5. **Sustainable tourism and social dialogue**

The following chapter will consider sustainable tourism and its implications for hotels and tourism as well as for social dialogue within the sector.

5.1. **Sustainability – Key for economic growth, employment creation and decent work**

**Sustainable development**

During the World Commission on Environment and Development in 1987 (Brundtland Commission), sustainable development was defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

**Sustainable tourism**

Sustainable tourism is composed of three pillars: social justice, economic development, and environmental integrity (see figure 15). It is committed to the enhancement of local prosperity by maximizing the contribution of tourism to the destination’s economic prosperity, including the amount of visitor spending that is retained locally. It should generate income and decent employment for workers without affecting the environment and culture of the tourists’ destination and ensures the viability and competitiveness of destinations and enterprises to enable them to continue to prosper and deliver benefits in the long term. In this sense, development should be a positive experience for local populations, tourism companies, workers and tourists themselves. However, the influx of tourists does have an influence on local cultures, whether positive or negative. Exposure to other cultures and norms may in fact create awareness and tolerance, just as it can create tensions and mistrust.

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According to the UNWTO, sustainable tourism should “make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural resources and biodiversity. It should respect the socio-cultural authenticity of host communities, conserve their established and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance; while ensuring viable, long-term economic operations, providing equal socio-economic benefits to all stakeholders, including stable employment, income opportunities, social services to host communities, and contributing to poverty alleviation”.

The IUF reinforces the idea that, in order to achieve sustainable tourism, its social dimension including employment must be considered. Key aspects of decent work, including collective bargaining, the right to information and consultation, as well as equal opportunities must be promoted. Governments may refer to ILO Convention No. 172 and use ILO Recommendation No. 179 as a model to gain recognition from their local communities which can contribute to tourism and help conserve the local economy and products.

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The ILO and IHRA signed a joint statement on tourism and employment (January 2010) referring to the ILO Global Jobs Pact of June 2009 (see Appendix IV). The statement emphasizes the significance of decent and productive work in sustainable enterprises that ensure job safety, equality and human dignity. In order for this to be achieved, stakeholders and employers must collaborate to improve working conditions; this remains an ever present concern.  

**Sustainable enterprise development**

A sustainable enterprise is a business that does not negatively affect the global or local environment, community, society, or economy. It is a key source of growth, wealth creation, employment and decent work; and a sustainable enterprise takes into consideration the differentiated impact of its policies and practices on men and women. Cooperation among governments, businesses, labour and society is required to promote sustainable enterprises and guarantee the quality of employment in a sustainable manner. The competitiveness and capability of enterprises within this quickly globalizing environment depends on mutual trust, respect, non-discrimination and good labour-management relations among workers and employers. Workers who are qualified and satisfied with their working environment will produce better outcomes both in terms of enterprise performance and enterprise engagement with social and environmental issues. Long-term capability implies that the management of enterprises should be based on the three pillars of sustainability, allowing enterprises to generate wealth and decent work (see figure 16).

**Figure 16. Sustainable enterprise development**

Investing in workers includes the development of training and the promotion of decent and efficient work environments by concentrating on the human dimensions of productivity and competitiveness. Sustainable enterprises also prevent unequal treatment in employment on the basis of sex or ethnicity; non-discrimination and equity should be promoted. Such principles may impose significant demands in terms of training on many enterprises.

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5 IH&RA is part of the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership), a coalition of more than 40 organizations aiming to improve the understanding of sustainable tourism and the adoption of universal sustainable tourism values on the basis of sustainable tourism criteria on effective sustainable planning, maximizing social and economic benefits for the local community, improving cultural heritage as well as on diminishing negative impacts of tourism to the environment (see also www.hotelinteractive.com/article_print.aspx?articleID=14711).

SMEs within the HCT sector that may not have the HR capabilities to implement these principles in an equitable and transparent way.

Guided by the conclusions of the International Labour Conference discussion in 2007 on “The Promotion of Sustainable Enterprises”, the ILO’s Sustainable Enterprises Development Programme is a key element of the Global Employment Agenda which is the employment pillar of the Decent Work Agenda and gives guidance for the achievement of full, productive employment and decent work. 7 The principles that underpin the programme challenge traditional practice as well as public perceptions of work within the HCT industry worldwide, especially in the context of SMEs.

The Sustaining Competitive and Responsible Enterprises (SCORE) global assistance project, which has been developed by the ILO, aims to support SMEs to become more sustainable through being cleaner, more productive and competitive and to provide more sustainable and decent employment. SCORE has been implemented in six countries (China, Colombia, Ghana, India, Indonesia and South Africa).

The Declaration on Social Justice for a Fair Globalization (2008) aims to strengthen the ILO’s capacity to promote its Decent Work Agenda and form an effective response to the growing challenges of globalization. Freedom of association, the right to collective bargaining, the elimination of discrimination in employment and occupation are the key principles of the Declaration. Once again, the implementation presents structural and organizational challenges in respect of many areas within the sector. Furthermore, the Declaration gives the ILO a tool to pursue the promotion of fair globalization based on decent work. It also gives ILO constituents a core responsibility to incorporate the ILO’s policy of a global and integrated strategy for the implementation of a Decent Work Agenda into their own social and economic policies. 8 In addition, the International Labour Conference adopted a resolution on gender equality at the heart of decent work in 2009, which provides a road map for mainstreaming gender equality issues in the four pillars of the Decent Work Agenda.

The environment for sustainable enterprise development has to consider essential conditions depending upon developmental as well as the cultural and socio-economic contexts. Appendix VII provides the conditions for sustainable enterprise development within the HCT sector.

As identified by ILO research, most international hotel chains have recognized the importance of social policies. They have developed HR management structures including a large range of policies and initiatives, for instance, employee training and development. However, some of their main challenges are preserving a consistent global approach to HR practice and implementing good standards of HR practice effectively through their franchising relationships and whether casual, seasonal, permanent, full-time or part-time employment chains. 9


9 J. Boardman, 2008, op. cit.
5.2. **Corporate social responsibility and international framework agreements**

In this section we discuss two key concepts that underline good stewardship for both the natural and social environment. They are corporate social responsibility (CSR) and international framework agreements (IFAs). IFAs result from negotiation between transnational companies and trade unions at the global level (Global Union federations). CSR on the other hand is a voluntary, enterprise-driven initiative.  

**Corporate social responsibility**

CSR programmes have emerged as a way for enterprises to consider the impact of their operations on society and affirm certain principles and values within their own internal processes and interactions with external stakeholders. Companies are responsible for their products, services and the conditions under which they produce them. CSR initiatives go further than the minimal legal or contractual requirements but they do not replace the role of government, collective bargaining or effective industrial relations. Key factors of CSR are transparency and accountability. Different organizations have established principles related to CSR that among others, cover environmental and social responsibilities (see table 12).

**Table 12. Main areas of corporate social responsibility use**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Accountability</td>
</tr>
<tr>
<td></td>
<td>Including stakeholder engagement, reporting on environmental and human rights issues, performance related to standards</td>
</tr>
<tr>
<td>2</td>
<td>Business conduct</td>
</tr>
<tr>
<td></td>
<td>Competitive conduct, corruption, bribery, intellectual property rights, political activities, proprietary information</td>
</tr>
<tr>
<td>3</td>
<td>Community involvement</td>
</tr>
<tr>
<td></td>
<td>Community economic development, employment of local and/or underutilized workers, philanthropy</td>
</tr>
<tr>
<td>4</td>
<td>Corporate governance</td>
</tr>
<tr>
<td></td>
<td>Shareholders' rights, conduct of executive boards</td>
</tr>
<tr>
<td>5</td>
<td>Environment</td>
</tr>
<tr>
<td></td>
<td>Precautionary principle, input/output, engagement of shareholders, employee training, management systems, public policy, sustainable development</td>
</tr>
<tr>
<td>6</td>
<td>Human rights</td>
</tr>
<tr>
<td></td>
<td>Indigenous people's rights, health and safety, child and forced labour, freedom of association, wages and benefits, working conditions, discipline</td>
</tr>
<tr>
<td>7</td>
<td>Marketplace/consumers</td>
</tr>
<tr>
<td></td>
<td>Marketing and advertising, product quality and/or safety, consumer privacy</td>
</tr>
<tr>
<td>8</td>
<td>Workplace/employers</td>
</tr>
<tr>
<td></td>
<td>Non-discrimination, training, harassment/abuse, downsizing, child/elder care, maternity/paternity leave</td>
</tr>
</tbody>
</table>


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11 CSR has become an essential tool to change management practices since the beginning of the 1990s, which has been a period of decreasing public trust in business standards and ethical behaviour, and of increasing interest of consumers in such standards and behaviour.
CSR is about delivering sustainable value and long-term benefits to all stakeholders. CSR consists of the integration of economic, social and ecological aims into a company’s business strategy. The main hotel chains have recognized that having a sound social policy makes good business sense. They acknowledge the importance of having a skilled, motivated and satisfied workforce as their staffs are the people who interact most with customers. Accor, for example, conducts employee training programmes aimed at developing new skills and new job categories in fields like revenue management, asset management, business or customer relationship management and new technologies for services within hotels; a good hands-on approach to management aimed at enhancing the meaning of everyone’s job, optimizing customer service quality, and retaining employees. The chain also implements skill enhancement programmes, employee empowerment and recognition initiatives, and mobility opportunities for their employees. Similar measures related to training and skills development have been introduced by many companies including Rezidor, Four Seasons and Hilton. Figure 17 shows percentages that display the main areas with which tourism companies, including hotels, engage in CSR actions.

**Figure 17. Areas of engagement in CSR actions**

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service</td>
<td>3%</td>
</tr>
<tr>
<td>Stakeholder involvement</td>
<td>6%</td>
</tr>
<tr>
<td>Supplier relations</td>
<td>17%</td>
</tr>
<tr>
<td>Host community support</td>
<td>34%</td>
</tr>
<tr>
<td>Internal management</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: Figure prepared by the ILO, based on UNWTO: “CSR in Tourism Study”, Tourism and the Millennium Development Goals, Madrid, 2010, p. 11.


Although the framework of CSR enables management to combine “long-term ownership value” with market success, CSR is still weak in most sectors of the tourism industry.  

**International Framework Agreements**

IFAs are global instruments used to ensure respect for fundamental international labour standards among target company locations. Originally the term IFA was adopted to differentiate such agreements between a company and a trade union from voluntary codes of conduct that were implemented by corporations wishing to show their commitment to CSR. Codes of conduct are unilateral initiatives that are implemented and monitored by the company itself. Most IFAs provide procedures for the implementation and monitoring procedures to be developed by the signatories. Ultimately, IFAs provide a way to promote social dialogue and improve conditions of workers and trade unions.

IFAs are based on core labour standards like encouraging opportunities for women and men to obtain decent work in conditions of freedom, equity, security and dignity. IFAs can also serve as tools to implement the Global Compact labour principles and improve industrial relations. Most of them refer to ILO Conventions Nos 87 and 98 in respect to freedom of association, the right to collective bargaining, and 135 on non-discrimination against workers’ representatives. IFAs generally make reference to ILO Conventions Nos 29, 105, 100 and 111 on the abolition of forced labour and discrimination in employment, equal pay for work of equal value, as well as Nos 138 and 182 on the elimination of child labour. A limitation of IFAs in the context of the HCT sector is that few of them aim to guarantee decent wages, working conditions and safe, hygienic environments. Legal enforcement mechanisms do not exist at a global level for IFAs. The effective implementation of IFAs relies on the ability of management to collaborate or on the capability of trade unions to resolve complaints with organizations.

Although the structure within labour relations is increasingly formalized in some international chains at several levels within the organization, only a few chains have established international agreements with the IUF. With regard to IFA for example, a trade union rights agreement was concluded in 1995 between the IUF and the Accor group (see Appendix VIII). In 2004, Club Med and IUF/ EFFAT signed an IFA on fundamental rights at work in all Club Med activities for migrant employees in Europe, Turkey and some African countries (see Appendix VIII), which was renewed and updated in July 2009. Concerns have been raised by workers and Global Union federations as to whether it is appropriate to have so few IFAs within a labour-intensive industry like the HCT sector.


15 Core ILO Conventions are: the Forced Labour Convention, 1930 (No. 29), the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Equal Remuneration Convention, 1951 (No. 100), the Abolition of Forced Labour Convention, 1957 (No. 105), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), the Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No. 182).


The IUF has reconsidered its approach and adopted a policy aiming to give the IFAs more substance and more practical relevance in the companies concerned.

5.3. International instruments aimed to promote tourism sustainability

There is a wide range of international instruments and agreements that are designed to promote tourism sustainability and have clear implications in the employment and decent work arena. They include a range of measures that, if universally implemented, would address many of the challenges presented in practice by working conditions and remuneration levels in the HCT industries of both developed and developing countries.

In 1977 the OECD adopted the Guidelines for Multinational Enterprises (revised in 2000) which included recommendations addressed by governments to multinational enterprises based in member countries. In May 2010, 42 governments committed to these Guidelines that provide voluntary principles and standards for responsible business practice in accordance with applicable laws. Their main objectives are: to ensure enterprises’ operations remain consistent with government policies, to enhance mutual confidence between enterprises and societies in which they operate, to assist the development of foreign investment environments and to strengthen contributions made to sustainable development by multinational enterprises. They also give recommendations on issues like: employment and industrial relations practices, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation. 18

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) was also adopted in 1977 and revised in 2006. 19 It included principles that proposed guidelines to MNEs, governments, employers’ and workers’ organizations in fields like employment, training, conditions of work and life, and industrial relations. 20

The Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172), and the Working Conditions (Hotels and Restaurants) Recommendation, 1991 (No. 179), set minimum standards to improve working conditions, training and career prospects in hotels, restaurants and similar establishments, and noted that collective bargaining is required to enhance job security. This Convention stipulates that minimum standards adopted at a national level should not exclude workers. As of July 2010, only 15 countries had ratified this Convention. 21


20 ibid.

21 See also: www.ilo.org/ilolex/cgi-lex/convde.pl?C172; The Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172) has been ratified by the following 15 countries: Austria, Barbados, Cyprus, Dominican Republic, Fiji, Germany, Guyana, Iraq, Ireland, Lebanon, Luxembourg, Mexico, Spain, Switzerland, and Uruguay. Further promotion would be required in order to enhance the ratification and implementation of the Convention.
(2001) aimed to strengthen partnerships where all actors play a major role, implement CSR principles, and introduce sustainability tools available to businesses and governments. The European Commission reported that “CSR is the concept that makes an enterprise accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and to contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large”.  

In October 2007, the European Commission adopted the Agenda for Sustainable and Competitive European Tourism as a long-term commitment building on the Tourism Sustainability Group report and on the results of public consultation. The agenda’s main objective was to “create more and better jobs through sustainable growth of tourism in Europe and globally” by delivering economic prosperity, social equity, cohesion and environmental and cultural protection.

5.4. Sustainable measures and initiatives undertaken by the tourism industry

Through the ILO MNE Declaration, the UN Global Compact and other initiatives, CSR appears to have increased awareness among enterprises of the significance of decent work.

A coalition of tourism-related organizations 23 established the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism as a voluntary initiative for social responsibility, which was initially launched in 1998 and has subsequently developed into a global project.

The Tour Operator Initiative (TOI) was established in 2000 (see Appendix X) 24 and consists of a commitment by tour operators to be accountable for the social, economic and environmental consequences of the supply chain. The principles take into account local, national and international laws, opposition to abusive and exploitative forms of tourism, respect for local cultures, and cooperation with local communities. A significant number of international tour operators are participating in the initiative. 25

According to the UN Global Compact, 150 travel and tourism businesses - including several hotel chains and tour operators - have joined the United Nations Global Compact since 2000 and have stated their commitment to respect international labour standards,


23 The UNWTO, End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes (ECPAT) and UNICEF, among others.


25 Member tour operators: Accor (France), Atlas Voyages (Morocco), Aurinkomatkat-Suntours (Finland), Steppes Discovery (UK), Dynamic Tours (Morocco), FreeWay Adventures (Brazil), KEL 12 (Italy), Kuoni Travel Holding Ltd, NES Travel (Turkey), REWE-Touristik (Germany), Sahara Tours International (Morocco), Settemari (Italy), Studiosus (Germany), TLB Destinations (Lebanon), Transat AT Inc., Travel Walji’s PVT (Pakistan), TUI Travel PLC.
human rights, environmental standards, and the fight against corruption in the HCT industry.  

With 4,000 hotels, 500,000 rooms in 100 countries, employing 150,000 workers on five continents, of which 79 per cent are in hotels, 3 per cent in services, and 19 per cent in other businesses, Accor strives to reach its sustainable development goals. Accor has established its objectives for social responsibility within its establishments and the promotion of diversity and career paths among employees, support for local and economic development activities such as opposing local corruption, improving skills through training, and pursuing environmental initiatives. Performance reports state that Accor aims to ensure equal opportunities including equal salaries between men and women with the same responsibilities, gender parity, and a certain percentage of disabled employees within the workforce. Accor aims to provide compensation in accordance with local practices, taking national salary policies into consideration. Employee training programmes and a specific training budget as a percentage of total payrolls are part of the hotel group’s aspirations. In addition, job mobility, promotion of social dialogue as well as employees’ health and safety are placed on a high level of importance. By 2008, 11,700 employees had been trained to fight against sex tourism. Accor signed the UN Global Compact in 2003 and set up an organization called the “Earth Guest” programme aimed to guarantee that the main challenges of sustainable development are fixed in corporate strategy.  

The UNWTO elaborated a Global Code of Ethics in 2001 (see Appendix IX), setting a framework for the responsible and sustainable development of tourism. It addresses the rights and responsibilities of all tourism stakeholders. The Code includes articles that shape behaviour requirements for destinations, governments, tour operators, developers, travel agents, workers and travellers. Its third article “Tourism, a factor of sustainable development” and fifth, “Tourism, a beneficial activity for host countries and communities” stated that the economic, social and cultural benefits of sustainable tourism are of particular interest for the sustainable development of the sector.

In 2004 the International Tourism Partnership (ITP) was launched in order to bring tourism companies together to improve their approach to ensuring the sustainability of natural resources, an educated workforce, development that enhances their surroundings and responsible supply chain management. The members of the ITP represent some of the largest travel and tourism companies in the world, comprising over 11,100 hotel properties and 1.8 million rooms.

As a non-profit corporation, the Informed Meetings Exchange (INMEX) was established in 2006 with the support of the North American hotel workers’ union (UNITE HERE). While it focuses on social responsibility, INMEX provides meeting planning resources for organizations. The aim is for investment in socially and environmentally responsible hotel corporations. For this purpose, INMEX cooperates with executives of hotel companies such as LXR/Hilton and Starwood and Convention & Visitors Bureaus.

26 See: www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html (accessed 7 Apr. 2010). The Global Compact has a current total of active business and non-business participants standing at over 7,000 organizations in more than 135 countries.  


like LA, Inc. and Team San José as well as with media, environmental, human rights, philanthropic, labour and community organizations.  

To face the difficulties with the lack of consensus concerning definitions of sustainable tourism the Rainforest Alliance, UNEP, UN Foundation, the UNWTO and over 50 other member organizations launched the Global Sustainable Tourism Criteria Partnership in 2007 as a project that aspires to be the basis for a common understanding of sustainable tourism. In October 2008, the Global Sustainable Tourism Criteria were published, which are applicable to hotels and tour operators, while additional versions for destinations, marine tourism, and transportation are under development.

Accor International, Rezidor and Scandic Hotels recently provided examples of good practice in respect to socially responsible HR and labour relations practices across the industry.

In 2009, Rezidor operated 369 hotels in more than 60 countries and had over 35,000 employees, of whom nearly 7,000 were directly employed through leased hotels and the others by third parties. More than 4,000 jobs were created in 2009, employing mainly local staff, receiving regular performance and career development information on a yearly basis. Through a Code of Ethics and Business Conduct launched in 2008 combined with management and staff development programmes, Rezidor shows its commitment to combating corruption, improving workers’ skills, and maintaining a high standard of business ethics. The Rezidor 2009 Responsible Business Report declares that the hotel group’s values are openness, trust, respect, confidence, a fighting spirit, flexibility and empowerment. In March 2009, Rezidor initiated the Responsible Business Manual, a step-by-step guide aimed at making business more responsible within its various locations and giving guidance on the importance of appointing a responsible business coordinator, the creation of a responsible business team, and the assessment of the initial environmental and social performance of a hotel. Next to its economic and environmental results, Rezidor aims to strengthen social issues like: human rights, diversity and anti-discrimination. Rezidor also signed the United Nations Global Compact, and aims to provide a responsible and healthy environment to its customers.

In 2009, in response to the growing popularity of and debate about sustainable tourism, the International Hotels and Restaurants Association developed the Émeraude Hotelier programme. This award programme’s criteria serve as guidelines for hotels of all shapes and sizes to encourage them to become more sustainable as well as help travel agencies and consumers to identify sound and sustainable hotels all over the world. One of Émeraude Hotelier programme’s main goals is to maximize social and economic benefits to local communities. They hope to use their award programme to encourage hotels to support the involvement of local culture, employment and sourcing.

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30 See: www.inmex.org/about.php (accessed 30 May 2010).


5.5. Paths towards sustainable tourism

Social dialogue and international partnerships in tourism

The Global Jobs Pact, adopted in June 2009 at the International Labour Conference, promotes the strengthening of social dialogue to maximize the impact of crisis responses to the needs of the economy, equal access and opportunities for skills development, quality training, and education to prepare for recovery. The ILO and UNWTO issued a statement on tourism and employment to recognize the fundamental role of employment creation, development and elimination of poverty in September 2009 (see Appendix III).

A similar statement was signed by the ILO and the IHRA in January 2010 (see Appendix IV). This statement aimed to enhance sustainable development through the exchange of information, to undertake tripartite action programmes at the pilot level in selected regions and hotel chains, and to tackle issues such as HIV/AIDS, child labour, migrant labour, gender policy and other cross-cutting issues. Further objectives included cooperation in terms of public–private partnerships, and encouragement of constituents to improve cooperation between labour and tourism ministries, authorities and stakeholders.

In February 2010, the T20 Ministers’ Meeting between tourism ministers and high officials created the T20 joint communiqué (Appendix II). It intends to strengthen growth and development of sustainable tourism by promoting social dialogue among the international community and the exchange of knowledge and best practice in the tourism sector. Among other things, it recommends enhancing the role of tourism in order to contribute to the creation of new and decent work and trade opportunities.