

Appendix VII

Core conditions for sustainable enterprise development

Conditions for a conducive environment for sustainable enterprises	Role of government in the promotion of sustainable enterprises	Examples of tourism-specific requirements
Peace and political stability	Facilitating and participating in social dialogue	A tourist destination in a politically stable environment will attract customers
Good governance	Labour law enforcement through efficient labour administration, including labour inspection	Effective anti-corruption measures, responsible corporate governance to guarantee long-term development of hotels and restaurants, resorts and other facilities
Social dialogue	Encouragement of voluntary concept of corporate social responsibility	Collective bargaining between employees and employers of the tourism industry is crucial to improve working conditions and reflects a positive image of the enterprise towards customers
Respect for universal human rights and international labour standards	Promotion of socially and environmentally responsible public procurement, lending and investment	Freedom of association, collective bargaining, abolition of forced and child labour and of discrimination is required in hotels and restaurants
Entrepreneurial culture	Promoting sectors and value chains	Creation of new hotel and restaurant resorts, and SMEs within the supply chain
Sound and stable macroeconomic policy and good management of the economy	Flexibility and protection to manage change	Monetary, fiscal and exchange rate policies are important to assure stable and foreseeable economic conditions for investors and local entrepreneurs
Trade and sustainable economic integration	Targeted programmes	Tourism contribution to poverty reduction, especially with regard to the value chain (intersectoral linkages)
Enabling legal regulatory environment	Research and innovation	Legal basis is required to enable tourism stability, to avoid corruption and efficiency costs, and a stable environment for customers
Rule of law and secure property rights	Access to information and business and financial services	An effective legal system is a core condition so that contracts are honoured, the rule of law respected and property rights secured, as well as for attracting investment and generating trust
Fair competition	Policy coordination and coherence	Fair travel, hotel, and restaurant prices including respect for labour and social standards without anti-competitive practices
Access to financial services	International policies	Facilitating and enabling foreign direct investment (FDI)
Physical infrastructure	Production and consumption patterns	High-quality infrastructure of physical facilities for hotels and restaurants, transport systems, utilities and other services, hospitals and its quantity is essential for enterprise sustainability
Information and communications technology	Supporting skills development	Accessibility to computers and the Internet for hotels/restaurants and their customers is fundamental to the development of the tourism industry
Education, training and lifelong learning		Education, training and lifelong learning are required in order to help workers to find good jobs and enterprises to find skilled workers
Social justice and social integration		Inequality and discrimination hinder sustainable development

Conditions for a conducive environment for sustainable enterprises	Role of government in the promotion of sustainable enterprises	Examples of tourism-specific requirements
Adequate social protection		Universal social security for workers is necessary to enhance productivity and protect workers' health and safety at the workplace
Responsible stewardship of the environment		Respect of the environment and the creation of green jobs

Enterprise-level principles for sustainable enterprises	Role of the social partners in the promotion of sustainable enterprises	Examples of tourism-specific requirements
Social dialogue and good industrial relations	Advocacy	Social dialogue structures at workplace level are essential for effective collective bargaining, worker consultation and participation, and to create a good work atmosphere and a win-win situation promoting motivation, trust and cooperation
Human resource development	Representation	Skilled, motivated and competent workers are the basis of an effective and productive and customer-friendly environment and service quality
Conditions of work	Services	Good working conditions provide a safe and motivating environment and maintain sustainable development of the workplace
Productivity, wages and shared benefits	Implementation of policies and standards	Collective bargaining agreements (CBAs) and career perspectives will improve the attractiveness of the enterprise, especially for young and female workers
Corporate social responsibility		Satisfied and qualified employees are the basis for enterprises' success in the commercial sense and in terms of the enterprises' engagement with social and environmental issues to lead to successful implementation of CSR
Corporate governance		Promotion of values such as fairness, accountability, transparency, respect of rule of law

Source: Table prepared by the ILO based on G. Buckley, J.M. Salazar-Xirinachs, M. Henriques: *The promotion of sustainable enterprises*, ILO, Geneva, 2009.