



Deutsche Gesellschaft für
Technische Zusammenarbeit (GTZ) GmbH

Progress Report – On the proceedings of the Multi-Stakeholder Dialogue on social standards in tourism at ITB 2005 in Berlin

By Susy Karammel

The sustainable tourism discussion has reached a turning point. For several years the focus has been on debating and engaging with environmental management practices in tourism especially at the destination level. Undermined by several (hundred) green certification schemes it is only now that the attention turns towards the pressing issues of social responsibility and labour standards in tourism.

The negative impact of tourism especially in those countries dependant on tourism as the major economic sector has been the issue of constant and heated debates. The WTO 'Global Code of Ethics for Tourism' was exclusively designed to raise awareness about the different issues and dangers inherently anchored in the business procedures of the tourism industry in free-economy and liberalised markets. Being a stakeholder mainly driven by tourism ministries around the world, WTO also demands a closer relationship between the private and public sector. The aim is to define the necessary tools to implement standards that have long been developed but remain void of practice.

Most of the existing codes and guidelines in tourism focus on environmental aspects. Especially the guidelines for eco-tourism cover social aspects only marginally. With social standards and codes of conducts for example from the International Labour Organisation (ILO) or ECPAT's 'Code of Conduct for the Protection of Children from Sexual Exploitation' tourism companies are confronted with the difficulty to implement these standards in the face of highly intricate networks of integrated global economies. Moreover these standards do not adequately address small and medium enterprises or seasonal workers.

With a prolonged focus on social responsibility and labour standards within tourism, GTZ aims at improving working conditions especially in developing countries (but not exclusively) in cooperation with the private and public sector. The objective is to establish a set of good social practices including a credible verification scheme for different regional contexts and industry players (tour operators, hotels, suppliers). This incorporates harmonising and adapting existing social codes of conduct and standards.

In a first step towards a multi stakeholder dialogue on social standards in tourism, GTZ invited stakeholders from the public and private sector for a discussion on issues of social responsibility and labour standards within tourism. The event took place during ITB 2005 in Berlin and brought together stakeholders from very differing positions, resulting in a very broad approach to the various topics summarised under the title "Good Jobs or Bad Jobs – Tourism, social responsibility and labour standards".

This report is a short summary of the major issues raised during the GTZ-Event at ITB. All presentations of the individual speakers are available together with this report on our web page www.gtz.de/tourismus/. The summary focuses on pulling together the different views and experiences in order to establish a road map for further action.

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Setting the Frame

GTZ has a successful history in initiating round-tables and multi-stakeholder processes for sustainable development. Looking at the experiences from the [Common Code for the Coffee Community](#), [AVE](#) and [BSCI](#) it is more than adequate for GTZ to take the lead in issues of social responsibility and labour standards in tourism. Rather than shifting responsibility and risk from one party to another, GTZ seeks to pool resources, competencies and expertise through a multi-stakeholder process for more sustainable practices in the tourism sector.

Henceforth, this first meeting focused on exchanging viewpoints on social responsibility and labour standards between development organisations (GTZ, EC), NGOs (Tourism Watch, ECOTRANS), fair trade and trade unions (FTTSA and IUF/ EFFEAT) and the private sector (ITP, Sandals Resorts International, Kuoni Scandinavia/Apollo, Coral by Hilton).

In general it can be said that the common interest for the rights of employees at work was the major reason for these stakeholders to meet. The issues raised during this event ranged from fair trade in tourism to the code of conduct for the protection of children from sexual exploitation. All the topics raised, deserve a more detailed and exclusive discussion, which certainly has to be taken up at the next stage of the dialogue.

"A call for respect of fundamental rights at work" (IUF & EFFEAT)

IUF clearly highlighted the major issues and problems, which exist in the tourism industry. Employees in tourism are often exposed to long and unsocial working hours. In many cases employees in hotels have to work unpaid overtime, or they have to work in split shifts leading to long-term exclusion from formal social structures e.g. daily activities of family & friends. Migrative work further extenuates the aspect of social dislocation. The temporary and seasonal character of tourism employment combined with low salaries puts additional pressure on tourism workers, whilst they represent the major asset of the tourism infrastructure.

Institutions such as the United Nations and the International Labour Organisation have acknowledged that such conditions represent major obstacles to sustainability of economic activities such as tourism. Their response to these problems was the development of codes and standards, which urge employers to become more socially responsible.

"There is no need for a company-individual code of conduct" (GTZ)

The experiences of GTZ with moderating, consulting and coordinating multi-stakeholder process for the implementation of social standards across several producing and retailing industries in various countries has been a success story. This is particularly true for the close co-operation with the industry at the regional level and the adaptation and harmonisation of standards, which made it possible to put core labour standards as basic minimum standards into practice.

Kuoni Scandinavia, Tourism Watch and Fair Trade in Tourism South Africa (FTTSA) described the *UN Global Compact*, *ISO International Standards* and ECPAT's *Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism* as standards that have been devised to prevent social bad practice at the global level. A large part of these standards are subdivided into explicit principles and indicators under the heading of e.g. human rights, labour standards, the environment and local value chains.

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FTTSA and ECOTRANS demonstrate, that by using certification as a tool to enforce more sustainable practices in tourism, large parts of the UN Global compact principles can be put into practise. FTTSA transferred the fair trade principle for goods into the tourism business and pioneered this principle with several projects in South Africa. Fair working conditions, fair prices, integrated regional development, environmental justice and sustainability and fair partnerships between tourism businesses, guest and local communities constitute to equally important parts to their working principle.

Though the efforts of FTTSA are undoubtedly the most social of all destination based certification programmes until now, it remains a niche product for small to medium sized enterprises (SME' s). ECOTRANS additionally states that the market demand for sustainability certification is still as low as 1%.

Keeping in mind that certification is only one tool to spread and implement sustainability principles, one has to ask whether the market is already aware of the benefits offered by sustainable business management and whether we are using the right arguments and channels to communicate these.

The major challenges for social responsibility and sound labour standards in tourism have been identified as follows:

1. There is no need to reinvent the wheel! – There are **enough codes and standards**, which need to be accepted on an international level these can be summarized as follows:
 - No child labour
 - No discrimination in the work place
 - No forced labour
 - Freedom of collective bargaining
 - Freedom of Association
2. **Implementation** of standards has proven to be the **major challenge**. Though there are several initiatives and companies at the different levels in tourism (e.g. Sandals supporting their suppliers in the Caribbean, FTTSA in South Africa with the SME sector, Marriott with the local youth –“Youth Career Initiative” in Bulgaria) which are practising social responsibility and sound labour standards, there is very little exchange of information and experiences in this field amongst the actors. In general the discussion starts with corporate social responsibility and ends with environmental management. Only since recently the debate is focusing on supply chains and the possibilities to enhance local economies by co-operating more closely with the local community and the option of reflecting business ethics of the individual hotels/ hotel chains in their supply chains.
3. The **tourism industry** itself is often severely and openly criticised, but **open co-operation** and consultation in this area is **scarce**. There are punctual partnerships between the tourism industry and development organisations (e.g. Sandals, Oxfam and EU in St. Lucia or ODI and Sun City in South Africa), trade unions (e.g. IUF and ACCOR) and NGO's (e.g. Tourism Concern and First Choice through the Travel Foundation)
4. The **long-term benefits** for companies still **need to be communicated** offensively. The examples from the environmental movement throughout industries have proven that there are direct financial benefits for (any) industry investing in and committed to it.

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"The major challenges have been identified. They need to be overcome in cooperation with the industry" (Coral (by Hilton), International Tourism Partnership (ITP), Sandals Resort International (SRI))

The hotel sector represented by Coral by Hilton, the International Tourism Partnership (ITP of the Prince of Wales International Business Leaders Forum) and Sandals Resort International urged the discussion group to include the hotel sector more closely in this multi stakeholder process. In regards of an industry wide consultation on appropriate implementation tools for social standards the hotel industry is one of the essential player. The integrative character of the hotel business consisting of several stakeholders e.g. owner(s)/ investor(s), hotel management, the chain/ franchise, employees and suppliers makes it a difficult *amalgamation* for a partnership on sustainable development. At the same time this feature also represents a major chance, since any of these stakeholders can be a counter-part for social sound practices.

In the case of Sandals the whole business mentality is oriented towards creating a positive working environment for all employees by offering transparent career paths, secure working contracts, training and education and social security. ITP and Coral have several examples from their members be it special support for the youth to enter the industry ("Youth Career Initiative"), trading fair with local suppliers to benefit local communities. Such existing practises will be the best arguments for the tourism sector to follow suite.

The lack of appropriate implementation tools might be attributable to the absence of strong and well established links between development and tourism. All stakeholders mentioned above are essential for the development of appropriate implementation tools for social standards in the tourism industry. Moreover, Coral (by Hilton), ITP and Sandals Resort are more than willing to work on these issues together with NGO's, Development organisations and trade unions.

The way forward!

In the context of implementing sustainable development and social responsibility objectives in poor countries, no company can be all things to all stakeholders. The success in this area will depend on a multi-stakeholder process that exploits its core competencies while partnering with those who bring the necessary willingness to form more complete solutions (ODI 2003). The close co-operation with the tourism industry itself is therefore crucial.

With this multi-stakeholder process GTZ intends to create a community of willing partners, channelling all efforts to „ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholder“ (WTO 2004) by focusing on fair labour conditions and social responsibility towards local communities. In this respect it will be essential to identify and agree upon a common *modus operandi* with the industry. Questions regarding the method of implementation will certainly form the focus point at a next meeting, which should take place within the Codes of Conduct Round Table. Scheduled for the last quarter of 2005, GTZ will call for a round table discussion and workshop on the issues of social responsibility and labour standards in tourism.

For more information on the follow-up activities in this field visit our homepage at www.gtz.de/tourismus.

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