Why the tourism industry needs to take a human rights approach: The business case
Many in the tourism industry are increasingly embracing the sustainability agenda. This includes some of the smallest and largest tour operators, hotel groups and travel trade associations. The next challenge is for the industry to recognise that true sustainability means taking a human rights approach to tourism. This briefing makes the business case for doing so.

A human rights approach means recognising and addressing the multiple human rights impacts and issues associated with tourism. It makes business sense on several levels. This includes risk management, competitive advantage, social sustainability, and business leadership and ethics. Furthermore, the United Nations (UN) has now clarified and elaborated on the universal business responsibility to respect human rights. This briefing introduces this global baseline standard, as set out in the UN Guiding Principles on Business and Human Rights.¹
and urges the tourism industry to engage.

The UN Guiding Principles have received unprecedented levels of support from business leaders, governments and human rights groups. However, the tourism industry has been regrettably absent from their development. The business responsibility to respect human rights applies to all businesses, everywhere – including those in the tourism sector. It relates to direct activities, supply chains, and communities where companies operate. Companies can work towards fulfilling their business responsibility to respect human rights by undertaking human rights due diligence. This enables companies to reduce the risk of their activities harming the rights of others, and helps them to take necessary steps to avert, mitigate or remedy potential, actual or perceived abuses.

Tourism Concern is keen to open a dialogue with industry stakeholders small, medium and large around the challenges and practicalities of taking a human rights approach to tourism. Essentially, addressing human rights effectively will require tourism businesses to think both in terms of their ‘spheres of influence’, which has tended to limit human rights initiatives to issues of child exploitation and human trafficking, and ‘spheres of responsibility’. This shift involves a company recognising its potential to contribute to a range of human rights abuses, and seeking to engage directly and transparently with those who may be affected, including communities in destinations, so that particular impacts can be understood and addressed.

Lastly, this briefing outlines a selection of the numerous initiatives, guidelines and toolkits that are freely available online, and which are designed to assist businesses to adopt and implement a human rights approach.
Introduction

Human rights arguably underpin all three elements of business sustainability: social, environmental, and economic. For example, by reducing its water consumption, a hotel not only alleviates environmental impacts and reduces its costs, but may also decrease the risk of infringing on the rights of local communities to clean water and sanitation. Lack of respect for human rights, leading to environmental degradation and bad community relations, can undermine the tourism destination and product in both the long and short term, which will ultimately impact on a company’s bottom line.

The idea of a human rights approach to tourism is nothing new. The Federation of Tour Operators’ Travelife Sustainability Handbook includes reference to human rights and cites major UN rights declarations and the International Labour Organisation’s (ILO) four core Conventions as relevant international standards. The International Business Leaders Forum, which includes the International Tourism Partnership, has been addressing human rights issues since the 1990s, and a global initiative has long been established to address child sex tourism. The UN World Tourism Organisation’s (UNWTO) Global Code of Ethics for Tourism is also based upon international human rights conventions.

However, the new UN Guiding Principles on Business and Human Rights clarify and elaborate on the roles and responsibilities of companies, including tourism stakeholders, in respect to human rights. They present a vital opportunity to build upon and broaden initiatives undertaken to date.

Tourism’s potential to contribute to social and economic development is considerable. However, this potential is often undermined by the negative impacts of tourism. As our ongoing work in Kerala and Tamil Nadu (see page 6) has shown, tourism can and does transgress the rights of communities in tourism destinations. Tourism Concern’s report, Putting Tourism to Rights (2009), documents the many human rights violations that occur as a result of tourism across the world. These include forced relocation, illegal land acquisitions, pollution leading to ill health and loss of livelihoods, inequitable access to water and other scarce natural resources, cultural erosion, poor pay and working conditions, child labour, and sexual exploitation. Typically, these impacts are hardest felt by the poorest and most vulnerable people in society. However, poverty leaves many without a voice, which means the human rights abuses they endure remain hidden.

All tourism stakeholders, including the tourism industry, have a responsibility in helping to address the human rights challenges involved in tourism development. These issues must be addressed if tourism is to be truly sustainable.

What are human rights?

Human rights are basic principles aimed at ensuring equality and dignity for all. The 1948 Universal Declaration of Human Rights (UDHR) embodies the international consensus on human rights and forms the cornerstone of today’s human rights law. Such law places obligations on States to respect, protect and fulfil the human rights of individual citizens. These include civil and political rights, such as the right to association and to participate in civil society, as well as socio-economic rights, such as the right to housing and to health.

The duty of States to protect the rights of its citizens includes guarding against violations by businesses. Such protection is usually provided through domestic legislation. Thus, although most international human rights standards are not directly legally binding on companies, companies can violate human rights law by breaching domestic legislation designed to protect rights. On the other hand, companies may still be accused of committing, or being complicit in, violations of international human rights standards if national-level legislation that should protect against abuse is weak or unenforced.

Key human rights issues in tourism

- Labour conditions and a living wage
- Land rights and forced displacement
- The rights of indigenous peoples
- The right to water and sanitation
- The right to life and health
- The right to dignity and privacy
- Economic exploitation
- Cultural exploitation
- Child labour
- Sexual exploitation
- The right to participate
**Why do human rights matter to my business?**

“Breaches of good practice and association with social problems can cause considerable long-term damage to a company’s reputation and may result in a company being denied future licenses to operate, sometimes even facing international boycotts”

Rezidor, 2010

Tourism is commonly cited as one of the largest and fastest growing sectors. Its growth is part of the wider expanding role and power of business in an increasingly globalised world. This expansion means that corporate responsibilities in relation to human rights are under growing scrutiny by governments, international development agencies, campaigning groups and the business sector itself, including shareholders and investors. The recent banking crisis and global recession, as well as major scandals like the Deepwater Horizon BP oil spill in the Gulf of Mexico, have seen consumer trust in big business and governments plummet and heightened awareness of the role of business in social and environmental issues. Numerous companies from a range of business sectors have been implicated in human rights scandals in recent years, including many in the tourism industry.

‘Naming and shaming’ by campaigning groups and the media is common, facilitated by the growth in new media and social networking, and numerous legal cases have been brought against companies accused of human rights abuses. Almost all see their reputations and brand images suffer, with consequences such as loss of share value, increased security and insurance costs, expensive lawsuits, and even consumer boycotts.

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**High street strife**

Popular high street fashion chain, Primark, has been the target of public campaigning over child labour and the poor pay and working conditions of Indian and Bangladeshi garment workers in its supply chains. This has included demonstrations at Primark stores, lobbying at the annual meeting of its parent company, British Associated Foods, and negative media publicity. Primark introduced an ethical code of conduct and launched a new ‘Ethical Primark website’ in a bid to address the issues, which it blamed on third party suppliers. However, allegations of sweatshop labour have continued to surface, illustrating shortcomings in Primark’s efforts to implement and monitor adherence to its code effectively throughout its supply chains.

UK-based mining company Vedanta Resources Plc has received on-going negative publicity over its activities in the Indian state of Orissa. Campaigners argue that the mining will threaten the human rights of indigenous communities, such as the rights to water, food, health and livelihood. The Norwegian Government’s pension fund, the Church of England and the Joseph Rowntree Trust have all disinvested on ethical grounds since 2007. In September 2009, the UK Government upheld a complaint lodged against Vedanta under the OECD Guidelines for Multinational Enterprises (see below). Vedanta’s AGM has become a regular focus for protests and a legal challenge was launched by the affected communities in India.
Globally, growing numbers of businesses are seeking to demonstrate their respect for human rights by incorporating human rights standards within their core business practices. They recognise that adopting a human rights approach makes sense on a number of levels:

1. **Reducing and managing risk**
   - **Legal and reputational risk:** Arising from perceived or actual complicity in rights violations
   - **Operational risk:** Including revenue loss due to delays and disruptions; higher costs of financing, insurance and security; project cancellations
   - **Board member liability:** Providing corporate boards with strong protection against mismanagement claims by shareholders

2. **Competitive advantage and opportunities for growth**
   - Enhanced company reputation
   - Business leadership in sustainability and competitive advantage
   - Meeting investor expectations and increasing access to credit, as growing numbers of financial institutions now take human rights considerations into account

3. **Promoting positive business ethics and social sustainability**
   - Fostering positive relations with local communities, leading to a ‘social licence’ to operate
   - Attracting and retaining the best employees, improved staff morale and productivity

Companies that manage risk by adopting clear human rights policies and mechanisms for their implementation are better prepared to prevent human rights abuses and to effectively deal with any allegations of abuse or complicity that arise. This is particularly true for companies operating in countries where the rule of law is weak, or where human rights norms and practices fail to comply with international law. Many of these countries, such as Egypt, Burma, Dubai, India, Sri Lanka, Kenya and Zanzibar, are popular tourism destinations. This means that adhering to a nation’s laws may not always be enough for a business to manage risk sufficiently and ensure a socially sustainable approach.

For example, there are many cases of governments selling off public land to tourism developers...
The UN has now clarified standards of business responsibility and human rights. The **UN Guiding Principles on Business and Human Rights** and the accompanying ‘protect, respect and remedy’ Framework clearly establish the business responsibility to respect human rights as a global baseline for all companies, everywhere. The business responsibility to respect is complemented by the State duty to protect human rights, and the requirement of both States and businesses to provide access to remediation for victims of alleged human rights abuse.

**The business responsibility to respect human rights:**
- Means ensuring that business activities do not cause or contribute to adverse human rights impacts for others - whether employees, individuals, or communities
- Applies across company activities and through its relationships with partners, supply chains, value chains, government agencies and others
- Applies to all companies regardless of their size, sector, operational context or structure
- Requires companies to seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services, either through company activities or relations with others
- Establishes that good conduct in one area cannot offset human rights violations elsewhere

- Exists independently of a government’s willingness or ability to uphold its own human rights obligations
- Exists over and above compliance with national laws and regulations protecting human rights

**“Our organizations reaffirm our longstanding commitment on human rights issues and look forward to future opportunities to work together with Governments and other stakeholders to advance the implementation of the Guiding Principles”**

International Organisation of Employers, International Chamber of Commerce, and the Business and Industry Advisory Committee to the OECD.

The UN Guiding Principles have won unprecedented levels of consensus amongst the business sector, governments and civil society. Leading business entities that have endorsed the UN Framework include: the International Chamber of Commerce; the Business and Industry Advisory Committee to the OECD; the International Organization of Employers; and the Business Leaders Initiative on Business and Human Rights. Furthermore, the **OECD Guidelines for Multinational Enterprises** have been aligned with the Guidelines and include a new chapter on human rights.

However, the tourism industry has been lamentably absent from the development of the Guiding Principles, despite prolonged and far-reaching consultations undertaken by the UN-mandated team responsible for their development from 2005 to 2011.
Managing the responsibility to respect

“We believe that establishing the respective obligations of States and businesses will enhance the operating environment for companies in which we invest and their long term prospects ... We therefore call upon companies to implement the Guiding Principles and their due diligence, grievance and other provisions”

Investor statement in support of the Guiding Principles.16

What does the business responsibility to respect mean and how can it be implemented? The UN Guiding Principles set out three components for companies in this regard:15

1. Having a human rights policy
2. Undertaking human rights due diligence
3. Establishing remediation processes

Tourism’s tentative steps

Kuoni, a leisure travel and destination management company, has been working on human rights-related issues such as child protection and fair working conditions for several years. Currently, it is developing a human rights policy and a framework for implementation based on the UN Guiding Principles on Business and Human Rights.17

While the new Global Sustainable Tourism Criteria do not explicitly mention human rights, the need for tourism enterprises to respect a range of rights is implicit. This includes the right to water and sanitation, a living wage, and the rights of indigenous peoples.18

Since 2008, Intercontinental Hotels Group (IHG) states it has been developing comprehensive methods to assess and respond to human rights issues. Human rights responsibilities are embedded with members of the Executive Committee. In 2010, IHG signed up to the Global Compact and claims to be aligning its operations and strategies with the ten universal principles, which include commitments to human rights and labour standards.19

Marriott International has a human rights policy statement that makes direct reference to the Universal Declaration on Human Rights.20

The Rezidor Hotel Group is also a member of the UN Global Compact. It explicitly recognises that it operates in countries where violations of human rights exist and claims it is working to address human rights related issues directly.8

“For Kuoni, respecting the human rights of our employees, of those in our supply chain and at destinations is...of particular importance. We seek not only to comply with international human rights standards, but also to make a positive contribution within our sphere of influence. We recognise that achieving these standards presents a long-term challenge towards which we are fully dedicated”

Peter Rothwell, CEO, Kuoni

A hotel belonging to a major international chain collapses whilst under construction in Jamaica. Workers endured poor safety and pay
1 A policy statement
A clear statement setting out a company’s commitment to respect human rights should serve as the foundation stone. According to the Guiding Principles, the policy should be approved at the most senior levels. It should be informed by relevant expertise, communicated internally and externally, and integrated into operational policies and procedures.

2 Undertaking human rights due diligence
Human rights due diligence can help businesses reduce the risk that their activities are infringing the rights of others. The four aspects of due diligence are set out in the right-hand box. Human rights violations are often hidden in supply chains. As a result, companies may be unaware of them and not realise they are complicit. Thus, human rights due diligence allows a company to ‘know and show’ that it respects human rights, as opposed to being ‘named and shamed’ for a failure to do so. It should be an ongoing process and requires procedures that allow a company to become alert to, prevent, mitigate, and provide redress for adverse human rights impacts resulting from its activities or associations. Such procedures can be integrated into existing processes and procedures, for example, health and safety appraisals, and social and environmental impact assessments.

Human rights due diligence is about risk management. It differs from commercial and technical risk management because it requires businesses to engage in an ongoing dialogue with both internal and external stakeholders, including affected individuals and communities.

Thus, adopting a human rights approach requires tourism businesses to think not only in terms of their spheres of influence, which has tended to limit industry initiatives to issues around child exploitation and human trafficking, but also in terms of spheres of responsibility. It requires companies to recognise their potential to contribute to a range of human rights impacts, and necessitates efforts to engage directly with those who may be affected. In this way, human rights due diligence should also help companies address the risk of legal action by demonstrating that all reasonable steps to avoid involvement in an alleged human rights abuse have been taken.

3 Remediation
The third aspect of the corporate responsibility to respect relates to remediation. This requires companies to provide for, or cooperate in, remedial processes to address the grievances of those who believe their rights have been violated by company activities. These may be a company’s own operational-level processes, or other judicial or non-judicial processes, for example, the grievance mechanism provided by the OECD Guidelines for Multinational Enterprises.

Article 10 of the UNWTO’s Global Code of Ethics for Tourism also provides a potential mechanism for dealing with disputes regarding the interpretation and implementation of the Code, which can be raised with the World Committee on Tourism Ethics.21

The four elements of human rights due diligence

1 Identifying and assessing direct/indirect and actual/potential human rights impacts:
Such assessments require meaningful consultation with potentially affected groups and stakeholders in order to understand specific impacts. Special attention should be paid to vulnerable or marginalised groups, such as the very poor, women, and indigenous peoples.

2 Integrating the impact assessment findings into company processes and addressing any negative impacts:
This includes taking steps to halt, avert or mitigate adverse human rights impacts and, where feasible, exerting pressure upon those responsible for harm to stop or mitigate their activities.

3 Tracking and reporting performance:
Both should include feedback from affected stakeholders.

4 Communicating measures to address human rights impacts externally:
This promotes transparency and accountability to those affected by company activities and other business stakeholders.

Hotel workers in Cancun, Mexico, protest against poor pay

© Miami Herald
Other global initiatives on business and human rights

Businesses from a vast range of sectors all over the world are increasingly engaging in the human rights agenda, giving rise to a variety of initiatives and schemes. These include:

**Human rights policies**
Over 280 companies now have a human rights policy, according to the Institute of Business and Human Rights.11

**ISO 26000**
This new standard for social responsibility produced by the International Standards Organisation (ISO) includes human rights as one of seven core aspects of social responsibility.

**The Global Reporting Initiative**
The GRI aims to produce a comprehensive sustainability reporting framework. The recently updated guidelines, ‘G3.1’, include expanded information for reporting on human rights, local community impacts, and gender.

**UN Global Compact**
The largest global corporate responsibility initiative with 5000 corporate members. Six of the Compact’s ten core principles are based on human rights.

**SEDEX (Supplier Ethical Data Exchange)**
A membership organisation for businesses committed to improving the ethical performance of their supply chains.

**FTSE4Good & Dow Jones Sustainability Index**
Both have strict human rights entry criteria. FTSE4Good criteria include a statement of commitment to Core ILO labour standards, board-level responsibility for human rights issues and global communication of company human rights policy, including in local languages.
## Existing tools and guidance for business

Below is a selection of existing tools and guidance for business, all of which are freely available online.

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<thead>
<tr>
<th>Tool</th>
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<tr>
<td><strong>A Guide for Integrating Human Rights Into Business Practice</strong>&lt;br&gt;<a href="www.integrating-humanrights.org">www.integrating-humanrights.org</a></td>
<td>Business Leaders Initiative on Human Rights (BLIHR), the UN Global Compact and the Office of the UN High Commissioner for Human Rights</td>
<td>An online tool offering practical guidance to companies wanting to take a proactive approach to human rights within their business operations; of use primarily to business leaders and managers in large and medium-sized enterprises</td>
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<td><strong>Human Rights Compliance Assessment Quick Check</strong>&lt;br&gt;<a href="www.humanrightsbusiness.org/files/422157696/file/quick_check_august_2006.pdf">www.humanrightsbusiness.org/files/422157696/file/quick_check_august_2006.pdf</a></td>
<td>The Danish Institute for Human Rights and The Human Rights and Business Project</td>
<td>A tool to help companies detect potential human rights violations caused by their operations on employees, local residents and other stakeholders</td>
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<tr>
<td><strong>A Resource Guide to Corporate Human Rights Reporting</strong>&lt;br&gt;<a href="www.globalreporting.org/NR/rdonlyres/4C5DB4C6-5084-4A84-BE51-0D134B5A2E/3583/HR_ReportFINAL_Resource_Guide.pdf">www.globalreporting.org/NR/rdonlyres/4C5DB4C6-5084-4A84-BE51-0D134B5A2E/3583/HR_ReportFINAL_Resource_Guide.pdf</a></td>
<td>Realizing Rights: The Ethical Globalization Initiative, UN Global Compact and the Global Reporting Initiative</td>
<td>This guide helps companies begin a process of identifying human rights issues in their operations and translating these into meaningful and effective reporting. Written primarily for companies that do not have extensive human rights reporting experience.</td>
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Links to existing company human rights policies: [www.businesshumanrights.org/Documents/Policies](www.businesshumanrights.org/Documents/Policies)

Business and Human Rights Resource Centre

All these company statements make explicit reference to the Universal Declaration on Human Rights
Conclusions and recommendations

This document has presented the business case for the tourism industry to take a human rights approach. Opportunities and advantages include the management of risk at several levels, and ensuring social licence to operate. A human rights approach to tourism is integral to true sustainability. It is in keeping with emerging international business and human rights norms, standards and practices, notably the UN Guiding Principles on Business and Human Rights. Widely endorsed, these Principles clarify the responsibility of all businesses to respect human rights, wherever they operate. This includes tourism businesses.

- **Engagement**: As a major global industry and proclaimed driver of sustainable development, the tourism sector must now engage with the business and human rights agenda. This means taking steps to adhere to the business responsibility to respect human rights through processes of human rights due diligence.

- **Contributing to change**: Due diligence requires tourism businesses to think both in terms of spheres of influence and of responsibility. It requires companies to recognise their potential to contribute to various human rights impacts and to seek to engage with affected stakeholders, including local communities, so that specific impacts can be effectively addressed.

- **Role of industry bodies**: Major industry associations, including the UNWTO, the Global Partnership for Sustainable Tourism, the World Travel and Tourism Council, and travel trade associations, have a key responsibility in communicating the UN Guiding Principles to the tourism sector. These bodies should also engage in the further consultations undertaken by the UN Working Group on business and human rights.

- **Promoting best practice**: Major industry codes, certification schemes and awards seeking to represent best practice should bring themselves into line with the UN Guiding Principles on Business and Human Rights. These include the Global Sustainable Tourism Criteria, Travelife Sustainability System, and UNWTO Global Code of Ethics for Tourism.

Tourism Concern is keen to consult and collaborate with industry stakeholders, small, medium and large, to identify particular human rights challenges, dilemmas and opportunities. Such collaboration would usefully inform the development of practical tools and guidance for understanding and working through these challenges as part of the process of human rights due diligence. We would like to hear from anyone who is interested in working with us as part of this process.

References

3. See: www.fto.co.uk/responsible-tourism/
5. See: www.iblf.org
8. The Rezidor Hotel Group (2010), 2010 Sustainability Report
12. The following points are drawn from a range of sources, including those featured in the Tools table on page 4
14. For further information about Bekal, visit: www. keralatourismwatch.org/node/28
18. See: http://new.getcouncil.org/page/adopt-the-criteria
19. See: www.hgplc.com/index.sp?pageid=739#humanrights
21. However, Article 10 remains largely unknown or inaccessible to socially marginalised individuals and communities. For a further critique of this, see: www.tourismconcern.org.uk/uploads/file/campaigns/HumanRightsStatement.pdf
22. See: www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf
23. See: www.oecd.org/department/0,3355,en_2649_ 34889_1_1_1_1_1,00.html