0.47	0.17	0.42	0.44	0.05	0.41	0.43	0.05	0.41	0.43	0.05
Travel agents	0.11	0.12	0.08	0.13	0.13	0.09	0.14	0.14	0.10	0.15	0.15	0.10

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
BALEARICS												
Hotels	0.74	0.75	0.21	0.73	0.74	0.22	0.73	0.74	0.21	0.71	0.72	0.24
Campsites	0.80	0.83	0.26	0.79	0.82	0.27	0.79	0.81	0.27	0.77	0.79	0.27
Restaurants and cafés	0.50	0.61	0.23	0.50	0.60	0.22	0.50	0.61	0.20	0.50	0.62	0.20
Canteens	0.47	0.51	0.16	0.47	0.52	0.15	0.55	0.61	0.13	0.56	0.64	0.14
Travel agents	0.31	0.33	0.10	0.31	0.33	0.14	0.33	0.35	0.12	0.35	0.37	0.14

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
CANARIES												
Hotels	0.07	0.07	0.04	0.06	0.06	0.05	0.07	0.07	0.04	0.10	0.10	0.02
Campsites	0.06	0.06	0.03	0.06	0.06	0.02	0.05	0.05	0.04	0.07	0.07	0.06
Restaurants and cafés	0.02	0.03	0.01	0.03	0.05	0.04	0.05	0.06	0.02	0.06	0.07	0.03
Canteens	0.20	0.19	0.35	0.22	0.23	0.11	0.27	0.29	0.09	0.24	0.26	0.13
Travel agents	0.08	0.08	0.08	0.08	0.07	0.12	0.03	0.04	0.05	0.06	0.06	0.11

Source: Drawn up by IET on the basis of information furnished by the Ministry of Employment and Social Affairs (Ministerio de Trabajo y Asuntos Sociales)

SEASONALITY COEFFICIENTS

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
ANDALUCÍA												
Hotels	0.31	0.32	0.08	0.32	0.33	0.07	0.32	0.33	0.08	0.27	0.28	0.08
Campsites	0.26	0.27	0.19	0.32	0.33	0.16	0.28	0.29	0.19	0.31	0.31	0.30
Restaurants and cafés	0.16	0.22	0.07	0.18	0.24	0.06	0.15	0.22	0.04	0.15	0.22	0.05
Canteens	0.32	0.34	0.19	0.24	0.27	0.04	0.24	0.27	0.09	0.20	0.23	0.08
Travel agents	0.12	0.12	0.12	0.14	0.14	0.14	0.16	0.17	0.12	0.14	0.14	0.14

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
CATALUNYA												
Hotels	0.42	0.44	0.06	0.45	0.48	0.07	0.46	0.49	0.07	0.47	0.50	0.10
Campsites	0.57	0.60	0.20	0.57	0.59	0.21	0.57	0.59	0.23	0.60	0.62	0.22
Restaurants and cafés	0.16	0.21	0.05	0.17	0.23	0.05	0.17	0.23	0.05	0.18	0.24	0.05
Canteens	0.41	0.44	0.16	0.38	0.40	0.10	0.42	0.44	0.08	0.42	0.44	0.07
Travel agents	0.09	0.09	0.08	0.12	0.13	0.09	0.13	0.14	0.08	0.14	0.15	0.10

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
C.VALENCIA												
Hotels	0.31	0.32	0.08	0.30	0.31	0.08	0.33	0.35	0.09	0.31	0.33	0.11
Campsites	0.34	0.35	0.16	0.43	0.46	0.11	0.36	0.38	0.13	0.36	0.38	0.18
Restaurants and cafés	0.16	0.21	0.06	0.18	0.25	0.06	0.19	0.26	0.06	0.18	0.25	0.07
Canteens	0.56	0.59	0.22	0.54	0.58	0.10	0.38	0.41	0.05	0.42	0.45	0.11
Travel agents	0.08	0.08	0.09	0.10	0.11	0.07	0.12	0.13	0.04	0.11	0.12	0.08

SEASONALITY COEFFICIENTS

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
MADRID												
Hotels	0.07	0.07	0.04	0.08	0.08	0.03	0.13	0.14	0.02	0.06	0.06	0.02
Campsites	0.09	0.09	0.20	0.06	0.06	0.11	0.09	0.09	0.07	0.07	0.07	0.17
Restaurants and cafés	0.04	0.05	0.02	0.06	0.07	0.02	0.13	0.18	0.01	0.04	0.06	0.01
Canteens	0.48	0.49	0.12	0.44	0.45	0.06	0.44	0.45	0.06	0.43	0.44	0.07
Travel agents	0.10	0.10	0.13	0.11	0.11	0.09	0.10	0.10	0.15	0.12	0.13	0.11

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
GALICIA												
Hotels	0.33	0.36	0.15	0.33	0.36	0.12	0.31	0.34	0.12	0.30	0.33	0.11
Campsites	0.41	0.46	0.22	0.44	0.49	0.26	0.46	0.50	0.33	0.55	0.60	0.34
Restaurants and cafés	0.11	0.18	0.03	0.12	0.19	0.03	0.10	0.17	0.03	0.11	0.18	0.03
Canteens	0.21	0.21	0.26	0.18	0.19	0.11	0.24	0.25	0.14	0.29	0.31	0.10
Travel agents	0.10	0.10	0.14	0.13	0.13	0.19	0.12	0.11	0.18	0.11	0.12	0.11

	2003			2002			2001			2000		
	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers	Total	Wage earners	Freelance workers
C. Y LEÓN												
Hotels	0.18	0.20	0.02	0.20	0.22	0.02	0.18	0.20	0.04	0.15	0.17	0.02
Campsites	0.24	0.26	0.19	0.30	0.34	0.15	0.27	0.29	0.23	0.31	0.31	0.32
Restaurants and cafés	0.06	0.07	0.04	0.07	0.10	0.03	0.07	0.11	0.02	0.08	0.13	0.02
Canteens	0.65	0.66	0.23	0.62	0.64	0.08	0.63	0.65	0.07	0.62	0.64	0.11
Travel agents	0.16	0.17	0.13	0.18	0.19	0.16	0.18	0.19	0.19	0.19	0.21	0.13