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Labelling and Certification:
benefits and challenges for sustainable tourism management and marketing

by

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Introduction

Certification is the process of assuring consumers and industry that the company being assessed has met the standards set. Certification in tourism is fairly recent, with most programs developed in the nineties as bottom up initiatives with little knowledge of each other, and generally operating as specific responses to manage the key negative impacts or challenges of a particular subsector in a particular location. In the last ten years, they have moved on dramatically to become one of the buzzwords of sustainable tourism and ecotourism, considered as a potential mechanism to combat greenwashing but not without their fair share of sceptics. This paper aims to present an overview of certification and to critically consider how it can be used to improve the performance of our sector.

Certification: 6 steps to heaven

The six steps of conformity assessment are outlined here, and have been reviewed extensively before (Font, 2002; Toth, 2002). First the certification body sets standards, which are industry relevant and achievable by a proportion of the sector. Part of the process includes setting indicators that can credibly and effectively measure the standards across the range of applicants they are intended for. These indicators are then assessed by an assessor who has been deemed as competent for the task (involving skills and no conflict of interest amongst others). If the assessment is successful, the applicant is certified as meeting the standards. The certification body could be subject to a procedure of accreditation, that guarantees that the certification body has undertaken its tasks correctly. This is the case in industries such as forestry, fisheries and organic food amongst others, but not tourism. The overall aim is that the label of this certification program will be recognized by consumers or distribution channels, and considered as added value that leads to its acceptance in the marketplace, to support the marketing of companies that meet standards.

Ecolabelling is not homogeneous

Reading the latest survey of 59 sustainable tourism and ecotourism certification programs shows the patchy development that has taken place (WTO/OMT, 2002). There are 7,000 tourism products certified worldwide, and 6000 of them are in Europe. 2/3 of the certification programs are led by private tourism associations, NGOs and consultancies, whereas 1/3 are led by governmental organizations. The investment for the development of eco-labels is private (1/3 cases), public (1/3) and private-public partnership (1/3). 2/3 of the 59 take a multi-stakeholder collaborative approach to decision-making and advisory roles. 47% started before 1996, 47% between 1996-2000, 6% still in testing and implementation.

This paints a picture of the type of organisations undertaking certification. There are further differences across these programs, in the nature of the companies they try to certify. What is most striking is that most standards are set for hotels (68%), and very few for tour operators (7%), and the latter are mainly for ecotourism ground operators, not the outbound operators in tourism generating countries, with the access to the market. To the danger of oversimplifying, the European programs focus on environmental issues in hotel management, while developing countries focus on the broader range of sustainability and ecotourism issues, targeting specifically small hotels or ground operators. The issue is also that not all sectors are as easy to certify, and each country prioritises those issues that are pressing in accordance to their sector.

The indicators used to measure standards also vary, not only in contents but also in what is measured. The most popular distinction is between process and performance indicators (Honey and Stewart, 2002; Synergy, 2000). Process-based standards mean the company makes a commitment to improvement by putting in place management systems to ensure year on year progress. Progress based standards mean different companies could perform differently and still have the same certificate, hence they aren't a guarantee of sustainability. The advantage is that the system is self updating, the standards are generic and therefore transferable. At the other end of the spectrum, performance standards mean that the applicant has met a threshold level, which is generally defined through sector-specific benchmarks (to different degrees of sophistication). The key advantage is that they are a guarantee of basic standards. The challenges are that because industry performance changes standards need external updating, and because the standards are context specific, they are not easily transferable across destinations.

In reality, certification programs tend to combine a number of performance criteria to ensure minimum requirements are met, with a number of process criteria to ensure the company is proactive towards making further improvements (WTO/OMT, 2002). Just over 40% of the criteria in standards relate to management issues, i.e. how the applicant has systems in place to make improvements on a number of sustainability matters. The other nearly 60% of criteria relate to specific actions or benchmarks for environmental (34%), economic (8%), socio-cultural (12%) criteria. 5% of the criteria relate to characteristics on the nature of the firm to be accepted as an applicant.

Critical analysis for tourism certification

Governance issues in relation to certification were previously analysed elsewhere (Bass, Font and Danielson, 2001). From a global governance point of view, the fact that at present tourism certification is resource-based and incentive-led, and not market-led, means that it has had little impact. The confused message given to tourists (are we promoting a clean, unspoilt destination or a sustainable place?) has limited its power. Certification systems currently require external funding. At the same time, there are no means to control green and quasi green claims, and customers have limited information to discern between greenwashes and sound products. There will be governmental conflicts of interest in accreditation, already seen in Europe when developing proposals for an accommodation sub-group of the European Ecolabel. This will be exacerbated at an international level.

From a local governance point of view, ecotourism is generally not a standardised product where systems approaches work, and the economies of scale make it impossible for small producers to apply. High costs of verification and the needs for expertise in implementation of the criteria, specially when management systems and paper trails are required, are further limitations. This is not an issue while tourism ecolabels do not have a significant weight in the consumer choice process, but it might change in the future.

Prospects and challenges for tourism certification and accreditation

The prospects and challenges for tourism certification are considered under five aspects: equity, effectiveness, efficiency, credibility, and integration:

- Equity refers to the fairness of an instrument. Systems based programmes are not suitable for small firms in tourism, and will put small holdings in a position of competitive disadvantage if ecolabels take over.
- Effectiveness is a measure of how well an instrument achieves its objectives. Ecolabels are first attracting applications from companies that already met the standards, and only if the core group of these companies is large enough, they have the power to change behaviour in other companies.
- Efficiency is a measure of how well an instrument uses the resources available. The low take up and high start-up costs from governments and NGOs could indicate they are not an efficient use of resources.
- Credibility and legitimacy refer to the extent up to which an instrument is accepted by its target audiences as valid. If this is understood as market share, then ecolabels are not credible and legitimate, except in cases such as the Blue Flag. If credibility and legitimacy is understood as quality of the product of each label, we don't have the evidence of which certification programs are good and which aren't, although this is starting to change as programs are benchmarked against developing guidelines.

Ecolabels are integrated with other instruments for sustainability only in as far as they are generally linked to voluntary initiatives and incentives to encourage a more sustainable approach to management.

In order to position sustainable tourism certification as one of the tools to improve the quality of our industry, we need progress towards the following questions:

Is certification useful as a:

- policy to make voluntary improvements
- Method to choose a product, destination or tour operator

What is needed to make:

- Tour operators to give preference to certified suppliers
- Tourism companies to want to be certified
- Tourists to buy holidays that can prove their sustainability

Acknowledgements

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