

Session D1

Wage Determinant Factors for Nominally Paid Farm Work Tourists: An Emerging Type of Rural Tourism in The Face of The Labour Shortage in Rural Japan - Takaya Hirayama and Yasuo Ohe

Introduction

Rural tourism has various positive effects on both farmers and visitors. The most common effects on visitors are relaxation through leisure time, enjoying local food and farm experiences, visiting rural heritage sites, and staying at farm accommodations in a rural environment that offers a menu of activities common to the farm community. On the other hand, rural tourism has been evolving toward benefiting farmers and visitors more directly in farm operations. The background of this evolution is the ageing farm population without successors. Many of these farms face a shortage of family labour and need support in performing farm work.

Due to the ageing of farm operators and depopulation in rural communities, labour shortages have become a severe issue in the farm sector. In this respect, what has attracted increasing attention in Japan is the participation in farm activities of visitors from urban areas in supporting the elderly or those facing a labour shortage while enjoying the rural visit. Unlike simple rural tourism, this emerging type of rural tourism involves participating in farm work with nominal pay during farm stays. Nevertheless, empirical evaluation of nominally paid tourists performing farm work has not been done despite the increasing potential for growth of this type of rural tourism, especially among those city dwellers who seek a new type of rural tourism or the opportunity to support the rural community.

To cope with this situation, platforms are emerging by those specialized in matchmaking of potential nominally paid tourists interested in performing farm work for farmers who need such help. This could be an emerging type of rural tourism which will increase amid the deepening labour shortage. Tourism can provide income-earning opportunities in rural areas for urbanites interested in working in agriculture. Nevertheless, little investigation has been conducted on this emerging type of rural tourism. Thus, this paper focuses on platforms connecting farms with tourists interested in performing farm work. It investigates the determinant factors for wages because there are no available statistics on such wages and the factors influencing them. Finally, the paper suggests policy recommendations for developing such nominally paid farm volunteer tourism in the future.

Data and Methodology

We obtained data from the website of “Otetsutabi”, a platform for paid farm work tourism established in 2018, which received prizes and attracted growing attention despite its short history. That platform provides information on when and what kind of farm work is needed and the conditions under which farms offer payment for farm work. Although no transportation and food costs are paid in principle, in some cases, meals are provided. Minimum wages are guaranteed. The survey conducted on the website was from September to November 2022. The sample size was 138 farms, including 115 corporate farms.

We estimated two types of wage determinant models by the ordinary least square (OLS) method: total wage and daily wage models. Regarding total wages, two models with different explanatory variables were estimated.

Results

1. Those farms that offer good housing conditions, such as private rooms and Wi-Fi connection, offer higher total wages while meal-offering farms provide lower total wages.
2. Holding a driver's license is favourable for higher total wages, and corporate farms located in areas with a population of < 100,000 offer higher total pay than counterparts in areas with a population of >100,000.
3. Farms that undertake organic farming and Good Agricultural Practice (GAP) methods offer lower total wages than those that do not, probably due to the extra costs of these production methods.
4. Farms engaged in direct selling offer higher daily wages.
5. Farms producing rice, wheat, peaches, and flowers offer higher daily wages, while mushroom and vegetable farms offer lower daily wages. The prices of products mainly influence the differences in wage levels.

Conclusion

Farm-work tourism is drawing attention in coping with both the chronic farm labour shortage and growing interest in rural visits doing farm work to support farmers among city dwellers. This paper focussed on that scarcely addressed research topic, which is nominally paid farm-work tourism, which is a program compatible with helping those in the countryside and earning income. We investigated factors working on wages by regression models based on data collected from the platform for nominally paid farm-work tourists in Japan. The main findings are as follows:

The higher the prices of farm products, the higher the wages. Farms that practice direct selling of farm products offer higher wages than those not engaged in that activity. On the other hand, organic and GAP farms give lower wages than those not engaged in the two practices, probably because of higher production costs. Those farms offering meal service also give lower wages because the meal costs are considered to be deducted beforehand from wages.

Farm-work tourism will increase in the future due to the deepening labour shortage in the farm sector. Although participants are supposed to be Japanese citizens at this moment, foreigners will be expected to join in the future amid the post-COVID-19 surge in inbound tourism. In this respect, it will be necessary for platforms to address the farm-work tourism demand from abroad in the future.

New Labor Importation Schemes: The Magic Wand for Hong Kong's Tourism Revival? - Joey Wu and Tiffany O. Cheng

The recovery from the labor shortage in the tourism industry due to the COVID-19 pandemic has been sluggish (Huang et al., 2021; Liu-Lastres et al., 2022). According to Caspar Tsui Ying-wai, the executive director of the Federation of Hong Kong Hotel Owners, a shortage of 9,000 hotel workers in Hong Kong in 2023 is estimated (Shao, 2023). The shortage is attributed to several factors, such as the lack of interest or confidence to re-enter the business after pandemic-related redundancies, and the ageing population (The Straits Times, 2023; Yeung, 2022). Consequently, the capacity to satisfy the increasing visitor demand and maintain good service standards in this popular destination has been hindered.

In response to the critical situation, the government introduced the 'Enhanced Supplementary Labor Scheme' in June 2023 as a replacement for the existing 'Supplementary Labor Scheme' that has been in effect since 2005 (The Government of the Hong Kong Special Administrative Region, 2023). The revised scheme now permits the hiring of foreign workers in 26 entry-level job categories, such as cashiers, across all sectors. Additionally, in July 2023, several new sector-specific schemes like the 'Labor Importation Scheme for Transport Sector - Aviation Industry' were implemented for specific positions in high demand, such as cabin crew (Shao, 2023). The government is determined to alleviate the manpower issue via its new labor schemes.

Concerns over the efficacy of the schemes have been raised. Leung Chun-wah, the chairman of the Association for Hong Kong Catering Services Management, argued that small companies would be unable to bear the cost of medical care and housing for imported employees as mandated by the schemes (Chow, 2023). Conversely, the government appears to only provide 'customised' schemes to the transport sector while neglecting the needs of other sectors within the tourism industry, including the accommodation sector. To ensure the schemes' overall effectiveness, it may be necessary to take the complete perspectives into account. This study aims to investigate the viewpoints of enterprises of varying sizes and sectors within the industry. The research questions are as follows:

- How effective or ineffective are the new labor importation schemes for companies of varying sizes and sectors in the tourism industry?
- What are the factors contributing to their effectiveness or ineffectiveness?
- What are the recommendations for improving the schemes?

The qualitative interview approach and purposive sampling method employed in this study will facilitate a comprehensive examination of the viewpoints of 30 human resources managers from the five main sectors: accommodation, food and beverage services, attractions, transport, and travel services. These managers will be selected from small enterprises (below 50 employees), medium enterprises (50-249 employees), and large enterprises (250 employees or more). Content analysis on the transcripts will be applied to identify the key concerns of the industry. By understanding the holistic perspectives of key stakeholders, governments may be able to establish more relevant and effective labor policies to bridge the workforce gap in the future.

Second homes Employment. An Empirical Study for Punta del Este, Uruguay - Maria José Alonsoperez Chiossi, Fernando Brito and Sandra Zapata Aguirre

Tourism is a relevant economic activity at international, national, and regional levels, with positive effects on the balance of payments, employment, and economic growth. Moreover, it is an expanding activity. According to official data published by the World Tourism Organization (WTO, 2023), more than 900 million tourists made international trips in 2022. One kind of accommodation used by tourists is second homes, understood as privately owned dwellings different from the main dwelling. Several research studies have been carried out at the international level on second homes and their effects on planning and public policies, land use, environment, residents' living conditions, and economic impact on the destination. However, the subject is still new, and several questions remain unresolved.

The prevalence of second homes will have consequences on employment opportunities, tourist spending, and, subsequently, on the region's growth. The employment generated by this tourism is different from that caused by hotel and resort tourism. While the latter create direct jobs such as waitresses and receptionists, second homes generate direct jobs and many indirect jobs, mostly linked to small businesses that generally have more difficulties in terms of social security benefits in areas such as landscape cleaning, building upkeep, and so on. Despite this, almost all academic research on tourist employment, particularly on international tourism, refers to hotel and resort tourists.

From the literature review, it is clear that most studies emphasize the relevance of second homes in regional and local development reached by tourist destinations and the need for further research on this topic. Few papers have studied the economic impact of second homes, and none of the reviewed studies include in the analysis impacts generated in the level and kind of employment, which seem to be very different from those caused by traditional tourism of hotels and resorts and hence require specific policies.

Employment opportunities are fundamental to improving the welfare of society, particularly in developing economies. So, an empirical analysis is carried out for Punta del Este, based on the Continuous Household Survey in Uruguay. The objective of this study is, on one hand, to estimate the number of tourism jobs generated by second-home tourism. On the other hand, describe the profile of second-home tourism employees. Also, the study aims to understand the differences between traditional tourism of hotels and second-home employment, taking into account the first and second occupations during the period 2014 - 2022.

The Impact of a Tourist Tax on Hotel Performance: Evidence from Manchester - Oriol Anguera-Torrell, Pedro Aznar-Alarcón and David Boto-García

There exists an ongoing debate about whether introducing a tourist tax actually deters tourism demand or not. Moreover, it is unclear whether accommodation establishments adjust prices following the setting of a tourist tax and, if so, how their revenues are affected by this policy. This study aims to estimate the causal impact of introducing a tourist tax on hotels' key performance indicators (average daily rate, nights sold, occupancy rate, revenue and revenue per available room). To this end, we consider the case of Manchester, the first city in the United Kingdom to levy such a tax on hotel overnight stays since April 2023. Based on STR data, we employ the Synthetic Control Method considering all main tourist destinations in the United Kingdom as control units to estimate the causal impact of the policy on the five key performance metrics. The study offers valuable insights for policymakers and hotel managers about the economic effects of tax policies for the hotel sector.