

Now, Back to Sustainability

BARRING ANY further problems relating to the paramount issue of safety and security, the year 2002 is set to witness a renewed focus on the second most important issue: sustainable development.

2002 will mark the 10th anniversary of the Rio Summit on Sustainable Development, birthplace of so-called Agenda 21. The World Summit on Sustainable Development (WSSD) is to convene in Johannesburg, South Africa, in September 2002, to follow up on the progress (or lack of it) since 1992.

The United Nations also has designated 2002 as the International Year of Ecotourism (IYE). The United Nations Environment Programme (UNEP) and the World Tourism Organization (WTO) have been appointed as coordinating agencies for this event. PATA, too, is committed to it.

Both events will see renewed interest in the issue of sustainability, which temporarily (and understandably) went off the radar screen after September 11, 2001.

In the 10 years since the Rio summit, the travel and tourism (T&T) industry has done a great deal for the cause of alleviating global environmental problems. The T&T industry's role, however, is dual. While it acts as the main economic engine in several economies, generating jobs and income, providing services and products etc., it is also a source of pollution, waste generation and depletion of natural resources. At the same time, tourism is affected by environmental problems caused by other major regional industries like agriculture, chemicals, mining and metals, oil and gas, transport and manufacturing.

The challenge for T&T is to generate the benefits while minimising the negative impact. Several issues relating to sustainable development are of relevance to T&T. Some of them,

including climate change, globalisation, the role of small and medium enterprises, peace and security, have emerged or become significantly more prominent after the 1992 Rio Summit.

The following is an outline of internal and external issues that still face T&T as it struggles to maintain the balance between ecological responsibility and economic reality. Not presented in any order of priority, the outline is adapted from a position paper prepared by UNEP and the UN Industrial Development Organization on Sustainable Development and Industry in Asia and the Pacific. Relevant to T&T as much to industrial development at large, it is designed as a checklist for PATA members to use in addressing the issue, including what they can do themselves or in alliance with other stakeholders. Areas where governments can be of help are also identified.

A. Economic Issues

Lack of access to financing for sustainable development investments remains a barrier. Support to companies to identify and approach sources of funding, as well as support to financing institutions to evaluate and target sustainable development investments, is a critical issue for removing this barrier.

Overseas Development Assistance (ODA) and Foreign Direct Investments (FDI) constitute major sources of funding for development in several PATA countries. Furthermore, ODA and FDI are important channels for establishing partnerships and collaboration between actors in donor and recipient countries. ODA/FDI needs to be further focussed and supported at an adequate level through policies and

frameworks provided both in donor and recipient countries. This issue is of special importance to the developing PATA countries because the economic and budgetary declines in many donor countries have also led to proportionate cutbacks in their ODA/FDI contributions.

Industry and business operate primarily according to economic parameters. The ability of T&T to respond to sustainable development issues is closely linked to how such responses can be justified and presented in economic terms (e.g. to the financial stakeholders of individual companies). It is important that government policies and strategies for sustainable development are in line with economic conditions in the market. Such conditions can be influenced by governments providing soft loans for sustainable development investments and reasonable pricing of natural resources. The T&T industry needs to lobby more strongly for this.

Globalisation and international trade. Large Asian markets are switching to market-based economies (China (PRC), Russia, Vietnam and Mongolia). At the same time, globalisation and new trade harmonisation rules under the World Trade Organization influence the whole economic context for T&T. These forces are likely to have very different effects on different industry sectors and different countries. One immediate effect will be more competition, both in the domestic and international markets, which in turn puts increased pressure on companies to improve their competitiveness. The impacts from macro-economic forces on the micro-economic realities of individual companies are of relevance to the ability of T&T to respond to sustainable development issues. These must be considered in the discussions on globalisation and international trade.

Diversified industry profile. The regional economic crisis in the late 1990s emphasised the need for countries to refocus their development strategies from fast-growing, large-volume T&T industries to a more diversified mix based on quality and flexibility. This would not only decrease their vulnerability to fluctuations in the economic climate, but also provide a better competitiveness within the T&T industry. Governmental policies need to be reviewed so as to ensure they support this kind of T&T development.

Sustainable production strategies, such as cleaner production, sustainable management and green productivity can allow a company to address the triple bottom line in a comprehensive manner. A continued process of capacity building, establishing national resource centres, training and information, as well as enactment of supporting policies and legislation, is all needed.

B. Environmental Issues

Climate change has a large potential impact on T&T, especially island destinations and coastal cities which can be affected by rising ocean levels. However, different industry sectors (e.g., T&T, energy, insurance, transportation) have almost totally opposite views about the potential impact and concerns which in turn affects the kind of response governments are adopting. For example, energy producing companies claim that removal of governmental subsidies on energy and fuel prices is critical to induce action to improve energy efficiency by industry. However, this will lead to higher fuel costs and in turn affect T&T. Thus, responses to climate change need to be worked out in partnership between T&T, industry, governments and civil society.

Waste generation from production and products is rapidly becoming a major barrier to sustainable development. Hazardous waste, including chemicals and radiation-contaminated waste, is of special concern. The solution should include the recycle-reuse-recover hierarchy and may be supported by the use of life cycle assessments and product design. Partnerships among consumers, producers and governments to work out suitable approaches to waste minimisation and management are recommended as a preferred alternative to control and command approaches.

Water pollution is possibly one of the most visible and direct negative environmental impacts caused by both T&T as well as other industries. However, there is a need to widen the focus from point sources (end of pipe) to diffuse pollution sources (e.g. leakage from waste dumps), which may also include other sectors such as agriculture.

Depletion of natural resources is a considerable problem for T&T, as exemplified by deforestation, deterioration of coral reefs and extermination of wildlife. Integrated land use planning, more efficient resource utilisation, and an accelerated regeneration of renewable resources all constitute important parts of the solution.

Health and safety impact. Health and safety issues arising from the environmental impact of industrial activities are well recognised in the region. Industry-initiated efforts such as the Responsible Care programme need to be further promoted and supported to minimise the potential adverse effects.

Food contamination. The use of certain substances in food processing, agriculture, cleaning, or foodstuff manipulation through radiation or genetic modification is an indirect concern to T&T. Historically, the region has seen several tragic examples of health impacts from such practices. With new technologies and opportunities to apply new conservation or food quality enhancing techniques in food, it is important that T&T works with the agriculture industry to upgrade standards of safety and self-control, to avoid future disasters.

C. Social Issues

Sustainable Consumption. T&T is providing products and services in response to market demand. The number of consumers, as well as their lifestyles and habits, are directly correlated to the scale and type of products and services supplied. While the carrying capacity of a community can be greatly enhanced by sustainable production practices, sustainable development will remain elusive if factors on the consumption side (such as population and lifestyle) are not simultaneously addressed.

Education and information. While a market economy provides the venue for consumers' choice between sustainable goods and other products, the market for "sustainable products" in T&T is limited by both cost factors as well as the perception and understanding of sustainable development issues among the public. Basic education and information of the public on these issues would help businesses to develop "green markets" for sustainable T&T products. Furthermore, such public education and information would also

enable individuals to act responsibly in their roles as consumers, business operators, politicians and officials.

Graft and corruption remain a reality for business and cost substantial sums to business and society alike. Corruption also distorts equal opportunities for business and undermines efforts to promote transparency and responsibility by business. Increased transparency and accountability of both officials and the business community are basic conditions to create a level playing field for all stakeholders.

Peace and security. Armed conflicts, unrest and violence are conditions that affect stability and the ability to make long-term investments in sustainable development. Peaceful conflict resolution, as well as coherent politics to support non-confrontational societal development is a major issue of concern.

Cultural values, heritage and traditional lifestyles, traditionally valued primarily for their significance for national and regional identities, are in fact also seen as the most important "natural resource" for T&T. Other industries are being asked to take this fact into consideration when planning development in areas rich in these kinds of resources. T&T must remain alert to the entrance of potentially environmentally unsound industries in pristine areas.

Women's rights. Women are involved as owners, managers, operators and service staff in a large part of T&T, especially in small and medium-sized enterprises (SMEs). To achieve sustainable development and allow industry to operate at its optimum potential, it is important that this sector of T&T is not handicapped by unfair treatment. Basic rights and services, such as education, participation in community decision-making, health care, access to financial support and the like, must be equally accessible for men and women.

Corporate Social Responsibility. The T&T sector recognises that it operates in a wider context than is defined by its immediate business interests. Long-term sustainability of business operations ultimately relies on sustainable development of society at large. Initiatives highlighting a more holistic approach, such as the United Nations' "Global Compact" or the World Business Council for Sustainable Development's "Corporate Social Responsibility Initiative" are important for

enhancing the understanding and adoption of a wider responsibility towards sustainable development. The opportunity for skills development for the individual employee, as well as the fostering of responsible social behaviour (e.g. through non-violent conflict resolution and respect for other religions and cultures) are important aspects of this responsibility.

D. Institutional Issues

Small and medium-sized enterprises constitute a major part of the T&T industry in the Pacific Asia region. Nevertheless they largely remain unaffected by efforts to improve their performance, be it economic, social or environmental, or by the government, international organisations or local non-governmental organisations. Unless the SMEs of the PATA region are reached and activated, the goal on sustainable development will be cumbersome to achieve.

Lack of access to competitive and sustainable technologies remains a key barrier for industrial development in many PATA countries. Basic requirements for the successful transfer of Environmentally Sound Technologies (EST) include access to information of EST, means of verification and selection of technologies, as well as domestic infrastructure required to adopt such technologies. Transfer of technologies is not only needed for "hard technologies" (machinery and equipment) but also for "soft technologies" (e.g. human skills and management systems).

Integrated Industrial Planning. Sustainable industrial development relies on a sustainable supply of raw materials, water, energy, access to a skilled work force, infrastructure, adequate waste treatment facilities and so on. Such conditions are typically found in urban areas where many other sectors of society compete for resources. In order to avoid conflicts with other sectors (agriculture, urban planning, fisheries, environment and competing industrial sectors), it is essential that T&T development projects are planned and carried out in coordination with all other concerned stakeholders. Integrated planning and a corresponding coordination among concerned ministries and authorities are essential. Related to this is the need to clarify

the sometimes confusing or misdirected legislation and overlapping responsibilities between authorities.

Institutional capacity building is a basic need for the T&T industry in many countries in order to be able to adopt strategies and tools, such as cleaner production, environmental management systems and environmental technology assessments. Even if such tools and strategies are made available to T&T, the human resources required for successful implementation need to be strengthened via training, improved management skills, institutional reform and the provision of consultancy services etc.

Transparency and public participation is a key issue for sustainable development in general and environmental performance in particular. Public rating/ recognition of companies, corporate environmental reporting, eco-labelling and ISO 14001 certification are tools that can have an impact. While public reporting should be encouraged it should be introduced in small steps. Verification and standardisation should only be brought into the agenda at a later stage.

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