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Employment of Tourism Industries in the Philippines: A Trend Analysis

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Abstract: *This study delves into the employment of tourism in the Philippines by utilizing secondary data sourced from the Department of Tourism. Covering the period from 2000 to 2022, the research employs linear regression analysis to elucidate the relationship between time and employment levels within the Philippine tourism sector. The results reveal a nuanced narrative marked by growth, resilience, and adaptive responses to external influences. The dataset analysis unveils a consistent upward trajectory in employment, further validated by the statistically significant relationship established through linear regression. The coefficient of 137.997 for the "Year" variable signifies the annual increase in employment, underscoring the industry's steady expansion. Noteworthy junctures, such as the robust growth between 2006 and 2012 and the pandemic-induced decline in 2020, are prominently highlighted. The study underscores that while the employment trajectory is resilient, it is also intricately influenced by economic conditions, policy shifts, and global events.*

Keywords: Philippine Tourism, Employment, Trend Analysis

I. INTRODUCTION

The Philippines' tourism industry has long been a cornerstone of its economic and cultural landscape, contributing significantly to employment, revenue generation, and national identity. As a dynamic sector susceptible to both domestic and global influences, understanding the trends in employment within the tourism industry holds paramount importance. Tourism, often touted as a driver of economic growth and development, stands as a multi-faceted sector encompassing hospitality, travel, and entertainment. The Philippines, known for its breathtaking landscapes, rich cultural heritage, and warm hospitality, has seen its tourism industry flourish over the years. By conducting a meticulous trend analysis of employment within this sector, we endeavor to illuminate the intricate relationship between tourism's evolution and the job market's dynamics. This analysis is particularly timely in the wake of global events such as the COVID-19 pandemic, which has drastically altered the tourism landscape, emphasizing the need to comprehend historical trends and anticipate future shifts.

In this research, we employ a longitudinal approach, examining the employment data from the year 2000 to 2022. This extensive timeframe allows us to trace the industry's growth trajectory across various phases and unveil potential turning points. By deploying both descriptive analysis and advanced statistical techniques such as linear regression, we aim to extract valuable insights into the correlation between time and employment. Moreover, the study ventures beyond mere numerical analysis, seeking to decode the underlying narratives behind the numbers. Economic policies, technological advancements, socio-political changes, and global trends all contribute to the complex tapestry of the tourism industry, and by extension, its employment patterns.

The Philippines' rich cultural diversity and natural beauty have continually attracted visitors, fostering a vibrant tourism industry. However, this industry is not immune to challenges and uncertainties. The research endeavors to shed light on the resilience of the sector in the face of adversity, evident in its ability to rebound from setbacks and adapt to changing circumstances. As the Philippines positions itself on the global stage, understanding the dynamics of its tourism workforce provides insights not only into economic fluctuations but also social and policy implications. This research embarks on a journey to unravel the story of the "Employment of Tourism Industries in the Philippines," unearthing the narrative threads that weave together the industry's past, present, and future.

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II. LITERATURE REVIEW

The global spotlight on the tourism industry has intensified due to its multifaceted contributions in fueling consumption, fostering international trade, and enabling cross-cultural exchanges (Qian et al., 2018). It has evolved into a monumental economic force, rivaling industries like automobiles, food products, and oil exports, constituting 9% of the GDP and comprising 1 out of every 11 direct, indirect, and induced jobs (Robaina-Alves et al., 2016). This industry is not just a financial powerhouse; it resonates deeply on social, cultural, economic, political, and environmental fronts (Hitchcock et al., 2009). With its exceptional growth rate, tourism has emerged as a pivotal catalyst for economic resurgence, provided its potentials are effectively harnessed (Shahzad et al., 2017). Operating as a behemoth, the tourism sector has the capacity to significantly influence earnings, employment, foreign exchange, and overall economic progress, thereby constituting a driving force in emerging markets' growth stories (Haller, 2012; Shahzad et al., 2017).

Southeast Asia, distinguished by its market-driven economies and foreign exchange gains, has experienced rapid tourism sector development, elevating the region's global prominence. The escalating influx of international tourists underscores the burgeoning significance of tourism (Barker, 2013). Beyond mere economic metrics, the allure of Southeast Asia lies in its rich cultural heritage and natural splendor. As developing nations embraced tourism as a path to economic development, the sector's potential to alleviate poverty, cultivate human resources, and foster peace has been acknowledged (Hall & Richards, 2002). A core impact of this phenomenon has been its contribution to local employment, ultimately enhancing living standards and reducing poverty (Oh, 2005).

From a macroeconomic perspective, tourism entails the act of leisure travel beyond everyday confines, invoking substantial effects on both local and national economies (Ayeni&Ebohon, 2012). Its role as an engine for economic growth is underscored by its capacity to generate foreign exchange, create jobs, and bolster local revenues (Steiner, 2006). The surge in sustainable tourism growth in countries like Nigeria has been instrumental in diversifying economies, catalyzing service sectors, and yielding new revenue streams (Ayeni&Ebohon, 2012). While developed nations command a larger share of global tourism, the potential benefits for less developed nations remain substantial, poised for exploitation.

In the context of the Philippines, the resilience of its tourism sector is exemplified by its remarkable recovery from a staggering 80% drop in 2020. The sector surged by 129.5% in 2021, contributing 41 billion USD to the GDP and reinvigorating 1.3 million jobs. These striking figures not only denote economic resurgence but also hold the promise of sustained long-term gains. Projections by the World Travel and Tourism Council indicate an annual growth rate of 3% over the next decade, generating around 3 million jobs, a testimony to the sector's transformative potential in driving economic and employment growth.

III. METHODOLOGY

The central focus of this study is to conduct a comprehensive analysis of the employment trends within the Philippine tourism industry, specifically employing a trend analysis approach. The research draws on secondary data sourced from the Department of Tourism on employment of tourism 2000-2022, which serves as a robust foundation for understanding the dynamics of employment over the years. The utilization of secondary data ensures the reliability and accuracy of the information, allowing for an in-depth exploration of the trends within the specified context. To analyze these trends, this study employs the statistical method of linear regression analysis. Linear regression is a powerful tool that allows us to investigate the relationship between two or more variables and ascertain the nature and magnitude of their connection. In this context, the primary variable of interest is the "Year," which signifies the passage of time, and its relationship with the variable "Employment" in the tourism sector. By applying linear regression, we aim to quantify the extent to which changes in the year contribute to changes in employment levels.Linear regression analysis entails the assessment of unstandardized coefficients, t-values, standard errors, and significance levels. The "Constant" coefficient represents the estimated employment at the starting point (year zero), while the coefficient for the "Year" variable quantifies the change in employment for each additional year. The t-values and associated significance levels provide critical insights into the statistical significance of these coefficients, indicating whether the relationships are statistically meaningful.

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IV. RESULTS AND DISCUSSION

Figure 1 presents the employment of tourism in the Philippines from 2000-2022.

The dataset spanning from 2000 to 2022 reveals a multifaceted narrative of the Philippines' tourism industry employment. Over this period, a discernible upward trajectory in employment numbers is evident. The industry began with 2639 employees in 2000, gradually increasing to 3136 by 2005. Notably, from 2006 to 2012, a more pronounced growth phase emerged, characterized by a steeper rise in employment, peaking at 4561 in 2012. This interval possibly signifies a phase of strategic development and industry expansion.

Subsequent years, from 2013 to 2019, indicate a sustained yet more measured growth rate in employment, culminating in a peak of 5719 employees in 2019. However, the year 2020 starkly deviates from this trajectory due to the profound disruption brought about by the COVID-19 pandemic. With a significant drop to 4681 employees, the pandemic's impact on the global tourism industry is evident. Nevertheless, there appears to be a gradual recovery as reflected in the subsequent years. Both 2021 and 2022 demonstrate increasing employment figures, reaching 4895 and 5350 employees respectively.

This trend of recovery might signify the industry's resilience and adaptability in the face of challenges. In essence, the dataset reflects not only the industry's growth patterns but also its vulnerability to external factors. Hence, a comprehensive understanding of these employment trends necessitates considering broader socio-economic contexts, policy interventions, and global events that have influenced the industry's trajectory over these years.

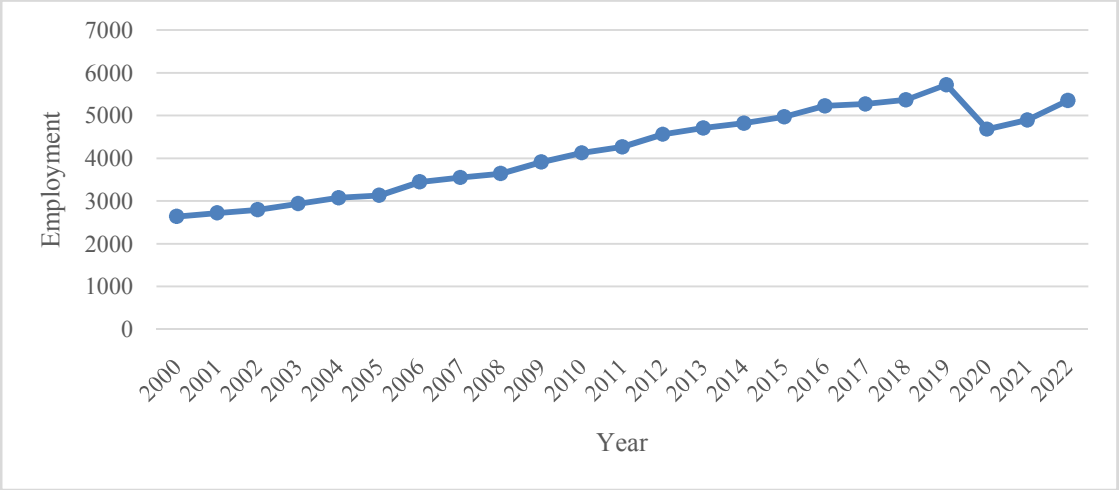

FIGURE 1. EMPLOYMENT OF TOURISM TREND IN THE PHILIPPINES 2000-2022

Table 1 presents the results of a linear regression analysis conducted on the employment of tourism in the Philippines.

The linear regression analysis conducted on the employment of the tourism industry in the Philippines provides valuable insights into the relationship between time (represented by the "Year" variable) and employment levels. The model's coefficient of determination (R Square) indicates the proportion of the variance in employment that can be explained by the linear regression equation. In this case, the R Square value provides a significant insight into how well the "Year" variable predicts changes in employment.

The coefficient values for the constant and the "Year" variable offer further insights. The constant value (-273345.778) represents the estimated employment at the starting point (year zero), which is not practically meaningful in this context. The coefficient for the "Year" variable (137.997) implies the estimated change in employment for each additional year. This coefficient suggests a positive relationship between time and employment. The t-value (14.527) for the "Year" coefficient reflects the significance of the relationship. A higher t-value indicates that the coefficient is significantly different from zero, supporting the conclusion that the "Year" variable is a meaningful predictor of employment changes. Additionally, the associated significance level (Sig.) is nearly zero (0.000000000002), further reinforcing the statistical significance of the "Year" variable. The overall model fit is also assessed by the constant's t-value (-14.309). This t-value, along with its associated significance level (0.000000000003), indicates that the model, which considers the "Year" variable's linear effect, is statistically significant in predicting employment changes.

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The linear regression analysis underscores the strong relationship between time (years) and employment within the tourism industry in the Philippines. The positive coefficient and its statistical significance suggest a consistent and meaningful upward trend in employment over the years covered by the data. However, it's important to note that while the analysis provides insights, further examination of underlying factors and potential limitations of the model would enrich the understanding of the dynamics between time and employment in the context of the Philippines' tourism industry.

TABLE 1. LINEAR REGRESSION ANALYSIS ON THE EMPLOYMENT OF TOURISM IN THE PHILIPPINES

Model	Unstandardized Coefficients		R Square	t	Sig.
	B	Std. Error			
(Constant)	-273345.778	19102.938	0.909	-14.309	0.000000000003
Year	137.997	9.499		14.527	0.000000000002

V. CONCLUSION

The comprehensive analysis of the employment trends within the Philippine tourism industry unveils a nuanced narrative characterized by growth, resilience, and a profound response to external influences. The examination of the dataset spanning from 2000 to 2022 reveals a consistent upward trajectory in employment figures, underscored by a positive correlation between time and employment levels. This positive correlation is further substantiated by the results of the linear regression analysis, which indicate a statistically significant relationship between the "Year" variable and changes in employment. The coefficient of 137.997 for the "Year" variable denotes the estimated increase in employment for each passing year, emphasizing the industry's steady expansion over time. Notably, the analysis also highlights critical junctures in the industry's trajectory, such as the steep growth phase between 2006 and 2012 and the evident impact of the global pandemic in 2020, which led to a noticeable drop in employment.

However, the upward trajectory of employment is not devoid of complexities. The dataset's insights are an interplay of intrinsic industry dynamics and extrinsic influences, such as economic conditions, government policies, and global events. While the linear regression analysis provides statistical validation of the correlation, a holistic understanding demands consideration of factors beyond the linear model. In essence, the Philippine tourism industry showcases adaptability and resilience, as evidenced by the recovery seen post-2020. This study underscores the need for a multidimensional exploration of the tourism sector, encompassing economic, social, and policy dimensions, to capture the intricate factors that contribute to the industry's evolution over time.

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https://www.researchgate.net/profile/Muhammad-Sheikh-4/publication/285977338_Tourism_economic_growth_and_current_account_deficit_in_Pakistan_Evidence_from_co-integration_and_causal_analysis/links/5a8ecb6e0f7e9ba4296704a9/Tourism-economic-growth-and-current-account-deficit-in-Pakistan-Evidence-from-co-integration-and-causal-analysis.pdf

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