



Destination Mutual Benefit

A Guide to
Inclusive Business
in Tourism



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Partners

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Endeva finds business solutions to poverty. As an independent institute, we conduct research on inclusive business, transfer knowledge through trainings and workshops, and apply insights through consulting.

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A Guide to
Inclusive Business
in Tourism

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Case studies

Nine case studies on pioneering tourism companies that work with low-income people as business partners accompany this paper as separate documents.

COMPANY, COUNTRY **CASE STUDY**

Al Tarfa Desert Sanctuary, Egypt
A luxury lodge fostering entrepreneurial spirit

Semiramis International Cairo, Egypt
Corporate gifts from paper recycling

COMPANY, COUNTRY **CASE STUDY**

Wild Jordan, Royal Society for the Conservation of Nature, Jordan
Managing natural resources through ecotourism



COMPANY, COUNTRY **CASE STUDY**

Damaraland, Wilderness Safaris, Namibia
Creating luxury ecotourism with the local community

Phinda Private Game Reserve, andBeyond, South Africa
Strong community partnership through long-term land leasing

Spier Leisure, South Africa
Local procurement strengthens a hotel's business base

COMPANY, COUNTRY **CASE STUDY**

Kampoeng Kepiting Ekowisata Bali, Indonesia
A crab restaurant protects mangroves

Papua Expeditions (CV. Ekonexion), Indonesia
Community conservation of the great Papua wilderness

Rinjani Trek Management Board, Indonesia
Bringing local guides together with international tourists

Our bags are all packed ...

This publication marks the beginning of a journey. Our destination? Mutual benefit.

The partners behind this publication, the GIZ Responsible and Inclusive Business Hubs and Endeava, share a mission to empower innovative business approaches and make poverty a thing of the past while conserving resources for the future. We have been interested for quite some time in tourism as a sector because of its enormous potential for innovative business solutions that create opportunities for low-income people and companies alike. With the establishment of the Responsible and Inclusive Hubs in Egypt, Indonesia and South Africa, three premier tourist destinations, it was clear that we needed to start packing.

By developing the present guide to inclusive business in the tourism sector, we charted our course. The guide maps out the opportunities and demonstrates why working together makes sense for companies as well as for communities. Certainly, there are challenges for both as they explore these new paths. But companies willing to take the risk can reap the considerable rewards of being able to offer a more authentic, attrac-

tive, friendly and efficient tourism experience. A variety of public and private partners stand ready as travel companions and guides for this endeavour. And some pioneers are clearing the way: The nine case studies that accompany the guide provide inspiring examples of tourism companies that have already achieved mutual benefits with local communities and low-income people.

We invite all companies from the tourism sector, including hotels, restaurants, tour operators, souvenir makers and shops, transport companies and many others to join us on this journey. Over the next months, we will invite companies to contribute to the conversation with us at workshops, roundtables, fairs, conferences and online. We are interested in hearing what you have to say: Where do you see opportunities for mutual benefit in your business? Which opportunities have you acted on? And where can we support you in advancing towards these goals?

As a well-known African proverb says: “If you want to travel fast, travel alone. If you want to travel far, travel together.” In this spirit, we look forward to the journey towards mutual benefit – together with you!



Endeava team



GIZ Responsible and Inclusive Business Hubs team

The journey in brief

Each year, more than one billion people travel across international borders. Roughly the same number of people live on less than one U.S. dollar per day. Inclusive business strategies bring these two groups together and create opportunities for both.

From the margins to the core of business

People living in poverty, whether they earn one or four dollars a day, are often already participants in tourism's value chains. However, these individuals usually participate informally and at the margins, as porters, cleaning ladies, farmers and so on. Because employment and entrepreneurship opportunities are often irregular and associated with significant risks and little upward potential, the tourism sector is often unattractive to these individuals.

Looking ahead, tourism could become the sector of choice for many bright people seeking a way out of poverty. This entails, however, that companies offer decent working conditions, access to career opportunities, and sound partnerships with local communities and individuals along the value chain.

This guide shows businesses working along the tourism value chain how to align development impacts with core business goals and thereby achieve mutual benefits.

Based on desktop research, case studies, and expert interviews and feedback, this guide maps out opportunities for inclusion along with challenges, solutions and partners who can provide support.

Who should read this report?

This report primarily addresses companies along the tourism value chain. International and local tour operators, transport companies, hotels, restaurants, souvenir producers and vendors, and activity providers can find inspiration and guidance on how to work more closely with local communities in generating business and development benefits. To make insights actionable, the report provides opportunities for self-assessment, idea generation and planning.

NGOs, development agencies, donors and other supporting actors in the so-called third sector will likely find this report useful as it explores development opportunities through the private sector's eyes. Rather than delivering new insights on the links between

Inclusive, pro-poor and responsible tourism – What's the difference?

Inclusive business in tourism can be defined as tourism that increases business linkages between people from low-income communities and tourism-industry actors for long-lasting mutual benefit.

Inclusive business in tourism stands for a distinct attitude. While pro-poor tourism is defined as "tourism that results in increased net benefits for poor people", inclusive business has as its goal the collaboration of companies and poor people as business partners in order to achieve mutual benefits. Conceptually, it incorporates development goals into business strategies and is therefore well-suited to collaboration between the private and public sectors. Nevertheless, many useful insights can be gained from the literature on pro-poor tourism.

Inclusive business in tourism offers one means of achieving sustainable and responsible tourism. Whereas responsible tourism is defined as that which "maximises the benefits to local communities, minimises negative social or environmental impacts and helps local people conserve fragile cultures and habitats or species", sustainable tourism involves the commercial perspective in achieving the so-called triple bottom line of sustainability. Inclusive business differs once again in its attitude: it focuses on the impact of tourism on poverty without losing sight of environmental effects and commercial viability.

SEE CHAPTER 1

development and tourism, this report presents current knowledge in a way that is easy for companies to grasp and use. Third sector institutions active in this area can use the report and its case studies to inform their engagement with companies, discovering opportunities for mutual benefit.

What is inclusive business in tourism?

Inclusive businesses include people living in poverty as customers, employees and entrepreneurs at various points along the value chain for mutual benefit. These business strategies may be developed by entrepreneurs or by managers within existing companies, whether large or small. In the tourism sector, low-income people are active primarily on the supply side as employees or entrepreneurs. Entrepreneurship in tourism can entail doing business with individuals or with entire communities, in particular when conducting activities on land owned by traditional communities or engaging in activities that rely on the local culture as a resource. Inclusive business in tourism stimulates the local economy while promoting social dialogue and cultural and environmental preservation.

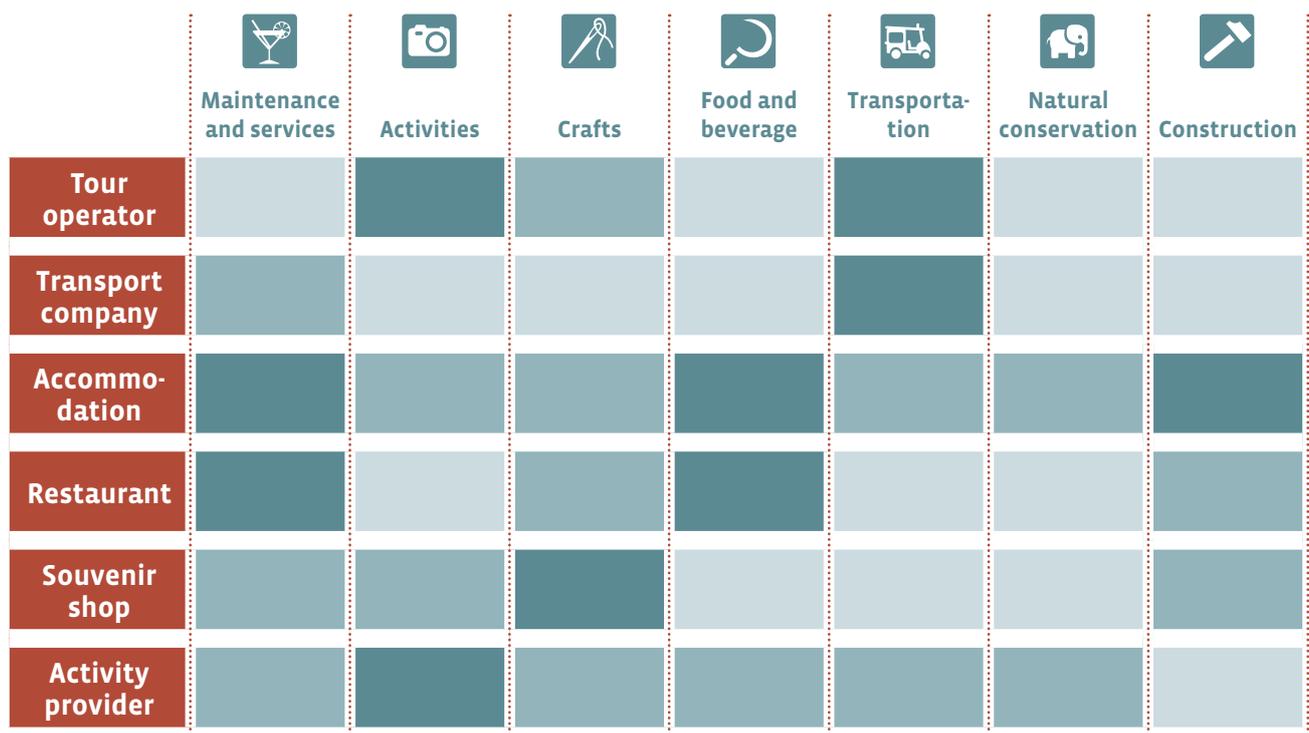
What are the benefits of collaboration?

Inclusive business is about identifying and realising mutual benefits.

Companies that collaborate with local communities and low-income people benefit from improved product quality and innovation, as products become more authentic and unique. Working together with local communities improves a firm's reputation not only within the community, but also among guests, government authorities and across the broader public. Companies can reduce costs by sourcing locally and, at the same time, actively manage risks associated with socio-economic frustrations within communities.

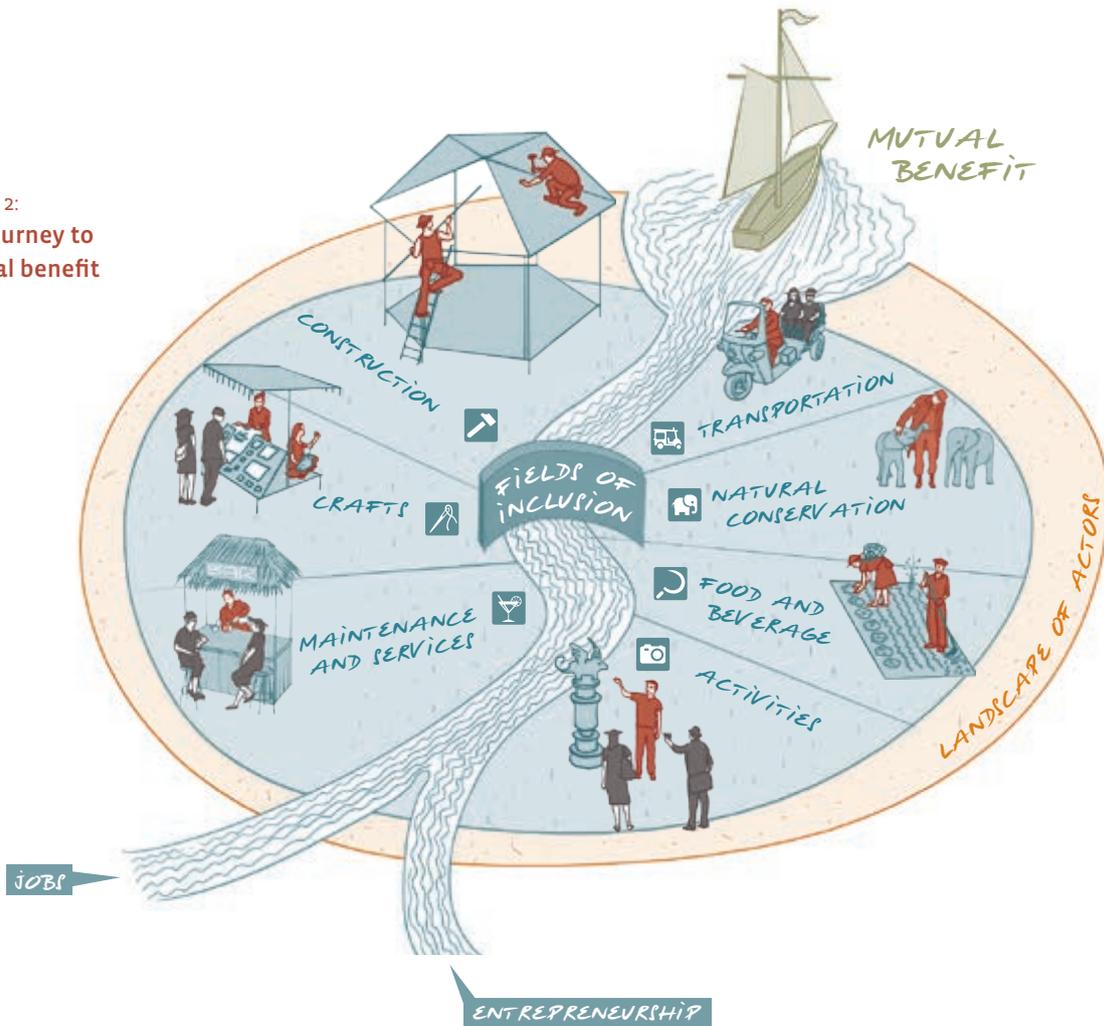
Communities and low-income people, on the other hand, benefit from opportunities for income from employment and entrepreneurship. Acquiring new skills and improved knowledge enables them, in turn, to access better jobs. Tourism that is soundly integrated into the local economy and culture provides incentives and funds for the conservation of natural, cultural and historical resources. Finally, structural benefits from improved infrastructure and public services create broad-based benefits for everyone.

Figure 1: Fields of inclusion of low-income people along the tourism value chain



Color code =Opportunities for Inclusion ■ Frequent ■ Irregular ■ Rare

Figure 2:
The journey to mutual benefit



Where are the opportunities for inclusion?

Tourism companies can chose between two paths to inclusion: employment and entrepreneurship. Seven fields of inclusion can be distinguished:

- 1. Maintenance and services
- 2. Activities
- 3. Crafts
- 4. Food and beverage
- 5. Transportation
- 6. Natural conservation
- 7. Construction

Different types of tourism companies, from tour operators to restaurants and hotels, will find different opportunities for inclusion. The matrix on the left provides a generic prioritisation of opportunities by type of company. But each company is distinct. Chapter two* provides a hands-on framework for companies to identify opportunities, points out possible challenges and suggests solutions that can be pursued in collaboration with people from low-income communities.

* SEE P. 16

Who might provide support?

Realising opportunities for inclusion often requires the support of additional actors. Inclusive business therefore typically promotes the interaction of and creates linkages between the public and private sectors, communities, and NGOs. Companies act within an “ecosystem” of stakeholders who collectively work towards achieving sustainable development goals. Chapter three** discusses the importance of the tourism inclusive business ecosystem and offers concrete suggestions on how to strengthen it. A support guide listing useful partners to contact can be found at the end of this chapter.

**SEE P. 30

Getting started

Each chapter includes a hands-on assessment for companies to identify, prioritise and plan inclusive business opportunities. Case studies from different countries around the world are attached and referred to throughout this guide, providing examples and inspiration from peers who have already taken action.*** However, the final step in achieving mutual benefit has to be taken by you and your company. We therefore encourage you to identify opportunities in your own value chain, map out what is needed to realise them and take action!

SEE P. 34

***OVERVIEW ON P. 3

Chapter 1

Mutual benefits

Discover your own inclusive business case in tourism and learn how you can make a development impact.

By the end of this section you'll be able to:

- ✦ Define what business benefits you aim to achieve by working with local communities and low-income people.
- ✦ Identify the development benefits you aim to generate through inclusive business practices.



A growing industry driven by personal encounters

Tourism is a people business. The experiences tourists pay for are created by the people they meet. In developing countries, this creates many opportunities to integrate local communities more directly into the market, thus enhancing the tourist experience.

1 billion international tourists

Everybody wins when inclusive business practices are used: tourists, businesses, and local communities. Local artisans crafting unique souvenirs, guides showing off the beauty of their natural environment, waiters that serve delicious local dishes with a smile and a greeting in the local language, communities welcoming guests and protecting their natural environment ... there are many ways to achieve mutual benefit.

But first a look at the big picture: In 2012, 1 billion tourists travelled across borders, compared to 25 million in 1950. According to the U.N. World Tourism Organisation (UNWTO), the tourism industry is responsible for 9% of global GDP, provides one in 11 jobs and generates USD 1.3 trillion in global exports annually.¹ In some countries, such as Jordan and Namibia, almost every fifth employee works in tourism.²

With annual growth rates of 2.2%, tourism is one of the fastest growing industries worldwide. Moreover, growth in emerging economies is forecasted to be twice as high as in developed economies, with compound annual growth rates of 4.4% expected. This means that by 2030, we will pass the 1 billion yearly arrivals mark in emerging economies alone.³

The “new” tourist looking for experiences

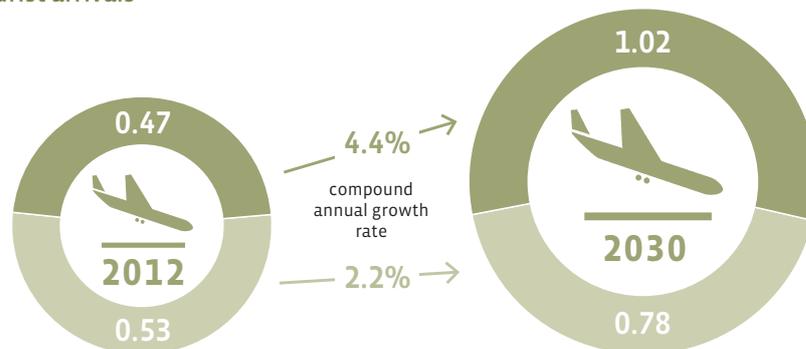
In parallel with this overall growth, experiential travel is on the rise. The “new international tourist” seeks memorable experiences that resonate on an emotional level. As a result, growth within experiential markets, including adventure and cultural tourism, is outstripping that of mainstream segments. The market for adventure travel alone has grown by 65% per year since 2009.⁴ To engage with these new tourists, tourism companies are developing products that are more adventurous, more personalised and more attuned to local culture. Tour operators also expect an increasing demand for learning about the visited country and people, and opportunities to meet locals in their daily life surroundings, outside of touristic hotspots.

SEE FIGURE 4, P. 10

Consumer awareness is another trend fuelling the development of inclusive business practices in tourism. The 2010 TUI Sustainability Survey, which included tourists across Europe and the United States, revealed high levels of interest in fair trade and labour standards (62%) as well as in social and community issues (61%).⁵ Tourism companies are asked to be more conscious with regard to where and how they include local people in their operations.

Figure 3: International tourist arrivals in billions per year

- Emerging economies
- Developed economies



¹ UNWTO (2013). Tourism Highlights.

² WTTC (2014). Travel & Tourism Economic Impact 2014 Jordan; WTTC (2014). Travel & Tourism Economic Impact 2014 Namibia.

³ UNWTO (2013). Tourism Highlights.

⁴ Peak and Skift (2014). The Rise of Experiential Travel.

⁵ TUI Travel Sustainability Survey (2010). Group Marketing TUI Travel. International Consumer Research.

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Business benefits

With demand for tourism and authentic experiences increasing in developing countries, inclusive business approaches create long-term opportunities for competitive advantage and growth.

Product quality

Working with people from low-income communities can strengthen the quality of touristic products. Employees and business partners from local communities enrich the local identity of touristic services. Hiring staff members locally enables your customers to enjoy authentic exchanges with people of other cultures. Investing in employees' professional development additionally leads to excellent quality of service, while investing in their well-being ensures a loyal, positive and solid staff base. For example, Wild Jordan, the business arm of Jordan's national parks service, hires its entire staff from local communities. Guests value the warm resulting welcome and local flavour.

Innovation

Collaborating with local low-income people can also help to develop innovative products and services. Handmade gifts that come with a story of empowering local communities are more attractive and memorable than imported anonymous trinkets. Semiramis Intercontinental Cairo, for example, works with a local women's cooperative to create and sell corporate gifts made from recycled materials. Moreover, many travellers are interested in unique on-site activities. Well-travelled tourists in particular, a group that is increasing in size,

are interested in new topics and unusual experiences. Area residents' deep knowledge and cultural embeddedness makes local communities perfect partners for developing unique experiences. Papua Expeditions, for example, takes birdwatchers to otherwise inaccessible places thanks to its collaboration with indigenous people and communities.

Reputation management

Inclusive business practices enhance reputations and improve relations with key stakeholders. As most guests' first point of reference, local employees and partners are ambassadors for a tourism company. Their stories will resound when guests travel back home. By sincerely working to increase positive impacts and minimise negative effects, and by making this work clearly visible, companies can strengthen their networks and build solid reputations with local authorities, business partners, development partners and the broader public. For its sustainability-focused achievements, the eco-luxury hotel Al Tarfa in Egypt received the Award of Excellence from the Egyptian Ministry of Tourism in 2012, the Condé Nast Traveller International Award, and has been featured in *The Independent* and the *Financial Times*, all of which contributed to increased recognition among potential guests and others.

Figure 4: Expected changes in demand for touristic offers by 2022

52 German tour operators were asked: "What changes do you expect in the tourism market by 2022?"



Source: Studienkreis für Tourismus und Entwicklung (2013). *Tourismus in Entwicklungs- und Schwellenländer*. 52 well-known German tour operators were interviewed on their expectations about the future development of the German market.

Risk mitigation

Sharing profits and other benefits associated with tourism with local communities can also be a way to mitigate risks. Most cultures have deeply rooted traditions of hospitality towards guests and strangers. But the frustration of exclusion can cause people to turn against tourists rather than welcoming them. Including local communities as business partners helps to gain their support for tourism in their region, allowing guests to enjoy the local culture of hospitality, minimising the risks of crime and hostility, fostering pride in the unique beauty of the landscape, and encouraging environmental protection. For example, Phinda's collaboration with the local community around its lodge in South Africa, and the benefits the community receives through ownership of the land and associated income opportunities, ensure continuous support for the lodge's efforts to preserve the local natural environment and wildlife. While neighbouring lodges have lost many rhinos to poachers, the communities around Phinda alerted rangers every time poachers approached the area.

Cost reduction

Finally, engaging people from low-income communities can also reduce costs. In remote locations, employing people from local communities can save on costs otherwise associated with housing employees from abroad or another region, while shortening the time needed for employees to travel home on leave. Contracting with local providers rather than importing or sourcing from other regions can save on transportation (and CO₂) costs, and reduce inefficiencies. Spier Leisure, a South African hotel and conference centre, managed to reduce its costs for laundry services by 25% by contracting with a local business for services. Companies can also nurture the development of stronger local supply chains in this way. Helping local suppliers improve internal capacities ultimately facilitates local sourcing, thus reducing costs and risks in the supply chain.

In sum, treating local communities as business partners will make it easier to identify the benefits associated with working inclusively. It will keep your company on the frontier of industry developments, while contributing to the economic, social and environmental resilience of the tourism destination you are working in.

Matthias Leisinger, Head of Corporate Responsibility, Kuoni



Photo: Kuoni

Kuoni Group is a global travel-related service provider. As a global employer, Kuoni works with many people from low-income communities. Kuoni systematically delivers high-quality jobs and entrepreneurship opportunities by implementing its employee and

supply-chain codes of conduct, and by engaging in ongoing stakeholder collaboration that allows it to monitor and intervene on important issues.

Why does Kuoni work with low-income people in the supply chain?

Often, the products that provide an authentic experience, like community visits or local handicrafts, are offered by poor people. We source them because our customers look for authenticity. If the quality of the product is fine, a tour operator is likely to work with low-income communities because they can offer extremely interesting products. In addition, consumers expect more and more to make a positive contribution at the destination level, and to see that travel is also benefiting the local population.

What are the primary challenges when Kuoni collaborates with the poor as entrepreneurs?

Often, those entrepreneurs have very good ideas and are very passionate about what they do, but the quality and standard is often not what our customers expect.

What can a company like Kuoni do to help communities improve product quality?

We have developed excursion guidelines with ideas on how to benefit local communities on a destination level. Together with our supplier code of conduct, this serves as a resource for the members of our product-management team who work closely with communities, allowing them to provide recommendations on how the communities can improve their products.

What do you recommend to other companies to advance inclusive business practices within their operations?

It is important to look for allies within the company and find synergies. Although the push for inclusive business can come from the CSR team, integration with your day-to-day business processes is essential to really make a business case. These issues are of interest to the health-and-safety and service-quality teams as well. The more internal buy-in you get, the more attractive it becomes for your company to do this kind of work.

The next thing is to be transparent with regard to what you have achieved and what you have not achieved. And be transparent about why you did not achieve something even though you tried. The more transparent you are, probably the higher the expectations, but at the same time you show that you have nothing to hide.

I always tell my peers: "You have to start the journey somewhere. Nobody expects you to be perfect, but people acknowledge if you start doing something."

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Development benefits

Human development is about expanding opportunities. Beyond simply earning an income, people can make use of and develop their talents, establish their own businesses, pursue a career, and gain freedom of choice and security.

Job creation

First and foremost, local people earn an income as business partners in the tourism value chain. This income can be higher and more reliable than income from traditional sources such as farming or fishing. A good example of this is found in Indonesia, where the community-owned crab restaurant Kampoeng Kepiting provides a reliable market for local fishermen and has created 30 jobs for their families. In other cases, tourism can offer an additional source of income, for example when a village directly receives occasional guests, or via lease fees for community land.

Enterprise development

For farmers, artisans and other micro-entrepreneurs, business from one company can be enough to create and grow a new enterprise. In Egypt, for example, business with the Al Tarfa luxury lodge enabled the establishment of a locally owned and run transportation company. In Cairo, Semiramis Intercontinental purchases its corporate gifts from a local NGO that employs underprivileged women who earn an income by upcycling paper waste from the hotel into handicrafts. The hotel also occasionally invites the NGO to sell their products directly to tourists in the hotel lobby.

In general, increasing tourists' length of stay and creating more linkages to services offered by people from low-income communities increases the amount of tourism revenue that reaches this latter group. These opportunities for continuous, diversified and increased incomes may allow household heads in rural areas to stay with their families rather than migrating to the city or abroad. It may also enable younger family members to stay longer in school.

Skills and career

Employment and entrepreneurship opportunities also allow people to acquire new job skills and build a career. Companies usually provide their staff with training and career-development opportunities. Wilderness Safaris, operating in Namibia and other countries in southern Africa, trains local residents on the job. To increase their pool of local service providers, they also offer free guide training to residents not yet working in the tourism sector. Companies may also train suppliers, or collaborate with development agencies or NGOs for capacity building. To meet the high expectations of its luxury safari customers, and Beyond uses its NGO, the Africa Foundation, to offer agricultural extension and business-development support to its fresh-produce suppliers. People can use the skills thus gained to move along their career path or set up their own companies.

SEE PHINDA CASE STUDY ↩

Conservation

Tourism that is well integrated into the unique identity of a destination provides incentives and funds for the conservation of natural, cultural and historical resources, enabling them to be managed in a more sustainable manner. The case studies of Damaraland Camp, Papua Expeditions and Phinda Game Reserve illustrate several different models of community land ownership and enterprise activity that successfully protect the natural ecosystem while making use of local community knowledge and skills ranging from designing structures appropriate for the local climate to storytelling and spotting wildlife. In all three cases, local people gain an income through land ownership and employment, and are given motivation to learn more about sustainable forms of resource use.

SEE DAMARALAND
CASE STUDY ↩

Who are the poor?

Despite the simplicity of this word, it is not always easy to define who is poor and who is not. Poverty has many causes and many faces.

Income is usually used as an indicator for poverty. As an international standard, the World Bank has established thresholds of USD 1.25 per day for extreme poverty and USD 2 for moderate poverty (both measured in terms of local purchasing power). Based on these figures, 1.22 billion people were living in extreme poverty and 2.4 billion in moderate poverty in 2010.⁶

The problem of poverty, however, can be better described as a lack of valuable opportunities.⁷ To a large extent, this view is shaping development work today. People living in poverty do not have the freedom to choose to live fulfilling lives. This may entail a lack of access to simple basic needs such as food, education and career choices, but also relates to opportunities to

shape and participate in society. Income allows access to these opportunities but is also one result of realising one's potential.

Reaching the poorest of the poor can be complicated for companies, since members of this group often lack the means to be business partners. It is often easier to concentrate on groups that have capital of some kind, whether in the form of knowledge, land or social networks, but are unable to benefit from it because of inadequate market access.

In this publication, we often speak about “people living in poverty” rather than “poor people” to make it clear that it is the living environment of those affected that leads to poverty. Poverty in developing countries is largely a structural problem rather than an individual problem. The lack of proper infrastructure, information, training and skills, a conducive regulatory environment, and widespread access to financial services constrains market activity and perpetuates poverty.⁸

Structural improvements

Finally, touristic activity in a region can bring about a multitude of structural improvements. It can stimulate the development of new infrastructure and transport services that can be used by local people as well as visitors. Spier Leisure, for example, has established a medical clinic on its premises to ensure staff members are healthy and productive. Further, enterprises contribute to the income of national and local governments through taxes and license fees. The net revenues of Wild Jordan, the business arm of Jordan's Royal Society for the conservation of Nature, cover about half of the society's operational costs.

Avoiding negative impacts

While tourism can also have negative impacts on local communities, looking at the world through the inclusive business lens helps companies detect these negative effects. People living in poverty can feel degraded when they are visited and stared at like animals in a zoo. Tourism can also disrupt local culture and nurture discontent, especially among youth who may lose interest in their own heritage. People are sometimes included in ways that do not expand their opportunities, perhaps because business practices are abusive, unfair or even socially unacceptable, as in the case of prostitution. Companies that work inclusively recognise these negative effects, and understand how they can undermine the foundations of business sustainability. They manage their companies so as to mitigate such effects, while contributing strategically to mutual benefits in order to foster long-term success.

⁶ www.worldbank.org/en/topic/poverty/overview

⁷ Defining poverty in terms of limited capabilities to generate valuable outcomes is an approach developed by Amartya Sen initially in his 1999 book “Development as Freedom”.

⁸ UNDP (2008). *Creating Value for All - Strategies for Doing Business with the Poor*.

Peter-Mario Kubsch, managing director, and Ruth Hopper-Kubsch, Quality, Sustainability Management and Social Responsibility Manager, Studiosus Reisen München GmbH



Studiosus is a German family-owned travel business. Founded in 1954, the company has grown to become Germany's largest operator of study trips,

with more than EUR 230 million in annual revenue. Each year, 310 employees and 600 tour guides, the "faces" of the company, take around 100,000 tourists on 1,000 different routes in more than 100 countries. The company is guided by a clear statement of mission and values, which underlines respect and intercultural exchange and learning.

Studiosus is a company based in Germany. How do you work with people living in poverty in developing countries?

First of all, it is important to define what we mean by poverty. The people we consider as poor are often not considered as poor in their own societies. So, I would rather not talk about poverty alleviation but rather about increasing opportunities. Certainly, many of these low-income people help to provide the tourism experience to our clients, even though we don't know how many exactly.

However, when we talk about the poorest of the poor, the destitute, we as a tour operator have little means to reach them. Visiting the destitute, as for example in a leprosy hospital ward, is degrading for those visited and overstrains the visitors. The exhibition of poverty comes close to voyeurism and is a no-go for us. On the other hand, our clients are challenged by the confrontation with beggars. We tell them clearly not to give money

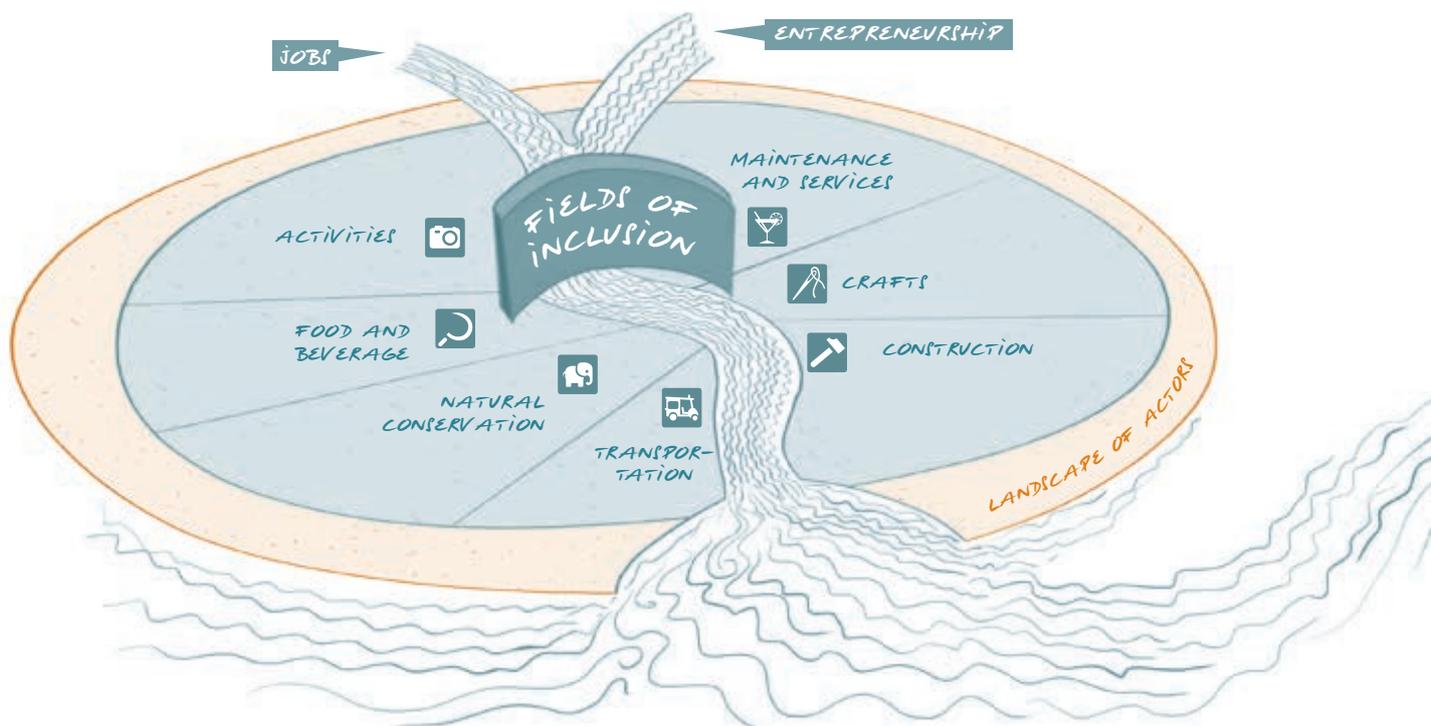
to begging children, for example, since this rewards staying out of school. Rather, we show them educational initiatives where they can give money and have a really sustainable impact on poverty.

Studiosus also supports educational and other philanthropic initiatives via the Studiosus Foundation e.V. Are there connections between this commitment and your business?

In our trips, we also visit social projects, including those the foundation supports. Sometimes, we see great developments over time. In Turkey, for example, we have been supporting women's entrepreneurship by funding the space where a women's cooperative has set up a restaurant. Our clients come to eat at this restaurant, learn about the stories of these women, and enjoy traditional food. Today, the women are able to pay the restaurant's rent themselves.

Is the focus on respect and mutual benefit part of Studiosus' business strategy?

For us, it's about sustainability. We have seen over decades now that our business is sustainable when everybody wins. And we have introduced management systems to monitor the satisfaction of our stakeholders and detect areas for improvement as well as for innovation. For example, we are conducting "forums of the visited" in destinations, where local stakeholders share their views of our tours. This helps us to maintain good relations and local support as well as to optimise the quality of our products. This approach has served us very well in the past, and with increasing awareness on issues of sustainability, it is only becoming more relevant in the future.



Which benefits have priority for you?

Every business has different priorities and motivations for their engagement with local communities. The table below summarises the business and development benefits outlined above. Enter your own priorities on a scale from 0 (not important at all) to 3 (very important). You can use these priorities later to identify which fields of inclusion are most relevant to you. You can add a rationale or description to each priority. At the end of this exercise, you can assess whether your identified actions will deliver results towards these priorities.

Figure 5: Business and development priorities assessment

Business benefits	Priority	Description/rationale	Development benefits	Priority	Description/rationale
Product quality			Job creation		
Innovation			Enterprise development		
Reputation management			Skills and career		
Risk mitigation			Conservation		
Cost reduction			Structural improvements		



Figure 6:
Destination:
Mutual benefit



Chapter 2

Opportunities for inclusion

Explore the fields of inclusion and discover more opportunities for collaboration with people from low-income communities for mutual benefit.

Each tourism business is unique in location and objectives, but some basic principles serve as a point of departure for everyone. Make sure you're informed about the fundamentals of human rights and working conditions in tourism. Then, use the seven fields of inclusion in this chapter to look for opportunities to increase inclusion throughout your value chain.

This chapter will enable you to:

- ✘ Identify fields of inclusion that fit your aims and activities.
- ✘ For each opportunity, understand the benefits, risks, challenges and solutions, while ranking opportunities by potential benefit and feasibility.
- ✘ Prioritise the most beneficial and feasible opportunities for working with people from low-income communities.



Working in partnership

Inclusive business in tourism describes an attitude rather than a new business solution. It implies that companies collaborate with low-income people as business partners.

Most tourism companies operating in developing countries already directly or indirectly include low-income people in their business processes. Sustained collaboration is dependent on mutual benefits, which in turn require respect and an understanding of each others' interests. Like in any business partnership, these interests are best identified in dialogue with business partners.

Dimensions of inclusiveness

A variety of factors determine whether people in poverty actually benefit and can expand their opportunities when they are included in the tourism value chain. Alongside financial rewards, the amount of risk they are exposed to, the ability to make their voices heard, the creation of opportunity and the ownership of assets all play a role. These dimensions are based on the decent work agenda developed by the International Labour Organisation (ILO). To provide a contrast, the table below shows what collaboration looks like in cases where local people are not treated as business partners,

and what inclusion means for employment and entrepreneurship.

Degrees of inclusiveness

Inclusiveness is a matter of degree rather than of absolutes. A business relationship where low-income people have to accept whatever conditions are presented to them, be it low financial rewards, long hours, short-term contracts or even health hazards, for lack of better options is not inclusive at all. The first step towards inclusion is ensuring that human rights are respected, including labour rights. The Roundtable on Human Rights in Tourism has provided guidelines on how this can be achieved. On the other end of the spectrum is a situation in which local communities and individuals act as equal business partners, can negotiate fair rewards, maintain ownership of their assets, and can influence the development of the partnership based on their own ideas and interests. Naturally, there are many positions in between these poles.

Figure 7: Dimensions of inclusiveness

Dimension	In non-inclusive business, low-income people...	In inclusive businesses,	
		low-income people as employees ...	low-income people as entrepreneurs ...
Remuneration	<ul style="list-style-type: none"> • are underpaid and exploited. 	<ul style="list-style-type: none"> • earn a decent income. 	<ul style="list-style-type: none"> • receive fair payment for goods and services.
Risk	<ul style="list-style-type: none"> • fear accidents. • fear abuse by colleagues or customers. • have no secure income. 	<ul style="list-style-type: none"> • work in a safe place. • receive a reliable salary. • benefit from social protection, as do their families. 	<ul style="list-style-type: none"> • have access to insurance. • can manage liability risks. • have access to health care.
Voice	<ul style="list-style-type: none"> • lack ways to address grievances, offer their perspectives or shape their own futures. 	<ul style="list-style-type: none"> • can express their concerns. • can organise to increase their bargaining power. • are involved in decisions that affect their lives. 	<ul style="list-style-type: none"> • can form associations. • engage in social dialogue with companies to address needs and perspectives.
Opportunity	<ul style="list-style-type: none"> • lack access to resources for their professional development. • are unable to realise their potential. 	<ul style="list-style-type: none"> • have access to further training, education and support for personal development. • are respected by their communities for their job. • are treated equally, no matter what their gender. 	<ul style="list-style-type: none"> • have access to further training. • have access to potential customers and market information. • have access to start-up capital.
Ownership	<ul style="list-style-type: none"> • lack formal ownership of assets, or this ownership is not respected by other parties. 	<ul style="list-style-type: none"> • participate in the profits of the business (e.g., via a bonus system). 	<ul style="list-style-type: none"> • hold ownership of assets and can reap the benefits (e.g., via land lease agreements).

Two paths to inclusion

In general, there are two paths for collaboration between tourism companies and low-income people: either through employment or entrepreneurship. Which one is more appropriate depends on the frequency and exclusiveness of the collaboration.

Employment

Employment of low-income people is the appropriate framework when work is needed on a daily basis, or the amount of work is such that it fills a full- or part-time position. Companies also want to employ people when they expect them to acquire specific skills for their business, and train them to their own standards. Tourism generates many employment opportunities in maintenance and service, in particular in hotels and restaurants. Other companies in the tourism value chain, such as tour operators, activity providers, and souvenir makers and shops employ people in many other areas as drivers, guides, artisans and so on. Many low-income people prefer employment over entrepreneurship, since it promises security and a stable income over the medium or long term.

Entrepreneurship

Companies work with independent entrepreneurs when they require their products or services, but prefer to buy them on the market since demand is limited or fluctuating, or when they want to make sure they always get the best quality. Low-income people are often in a unique position to provide goods and services. Smallholders can provide fresh local produce. Artisans and craftspeople master typical local techniques. Guides know their local environment and can interpret local languages and customs. Some low-income people prefer to work as entrepreneurs, since they enjoy freedom in organising their work and have a greater ability to influence their incomes and negotiate with clients.

In principle, the choice between employment and entrepreneurship is a pragmatic one. Both paths can lead to inclusion in any of the seven fields.

Making inclusiveness part of your business DNA

Inclusive business as an attitude and strategic approach needs to be embedded in business processes, especially for larger companies that operate at multiple locations. Whether for employment or entrepreneurship, procedures can be formalised through codes of conduct or other types of corporate policy. Employee codes of conduct, supplier codes of conduct, and human rights policies can provide a useful starting point* for broader activities. If they wish to bring their impact to a larger scale, and ensure the consistency and credibility of their inclusive business approaches, companies can use these policies to screen and select their suppliers and business partners. Reporting on both the achievements and failures relative to these policies is an important aspect of transparent business practices, and necessary in order to keep all stakeholders satisfied in the long term. Be a leader by integrating these attributes into your core business and communicating your ongoing progress in implementation.

* SEE SUPPORT
DIRECTORY
ON P. 34



Seven fields of inclusion

The seven fields of inclusion identify areas of activity in which local communities and low-income people can add particular value, based on their skills and existing activities.

These include:

- 1. Maintenance and services
- 2. Activities
- 3. Crafts
- 4. Food and beverage
- 5. Transportation
- 6. Natural conservation
- 7. Construction

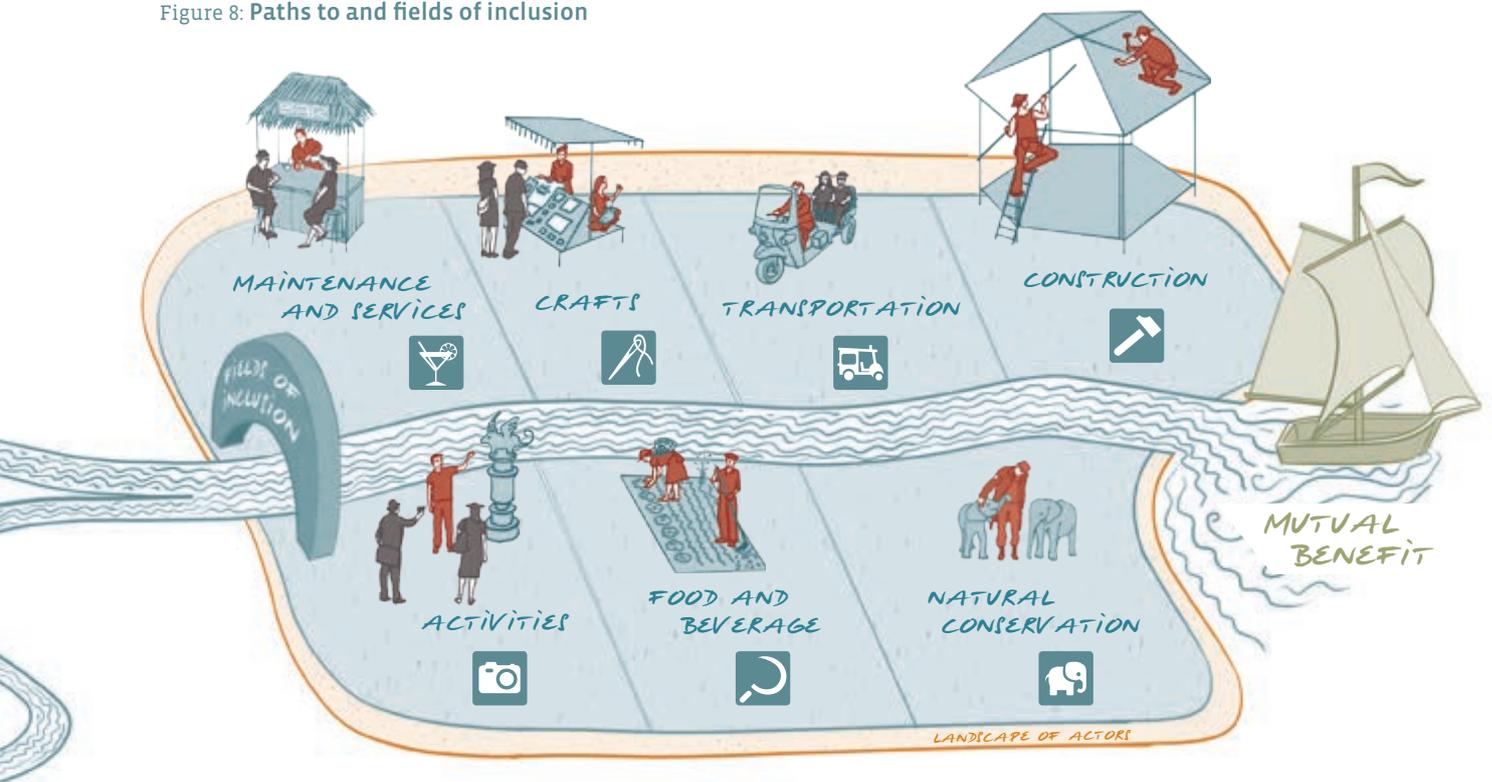
Each of these fields can be reached by either of the inclusion paths. Which field has priority and which path to inclusion makes most sense to pursue will depend on your company's specific activities and role in the tour-

ism value chain, as well as on your strategic objectives. For example, hotels will usually find opportunities to include local people as employees for maintenance and service functions, while contracting with local service providers for activities, transport and crafts. Activity providers will employ local guides and may contract out the cleaning of facilities.

On the following pages, these fields are further explained, with a closer examination of their individual opportunities, benefits, challenges and solution strategies. At the end of this chapter, you can identify your own highest-priority fields of inclusion.

SEE P. 29

Figure 8: Paths to and fields of inclusion



General challenges and solution strategies

General challenges

Skills and education:

(Potential) employees have little prior experience or education in the tourism sector. In addition, people living in poverty lack tourism experience as customers. Both factors contribute to low skill levels. A lack of language skills is also common.

Those who are educated often find their training does not match reality. Teaching methods are often outdated (e.g., memorising facts and including little practice).

There is a lack of high-quality on-the-job training, as many managers lack the practical experience needed to guide employees or are reluctant to invest in staff members who may leave and take their skills elsewhere.

There is a high turnover rate among both skilled and unskilled workers.

Quality, quantity and continuity of production:

The quality and quantity of local products, whether activities, crafts or agricultural products, may not match the requirements of companies serving customers that expect international standards.

Suppliers may go out of business or switch to other products if demand drops for a period of time.

Choosing multiple (local) suppliers can result in high bookkeeping and turnover costs, making it financially and logistically unattractive to procure locally.

Continuity of production may be disrupted by seasonal conditions or logistical challenges.

Social structure and exclusion:

The social structure of low-income communities may not be easy to understand or work with. For example, there may be a difference between communities' formal and informal representatives, and power structures can be more complex than are evident from an outside perspective. Building good relations with the right representatives and individuals can be tricky.

In many cases poverty coincides with a lack of ownership. A loss of formal land rights or a history of forced migration can hinder opportunities to do business with low-income communities.

People may not have access to start-up capital and other support helpful in creating a locally owned enterprise.

While working with local communities and people as business partners can provide mutual benefits, establishing this relationship is not always easy. Some challenges exist across all fields of inclusion. They are introduced here, along with the most common solution strategies. Many of them reappear in a more specific form on the following pages.

Solution strategies

Capacity building:

- Improve working conditions, thereby improving the reputation of the tourism sector enough that it becomes worthwhile for people to invest in acquiring skills and education, including language proficiency.
- Improve the quantity and quality of vocational training by offering internship opportunities to enrolled trainees.
- Engage in dialogue with the local government to better match government training institutes' curriculum to the realities of tourism.
- Encourage staff loyalty through performance-based compensation and career-development opportunities.

Supplier development:

- Provide information on demand to business partners, for example on customers' activity interests or required food items, and include quality expectations.
- Collaborate with government bodies, donors and NGOs that invest in capacity-building for local entrepreneurs.
- Facilitate access to loans for necessary investments in means of production.
- Create multiple market linkages to make it viable for producers to boost their capacity.
- Cooperate with and support the establishment of cooperatives that can coordinate the efforts of local suppliers and function as a local one-stop shop.
- Adapt product offers to seasonal availabilities, bringing diversity and local flavour to your own products.
- Work together with the local government and donors to improve infrastructure over the long run.

Participation and ownership:

- Start to get to know the people you want to work with as early as possible.
- Seek advice from or collaborate with NGOs or other experts that already have insight into community dynamics.
- Create long-term partnerships that are mutually beneficial, keeping channels for community dialogue open in order to detect issues early and react to them.
- Support public and civil-society institutions in creating formal community-ownership structures that enable leasing or co-usage of land.
- Raise awareness of organisations providing microcredit and start-up support.
- Support promising start-ups by giving them business opportunities.



Maintenance and services

Due to a lack of education and training, people from poor backgrounds are often limited to maintenance and service positions. However, case studies show us that companies that provide training and career opportunities enabling employees to grow professionally are rewarded with high-quality work, loyal staff members and good retention rates, as well as strong community relations. Moreover, contracting with specialised locally owned companies for maintenance and services can reduce costs, increase efficiency and strengthen the local economy.



Photo: Spier Leisure

In South Africa, Spier Leisure contracts with a local business entrepreneur for its laundry services.

Opportunities

- Hire and train local staff members from low-income communities in different areas of customer service (e.g., as receptionists and waiters in hotels and restaurants).
- Give more business to people from low-income communities for cleaning and laundry services, gardening, plumbing, and other services.
- Tap into local knowledge by inviting local health-and-wellness-related practitioners from low-income communities to offer services on your premises.
- Work with local waste-management or recycling initiatives (e.g., local waste collectors) to process your waste.

Benefits

- Establish good relations with surrounding communities by providing economic opportunities, while enabling your business to foster meaningful interactions between guests and staff from the surrounding area.
- Reduce staff turnover and time off for home visits.
- Increase the local community's acceptance of tourists.
- Reduce transportation costs and greenhouse-gas emissions by localising your service supply chain.
- Diversify health-and-wellness services available to guests.
- Strengthen environmental awareness.

Challenges

- Potential local staff members may not have the skills to deliver services at international quality standards, including language skills.
- Local communities may hold prejudices against working in the tourism sector; may particularly be considered inappropriate for women.
- Investments in training may be lost if staff members join other companies.
- Services needed may not be locally available, or demand may be insufficient to stimulate entrepreneurship.
- Working conditions in suppliers' companies may not be acceptable.

Solution strategies

- Create in-house training programmes or partner with other actors for vocational-training and capacity-building programmes.
- Provide an employee code of conduct, inform employees about their rights and obligations, and implement a grievance policy and procedure.
- Create acceptable job opportunities; for women, engage in dialogue to discover how to offer them appropriate work environments.
- Create career-path programmes to retain staff.
- Partner with other businesses to create enough demand for local services, and collaborate with organisations that support entrepreneurship through means such as microloans.
- Provide formal contracts and implement a supplier code of conduct.

Activities

Tourists increasingly seek immersive experiences and customised trips, combining a beach holiday with a traditional cooking class, or a safari trip with a visit to a local market. Activities are a people-oriented business, opening up countless opportunities to work with locals. Focusing on including locals from low-income communities can strengthen the quality of the destination and your product. The challenges of language, liability and intercultural competence can be overcome, opening a wealth of memorable experiences for your guests.



Photo: Rinjani Trek Management Board

Local guides and porters associated through a cooperative give tourists insights into local life and culture in Indonesia.

Opportunities

- Collaborate with local guides.
- Partner with communities that offer activities based on local skills and culture.
- Design tours that integrate activities offered by locals into existing touristic routes.
- Encourage guests to make excursions in the local surroundings and provide information.
- Work with small businesses and entrepreneurs to market your destination jointly.

Benefits

- Provide your guests with direct insights into local life, and give them access to authentic local culture.
- Create innovative and unique products for which customers have a higher willingness to pay.
- Increase length of stay, number of return visits and potential of viral marketing by offering memorable experiences.
- Encourage conservation of local culture and traditions.
- Communicate a coherent message about what your destination has to offer and align product development with marketing.

Challenges

- Lack of presentation skills, intercultural competence and language skills among local guides.
- Pricing of local activities may not be transparent to customers.
- Risk of creating excessive or negative expectations in communities and interfering with their ongoing work.
- Engaging local communities can be very time intensive and complicated.
- Liability issues for activity providers and operators.
- Customers may behave in inappropriate ways, ranging from disrespectful photography to engaging in prostitution with minors.

Solution strategies

- Train local guides in intercultural communication, language and presentation skills.
- Formalise contracts and build awareness of long-term advantages of transparency, while being transparent with your guests.
- Consult community representatives on the best times for and forms of interaction with guests.
- Work together with community representatives to understand community structures and perspectives.
- Help local entrepreneurs to upgrade and ensure safety standards to minimise risks.
- Provide guests and partners with information on good visitor practices, and create appropriate channels for reporting harmful incidents.





Crafts

The field of crafts holds great potential for inclusion, as local artisans often have unique skills and techniques for producing attractive products. In many places, crafts are offered in informal markets, and merely formalising business relations can make a difference by providing people with more reliable income opportunities. Where quality and aesthetics are a challenge, long-term partnerships can be a key to innovation, leading to increased income for artisans and your enterprise, while providing your guests with the perfect ambience and memorable gifts to take home.



Photo: Semiramis Intercontinental Cairo

Women at the A.P.E. NGO produce corporate gifts from recycled paper for Semiramis Intercontinental in Egypt.

Opportunities

- Buy souvenirs from local artisans.
- Procure furniture, bed linings, dinnerware, office supplies and decorative materials from local producers.
- Provide space and time for artisans to sell their products.
- Give guests tips on buying locally produced souvenirs (including what not to buy: e.g., products made from endangered species) and visiting local artisans.
- Provide artisans with appropriate waste for reuse in handicrafts (e.g., for recycled-paper products).

Benefits

- Augment and expand your product range by giving it a recognisable local identity.
- Save costs in the long run by shortening supply chains.
- Reduce hassle from informal vendors for guests.
- Create an authentic shopping experience for guests.
- Enhance waste management through recycling.

Challenges

- Lack of market knowledge among suppliers.
- Lack of quality, quantity, reliability and availability of crafted products.
- Street vendors' selling style may be too aggressive for guests.
- Artisans may be reluctant to diversify product range, preferring sure sales.
- Local artisans may not want to engage in upcycling, due to stigmatisation of dealing with waste products.

Solution strategies

- Provide detailed information on your product needs and those of your guests.
- Partner with cooperatives and other actors to help build local artisans' capacity.
- Work with local authorities and/or other businesses to provide informal sellers with access to formal markets, strengthening their presence and reducing their need for aggressive sales techniques.
- Create a platform with other local enterprises to create sufficient demand for a diversified product range.
- Work with local NGOs to explore possibilities for upcycling.

Food and beverages

After a period of intense globalisation within food supply chains, a movement towards localisation is gaining ground. Sourcing food locally not only has a positive economic impact on surrounding communities, it also reduces a company’s carbon footprint and, in the long run, costs. The related possibilities for creating local and fusion menus can enchant guests. You may not be able to source locally immediately for many reasons, but if you plant seeds now, a rich harvest awaits.



Photo: andbeyond

Local farmers provide fresh vegetables to Phinda’s lodges in South Africa.

Opportunities

- Procure food from local farmers and fishers.
- Procure cottage-industry products (e.g., jam, honey).
- Procure beverages locally (for example, coffee).
- Procure fair-trade, ethical or sustainably-produced goods.
- Produce food yourself, hiring local community members to maintain your produce.

Benefits

- Save costs in the long run by shortening supply chains.
- Improve availability of produce and products that are rare in the local market.
- Respond to consumer demand for local experiences and sustainability and demonstrate your local commitment by introducing local ingredients and recipes into your menu.
- Give guests the opportunity to visit local production sites and learn about local food products.

Challenges

- Quality and quantity of local products does not match demand.
- Logistics and cooling systems may not be in place, reducing reliability.
- Lack of knowledge of appropriate farming, post-harvest and hygiene techniques.
- Risk of overtaxing natural resources like water or soil.
- Demand by one enterprise may not be enough for farmers to invest in supply infrastructure.
- Contracts must be unbundled into smaller contracts to procure from smallholders.

Solution strategies

- Provide information on type, quantity and quality of products required, enabling farmers and local distributors to meet demand.
- Collect products directly from farmers.
- Partner with development agencies and NGOs on infrastructure development and capacity-building among smallholders.
- Partner with NGOs and academia to be aware of environmental and community risks.
- Partner with other businesses and supermarkets to form a market large enough to support suppliers.
- Support the establishment of co-ops to centralise bookkeeping.



Transportation

Whether for guests, staff or goods, most companies need transportation. Especially in urban areas, where it can be hard for guests to figure out the local transportation system, a pool of good drivers is a valuable asset. Sourcing drivers from low-income communities provides you with local experts who know their way around and can share interesting insights about the destination with your guests. Demand from tourism companies can enable entrepreneurs to start a business, expanding the positive impact on the community.



Photo: Orascom Development Holding

Business provided by Al Tarfa enabled Mohamed Kamal to start his own transport company in Egypt.

Opportunities

- Hire drivers from low-income communities to transport your guests and your own staff members.
- Partner with local transportation-sector entrepreneurs and formalise business relationships.
- Provide information enabling guests to use drivers from low-income communities for independent excursions.
- Integrate traditional forms of transportation, such as boats or rikshaws, into activities.

Benefits

- Local drivers are experts on the streets and can provide guests with insights into local life.
- Formalised collaboration provides you with reliable business partners and reduces risk.
- Traditional forms of transport can enhance guests' experiences and strengthen your product, while contributing to cultural preservation.

Challenges

- Drivers may lack language and customer-service skills.
- Lack of transparent pricing when guests deal directly with drivers.
- Concerns about guest and driver safety, and liability on the part of drivers and the companies hiring them.
- Potential driver-entrepreneurs may be unable to obtain a loan for a vehicle or vehicle improvements.

Solution strategies

- Work with a language school or provide in-house training for selected drivers.
- Require drivers to provide price lists or systems in advance.
- Work with drivers belonging to one local company, and arrange transparent prices with them.
- Create a pool of reliable local drivers that you can recommend to guests; set and enforce a safety standard for vehicles in cooperation with local authorities.
- Enable entrepreneurship by providing a contract with which potential drivers can obtain a bank loan to invest in their vehicle.

Natural conservation

Whether a company's product is nature-based or not, a healthy environment is the basis for a thriving destination. Tourists are highly sensitive to the aesthetics of destinations, which can be spoiled by poor waste management, pollution and a loss of wildlife. Low-income communities may face hardship due to resettlement from national parks, or may not have the means to conserve the area they live in. By working together, you can find solutions and ensure that the natural environment continues to provide a solid basis for your activities.



Photo: Kampong Kepiting, Ekwisista Bali

Indonesian crab fishers at Kampong Kepiting developed a technique to increase catches and protect mangroves at the same time.

Opportunities

- Lease land from local communities to prevent expropriation (land loss or grabbing) and provide communities with revenue from their property.
- Exchange knowledge on sustainable land use with local communities.
- Facilitate activities that employ rangers, wilderness guides and game keepers from local communities.
- Support conservation programmes that guests can visit and volunteer for or donate to.

Benefits

- Preserve the quality of the natural environment and reduce environmentally harmful practices by providing tourism revenue as additional or alternative income stream for local communities.
- Benefit from and increase local knowledge on conservation techniques and sustainable practices.
- Strengthen your reputation by communicating your conservation work.

Challenges

- Tourism revenue may not be enough to induce people to stop other environmentally harmful practices.
- Programmes engaging locals as rangers, wilderness guides or game keepers may not exist.
- Potential conflict of interest between companies, conservation and local livelihoods.
- Levels of environmental awareness may be low among the local population.

Solution strategies

- Support and engage in long-term participatory processes in order to understand local community needs and find solutions; increase community's financial and non-financial benefits.
- Partner with authorities managing protected areas and other actors in programmes that aim to include people from low-income communities.
- Engage with local communities in a deliberative stakeholder process to develop appropriate compromises.
- Create incentives for waste collection, and partner with authorities and other actors to support awareness campaigns targeting the local population.





Construction

From scouting for land to finishing the final decorations, using an inclusive business lens in your construction activities can enable you to build solid business foundations from the start. Local craftsmen may be aware of useful traditional building techniques and materials that are appropriate for your planned structure and would suit the local climate. Collaboration at the beginning of your business operations also helps to build good community relations from day one.



Photo: Dr. Anna Spenceley

Damaraland employed community members and used local materials and techniques to build the camp in Namibia.

Opportunities

- Lease land from local communities.
- Procure local construction materials (considering local environmental conditions).
- Contract with local construction companies that have decent working conditions.
- Work with local experts and artisans who use traditional architecture and craftsmanship techniques.
- Save energy using traditional methods of climatisation.

Benefits

- Protect land from overexploitation and maintain good community relations.
- Reduce carbon footprint of your construction project by reducing transport trips.
- Build a solid reputation with tourists and residents from the start.
- Enhance your guests' experiences by providing an authentic architectural atmosphere.
- Save on energy costs while keeping valuable traditional knowledge alive.

Challenges

- Lack of skilled local workers.
- Lack of people with sufficient knowledge of traditional architecture.
- Traditional architecture and local materials may not conform to customer expectations; for example, air conditioning may not be necessary with traditional climatisation techniques.
- Potential for unsustainable harvest of local building materials.
- Newly built facility may put pressure on local water, energy and waste-management infrastructures.

Solution strategies

- Partner with development agencies to provide training.
- Support local programmes aimed at preserving local architectural knowledge, and partner with architecture departments at local universities.
- Inform and educate customers about the benefits of traditional architecture.
- Invest in conservation programmes that ensure sustainable resource use and preserve local communities' access to resources.
- Implement efficient water, energy and waste-management systems.

Prioritising opportunities for inclusion

There are many opportunities for inclusion, as the previous pages have shown. But which one do you choose? And where to start? You can use the matrix below to identify the top-priority fields of inclusion for your company.

Priority is determined by understanding which fields hold the most strategic importance for you, and where inclusive practices will be easiest to implement or expand. Fill in the boxes responding to the following questions. Use a scale from 0 (not important at all/not present at all) to 3 (very important/widely present) to rate each field of inclusion for each question.

Obviously, this is just one process designed to help you think through the various aspects to be considered as you decide to act inclusively. The process is more important than the end result. You can adjust it by adding your own criteria or changing the weight of individual categories.

Figure 9: Priority fields for inclusion assessment

	Maintenance and services <i>*9.15</i>	Activities	Food and beverage Crafts	Natural conservation Transportation	Construction
A	Potential to meet business priorities: Go back to the business priorities you identified at the end of chapter 1.* How much potential does each field of inclusion hold with regard to helping you achieve your business priorities?				
B	Potential to meet development priorities: Go back to the development priorities you identified at the end of chapter 1.* How much potential does each field of inclusion hold with regard to helping you achieve your development priorities?				
C	Overall strategic importance: Add up your ratings for business and development priorities to determine the overall priority for each field of inclusion. Now you can see which fields of inclusion hold the most strategic importance for your long-term business development. Divide by 2 to ensure equal weighting.				
D	Existing direct collaboration: Where does your company already collaborate with low-income people and local communities as direct business partners?				
E	Existing indirect collaboration: Where are low-income people and local communities indirectly included in your business? For example, do your guests rely mainly on local rickshaw drivers for transport? Do your suppliers buy produce from local farmers?				
F	Existing service providers not yet included: Where do low-income people and local communities already provide goods and services, but without being a direct or indirect part of your business? For example, are there farmers who can produce food for your restaurant? Is there a tradition of handicrafts among local women?				
G	Existing support organisations:** Are there partners that can help to implement or expand a collaboration, for example by providing technical support, capacity building, or start-up finance and advice?				
H	Overall feasibility: How feasible is it to collaborate with low-income people? Add up your ratings in dimensions D, E, F and G, and you can see the fields of inclusion in which collaboration can most easily be established or expanded. Divide by 4 to ensure equal weighting.				
	Overall priority: Adding together your results for strategic importance (line C) and overall feasibility (line H) indicates your overall top priorities.				

**SEE NEXT CHAPTER FOR MORE INFO



Chapter 3

Mapping the ecosystem of partners

No company is an island. And though there is much you can do with just your own team, some opportunities only emerge through the support of others. Many of the solution strategies presented in the previous chapter are best implemented by building on the strengths of others.

This chapter provides an overview of potential partners on your journey to achieving mutual benefit. By the end of this chapter, you will be able to:

- ✘ Distinguish different types of collaboration and when to use which.
- ✘ Identify those actors critical to implementing your inclusive business idea.
- ✘ Understand their motivations and organisational logic, and begin conceptualising forms of collaboration.



Managing collaboration

Tourism companies are used to collaborating closely with a multitude of players in providing guests with an overall enjoyable experience. The concept of a “business ecosystem” is therefore not foreign to them.

Partners in the ecosystem

When it comes to collaborating with low-income people and local communities as business partners, new and non-traditional actors may become relevant in order to overcome certain constraints. For example, NGOs and development agencies may often be able to provide support in capacity building and in organising groups of suppliers.

Inclusive business ecosystems are defined as communities or networks of interconnected, interdependent players whose actions determine whether or not a company’s inclusive business model will succeed.⁹

The figure on the next page provides an overview of the landscape of players that may be relevant for your inclusive business initiative. The role each type of actor may play is briefly explained. Concrete suggestions for potential partners are listed in the support directory.

3 strategies for collaboration

In general, three strategies can be employed to collaborate with partners in the support landscape:¹⁰

Private initiatives are the default operational form employed by companies. Private initiatives involve contracting partners for certain services or coordinating actions with them, albeit at arms length, that is, without sharing resources or explicitly pursuing joint goals. This may be the least complex approach, but it is not always sufficient.

Project-based alliances may be necessary where specific services are not readily available on the market and in cases where your company relies heavily on the resources and capabilities of another actor. A project-based alliance brings two or more players together under a formal agreement to accomplish a certain objective within a set time frame. For example, you may join forces with a development agency to build capacities for local sourcing with farmers and within your own company as well.

Platforms may be necessary to act collectively with several players, pool resources or coordinate action. Platforms can be used to create shared infrastructure, such as a hospitality training centre or a water treatment facility. Tourism associations often already provide a platform for companies to achieve joint objectives with their peers.

Draft your own support ecosystem!

Ecosystems are naturally complex. You can use the figure on the next page to map out who you need to work with to cultivate a field of inclusion.

Circle the field of inclusion that represents the highest priority for your company, drawing here on the assessment at the end of chapter 2. // → SEE P. 29

Identify the constraints you may face in developing an inclusive business activity, using the profile of the field of inclusion as a starting point. // SEE FIELDS OF INCLUSION IN CH. 2

For each constraint, define solutions. Underline the solutions that cannot be fully implemented in-house but need or benefit from the support of others.

For the solutions that require support, identify partners in the landscape and circle them. You can use the descriptions on the next two pages as an inspiration. Write next to them what their role and motivation for support may be. You can also use the support directory at the end of the chapter to locate concrete support organisations. // → P. 34

Connect partners with fields of inclusion, using one, two, or three lines to indicate the kind of collaboration (private initiative, project-based alliance or platform).

You can repeat this exercise for each field of inclusion. You can also use the figure to discuss solutions and partnerships with local communities and partners.

⁹ Gradl and Jenkins (2011). Tackling Barriers to Scale - From Inclusive Business Models to Inclusive Business Ecosystems.

¹⁰ For more information about these three strategies, and on when and how to use them, see Gradl and Jenkins (2011). Tackling Barriers to Scale - From Inclusive Business Models to Inclusive Business Ecosystems.

SEE NEXT
PAGE!

Types of partners and their roles

There are a variety of players who can work together to generate tourism that benefits all stakeholders. The profiles below draw a rough sketch of each type of actor and the roles they typically fulfil within the support landscape. Clearly, these profiles are not exhaustive. As you map your ecosystem, the reality of your specific context is likely to yield several unforeseen nuances.

A variety of actors can turn into partners for implementing your initiative for greater inclusion. They can take different roles in creating demand, facilitating collaboration, building capacities and organising suppliers.

Local communities

Communities consist of many different people with different interests and capacities. Building direct relations with formal and informal representatives of various groups within the community can help companies and firms understand locals' interests and capacities and therefore foster successful long-term business relations. Working with community organisations or local suppliers facilitates smooth-running logistics and sound bookkeeping. Even if your organisation works primarily with individuals, being able to understand the specifics of their social context can only help facilitate your mutual success in collaboration.

Tourists

Guests often take an interest in local social conditions and are willing to support initiatives that create valuable opportunities for locals and people living in poverty in particular. Companies can involve tourists in such efforts by informing them of the initiatives, allowing them to participate in the initiatives, or enabling them to experience first-hand how they operate, for example by visiting a farm, thereby establishing direct contact with local business partners. Tourists can also contribute financially and sometimes even offer their own skills and contacts.

Other companies

Your peers can provide models of good practice. You may also find that collaborating with peers helps establish the necessary scale for your business. For example, peer collaboration may help you create demand great enough to make local procurement financially viable for new entrepreneurs. You can also join forces with other companies on a shared agenda and lobby for policy changes or public investment, aim to influence training curricula and approaches, or build joint infrastructure such as training centres or crafts markets.

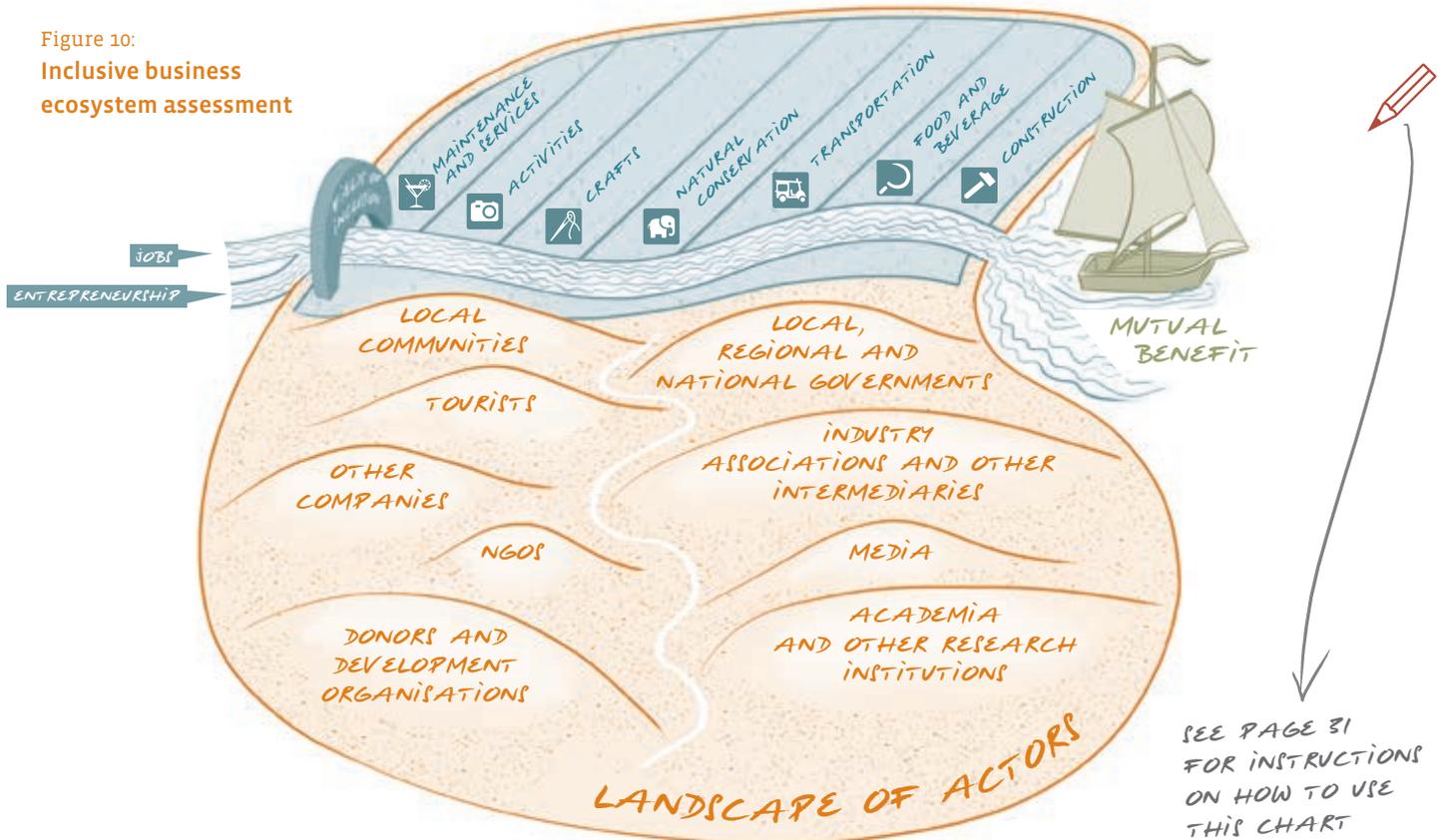
NGOs

NGOs inform policy reforms, create training facilities, build capacities, help organise communities, and sometimes even act to represent communities. NGOs are experienced in participatory methods and have often already established long-term relations with communities. Therefore, NGOs can be ideal partners for building entrepreneurship opportunities, for instance by establishing artisan workshops or developing touristic activities based on local traditions.

Donors and development organisations

Development organisations support capacity-building within local communities, help build organisational infrastructures for communities and advise governments on how to bring about structural transformation through policy measures. Some donors provide direct financial and technical support for starting up new inclusive business initiatives via development partnerships or challenge funds. Tourism companies can link into existing donor programmes within the tourism value chain or collaborate with donors to establish new programmes and initiatives.

Figure 10:
Inclusive business
ecosystem assessment



Tourism companies can also join forces with others to strengthen the ecosystem for inclusive business. This includes favourable policies, helpful standards and guidelines, broad-based awareness, and increased knowledge and understanding of inclusive business practices.

Local, regional and national governments

Governments have the mandate to adopt new policies and regulation; provide public infrastructure such as roads, markets or conservation areas; and provide or support services like health, education and utilities. Governments also commission development or long-term plans for tourism that often set the regulatory framework within which your inclusive business will operate. Governments need to understand what inclusive businesses need, particularly with regard to priorities and opportunities. Industry associations often provide an effective platform for voicing these interests.

Industry associations and other intermediaries

Associations and other intermediaries provide access to information and training as well as implementation support. They also represent their members' interests, presenting them to other parties and organising collective action. They can help companies and tourist destinations market their inclusive business and sustainability credentials.

Media

Media raise awareness, influence social and cultural norms, create momentum for change, and provide information to your customers. Find the right professionals to tell your story. Keep in mind that transparency is key to effective persuasion.

Academia and other research institutions

Researchers create knowledge that can guide business and development decision-making processes. Invite them to monitor and evaluate your activities, learn from their findings, and let your work inspire others.

Who can provide support and how is certainly unique to each situation. The descriptions of typical roles and the distinction between implementation and systems-strengthening support simplify real-world complexity, as the overlap in descriptions already shows. Finally, who will become a partner often depends much more on the motivations and capacities of individual people than on organisational mission statements. Again, entering into dialogue is already the first step in identifying joint objectives and opportunities.

Support directory

A variety of players offer support to tourism companies in developing inclusive business.

The list below provides contact information for organisations that address inclusive business in the tourism sector at the international level.

Donors, NGOs, business associations or universities can act as a first point of contact for information and orientation. These organisations provide funding, expertise and implementation support, often through local offices. They can also provide further links to relevant players at the local level.



Donors and development organisations

Aga Khan Fund for Economic Development (AKFED)

AKFED's Tourism Promotion Services (TPS) seeks to develop tourism potential in selected areas in the developing world, in underserved regions in particular. It builds, rehabilitates and manages hotels and lodges that contribute to economic growth and the overall investment climate in an environmentally and culturally sensitive manner.

www.akdn.org/akfed_tourism.asp

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

GIZ offers customised solutions to complex challenges. As an experienced service provider it offers demand-driven, tailor-made and effective services for sustainable development. On behalf of the German Ministry for Economic Cooperation and Development (BMZ), GIZ has been working on development partnerships in the tourism sector for more than ten years. It provides expertise as well as opportunities for collaboration. GIZ's Responsible and Inclusive Business Hubs (RIBHs) provide enterprises with access to knowledge in the field of sustainable development with a focus on inclusive business, thus helping to ensure that their activities contribute to the achievement of global development goals.

www.giz.de

International Labour Organization (ILO) / HCT Sector

In the hotels, catering and tourism (HCT) sector, the ILO tackles problems associated with working conditions through sectoral activities related to the ILO's four pillars. These activities constitute the ILO's Decent Work agenda in promoting labour standards, employment, social dialogue and social protection measures.

www.ilo.org/tourism

Swiss Agency for Development and Cooperation (SDC)

The Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). The SDC funds projects aiming to strengthen tourism destinations and improve the economic impact of tourism on local communities.

www.sdc.admin.ch

Swisscontact

The development organization of the Swiss private sector fosters and develops sustainable tourism approaches, e.g. by promoting destination management organisations.

www.swisscontact.org

United Nations Development Programme (UNDP)

Since 1966, the UNDP has been partnering with people at all levels of society to help build nations able to weather crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. The UNDP's vast network links and coordinates global and national efforts to achieve the Millennium Development Goals. The UNDP supports various tourism-related projects with a focus on inclusive business.

www.undp.org

World Bank Africa Region Tourism Strategy

The programme works to coordinate tourism institutions, professionalise tourism services, strengthen tourism value chains, and increase the competitiveness of tourism products in sub-Saharan Africa.

<http://go.worldbank.org/ALVNILZA20>

World Tourism Organisation (UNWTO)

This United Nations agency promotes tourism as a driver of economic growth, inclusive development and environmental sustainability. It also offers leadership and support to the sector in advancing knowledge and tourism policies worldwide.

www2.unwto.org

Industry associations and other intermediaries

The Adventure Travel Trade Association (ATTA)

The ATTA delivers solutions and connections that propel members towards their business goals and the industry towards a responsible and profitable future.

www.adventuretravel.biz

AGEG Consultants

This consulting company for development policy and international cooperation offers professional know-how and services to a variety of organisations, including private companies. Sustainable tourism is one of its fields of expertise.

www.ageg.de/fields-of-expertise/sustainable-tourism

Endeva

Endeva supports inclusive business development in tourism through research, training and consulting.

www.endeva.org

Fair Trade Tourism (FTT)

Fair Trade Tourism encourages and publicises fair and responsible business practices carried out by tourism establishments in southern Africa and beyond.

www.fairtrade.travel

The Global Partnership for Sustainable Tourism (GPST)

A global initiative launched in 2011 to inject sustainability principles into the mainstream of tourism policies, development and operations.

<http://sdt.unwto.org/en/content/global-partnership-sustainable-tourism-gpst>

Global Sustainable Tourism Council (GSTC)

This international body fosters increased knowledge and understanding of sustainable tourism practices. It promotes the adoption of universal sustainable tourism principles and builds demand for sustainable travel.

www.gstcouncil.org

High Impact Tourism Training (HITT) for the informal sector

The European Commission-funded High Impact Tourism Training for Jobs and Income (HITT) programme delivers market-driven training to informal and potential workers. HITT focuses in particular on women, young people, the unskilled and the semi-skilled, as these groups are almost always excluded from vocational training.

www.hitt-initiative.org

The International Centre for Responsible Tourism (ICRT)

The ICRT is a network of people who support the Cape Town Declaration through their work and has a number of sister organisations. The ICRT's structure is best understood as a network with a hub in the UK and nodes in a number of countries and regions.

www.icrtourism.org

The International Ecotourism Society (TIES)

TIES' global network of ecotourism professionals and travelers leads efforts to make tourism a viable tool for conservation, protection of bio-cultural diversity and sustainable community development.

www.ecotourism.org

International Tourism Partnership (ITP)

The International Tourism Partnership (ITP) brings together the world's leading international hotel companies to provide a voice for environmental and social responsibility in the industry.

www.tourismpartnership.org

mas|contour

A Berlin-based international consulting firm operating in the fields of tourism, regional development and organisational consulting.

www.mascontour.info

Pacific Asia Travel Association (PATA)

The Pacific Asia Travel Association (PATA) is a membership association acting as a catalyst for the responsible development of the Asia Pacific travel and tourism industry.
www.pata.org

Roundtable Human Rights in Tourism

The multi-stakeholder initiative defines itself as an open platform aiming to advance human rights in tourism. It provides incentives for enterprises, organisations and institutions that campaign for the respect of human rights in tourism.
www.menschenrechte-im-tourismus.net/en

Solimar International

A tourism development and marketing firm with a focus on sustainable global development.
www.solimarininternational.com

Sustainable Tourism Certification Alliance Africa (The Alliance)

The Alliance represents a collaborative, integrated approach to sustainable tourism standards-setting and certification in Africa for the benefit of people, the environment and business. It serves as a platform for generating and sharing knowledge, skills, capacity, networks and other resources to create a more enabling environment for sustainable tourism standards and certification in Africa.
www.sustainabletourismalliance.co.za

The Travel Foundation

The Travel Foundation is an independent charity working with the travel industry towards a sustainable future.
www.thetravelfoundation.org.uk

Travelife

Travelife is an international sustainability certification scheme. It helps its 1,300 hotel members around the world improve their environmental, social and economic impacts cost-effectively. Hotels that meet the Travelife standard are formally recognised with a Travelife award to promote their achievements.
www.travelife.org

Tourcert

Tourcert is a German non-profit that provides CSR training and the "Tourcert" CSR certification to tourism enterprises.
www.tourcert.org

Tour Operators Initiative (TOI)

The initiative unites tourism stakeholders from around the world to promote the development, operation and marketing of tourism in a sustainable way.
www.toinitiative.org

World Association of Chefs Societies

The World Association of Chefs Societies (Worldchefs) is a non-partisan professional organisation dedicated to maintaining and improving the culinary standards of global cuisines through education, training and the professional development of international members.
www.worldchefs.org

Youth Career Initiative

The Youth Career Initiative (YCI) is a 24-week education programme that provides disadvantaged young people with life and work skills. The purpose is to empower young participants to make informed career choices and realise the options available to them, enabling them to improve their employability and enhance their long-term social and economic opportunities.
www.youthcareerinitiative.org

Academia and other research institutions

Center for Responsible Travel (CREST)

This US-based non-profit research institute promotes responsible tourism policies and practices globally so that local communities may thrive and steward their cultural resources and biodiversity.
www.responsibletravel.org

Centre for Responsible Tourism at Manchester Metropolitan University

The MSc in Responsible Tourism has a Unit on Tourism and Local Economic Development which draws on the work of the Pro-Poor Tourism Partnership in which the Centre's Director, Professor Harold Godwin, was a partner. The Unit is also available as a short course which can be taken by Distance Learning, or as an intensive short course taught in a destination. The Centre also has a group of PhD students working on inclusive tourism and poverty reduction.
www.crtmmu.org

Eberswalde University for Sustainable Development

The German post-graduate "Sustainable Tourism Management" programme enables post graduates to develop ecological and economic concepts for sustainable tourism and to act as connecting agents within complex networks.
www.hnee.de/en

International Institute for Sustainable Development (IISD)

This Canadian-based research institute has done work on the tourism sector, focusing mainly on investment and trade policies in relation to sustainable development.
www.iisd.org

Leeds Metropolitan University

The university offers a masters programme in responsible tourism management. Students are trained in methods for implementing responsible business practices that improve communities' quality of life and conserve the environment and culture of destinations.
http://courses.leedsbeckett.ac.uk/responsibletourism_msc

Lucerne University of Applied Sciences and Arts |

Institute für Tourismuswirtschaft (ITW)

The ITW provides extensive knowledge in tourism training and education, applied research and praxis-oriented consulting.
www.hslu.ch/wirtschaft/w-outside-navigation/itw/w-itw-ueber-uns-2.htm

Organisation for Co-operation and Development (OECD) |

Tourism Committee

The Tourism Committee, created in 1948, acts as the OECD forum for dialogue, and for monitoring policies and structural changes affecting the development of domestic and international tourism. It actively promotes sustainable economic growth within the tourism sector. The annual OECD Tourism Trends and Policies report provides comparative policy- and data-driven surveys, through thematic chapters and country-specific policy and statistical profiles.
www.oecd.org/cfe/tourism

Overseas Development Institute (ODI)

The ODI is the UK's leading independent think tank on international development and humanitarian issues. The ODI has multiple projects and publications focusing on pro-poor tourism.
www.odi.org

Universität Bern | Research Unit Tourism

This interdisciplinary unit addresses tourism issues most broadly from an economic point of view, but incorporates other relevant approaches and disciplines to understand the full spectrum of the tourism sector. It is also an established contact centre for problems associated with tourism and regional economic development.
www.cred.unibe.ch/content/research_unit_tourism

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Pro Poor Tourism

Pro Poor Tourism provides information on increasing benefits for poor people through tourism including a library with pro-poor tourism literature and case studies.

www.propoortourism.info

Skift

Skift is a travel intelligence company that offers news, information, data and services to professionals in the travel industry and professional travelers to help them make smart decisions about travel.

www.skift.com

TrainingAid

TrainingAid supports skills development for tourism professionals through practical online learning courses, helping translate information, data, and resources into practical knowledge, skills and solutions.

www.trainingaid.org

About the implementing partners

This guide to inclusive business in tourism was produced in partnership by Endeava and the GIZ Responsible and Inclusive Business Hubs.

Endeava's mission is to inspire and support enterprise solutions to the world's most pressing problems, making poverty a thing of the past and preserving ecosystems for the future. In our projects, we build, share and apply knowledge to develop, implement and grow inclusive business models. The people at Endeava share a passion for positive change and inspiring collaboration.

As an independent institute, we work closely with partners from all sectors.

- We support companies, social businesses and NGOs in developing inclusive business practices through training, market research, business model development, partnership facilitation and the establishment of social performance management systems.
- We support donors, development agencies and governments in developing support programmes and policies for inclusive business, through research, training, strategy development and facilitation.
- We conduct research and provide thought leadership on inclusive business solutions in collaboration with universities, foundations, donors and companies.

Find out more on our website www.endeava.org!

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The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH supports and partners with the private sector in the field of sustainable development. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) GIZ established a worldwide network of Responsible and Inclusive Business Hubs (RIBHs), currently operating in Jakarta, Cairo and Pretoria.

The RIBHs operate regionally and assist companies in developing inclusive business models and in promoting sustainable business activities.

We

- Support companies in evaluating their value chain and pilot projects with businesses.
- Develop training measures and business development services for smaller business.
- Establish new networking spaces to foster exchange and learning on inclusive business practice.

Companies benefit from GIZ's longstanding experience in sustainable development and within the regions. Find out more on our website www.giz.de/ribh!

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Mariska van Gaalen is an independent consultant specialised in the socio-economic perspective of tourism in developing countries. She has a strong interest in our rapidly changing planet and engages both on theoretical and practical levels to create better places for people to live and visit. Her study on Travellers Perspectives was well received at the 2012 Eco-tourism and Sustainable Tourism Conference in Monterey, USA. Mariska holds a master's degree in sustainable tourism management from the Eberswalde University of Applied Sciences (FH).

Christian Pirzer works as a consultant and project manager with Endeava. He holds a master's degree in political science from the Freie Universität Berlin and Universidad de Granada and is graduate of the SLE (Centre for Rural Development). Christian is especially interested in areas where sustainable tourism activities contribute to the preservation of nature and the adaptation to changing environments. He recently published a study on ecosystem-based adaptation to climate change and is keen to explore the potential of the tourism sector for natural conservation further.

Cover photo:

This fisherman working at the ecotourism business and restaurant Kampoeng Kepiting in the mangrove forest of Tuban (Bali, Indonesia) is carrying bamboo pens for crab cultivation. The fishers developed a sustainable method of crab cultivation that minimises environmental damage by placing the bamboo pens beneath the mangrove trees so that crabs can live in their natural habitat. In addition to offering high-quality seafood at its restaurant, the business also offers educational tours of the mangrove forest and guided boat rides for tourists.

Copyright: Kampoeng Kepiting Ekowisata Bali

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When tourism companies incorporate local communities and low-income people in their business as employees and entrepreneurs, they create a more authentic, unique and welcoming experience for guests. While tourism companies can strengthen their business foundations, local people gain access to income and development opportunities.

This guide shows tourism companies how to discover and reap their inclusive business potential.

Destination: Mutual benefit.

