

# Tourism: A road well travelled for job creation

By [Brett Hendricks](#)

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With ongoing petrol hikes, a recession, a VAT hike and the impact of the drought, many South African businesses are now struggling. As a country, we simply cannot afford further job losses, given that 27.2% of the population are without jobs, according to Stats SA's report for second quarter of 2018, and youth unemployment is at a staggering 38.8%.



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The Jobs Summit, led by President Cyril Ramaphosa in early October, saw government consulting with the private sector, unions and community organisations regarding accelerating job creation in South Africa.

During the summit, government reiterated that it will not retrench any employee in the public sector as “you cannot be retrenching while trying to create new jobs”. So, the 1.3-million people employed in the public sector are seemingly safe. At the end of the summit, an agreement was signed by various stakeholders outlining a framework to stem job losses and create employment opportunities across sectors. The aim is to create 275,000 jobs annually over the next five years.

## A strategic industry

The tourism sector in South Africa is one of the largest supporters of job creation in the country, a reality that government already recognises, having said that the sector is a “strategic industry able to help create much needed employment”.

Figures from Statistics SA demonstrate that the industry has generated new jobs over time: around 700,000 people were directly employed in the sector in 2016, up from just over 500,000 a decade earlier. Currently, there are 1.6-million people directly employed and indirectly supported by the tourism sector.

Ramaphosa aims for the doubling of jobs in tourism. But significant help from government will be needed in order to achieve this lofty target. There must be clear policies in place to focus on boosting the tourism industry, through financial assistance in the sector, skills training initiatives, and supporting and improving South Africa's attractions and assets at every level.

The example of the Western Cape proves what can be done. MEC for agriculture, economic development, and tourism in the Western Cape Province Alan Winde explains that his department's growth strategy, Project Khulisa, strategically focused efforts in the fastest growing sectors with the most potential for job creation, namely tourism, agri-processing and the oil and gas sectors. This strategy saw the Western Cape creating "40% of all new jobs in South Africa in the second quarter of 2018, despite making up less than 15% of the national economy".

Similarly, Mpumalanga, in the last four years, invested billions in improving public infrastructure. This included tourism infrastructure. According to Deputy President, David Mabuza "the capital investment in tourism infrastructure, through upgrading of nature reserves and upgrading of tourism routes, has resulted in increased tourism spend. This has grown to R4.6bn for foreign tourists and R1.8bn for domestic tourists annually." Employment in the province grew by 7.5% in 2017. The province not only achieved its annual job creation target, but exceeded it.

## **Skills shortage**

Government also needs to focus attention on the skills shortages across sectors. It must work with various industries to support skills training and, ultimately, job creation that is sustainable for the long term.

If government worked with the tourism sector, for example, we could train people in all spheres of the industry – in hospitality, in various services, in client facing and management roles, in tourism technology, to name just a few areas with potential for growth.

In addition, the tourism sector has appealed to government to work towards greater regulatory certainty in order to achieve the stability needed for sustained growth and therefore the creation of further jobs in the industry.

But, it is not enough to say that tourism can help turn around the country's employment crisis. Greater economic growth is crucial. As Winde says, "The only way to tackle the unemployment crisis in South Africa is through economic growth. An economy that is not growing cannot create or sustain jobs."

## **Land issues**

Additionally, the land issue is understandably a very sensitive subject for many people, but we do need to address issues around unused land and how it can best be harnessed to empower South Africans.

Utilising currently unused land for tourism purposes could have the potential to alleviate poverty and unemployment, especially in rural areas.

While there is fallow land in some of South Africa's most iconic areas, many such areas are surrounded by communities living in poverty. If we use this land the right way and create sufficient resources to ensure sustainable opportunities, there is huge potential for job creation and entrepreneurship which will create economic value.

Tourism can definitely play an important role of creating job, in particular since there is a strong desire among global and domestic travellers to explore the natural beauty, culture and heritage that our country has in abundance. This is aided by our weak currency, which is a drawback for many international tourists. With government and the private sector working together, we can use these elements to drive significant change on a national level.

## ABOUT THE AUTHOR

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