

EMPLOYMENT AS THE GREATEST CHALLENGE OF LONG TERM TOURISM DEVELOPMENT

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Abstract

Tourism is becoming an increasingly important sector in the economies of many countries. Its impact on economic growth and the balance of payments through GDP growth, employment and investment is evident. According to UNWTO forecasts, it is expected that this impact will be even stronger. Furthermore, it is quite clear that the focus of this labour-intensive activity is on human capital which has a decisive influence on the satisfaction level of the users of tourist services.

Considering the complexity and fragmentation of tourism, it is very difficult to determine which jobs are the result of the tourism development as well as the exact number of employees who are directly and indirectly employed in tourism and tourism-related activities. In order to understand the specificity of tourism employment, it is necessary to analyze characteristics of tourism that determine the structure and quality of the workforce, as well as to develop modern systems and concepts of labour and tourism impact measurement.

Key Words: *tourism development, employment, economic growth, measurement*

JEL classification: *E24, J21, O10, O11, Z30, Z32*

Introduction

The results of global tourism in 2018: 1.403 billion international arrivals, representing an increase of 6% compared to the previous year, as well as the fact that tourism represents 10% of global GDP, 7% of world's exports and 30% of world's exports of services (UNWTO; 2019),

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reaffirm the thesis that tourism is one of the most important economic and social global phenomena nowadays bearing in mind that globalization represents the final stage of market integration (Radulović & Pindžo, 2017), which additionally gives the favorable winds in the back of future tourism development. It is unequivocal that there is a strong link between tourism and economic development and, at a time of stronger influence of non-production sectors, tourism represents a significant area of new economic growth (Petković et. al. 2010). The authors of this study sought to draw attention to the strong link between the tourism development, overall economic development and employment. Furthermore, the research subject of this paper is understanding the essential characteristics of tourism as a global economic, and above all, social phenomenon that has strong implications in both direct and indirect employment. Furthermore, the paper deals with the research of the one of the biggest issues in the field of employment in tourism, the determination of the number directly and indirectly employed in tourism that have strong impact on tourism as a labour-intensive activity as well as with major international tourism measurement frameworks. Special attention will be paid to the analysis of employment in the tourism sector in the Republic of Serbia, the potentials and challenges that Serbia is facing and which must be solved if Serbia wants to continue strong tourism growth in the long-term period. Research are based on data and research provided by the United Nations World Tourism Organization (UNWTO), International Labour Organization (ILO), the United Nations (UN), World Economic Forum (WEF), World Bank (WB), the Ministry of Trade, Tourism and Telecommunications (MTTT) of the Republic of Serbia, Serbian Business Registers Agency (SBRA), bussinesassociationsand relevant scientific papers in the field of tourism and hospitality. Recognizing the object and purpose of research, this paper is conceived in five parts. The introduction defines the object, aim and expected contributions of the research. In the second part, global trends, results and predictions will be presented. In the third part of the paper, one of the main challenges of the employment in tourism today and its characteristics and impact - its measurement will be discussed. The fourth part deals with the current situation, trends and potentials for employment in tourism sector in the Republic of Serbia. The study will be completed with concluding remarks.

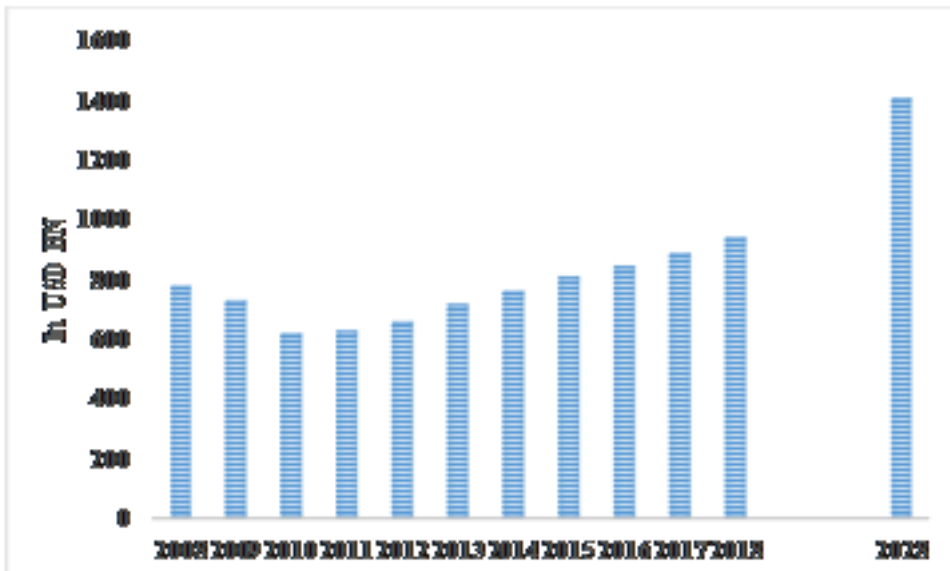
Characteristics, global trends and forecasts

The strong influence of tourism on the national economy is most often seen through the foreign exchange inflows, tax and other state and local

benefits and through employment as well. Although, at first glance, it may not be the case, tourists are generators of economic impact for the country, region, city or simpler for the destination: directly through their consumption and indirectly through the effect of tourism multipliers. It should be noted that the inbound tourism consumption is export, while the outbound tourism consumption represents import.

Economic impact of tourism is measured in terms of its effect on (UNWTO & ILO, 2015): income, employment, investment and development and balance of payment. Trade, travel and investment are closely interconnected. The benefits that business travel brings to international trade also foster investment by domestic firms and by foreign direct investors. Direct foreign investments that result from business travel introduce capital, technology, skills, people, know-how, demand for local supplies to the domestic economy, and bring improvements in trade balances (Aviation, 2011).

Figure 1: *Global Capital Investment in Travel & Tourism in 2018 in USD BN*



Source: *WTTC (2018)*

Besides those who have chosen tourism as their professional choice, tourism as a labour intensive sector offers opportunities for employment for people entering the labour market for the first time or having difficulties in finding employment elsewhere. Precisely because of the

fact that even under-educated and non-skilled people, as well as vulnerable groups such as young people, people with special needs (disabled), women with family responsibilities who can take only part-time jobs, can relatively easily find a job in tourism sector, so tourism role is even more significant for national economy. Also, these types of job opportunities are an important supplemental income component for retired people and others who are experiencing work transitions. Because of all above mentioned, there is a strong intensive link and mutual influence between tourism, economic development and employment.

Tourism positively influences and stimulates the entrepreneurship and entrepreneurial spirit of individuals. Numerous studies have shown that many people find jobs in tourism sector leaving other industries. Mobility, work orientation and self-evaluation are the characteristics of successful tourism employees. In particular, the opportunities for rapid advancement, as well as incentives for entrepreneurship and self-employment in small- and medium-size income generating activities, lead to a high level of satisfaction of those who successfully stay in tourism.

The impact of tourism on employment is reflected in the domain of: a) direct employment; b) indirect employment in the sectors that supply the tourism industry; c) induced effect on employment as a result of multiple consumption cycles and d) total employment effect reflected on the multiplier of employment, assuming that a high multiplier of employment would indicate that the country faces a high level of unemployment and tourism could be as a possible efficient way of absorption of workforce surplus.

UNWTO distinguishes two basic categories when it comes to tourism contribution to employment:

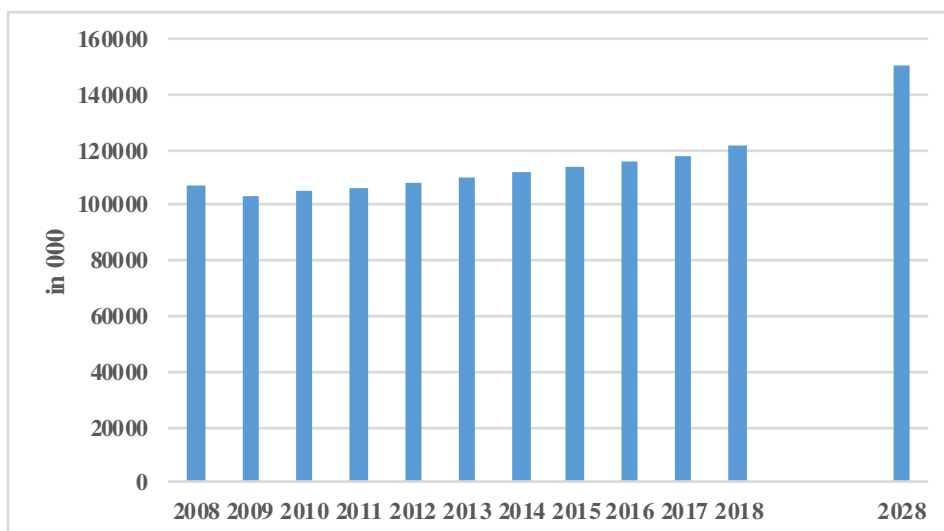
- Direct - refers to all employees who overturn activities from activities that are directly related to tourists - for example, employees in tourist agencies, hotels, restaurants, amusement parks, etc.
- Indirect - refers to suppliers of tourism industry (hotels, restaurants etc.), construction companies that build and maintain tourist facilities, as well as necessary infrastructure, aircraft manufacturers, various handicrafts producers, marketing agencies etc.

According to the Economic Impact of Global Travel & Tourism Report 2018 issued by the World Travel & Tourism Council (WTTC), total contribution of Travel & Tourism to employment (including wider effects

from investment, the supply chain and induced income) was 118,454,000 jobs directly in 2017 (3.8% of total employment). For 2018, WTTC forecast that number of employees would grow by 2.4%, ie. to 121,356,000 jobs. This includes employment by hotels, travel agents, airlines and other passenger transportation services (excluding commuter services) and other activities directly supported by tourists.

The total contribution of Travel & Tourism to overall employment (including wider effects from investment, the supply chain and induced income) was 313,221,000 jobs in 2017 (9.9% of total employment). For 2018, WTTC forecast that number of employees would grow by 3%, to 322,666,000 jobs (10.1% of total employment).

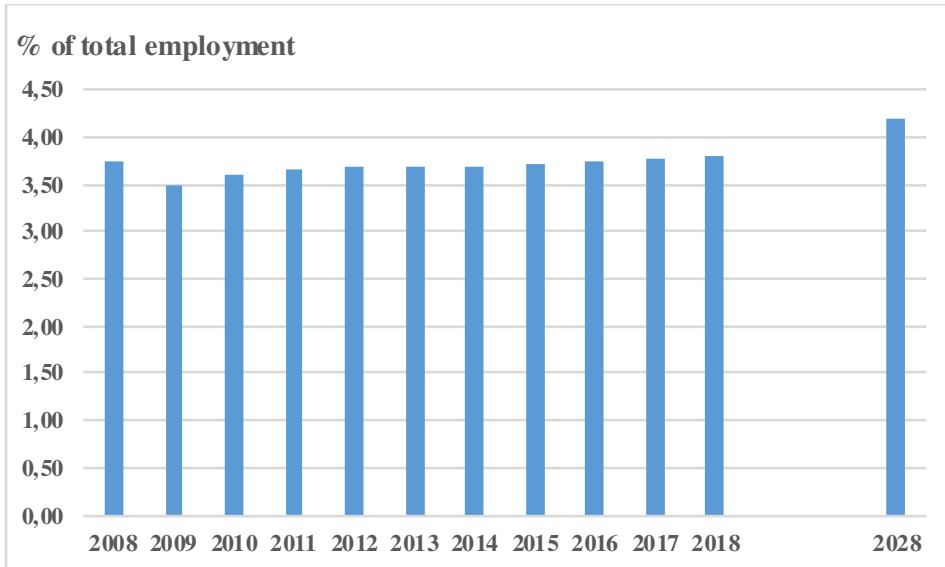
Figure 2: *Tourism Direct Employment 2008 – 2018 with Forecasts for 2028.*



Source: *WTTC (2018)*

According to the same source, by 2028, Travel & Tourism will account for 150,139,000 jobs directly (an increase of 2.2% pa over the next ten years) and will support around 413,556,000 jobs in total (or 11.6% of total employment), that will represent an increase of 2.5% pa over the period. Tourism & Travel sector generates around 100 ml jobs in Europe, compared with less than 20 ml in auto industry or around 20 ml in chemical industry (Lovreta et. al. 2016).

Figure 3: *Tourism Contribution to Total Employment 2008-2018 with Forecasts for 2028.*



Source: *WTTC (2018)*

Measurement of tourism employment

Detailed information on the labour force is important for every industry, including tourism, especially in terms of its basic characteristics as an exceptionally labour-intensive sector. The reasons lie in the seasonality of the workforce, part-time and/or excessive hours of work; low-paid (or unpaid) family labour and informal or sometimes illegal labour where the measurement is significantly more difficult. Also, large fluctuations of labourforce are a feature of the tourism industry, primarily due to underestimation in terms of wages, unpopular working hours (weekends, holidays, nights) and the presence of stress, small opportunities for professional promotion and other working conditions. Consequently, it is very difficult to determine the number of employees in this sector and therefore their position and status, and adopt the right policies in order to improve their position and their perspective.

Currently, there are three major international methodological frameworks for integrating or reconciling data from different sources which provide for measuring various dimensions of tourism-related employment (UNWTO&ILO, 2015):

- The Tourism Satellite Account;

- The OECD Employment Module; and
- The International Recommendations for Tourism Statistics 2008.

Tourism Satellite Accounts

Tourism Satellite Accounts (TSAs) as an integral part of national accounts (that are defined and measured in the System of National Accounts - SNA), that began to develop in the 80s and 90s of the last century, and that had been initially set up in 2000, represent a set of concepts, classifications, definitions, tables and aggregates. TSAs allow measuring the economic effects of tourism based on comparison of tourism generated demand for products and services and their offer. TSAs' intention is to analyze in detail all aspects of demand for products and services related to the activities of the visitors, to examine the operational connection with the offer of these products and services in the economy and describe the relationship of supply with other economic aspects. TSAs are international statistical standards prepared by the UN World Tourism Organization (UNWTO) in cooperation with the OECD (Organization for Economic Cooperation and Development), Eurostat (EU Statistical Office) and UNSD (United Nations Statistics Division).

The TSAs comprise 10 tables, of which Table 1 to 3 cover categories of tourism expenditure, while Table 4 contains an estimate of total domestic tourism consumption. Table 5 represents a table of offers, and Table 6 harmonises domestic tourism consumption with domestic offer and this table represents the core of TSAs. TSAs' table 7 shows employment by the tourism industries cross-classified by such categorical variables as number of jobs, full-time equivalents, hours worked etc. (UNWTO&ILO, 2015). It is important to emphasize that this table does not include the indirect effects of tourism on total employment. In other words, it does not include data relating to employment in activities that indirectly affect tourism consumption.

TSAs enables the calculation of the basic aggregates:

- Domestic tourist expenditure and domestic tourism consumption,
- Tourism gross value added,
- Tourism direct gross value added,
- Tourism direct gross domestic product.

Within domestic tourist expenditures and domestic tourist consumption, there are tourist expenditures of incoming and domestic tourists, consumption as the widest coverage of expenditures and other types of consumption of foreign and domestic tourists. The tourism gross value added (TGVA) is the sum of the total added value (at basic prices) of all economic entities that perform tourism activities regardless of the extent to which the production or added value of these activities are generated by tourism consumption. The tourism direct gross value added (TDGVA) encompasses a part of the tourism added value and other activities generated by tourism demand and measured by the direct contribution of tourism to the economy. This aggregate does not cover the effects of other components of domestic tourism demand (such as the impact of gross investment or collective consumption). The tourism direct gross domestic product (TDGDP) equals the sum of the value of tourism and other activities generated by internal tourism demand and net product tax (the difference between taxes and subsidies) included in the value of tourist expenditure at purchase prices. GDP measures only the direct effects of tourism consumption, and only internal, and not entire tourism demand. It does not take into account the indirect and induced effects of tourism.

The OECD Employment Module (OECD EM)

The OECD went a step further and in 2000, based on the TSAs concept, developed an Employment Module (EM) that provides a statistical framework and methodological guidelines for defining and measuring tourism related employment. Furthermore, EM represents in some way an extended and more detailed version of TSAs because it includes data that are classified into 14 key tables (divided into 6 blocks) in order to improve the existing measurement system and analyze important information related to employment in tourism. Precisely, the additional data should provide an even clearer picture of the contribution of tourism not only to overall employment, but also to the overall economic development of national economies.

The EM as an integration framework that connects basic employment data with TSAs, is based on the following indicators: level of employment (expressed in jobs and people employed), number of jobs per employee, jobs by working scheme (full or part time jobs), average yearly working hours, average gross wages (per job and per gender), average seniority of job; average permanency of jobs, data on gender, ages, occupations, nationality and education level of the employees, data on

collective agreements and labour conditions, employment agencies (job mediations), unpaid labour, strikes, seasonal workforce etc.

The accounting coverage of data on employees is carried out in four phases (OECD, 2000): harmonization, completion, minimization of measurement errors and balancing.

International Recommendations for Tourism Statistics 2008 (IRTS 2008)

IRTS 2008 presents a comprehensive methodological framework for collection and compilation statistical data from tourism in all countries regardless of the degree of development of their statistical systems.

This framework contains an extremely large number of different types of tourism data that enable users to better understand certain phenomena and legalities that occur in tourism. This conceptual framework in its chapter 7 includes data on all jobs (or engaged persons) in tourism directly or indirectly. Furthermore, the chapter describes the concepts, definitions, basic categories and indicators of employment in tourism "from the perspective of general statistical rather than specific national accounts" (UNWTO & ILO, 2015).

Table 1: *Differences between TSA and IRTS 2008*

| | TSA | IRTS 2008 |
|--|--|--|
| Characteristics of travels and visitors | No | Yes |
| Visitor consumption and its various scopes | Total consumption made by visitor in the destination | Two concepts: tourism expenditures and tourism consumption |
| | Visitor consumption in cash | Similar to tourism expenditure |
| | Visitor consumption in cash and in kind | Similar to tourism consumption |
| Difference between tourism as an activity and as an industry | No | Yes |
| Characteristic products | One unique list for all countries. | Two different subset: <ul style="list-style-type: none"> • globally |

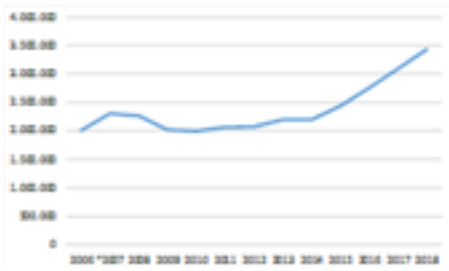
| | | |
|---|---|---|
| | | comparable (A1) • country specific (A2). |
| Characteristic activities | One unique list for all countries | Two different subset: A1 and A2 |
| Connected industries | Seoarately defined: country specific | Excluded |
| Valuables | Excluded | Included |
| Time-sharing arrangements | Not mentioned | Recognized |
| MICE industry | Not mentioned | Recognized |
| Tretman of goods and margins of goods | Ambiguity | Clearly recognized Value added in the production of goods is not a part of direct gross value but indirect effects |
| Outbound tourism | Narrow definition | Wider definition |
| Employment in tourism | Includes jobs by the status of employment | Icludes jobs, status of the work, working hours, number of jobs etc. |
| Gross fixed capital formation | Tourism infrastructure mainly not included | Tourism infrastructure is included |
| Tourism collecive consumption | Is presented ambiguously according to the function Classification of the functions of the government | Tourism collecive consumption is only part of the government expenditures |
| Usefulness of TSA for tourism economic impact measurement | Ambiguity on the relationship between TSA and impact analysis | TSA measures direct tourism contribution to the economy in response to tourism internal consumption |

Source: *ILO (2004)*

Serbian case: Do we have adequate labour force to handle tourist growth?

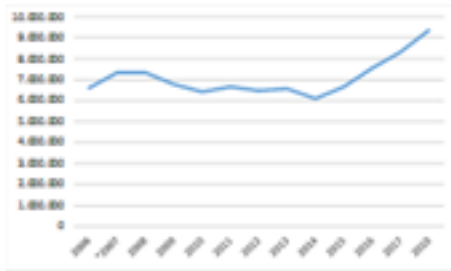
The total number of arrivals and tourist overnights in 2018 in the Republic of Serbia reached a new record: 3.4 million arrivals (of which 1.7 million foreign tourists) and 9.34 million overnight stays (of which 3.7 foreign overnights). Foreign exchange inflows from tourism amounted to 1.547USD bn, while the total inflow from tourism is estimated around 3 USD bn.

Figure 4: *Total Tourist Arrivals 2008-2018 in the Republic of Serbia*



Source: *WTTC (2018a)*

Figure 5: *Total Tourist Overnights 2008-2018 in the Republic of Serbia*



Source: *WTTC (2018a)*

It can be said that Serbia is on a good way to realize the goals (in the term of arrivals and overnights) outlined in the Tourism Development Strategy 2016-2025 (Strategy) almost two years earlier. Serbia, as a country that traditionally has not been oriented towards tourism, has recognized the numerous opportunities and advantages that tourism development brings, above all, in the domain of the economy. Naturally, the growth of the number of tourists, and especially overnight stays, and the general development of tourism in the recent years in Serbia opened many questions, and certainly one of the most important issues of employment, but also the issue of human resources in tourism and related activities.

In addition, the goals of tourism development and the growth model presented in the Strategy in the mentioned period is based on a significant increase in the number of legal entities that perform activities directly or indirectly in tourism sector, opening new jobs and increasing the number of employees. In the period from 2016 to 2025, the Strategy foresees approximately 30,000 newly employed people in the tourism sector directly, and the total of 157,000 employees in tourism and related

activities with a large number of newly established micro and small enterprises in the tourism and hospitality industry and related activities. However, there is a significant difference in the number of employees in the tourism sector that serves as the basis for forecasts in the Strategy. That is precisely one of the main issues when it comes to tourism in Serbia in general, especially when it comes to human capital. Serbia still has not standardized activities and content of statistical monitoring and harmonized the methodology with EUROSTAT and UNWTO methodologies. Statistical coverage and the system of statistical monitoring of tourism sector performance in the Republic of Serbia failed to follow the changes and trends in the methodology of relevant international institutions, meaning that the data officially published by the Statistical Office of the Republic of Serbia (e.g. the direct and total share of the tourism sector in the GDP of the Republic of Serbia, the direct and total share of employees of the tourism sector in the overall employment in the Republic of Serbia etc.) do not reflect the real contribution of the tourism sector to the Serbian economy and that data are not comparable to the data published by WTTC and UNWTO for other countries. Furthermore, Serbia has failed to implement the methodology for drafting TSAs and, based on such accounts, to publish comparable analyses and reports.

In support of this, the data on the number of employees was published by the Serbian Business Registers Agency (SBRA) in the Financial Statements Annual Bulletin for the period from 2014 to 2017, where the number of employees in Serbian tourism is several times lower than the one that represents the baseline in the projections in the Strategy for the period from 2016 to 2025.

Table 2: *Economic Effects of Growth Model for the period 2016-2025.*

| | FORECASTS | | | AVERAGE ANNUAL GROWTH RATES (In %) | | |
|---|---------------|---------------|---------------|---------------------------------------|-----------|-----------|
| | 2015 | 2020 | 2025 | 2020/2015 | 2025/2020 | 2025/2015 |
| Total arrivals (domestic and foreign)* | 2,437,165 | 3,689,000 | 4,713,179 | 8.6 | 5.0 | 6.8 |
| Total overnights (domestic and foreign)* | 6,651,852 | 9,607,926 | 14,840,134 | 7.6 | 9.1 | 8.4 |
| Arrivals - domestic * | 1,304,944 | 1,975,221 | 2,373,449 | 8.6 | 3.7 | 6.1 |
| Arrivals – foreign* | 1,132,221 | 1,713,780 | 2,339,730 | 8.6 | 6.4 | 7.5 |
| Overnights domestic* | 4,242,172 | 5,200,000 | 6,600,000 | 4.1 | 4.8 | 4.5 |
| Overnights - foreign* | 2,409,680 | 4,300,000 | 8,100,000 | 12.3 | 13.5 | 12.9 |
| Registered foreign currency revenue*** (in \$) | 1,048,000,000 | 2,500,000,000 | 5,000,000,000 | 19.0 | 14.9 | 16.9 |

TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA
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| | | | | | | |
|---|-------------|-------------|---------------|-----|-----|-----|
| The share of foreign currency revenue from tourism in the total value of exports of goods and services (in %) | 6.04 | 9.01 | 12.00 | | | |
| The share of foreign currency revenue from the tourism in the total value of exports of services (In %) | 22.11 | 32.05 | 41.60 | | | |
| The share of registered foreign currency revenue from tourism in GDP (in %) | 2.82 | 5.18 | 7.58 | | | |
| Investments**** (in \$) | 320,000,000 | 770,000,000 | 1,440,000,000 | | | |
| Employees - direct** | 81,000 | 95,580 | 111,829 | 3.4 | 3.2 | 3.3 |
| Employees - total** | 115,020 | 133,812 | 156,560 | 3.1 | 3.3 | 6.3 |
| The estimated contribution of tourism (total) in GDP (in %) | 6.57 | 9.61 | 12.15 | | | |

Source: *Tourism Development Strategy of the RS 2016-2025*.

According to officially published statistical data, the number of direct employees in tourism sector in Serbia in 2014 was 24,257 (companies and entrepreneurs), 26,467 in 2015; 28,953 in 2016, and 31,191 in 2017. For a four-year period, the growth of officially directly employed persons grew by 22.2%, which certainly coincides with the growth of all tourism indicators in the observed period and its impact on the overall economic performance of the Serbian economy. Entrepreneurship and MSMEs' development are essential to building a strong and sustainable tourism sector and for new jobs creation. More than 90% of companies operating in tourism sector in Serbia belong to the group of MSMEs that mostly relies on its own financial sources which significantly limits the ability of its rapid growth and further development (Radulović & Pindžo, 2016).

Table 3: *Number of Companies and Number of Employees in Tourism Sector in Serbia 2014-2017*.

| | Number of Companies | Index | Number of Employees |
|------|---------------------|-------|---------------------|
| 2014 | 2.949 | 106.4 | 20.351 |
| 2015 | 3.138 | 107.8 | 22,157 |
| 2016 | 3.455 | 103.6 | 24.175 |
| 2017 | 3.689 | N/A | 25.903 |

Source: *SBRA, Financial Statements Annual Bulletin 2014-2018*

Table 4: *Number of Entrepreneurs and Number of Employees in Tourism Sector in Serbia 2014-2017.*

| | Number of Entrepreneurs | Index | Number of Employees |
|------|-------------------------|-------|---------------------|
| 2014 | 1.648 | 91.6 | 3.906 |
| 2015 | 1.510 | 101 | 4.310 |
| 2016 | 1.551 | 99.5 | 4.778 |
| 2017 | 1.572 | N/A | 5.288 |

Source: *SBRA, Financial Statements Annual Bulletin 2014-2018*

However, NALED states in the Report on the Informal "Grey" Economy in Serbia (February 2018), that according to the type of activity, the largest percentage of economic entities engaged in the activities of the informal ("grey") economy is in agriculture (20.8%) and tourism and hospitality (19.6%). Furthermore, according to the same research, 15.1% of business entities in the tourism and hospitality industry have informal employees, while 15.7% of the VAT payers are performing "shadow" transactions. After agriculture, the largest percentage of business entities that engaged employees without contract is in tourism and hospitality industry. Also, in tourism and hospitality, 7.4% of business entities have employees for whom they pay taxes and social and pension contributions only partially, while 13% of business entities hire employees without any contract. It is obvious that there is an urgent need for employees in the tourism and hospitality sector to be encompassed by the new Law on Simplification of Working Engagement on Seasonal jobs, right after the employees in the agriculture. This law provides that an employer may hire a seasonal worker for a maximum of 180 days during the calendar year, or no more than 120 working days per year in total. The working hours of the seasonal worker should not be longer than 12 hours a day, and those who work eight hours a day or longer will have the right to rest during the day for at least 30 minutes. Part of the legal solution is the electronic system that started with in January 2019 (firstly, for seasonal workers in agriculture). Analyzes have shown that the application of this law on tourism and hospitality sector would greatly solve the burning problem of informal work.

It is noticeable that in the observed period (2014-2017), the value of the total assets of registered tourist companies and entrepreneurs is increasing (from 163.6 RSD bn to 184.3 RSD bn, or 11.2%), as well as the value of

registered equity, (from 76.5 RSD bn to 82.9 RSD bn or 7.7%). This growth coincides with the increase of all tourist indicators in that period.

Table 5: *Selected Financial Data of Tourism Companies in 000 RSD*

| | Assets | Equity |
|------|-------------|------------|
| 2014 | 160.487.886 | 75.660.815 |
| 2015 | 171.506.095 | 81.048.574 |
| 2016 | 168.727.133 | 79.494.292 |
| 2017 | 180.094.718 | 81.857.903 |

Source: *SBRA, Financial Statements Annual Bulletin 2014-2018*

Table 6: *Selected Financial Data of Tourism Entrepreneurs in 000 RSD*

| | Assets | Equity |
|------|-----------|-----------|
| 2014 | 3.181.147 | 791.062 |
| 2015 | 4.122.925 | 1.528.166 |
| 2016 | 3.740.771 | 1.056.847 |
| 2017 | 4.203.442 | 1.084.680 |

Source: *SBRA, Financial Statements Annual Bulletin 2014-2018*

The tourism growth in Serbia has stimulated the construction industry and the true expansion of hotel and other accommodation and tourist facilities. According to MTTT data, in the last five years, that is, since 2014, 132 new high quality hotels have been opened (out of 372 in total), more than one billion USD has been invested in the hotel industry, and about 600 million USD in restaurants. Soon, Serbia should get a few more new luxury hotels, in order to respond to the market needs, but the question is who will work in them, considering that, according to the data of the Hotel and Restaurant Association of Serbia (HORES), in the last three to four years more than 20,000 tourist workers left the country due to financial reasons. An additional problem for hoteliers is the fact that the growth of tourism from year to year and the expansion of accommodation capacities are not accompanied by changes in the education programs, since there are only three tourism related colleges (vocational studies) in Serbia and some colleges with separate departments for tourism.

On the other hand, data from the National Employment Office (NEO) indicate that not all educational profiles in the field of tourism and hospitality are equally required. According to the records of this institution for the period from January 2017 to March 2018, employers from the tourist industry mostly sought for tourist arrangements sellers,

receptionists, tourist technicians, tourist animators, senior tourism experts, tourist managers, marketing managers, promoters, tourist agency managers etc. According to the same Report of the National Employment Office - NEO (2018), it can be seen that in spite of the noticeably growing interest in tourism industry, the demand still lags behind the number of the unemployed who are recorded in the NEO. Although this gap is smaller than in many other sectors, it is noticeable in the most required touristic professions. For example, in the first two months of 2018, employers submitted requested 54 receptionists and one organizer of hotel business from the NEO, and in the NEO record there were 70 receptionists and 51 organizers of hotel business without a job. At the end of December 2018, 18,656 unemployed people in tourism sector were registered (out of which 10,232 are women), and by that time about 1,306 people (out of which 815 are women) were employed by the NEO.

Conclusion

Tourism as a labour-intensive activity is focused on the human factor. The long-term definition and establishment of a clear conceptual framework of the labour force demand is a great challenge that all countries, which seriously count on tourism development in order to improve the macroeconomic aggregates of the national economies, are facing. Consequently, it is extremely important to deal strategically with the issues of education, establishment of educational programs in tourism that are adapted to real market needs, the issues of minimizing "grey" economy and informal work, seasonal employment issues, as well as establishment of a measurement system of direct and indirect tourism employment as well as monitoring of all other indicators that are important for the labour market in tourism industry.

It is already quite evident that the implementation of tourism growth model in the Republic of Serbia by 2025, defined by the Tourism Development Strategy can achieve exceptional economic effects on the entire national economy, especially in the field of employment. Although the country is still burdened with a relatively high unemployment rate, the question arises whether Serbia will have enough trained and skilled labour force who will be able to follow the projected growth of tourism. Already there is a discrepancy between the tourism industry representatives' demand for workers and the records of unemployed persons in the tourism sector within the NEO, pointing to the challenges that apply to many other industries. The first is uneven and unequal

regional development, which also affects the unevenness of investment, so in some municipalities and cities with a large number of investors the labour force is lacking, while in those without a developed economy there is more labour force than needed. In addition, labour mobility within Serbia is minimal, in contrast to the trend of going abroad. However, the most skilled workers are moving to more developed countries, so the second problem connected with the offer and the demand of human capital is the question of how much labour force is available and appropriate, in terms of quality and structure, in order to meet expectations of hoteliers and other business entities in Serbian tourism.

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