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Standards as Drivers of Sustainable Development Processes
The Case of "Fair Trade in Tourism"

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Content

1. Institution Building in Sustainable Tourism

2. The Case of "Fair Trade in Tourism (FTT)"

3. Effects of the Standard Implementation

4. Conclusions

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1. Institution Building in Sustainable Tourism

- Potential of tourism to contribute to sustainable development processes

  (Font & Harris, 2004; Medina, 2005; Mahony, 2007; Saarinen et al. 2011)

- Standards as drivers of organisational change

  (Mahony, 2007; Nadvi & Wältring, 2004; Barrientos & Smith, 2007; Nadvi 2008; Bair & Palpacuer, 2015)

- In tourism: limited context-adaption, proliferation, little social criteria

  (Font & Harris, 2004; Medina, 2005; Jamal, Borges & Stronza, 2006: Lund-Durlacher, 2007).

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1. Institution Building in Sustainable Tourism

Research Questions:

- How can sustainability standards be developed to mediate between the interests of diverse stakeholders from different spatial levels?

- What are the drivers of the implementation of sustainability standards?

- What are the effects of the standard implementation?

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1. Institution Building in Sustainable Tourism

- Research gap on the development paths of sustainable tourism standards

- Innovations are the visible results of knowledge dynamics

  → Standards = institutional innovations

- Conceptual approaches:
  - Evolutionary economic geography – path dependency and knowledge dynamics (Halkier et al. 2012; Strambach & Klement 2012; Strambach & Halkier 2013)

  - Neo-institutional approaches in organisational theory (DiMaggio & Powell 1982/1991; Tolbert & Zucker 1983/1996; Scott 2008)

  - GVC/GPN research (Henderson et al. 2002; Gereffi et al. 2005; Coe et al.2008; Nadvi 2008/14)

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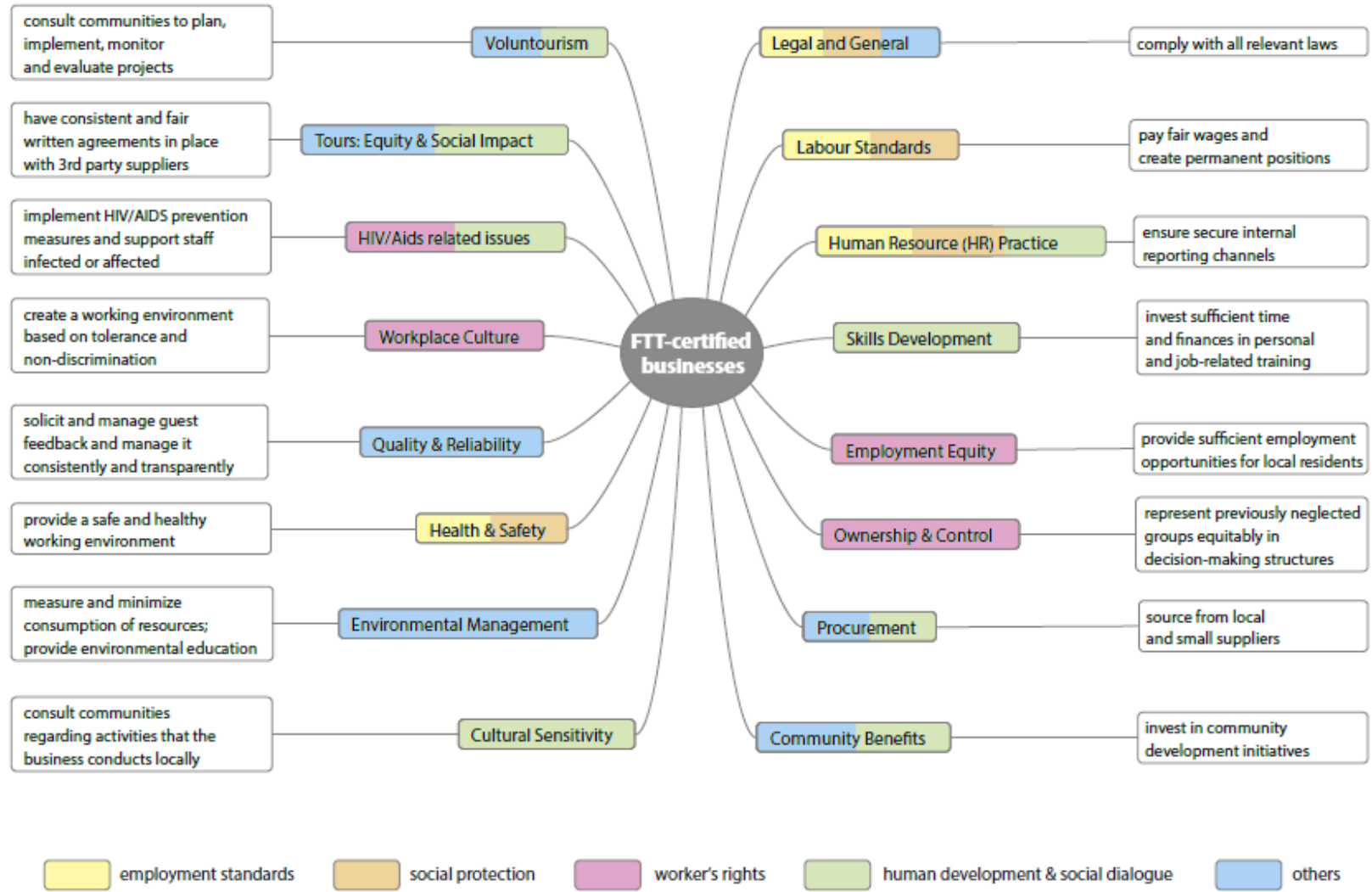# 2. The Case of "Fair Trade in Tourism (FTT)"

<u>"Fair Trade in Tourism (FTT)"</u>

- Developed in the Global South
- High recognition in the international tourism industry
- Strong focus on the social dimension of sustainability

- Aim: facilitation of a "fair, participatory and sustainable tourism industry" (FTT, 2016)

- Six Principles:
  - Fair Share
  - Democracy
  - Respect
  - Reliability
  - Transparency
  - Sustainability

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FTT Requirements in Comparison to ILO Labour Standards

consult communities to plan, implement, monitor and evaluate projects — Voluntourism

have consistent and fair written agreements in place with 3rd party suppliers — Tours: Equity & Social Impact

implement HIV/AIDS prevention measures and support staff infected or affected — HIV/Aids related issues

create a working environment based on tolerance and non-discrimination — Workplace Culture

solicit and manage guest feedback and manage it consistently and transparently — Quality & Reliability

provide a safe and healthy working environment — Health & Safety

measure and minimize consumption of resources; provide environmental education — Environmental Management

consult communities regarding activities that the business conducts locally — Cultural Sensitivity

FTT-certified businesses

Legal and General — comply with all relevant laws

Labour Standards — pay fair wages and create permanent positions

Human Resource (HR) Practice — ensure secure internal reporting channels

Skills Development — invest sufficient time and finances in personal and job-related training

Employment Equity — provide sufficient employment opportunities for local residents

Ownership & Control — represent previously neglected groups equitably in decision-making structures

Procurement — source from local and small suppliers

Community Benefits — invest in community development initiatives

Legend:
- employment standards
- social protection
- worker's rights
- human development & social dialogue
- others

(Own figure based on FTT, 2013; ILO 1999 and ITC 2016)

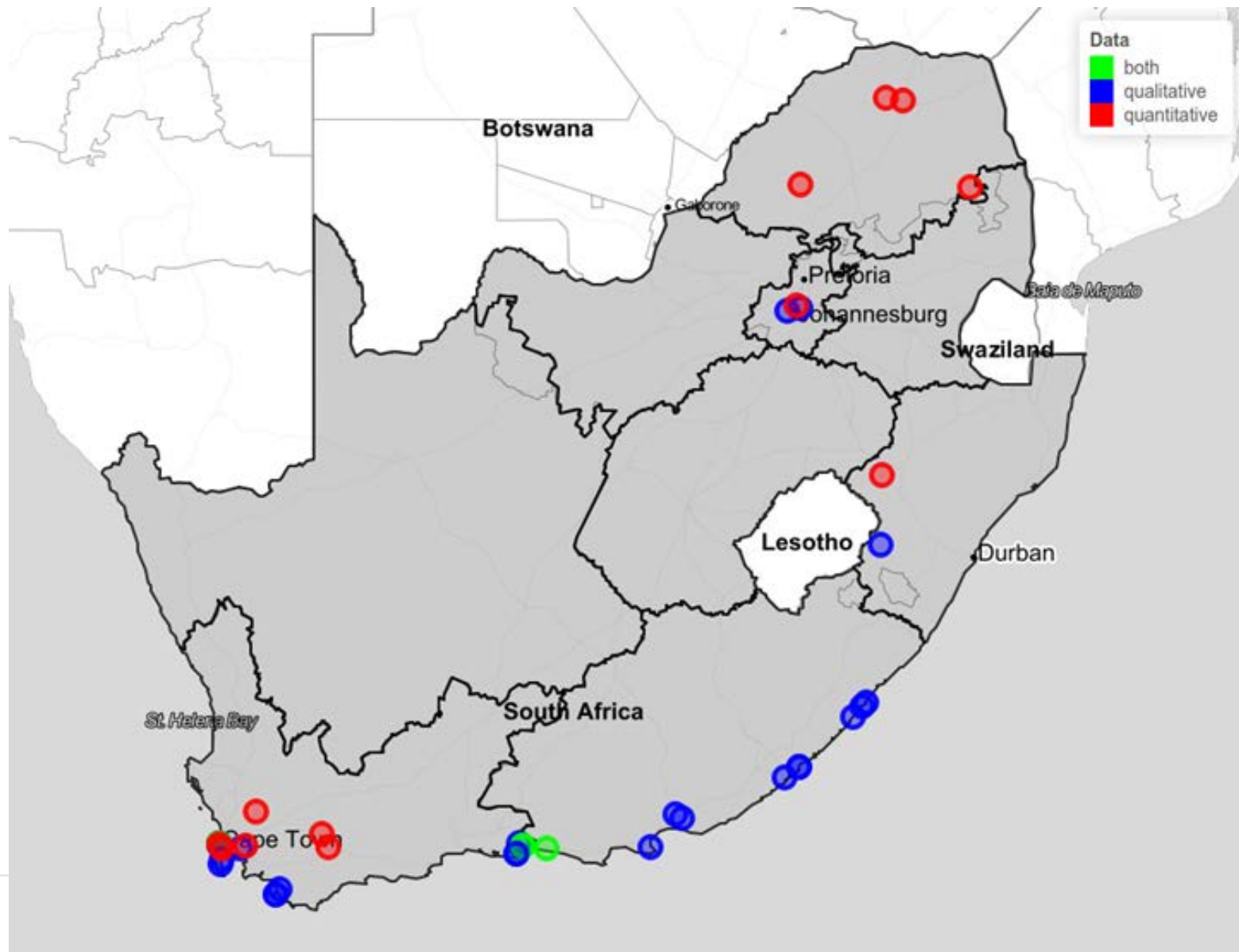# 2. The Case of "Fair Trade in Tourism (FTT)"

Methodology

- Qualitative research design, mixed methods approach

  - qualitative interviews
  - participatory observations
  - quantitative analysis of assessment data

- Longitudinal analysis over a period of 7 years

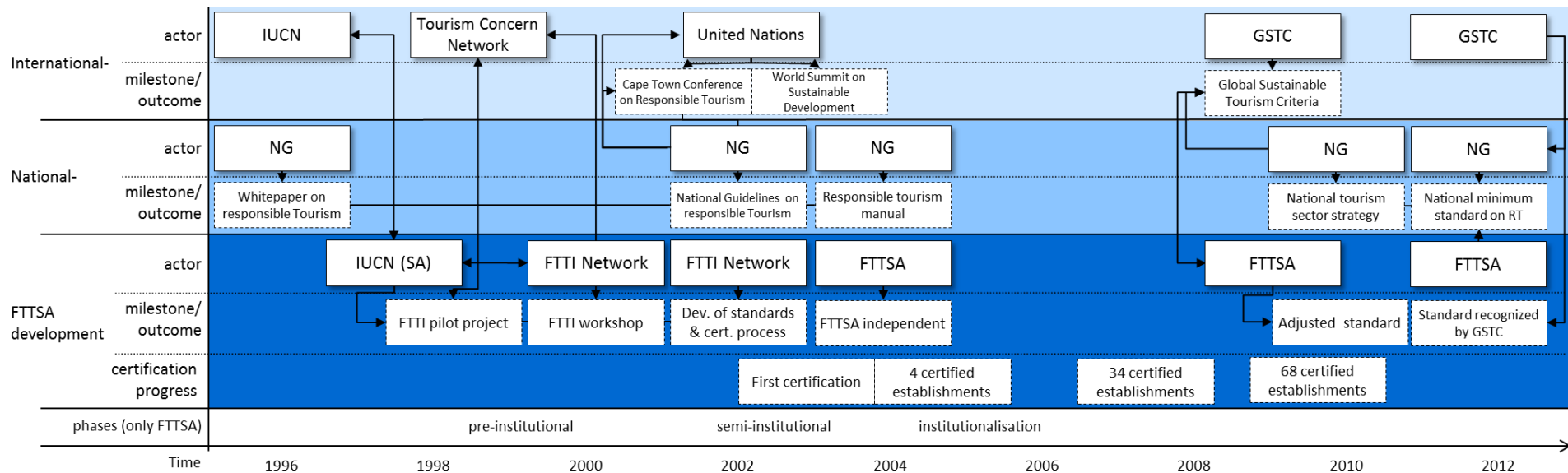Table 1: Interview partners acting at different spatial scales

Actor Group	national level	supra-national level	global level	Number of Interviews
Political actors	✓	✓		4
FTT-certified businesses	✓			47
Tour operators	✓	✓		3
Intermediaries	✓	✓	✓	15
FTT	✓	✓	✓	11
Total	✓	✓	✓	80

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Location of Analyzed Businesses

3. The Case of „Fair Trade in Tourism (FTT)"

Figure 3: The development path of the FTT standard

		1996	1998	2000	2002	2004	2006	2008	2010	2012
International-	actor	IUCN	Tourism Concern Network		United Nations			GSTC		GSTC
	milestone/ outcome				Cape Town Conference on Responsible Tourism / World Summit on Sustainable Development			Global Sustainable Tourism Criteria		
National-	actor	NG			NG	NG			NG	NG
	milestone/ outcome	Whitepaper on responsible Tourism			National Guidelines on responsible Tourism	Responsible tourism manual			National tourism sector strategy	National minimum standard on RT
FTTSA development	actor		IUCN (SA)	FTTI Network	FTTI Network	FTTSA			FTTSA	FTTSA
	milestone/ outcome		FTTI pilot project	FTTI workshop	Dev. of standards & cert. process	FTTSA independent			Adjusted standard	Standard recognized by GSTC
	certification progress				First certification	4 certified establishments	34 certified establishments		68 certified establishments	
phases (only FTTSA)			pre-institutional		semi-institutional	institutionalisation				

IUCN -International Union for the Conservation of Nature   **GSTC** – Global Sustainable Tourism Council   **NG** – National Government (South Africa)   **FTTI** – Fair Trade in Tourism Initiative

(Source: Strambach & Surmeier, 2013: 734)

4. Effects of the Standards Implementation

Motivation for Certification

- Strategic improvement of sustainable management practices
- Expectation of higher recognition and credibility
- Better market positioning

"We wanted to develop linkages with disadvantaged communities and make some kind of positive impact around the major challenges South Africa was facing."
(Tour Operator)

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4. Effects of the Standards Implementation

Intra-organizational change

- Change in daily management practices
- Improved contracts and working conditions
- Implementation of environmental management practices

Inter-organizational change

- Building up local supply chains
- Mentoring tourism entrepreneurs
- Community engagement

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4. Effects of the Standards Implementation

Development of institutional and product innovations

- Voluntourism Standard
- Fair Trade Travel Pass
- Fair Trade Holidays

"It's the most disgusting sector that I've ever come across in terms of exploitation."
(Interview tourism expert)

Standards as a means for GPN inclusion?

- Integration of local businesses and communities
- Difficulties in evaluating effects for certified businesses
- Positive evaluation of economic benefits

" A lot of my agents have me because I'm Fair Trade" (Interview certified business)

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5. Conclusions

Potentials

- Facilitation of organisational change and learning
- Creation of local linkages and networks
- Support of GPN integration, especially of SMMEs

Limits

- High investments of time and money
- Effects evolve over time and are mainly hidden
- Difficulties in quantifying positive effects

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5. Conclusions

Fostering factors for the institutionalisation of sustainability standards in tourism:

- Complementary efforts of different actor groups over time
- Normative and value-based motivations
- Balance of specific details and openness for local adjustments
- Quality of assessment and feedback

Double effect of specific knowledge combination

- Standard is well integrated into the national institutional context
- Answer to global demands

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Thank you for your attention!

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3. The Standard „Fair Trade in Tourism South Africa"

Figure 2: Standard Requirements
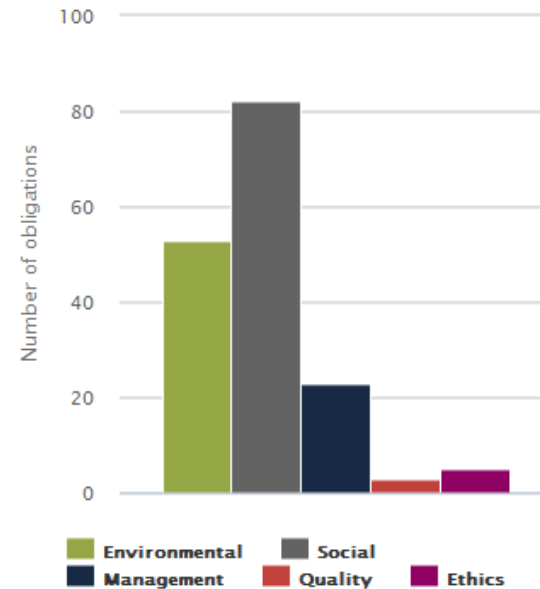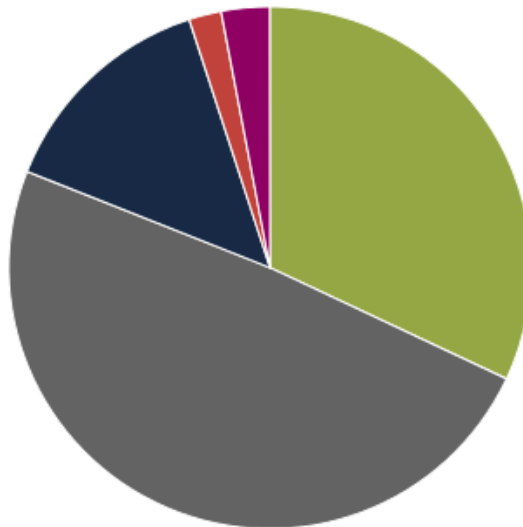
Social   = 49 %, 82 Requirements
Environmental = 32 %, 53 Requirements
Management   = 14 %, 23 Requirements

Ethics   = 3 %, 5 Requirements
Quality = 2 %, 3 Requirements

(Source: International Trade Centre 2014)

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3. The Standard „Fair Trade in Tourism South Africa"

Examples of the FTTSA Criteria

Category	FTTSA-certified businesses must…
Legal and General	comply with all relevant laws
Labour Standards	apply fairness and transparency in daily management
Human Ressource (HR) Practice	ensure secure internal reporting channels
Skills Development	invest sufficient time and finances
Employment Equity	provide sufficient employment opportunities for local residents
Ownership & Control	take steps to ensure that HDIs are equitably represented in decision-making structures
Procurement	support HDI-owned, local and small business suppliers; enable guests to spend money locally
Community Benefits	invest in community development initiatives
Cultural Sensitivity	ensure that local communities are consulted regarding activities that the business conducts in the area
Environmental Management	monitor and minimize consumption of resources; improve environmental knowledge
Health & Safety	provide staff with a safe and healthy working environment
Quality & Reliability	solicit guest feedback and manage it in a consistent and transparent fashion
Workplace Culture	create a working environment based on tolerance and non-discrimination
HIV/Aids related issues	support staff either infected or affected by HIV/AIDS; implement HIV/AIDS prevention measures
Tours: Equity & Social Impact	ensure equitable and transparent distribution of tour income
Voluntourism	consulted communities to plan, implement, monitor and evaluate projects

(adapted from FTTSA 2012)

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3. Wirkungen von Nachhaltigkeitsstandards in GPNs

Wirkungen im institutionellen Umfeld auf verschiedenen räumlichen Ebenen

- Foundation of the "Sustainable Tourism Certification Alliance Africa" in 2007
  - Aim:*"to facilitate a collaborative, integrated approach to sustainable tourism standards-setting and certification in Africa for the benefit of people, the environment and business"*
  - Members: 31 organisationen from 13 african countries and 6 from the Globalen North
  - One non-profit organisation from India

- Einflussnahme in globalen Institutionalisierungsprozessen
  - "Global Sustainable Tourism Council (GSTC)

"We can address decisions that are made regionally, internationally, globally that will impact what we are doing. Instead of arguing as one organization in one country, you can do it as a network that's collaborating and working together."

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Sustainable Tourism Certification Alliance Africa

4. Effects of the Standards Implementation

Development of institutional and product innovations

- Voluntourism Standard
    - FTT Certification for Volunteer Tourism

    "It's the most disgusting sector that I've ever come across in terms of exploitation." (Interview tourism expert)

- "Fair Trade Travel Pass"
    - Fair Trade Travel Package for Backpackers
    - developed in South Africa

- "Fair Trade Holidays"
    - developed in multi-stakeholder processes with international tour operators

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