



Trade & Industrial Policy Strategies (TIPS) is a research organisation that facilitates policy development and dialogue across three focus areas: trade and industrial policy, inequality and economic inclusion, and sustainable growth

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SECTOR JOBS RESILIENCE PLAN: TOURISM VALUE CHAIN

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FOREWORD

The National Climate Change Response White Paper requires the development of Sector Jobs Resilience Plans (SJRPs). These plans aim to protect vulnerable groups that may lose their jobs or livelihoods as a result of climate change impacts, related either to physical effects or to the transition to alternatives.

The proposals for the SJRPs, and the evidence supporting them, are presented as a suite of related documents. These are The SJRP toolbox: Summary for Policy Makers and proposals for five value chains that seem particularly likely to be affected: coal, metals, petroleum-based transport, agriculture and tourism.

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ABBREVIATIONS

SJRP	Sector Jobs Resilience Plan
GDP	Gross Domestic Product
GHG	Greenhouse Gas
SADC	Southern African Development Community
SEIAS	Socio-Economic Impact Assessment System
UIF	Unemployment Insurance Fund

EXECUTIVE SUMMARY

The National Climate Change Response White Paper requires the development of Sector Jobs Resilience Plans (SJRP) that could protect vulnerable groups who could lose their jobs or livelihoods as a result of the climate impacts, either related to physical effects or to the transition. This document provides initial proposals for the SJRP for the tourism value chain.

A SJRP is needed for the tourism value chain because climate-change related impacts will likely have a significant impact on it. In particular, there may be a turn away from long-distance travel, while environmental tourism sites will suffer as a result of greater heat, droughts and floods.

A downturn in tourism would have a severe impact on low-income workers, small businesses and communities that depend on it for their jobs and livelihoods. It is, however, a challenge to identify these groups because the statistical system does not distinguish tourism as a separate industry. The proposals in this report therefore focus on workers in catering and accommodation, since Statistics South Africa estimates that they depend principally on tourism. These workers are mostly women. On average, they get relatively poor pay and have low levels of formal education, making it more difficult for them to find work if they lose their employment or livelihoods as a result of climate-change related impacts.

The proposed SJRP for tourism aims to reduce climate-change related impacts on these workers and to improve information on tourism-dependent towns. The proposals centre on:

1. Clarifying responsibility for implementation of the SJRP within government.
2. Maximising the diffusion of technologies that can limit the extent of job losses and lower incomes resulting from climate change for people and businesses that depend on tourism.
3. Identifying communities that depend disproportionately on tourism and monitoring possible downturns that arise from climate-change related impacts.
4. Where job loss is unavoidable, assisting tourism workers to transition to new livelihoods through active labour market policies.
5. Providing income support to tourism workers if they have to transition to new employment as a result of a climate-change induced downturn in the value chain.

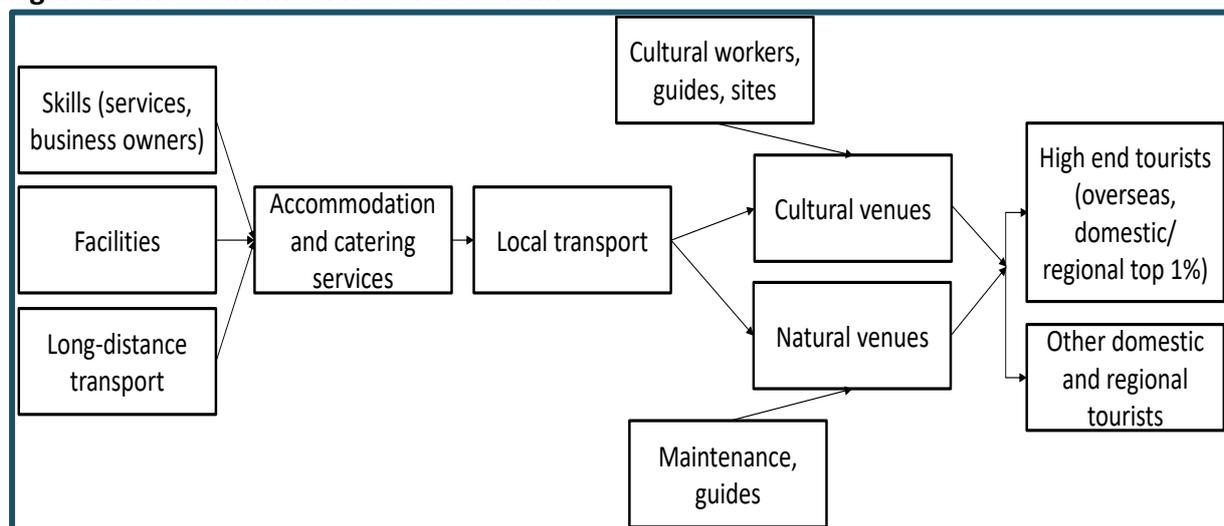
This document first reviews the main dynamics in the tourism value chain, in particular trends in production, climate-change related impacts, and the nature of vulnerable groups. It then lays out the proposals for the SJRP, in each case providing an initial impact assessment and the phasing and risks for implementation, based on the underlying theory of change.

1 KEY DYNAMICS

1.1 Production, location and exports

The following figure shows the scope of the tourism value chain. As with any service, skills are an essential input in themselves, particularly for accommodation and cultural activities. They are therefore noted specifically as inputs.

Figure 1. The tourism services value chain



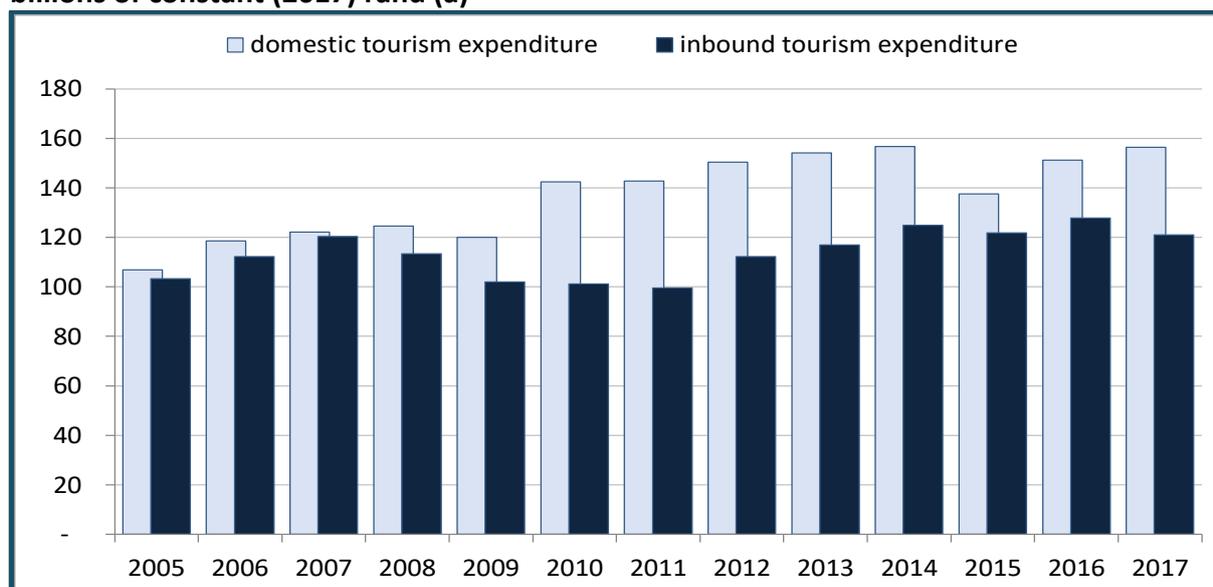
Tourism is not a category in the standard industrial classification, which means that there is generally less data, and less reliable data, on the value chain than other industries. Statistics South Africa publishes satellite accounts on an annual basis, with some delay, which seek to estimate the effects of tourism on output and employment across other industries. The data provided in this report derives from the 2017 satellite accounts unless otherwise noted.

Gross value added in tourism largely tracked growth in the overall economy, fluctuating around 2.9% of the gross domestic product (GDP). In constant rand, it climbed 4.2% a year through 2014, then flattened out.

Trends in tourism primarily reflected increased spending by South Africans. Expenditure by foreign (“in-bound”) tourists – two thirds of whom come from Southern African Development Community (SADC) countries, with most of the rest from Europe – was hard hit by the 2008/9 downturn and had barely recovered in the late 2010s.

A further downturn happened in 2017, due in part to the negative international publicity about the water shortage and the likelihood of “Day Zero” in Cape Town.

Graph 1. Expenditure by domestic and foreign tourists in South Africa, 2005 to 2017, in billions of constant (2017) rand (a)



Note: (a) Refflated with average annual CPI rebased to 2017. Source: Statistics South Africa. *Tourism Satellite Account*. Publications for relevant years. Pretoria.

The division between demand by domestic and foreign tourists, and the share of total production bought by tourists, varies substantially even within the group of characteristic products. According to Statistics South Africa’s estimates, accommodation, air transport and travel agencies are almost entirely dependent on tourists. Foreign travellers are the main source of tourism business for accommodation; sports, culture and recreation; and restaurant sales.

Because of the importance of nature-based tourism in South Africa’s tourism profile, it was important in a number of rural areas with few other economic opportunities. Still, it was centred primarily in Cape Town, Durban and Johannesburg. Gauteng, KwaZulu-Natal and the Western Cape accounted for two thirds of employment in accommodation and food services.

1.2 Dimensions of impact

The impact of climate change and efforts to mitigate it on tourism for South Africa relate both

- to supply-side effects, as the changing environment affects nature-based tourism sites and, in the Western Cape, accommodation capacity, and
- to reduced demand for long-distance travel as measures to limit emissions take hold.

In the short to medium term, the specific nature, location and timing of impacts remain uncertain, although the long-run trajectory is clear. This uncertainty means the SJRP must include both strong monitoring mechanisms and an ability to adapt to challenges as they arise.

Virtually all industry analysts list nature-based tourism as the main attraction for travellers in South Africa, ranging from game parks to beaches to Cape winelands and Table Mountain, and the Drakensberg mountains. The only attractions in the top 10 cited by South African Tourism that do not depend on natural beauty are Johannesburg and Soweto. These attractions may be affected by drought or more violent rain, and in the case of the beaches

by rising sea levels. Biodiversity is particularly threatened by climate change. In KwaZulu-Natal, many hotels and guesthouses are built directly on the waterfront, with very little elevation.

Cape Town has seen a marked reduction in tourism as a result of the drought in 2016/7.¹ International publicity about the water shortage fuelled a fall in visits even after the shortage ended. The slowdown emerged from figures for employment in catering and accommodation in the province. From 2008 to 2015, jobs in the industry climbed 2.9% a year, compared to 1.6% a year in the rest of the country. From 2015 to 2017, however, the industry lost 4 000 jobs, for a decline of 1.7% a year, before recovering in 2018. In contrast, in the rest of the country, employment was stable in catering and accommodation from 2015 to 2018.²

In addition, several Cape Town attractions may be affected by climate change. In particular, rising seas could change the shape of Robben Island and the Victoria and Albert Waterfront, while droughts and rising temperatures threaten the wine estates.

On the demand side, long-distance travel is likely to become more expensive as efforts to mitigate climate change intensify. The air travel industry accounts for about 2% of global greenhouse gas (GHG) emissions. Its emissions are, however, rapidly climbing rapidly.

The International Civil Aviation Organization has designed a scheme for the industry to offset its emissions related to international travel only, which will inevitably add to the cost for passengers. The scheme will be voluntary from 2021 and mandatory from 2027. The industry targets carbon-neutral growth by 2020 and a halving of 2005-level emissions by 2050. In addition, consumers have begun to shun air travel in an effort to reduce emissions.

Issues around air travel will have the greatest effects on long-haul, overseas (mostly European, American and Asian) tourism to South Africa. Because tourists from these areas spend more per person, they have a disproportionate impact on employment. In addition, domestic tourism from inland to the coast and to Kruger National could be affected by higher transport costs. The impact could be mitigated by shifting from road and air to rail, if that is possible without excessive additional costs.

1.3 Vulnerable groups in tourism

The diffusion of tourism employment across a range of industries defined in the standard statistical categories makes it difficult to identify all of the vulnerable groups and communities in the value chain. This section describes the position of workers in food service and accommodation – the largest group in tourism employment – as a proxy for all tourism workers.

In contrast to mining and farming, the data do not permit identification of municipalities with heavy dependence on tourism. The largest share of employment from catering and accommodation is only 8% (in Bela Bela and Bitou) and fewer than 10 towns report employment of over 4% in the industry. It is proposed in section 2.3 that the SJRP process

¹ Interviews with GPG and Cape Town Tourism officials, October 2019.

² For 2008 to 2017, calculated from Statistics South Africa, Labour Market Surveys for relevant years; for 2018, average of figures for Quarterly Labour Force Surveys for all four quarters.

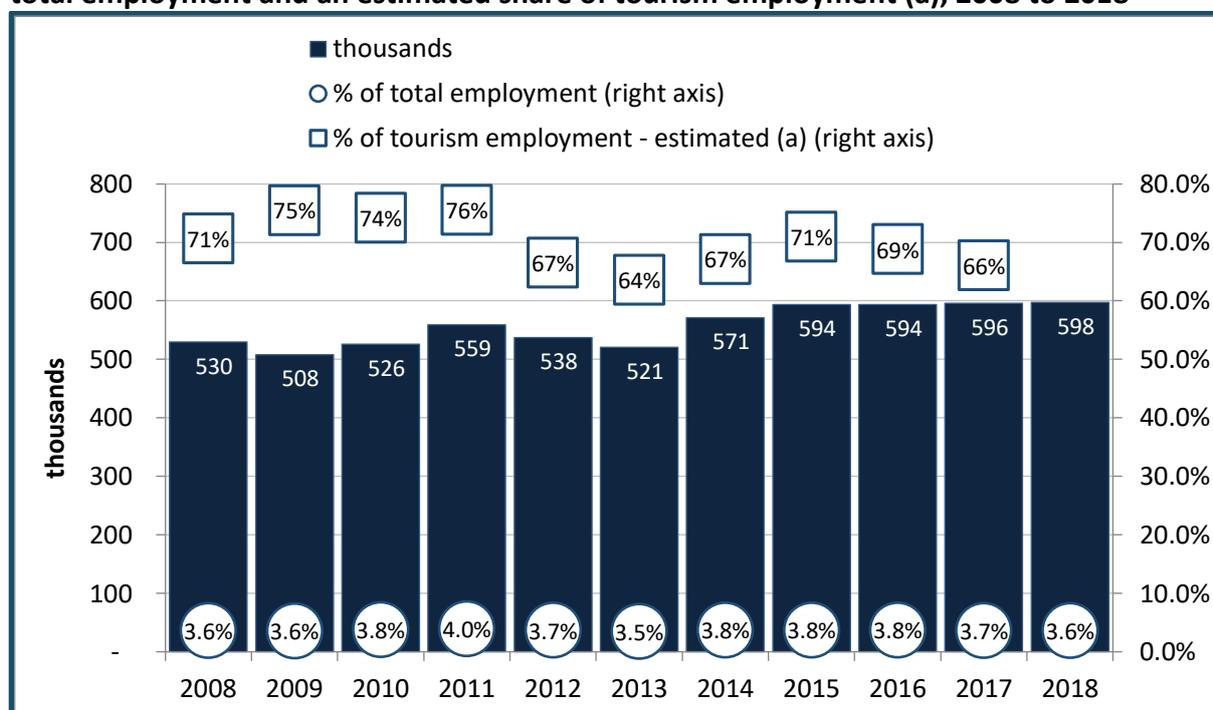
include an audit of tourism activities by municipality to identify vulnerable communities and small businesses.

1.3.1 Employment levels

Statistics South Africa estimates total employment from tourism in South Africa at around 700 000, or 4.5% of all jobs in the country. The relatively high share in total employment reflects the importance of labour-intensive activities in industries used by foreign and domestic tourists. Tourism employment saw a boost around the 2010 World Cup, but since then has grown at the same rate as the rest of the economy.

As the following graph shows, catering and accommodation accounts for an estimated two thirds of total tourism jobs, and around 4% of national employment. After growing an average of 2.6% a year from 2009, it essentially levelled out from 2015 to 2018.

Graph 2. Employment in catering and accommodation in thousands and as a percentage of total employment and an estimated share of tourism employment (a), 2008 to 2018



Note: (a) Estimated as 80% of total employment in catering and accommodation, in line with the coefficient used in the satellite accounts for 2017. *Source:* For 2008 to 2017, calculated from Statistics South Africa, Labour Market Surveys for relevant years; for 2018, average of figures for Quarterly Labour Force Surveys for all four quarters.

As usual, workers in informal employment in accommodation and catering had far lower incomes, job security, education and social capital than their formal peers. In 2017, two out of 10 workers in the industry were informally employed, compared to three in 10 in the rest of the economy.

More than three fifths of workers in formal accommodation and food services are women, compared to two fifths in the rest of the formal sector.

1.3.2 Financial resources

Workers in catering and accommodation had relatively low pay. In 2017, the median income for formal women employees in the industry was R3 200 a month; for men, it was R3 800. In

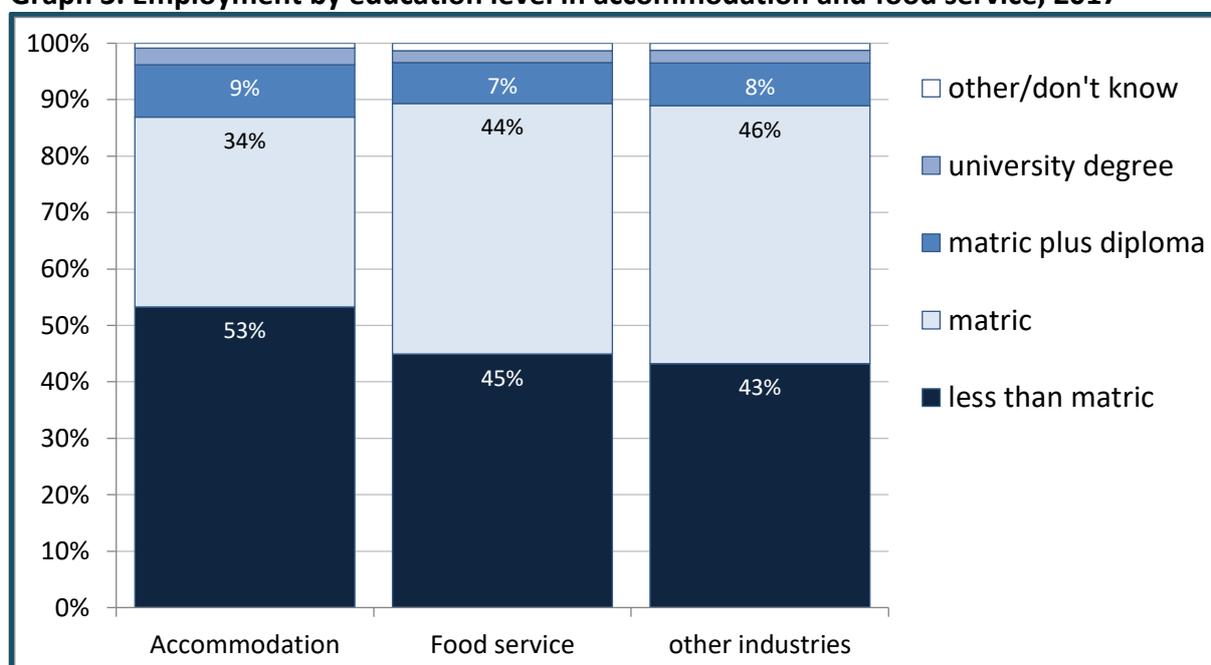
the informal sector, the median pay for women came to R2 000 a month, compared to R2 900 for men. For comparison, the median earnings for formal women employees in the rest of the economy was around R3 800 a month, while for men it was R4 500.

Catering and accommodation workers were less likely than other formal workers to have a retirement fund. In 2017, 40% of men and 35% of women in formal jobs in the industry had a pension or provident fund, compared to over 55% of other formal workers. Close to 80% of both men and women paid into the Unemployment Insurance Fund (UIF), however, which was somewhat higher than in other formal industries.

1.3.3 Human capital

In accommodation, workers' education level was somewhat lower than the national norm. Over half did not have matric, as Graph 3 shows. In food service, it was closer to the norm, as 45% of workers did not have matric, a similar number did, and the rest had some form of post-secondary education.

Graph 3. Employment by education level in accommodation and food service, 2017



Source: Calculated from Statistics South Africa. Labour Market Dynamics 2017. Electronic database. Downloaded from www.statssa.gov.za in December 2018.

Statistics on skills aggregate service workers without indicating their skill levels. As a result, they do not assist in understanding the skills of workers in catering and accommodation.

Workers in catering and accommodation were somewhat younger than in the rest of the economy. In 2017, the median age of women in formal catering and accommodation jobs was 34, while for men it was 32. In the rest of the formal sector, it was 38. In informal accommodation and catering, the median age was 38 for women and 35 for men, around two years younger than in other industries.

1.3.4 Social capital

As with other workers, the main information on social capital for accommodation and catering workers relates to their workplace.

One in seven formal workers in the industry, both women and men, belonged to a union – around half the rate for the rest of the formal sector. Seven in 10 said the employer set their pay unilaterally, and around one in 20 said they did not get an annual increment. Just over 10% said their pay was set by collective bargaining.

The share of formal workers in catering and accommodation who said they were permanent was only slightly lower than 70%, which was the norm for the formal sector in 2017. In the informal sector, however, only between 20% and 30% of workers said they were had permanent positions.

Nine out of 10 formal workers in catering and accommodation had a written contract, only slightly lower than the norm for formal workers as a whole. For informal workers in the industry, however, the rate was half as high. They were substantially less likely than other formal workers to have vacation and family leave, however. Only around half of workers in the industry said they could take paid leave time for these purposes, despite the legal requirements. They were almost as likely as other formal workers to get paid sick leave, however.

2 PROPOSALS

This section presents proposals on mobilising capacity to drive implementation of the SJRP for the tourism value chain; promoting technological adjustments to minimise the loss of jobs and livelihoods as far as possible; identifying tourism-dependent towns and proposals to support them if tourism declines as a result of climate-change related impacts; active labour market policies to assist catering and accommodation workers to transition to alternative activities if necessary; and income support to assist affected workers if required.

Implementation of the SJRP will require coordination across a range of state agencies in all the spheres of the state. For most proposals, success also depends on the ability to mobilise stakeholders in the value chain. For this reason, it is important to be clear about the overall responsibility for implementing the SJRP as well as the roles of the various public and private stakeholders. The first proposal responds to this necessity.

Each proposal is followed by tables that provide a brief impact analysis and a description of the phasing and risks of implementation. The impact assessment uses the Socio-Economic Impact Assessment System (SEIAS) methodology, which centres on evaluating costs, benefits and risks for different stakeholders, using detailed description when meaningful quantification is not possible. In this case, the aim is primarily to identify potential costs and risks as well as benefits, without attempting an in-depth discussion.

The table on phasing lays out each step from the initiation of the proposal to the achievement of the desired socio-economic impact. For these steps, it identifies the requirements for success and the main risks. The aim is both to indicate key steps for implementation to indicate where risk mitigation is required.

2.1 Mobilising implementation capacity

Aim: Establishing a structure to drive implementation of the SJRP for tourism.

Proposal: SJRP to establish a unit to coordinate the strengthening and implementation of the SJRP across government and with stakeholders. The sector is diverse, poorly organised and unequal, so coordination will require capacity and resourcing.

Table 1. Impact evaluation

Dimension	Vulnerable groups and communities	National departments	Organised business	Organised labour
Benefits	Improved alignment to promote of measures designed to benefit them	Reduced difficulty of coordinating with other departments	Single point of engagement Improved alignment across state agencies	Single point of engagement Improved alignment across state agencies
Costs	Time and energy required to engage on SJRPs and their implementation Cost of maintaining unit may reduce resources available for other measures	Might have to compromise on disagreements with other state agencies Time and energy required to engage on SJRPs and their implementation	Time and energy required to engage on SJRPs and their implementation	Time and energy required to engage on SJRPs and their implementation
Risks	Unit lacks adequate staff, competencies or resourcing to carry out functions	Unit lacks adequate staff, competencies or resourcing to carry out functions	Unit lacks adequate staff, competencies or resourcing to carry out functions Might not agree with some measures in SJRP	Unit lacks adequate staff, competencies or resourcing to carry out functions Might not agree with some measures in SJRP

Table 2. Phasing and risks

Action	Requirements	Risks
Phase 1: Decision on unit structure	Presidential Climate Change Co-ordinating Commission (PCCCC) establishes unit to drive SJRP for the tourism sector	Mandate is delayed PCCCC does not define role, powers and tasks of the SJRP unit appropriately or clearly
Phase 2: Unit is adequately resourced	PCCCC allocates adequate positions and funds Hiring procedures ensure strong competencies (policy expertise, innovative approach, ability to manage planning and implementation processes with stakeholders inside and outside of government)	Unit is unable to obtain adequate resources Unit employs people without required competencies and qualities
Phase 3: Unit implements SJRP for tourism sector effectively	Clear, timely mandates and clarity on relationship to relevant departments and state agencies Efficient platforms to engage stakeholders inside and outside of government Resources to monitor implementation of SJRPs Resources and authority to unblock and/or initiate a course correction as required	Mandates are delayed or relevant partners within government can circumvent or ignore them Platforms for engagement on the SJRP do not include key stakeholders in tourism, who then circumvent them, and/or are poorly facilitated, leading to delays and disputes Inadequate resourcing in terms of funding or capacity, so unable to monitor implementation, or unblock and/or course correct
Phase 4: Vulnerable groups in the tourism value chain are effectively supported	Unit is able to ensure government implements SJRP for agriculture effectively, with on-going improvements and course corrections as information and certainty about climate-change impacts improve and better solutions emerge	Unit lacks necessary resources, information, capacity and authority

2.2 Technological adjustment

1. Protect environmental attractions as far as possible

Proposal: The PCCCC to request the National Department of Tourism and the Department of Environment, Forestry and Fisheries to develop and implement a plan to improve the

resilience of natural attractions to climate-related impacts (e.g. through water and wildlife management).

Table 3. Impact evaluation

Dimension	Vulnerable groups and communities	National departments	Business	Affected municipalities
Benefits	<p>Maintenance of environmental attractions sustains eco-tourism</p> <p>Community has better natural environment</p>	<p>Maintenance of tourism sustains employment and incomes, reducing long-run burden on state</p> <p>Maintenance of biodiversity</p>	<p>Improved sustainability of tourism enterprises contributes to broader growth in long run</p> <p>Higher employment reduces social conflict</p>	<p>Improved sustainability of tourism enterprises contributes to broader growth in long run</p> <p>Better natural environment for residents</p>
Costs	<p>Limitations on use of eco-tourism sites</p> <p>Resources to sustain site rather than other possibilities</p>	<p>Time and energy to develop and implement measures</p> <p>Resources to protect and nurture sites</p>	<p>Some business opportunities may be lost in order to sustain sites</p>	<p>Limitations on use of eco-tourism sites</p> <p>Resources to sustain site rather than other possibilities</p>
Risks	<p>Unable to sustain sites</p> <p>Cost of sustaining site to communities and workers outweighs benefits</p> <p>Measures lead to reduced access, resulting in income or job losses</p>	<p>Communities and/or investors push back against measures</p> <p>Scope of climate change overwhelms measures</p>	<p>Business cannot prevent successful pushback from businesses that lose out, even if business as a whole would benefit in the long run</p>	<p>Cost of measures outweighs benefits</p> <p>Municipality ends up voicing opposition based on lobbying by groups that lose out, even if majority benefits</p>

Table 4. Phasing and risks

Action	Requirements	Risks
Phase 1: PCCCC requests departments to develop plan	PCCCC sends request	PCCCC does not have capacity or does not prioritise request, leading to delays
Phase 2: Departments agree to develop plan	Departments see plan as worthwhile	Departments see the plan as unnecessary or not a priority
Phase 3: Departments develop plan	Departments have resources and capacity to develop plan	Departments do not have resources or capacity to develop the plan
Phase 4: Departments implement plan	Departments prioritise implementation of plan, so they put in the necessary capacity and resources Departments have mobilised sufficient support from stakeholders, including affected communities, for successful implementation	Departments do not prioritise implementation, so it does not happen, is greatly delayed, or remains under-resourced Stakeholders, including communities, do not actively support implementation or actively resist it, leading to higher costs or failure
Phase 5: Degradation in eco-tourism sites is prevented or delayed	Plan succeeds in preventing or delaying degradation in eco-tourism sites	Measures are inappropriate or inadequate to address climate change Climate change is too great to prevent degradation in the long run Measures are cut short because of resistance from users or because of changes in policy or resourcing
Phase 6: Tourism is sustained at sites	Overall tourism remains strong	Factors other than site degradation lead to declining tourism (e.g. economic slowdown, reduced air travel)

Action	Requirements	Risks
Phase 7: Workers and communities retain incomes and employment	Tourism at sites is sustained	Tourism at sites declines despite successful and effective measures to sustain them

2. Make it easier to offset or reduce emissions from air travel

Proposal: PCCCC to work with the National Department of Transport (a) to require all airline companies flying to South Africa to develop reliable, easy to use and efficient offset systems, at least for overseas travel; and (b) to identify and promote initiatives to reduce emissions from air travel, including introducing cleaner fuels.

Table 5. Impact evaluation

Dimension	Vulnerable groups and communities	National departments	Business	Organised labour
Benefits	High-end tourism remains strong, sustaining employment and incomes	Higher employment, growth and foreign-exchange earnings	High-end tourism remains strong, boosting growth overall Higher employment reduces social conflict	High-end tourism remains strong, boosting employment and incomes Higher demand for air travel strengthens members' position
Costs	Costly programmes effectively divert resources from basic services	Cost of implementation, which may include subsidies for new technologies Potential for conflict with airline companies if they have to bear some cost	Higher costs for airline travel Cost of programmes leads to higher taxes or diverts resources from other uses	Costly programmes effectively divert resources from other priority programmes

Dimension	Vulnerable groups and communities	National departments	Business	Organised labour
Risks	Measures fail and high-end tourism declines	Airlines reduce transport to South Africa if costs or technological requirements increase Unable to develop measures to reduce air transport emissions significantly Costs of innovation prove to be higher than planned	Measures fail for technical or economic reasons Costs of programmes prove to be higher than expected	Measures fail for technical or economic reasons Costs of programmes prove to be higher than expected

Table 6. Phasing and risks

Action	Requirements	Risks
Phase 1: PCCCC requests departments to develop specific proposals	PCCCC sends request	PCCCC does not have capacity or does not prioritise request, leading to delays
Phase 2: Departments agree to develop specific proposals	Departments see measures as worthwhile and viable	Departments see measures as inappropriate, unnecessary or impossible to achieve
Phase 3: Departments develop specific proposals	Departments have resources and capacity to develop proposals Further work shows that proposals are viable	Departments do not have resources or capacity to develop proposals Departments find that there are no affordable or viable technologies to achieve the desired outcomes International agreements rule out unilateral action to encourage or incentivise reduced emissions or offsets

Action	Requirements	Risks
Phase 4: Departments implement proposals	<p>Departments prioritise implementation, so they put in the necessary capacity and resources</p> <p>Departments have mobilised sufficient support from stakeholders, including airlines and regulator, for successful implementation</p>	<p>Departments do not prioritise implementation, so it does not happen, is greatly delayed, or remains under-resourced</p> <p>Stakeholders, including airlines or regulator, do not actively support implementation or actively resist it, leading to higher costs or failure</p> <p>Technological solutions turn out to be excessively costly or not viable</p>
Phase 5: Airline traffic within and to South Africa entails lower net emissions	Measures are viable and affordable	Technological solutions turn out to be excessively costly, ineffective or not viable
Phase 6: Potential tourists know that emissions from air travel are lower	Reduction in emissions is communicated to potential tourists in SA and abroad	Communications do not reach key markets or are unconvincing
Phase 7: Tourism using air travel is sustained	High-end tourism remains strong	Factors other than the cost of air travel lead to decline in high-end tourism (e.g. economic slowdown, degradation of sites, visa problems)
Phase 8: Workers and communities retain incomes and employment from tourism	High-end tourism remains strong	High-end tourism declines despite success in reducing and communicating reduced emissions from air travel

2.3 Diversification of local economies

Aim: Identify communities that depend on tourism as the basis for assisting in diversification.

Proposal: The PCCCC and the National Department of Tourism to develop an initial overview and then research relevant regions (excluding metros) to identify the extent and nature of dependence on tourism. On this basis, they should evaluate the need for a system to provide an early warning of a downturn in tourism at local level, and identify where plans should be developed for diversification.

Table 7. Impact evaluation

Dimension	Vulnerable groups and communities	National departments	Tourism businesses	Municipalities
Benefits	Able to get support if jobs or livelihoods lost because of a downturn in tourism	Able to identify towns that would be affected by a downturn in tourism due to climate-change related impacts	Able to access support to maintain eco-tourism attractions or find alternatives to tourism if necessary	Able to access support to maintain eco-tourism attractions or diversify the local economy if necessary
Costs	Need to provide information for study	Resourcing for study Capacity to manage study and develop early-warning system	Need to provide information for study	Need to provide information for study
Risks	Study does not identify towns correctly or does not lead to support	Study does not identify towns correctly or does not lead to support	Study does not identify towns correctly or does not lead to support	Study does not identify towns correctly or does not lead to support

Table 8. Phasing and risks

Action	Requirements	Risks
Phase 1: PCCCC engages National Department of Tourism to design study and commission researchers	PCCCC has capacity to engage Department of Tourism Department of Tourism allocates capacity to work on project Resources are available for study Procurement process succeeds in identifying researchers with necessary capacity and expertise	PCCCC does not have time or capacity to engage on proposal Department of Tourism does not see project as necessary Resources are not available for the study Procurement process does not identify appropriate researchers

Action	Requirements	Risks
Phase 2: Researchers identify tourism-dependent towns	<p>Researchers develop efficient and reliable methodology for identifying tourism dependent towns and evaluating the importance of tourism in the local economy</p> <p>Resources are adequate to complete the study</p>	<p>Researchers are unable to identify tourism-dependent towns or findings are not reliable</p> <p>Resources are insufficient to complete the study</p>
Phase 3: PCCCC and government agencies use the study to develop an early-warning system and identify whether municipalities need to diversify local economies away from tourism	<p>PCCCC gains cooperation from relevant national departments (Department of Trade and Industry, Department of Tourism, Department of Cooperative Governance and Traditional Affairs) and other public and private stakeholders to develop effective early-warning system</p> <p>Parties have sufficient capacity, expertise and resources to develop an effective and reliable system</p>	<p>Stakeholders do not prioritise study so do not set aside time and capacity to engage</p> <p>Parties do not have expertise or resources to develop system</p>
Phase 4: Early warning system enables government to assist vulnerable towns to deal with downturns in tourism	<p>Government has appropriate toolbox of measures to assist vulnerable towns</p> <p>Municipalities co-operate in developing plans for diversification</p>	<p>Government does not have instruments to help vulnerable towns diversify their economies or to provide other forms of support</p> <p>Municipalities lack the capacity or political will to cooperate</p>
Phase 5: Plans succeed in reducing losses of jobs and livelihoods due to a downturn in tourism in tourism-dependent towns	<p>Plans are effective in mitigating effects of downturn in tourism because they are well designed and adequately resourced</p>	<p>Plans are not viable or are too small to have an impact</p> <p>Plans are not sufficiently resourced to succeed</p>

2.4 Active labour market policies

Aim: Establish measures to support workers in tourism who lose their work due to climate-change related impacts.

Proposal: The PCCCC should work with relevant departments to establish measures to respond to job losses resulting from a climate-related downturn in tourism at national or local level, including identification of relevant job opportunities and provision of retraining as required.

Table 9. Impact evaluation

Dimension	Employees and small business in tourism	CULTURE, ART, TOURISM, AND SPORT SETA, UIF, Department of Employment and Labour	Tourism-dependent municipalities
Benefits	Government support eases transition to new employment or livelihoods if tourism declines for climate-change related reasons	Fulfil mandate of assisting workers to transition to new employment	Downturn in tourism has less impact on employment and growth Increased skills raise productivity
Costs		Need to revise programmes to assist when industry faces a national or local downturn Resources and capacity for implementation	May have to support programmes with capacity, locations, logistics or resources
Risks	New opportunities are not available Unable to access training that requires at least matric	New opportunities are not available	New opportunities are not available

Table 10. Phasing and risks

Action	Requirements	Risks
<p>Phase 1: PCCCC engages with relevant government departments and agencies to develop specific measures to assist tourism workers to transition to new jobs if necessary</p>	<p>PCCCC has capacity to identify and engage with relevant government agencies</p> <p>Other government departments and agencies are willing to co-ordinate with the PCCCC on the project</p> <p>Parties have expertise, resources and capacity to design effective system</p>	<p>Needed agencies are left out of engagement or too many irrelevant agencies are included</p> <p>Agencies and departments do not prioritise the engagement or the project, so do not participate meaningfully</p> <p>Agencies do not have requisite expertise, resources or capacity</p>
<p>Phase 2: Measures are implemented if and when a downturn in tourism leads to loss of jobs or livelihoods</p>	<p>Able to identify downturn and loss of jobs or livelihoods promptly</p> <p>Able to identify affected workers and small businesses</p> <p>Resources and capacity to implement</p>	<p>Early warning system does not exist or is not reliable</p> <p>Unable to identify affected workers or entrepreneurs</p> <p>Agencies do not prioritise measures, which are therefore under-resourced</p>
<p>Phase 3: Measures reduce transition time to new jobs and livelihoods and raise skill levels</p>	<p>Measures are well designed and accessible including to workers without matric</p> <p>Appropriate opportunities are available</p>	<p>Measures effectively exclude less educated workers who need them most</p> <p>New jobs or livelihoods are not available or cannot be identified</p> <p>Training is inappropriate for available jobs</p>