CAN CERTIFICATION PROGRAMS HELP SMALL AND MEDIUM-SIZED ENTERPRISES (SME) IN LESSER DEVELOPED COUNTRIES (LDC) TO ACCESS MARKETS?

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Abstract

In most industries, standards or certification programs have been developed by the private sector to deal with external pressure. While certification is widely discussed in tourism, it is not as yet global in nature nor is it based upon agreed international standards. This paper examines two issues: firstly, whether the development of national certification schemes could help small to medium sized (SMEs) suppliers address expectations of supply chain actors such as tour operators, and secondly, whether certification schemes have contributed to spreading sustainable tourism practices or would align with international criteria and standards. Current issues in tourism certification are highlighted and key challenges that tourism will continue to face are identified. The conclusions reached stress that while is may be desirable for low income countries to use certification and accreditation as tools for sustainable development, to date SME operators have gained only limited access to market through participation in certification programs. The small number of certified product makes it impractical for many tour operators to promote them actively. Finally, some recommendations for moving towards sustainable development in tourism are proposed.

Keywords: ecotourism, certification, sustainable tourism, LDC, SME certification programs, markets.

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For the past 20 or more years, sustainable development has been at the forefront of many government agendas. This debate has concluded that sustainability should be adopted as the way forward to preserve ecosystems and biodiversity, while improving the quality of life of host populations and ensuring the financial viability of the businesses involved. Tourism has been put forth as a way to gain income and provide access to market opportunities for small and medium size (SME) enterprises, especially in low income or lesser developed countries (LDCs). There has been no shortage of research supporting the need to keep tourism pressures in check, address existing impacts and extend the planning horizon to create more sustainable development in the longer term (see for example, studies by UNWTO, 2004; WTTC Millennium Vision, 1995, 1999; Butler, 1993; Stabler & Goodall, 1996). From this perspective, sustainability in tourism comprises not just the environmental aspects but also the socio-cultural and economic considerations—a true triple bottom line. Sustainable tourism was influenced by the Brundtland report (WCED, 1987), gained momentum through the 1992 Rio Earth Summit, and has since entered into mainstream tourism literature as an underlying premise to maintain a viable industry.

The worldwide tourism industry currently accounts for 898 million international travelers, and approximately a tenth of global employment and capital formation (UNWTO, 2007). In most countries, especially LDCs, tourism is seen as a viable option for economic growth, but current unsustainable tourism practices can impact the health and well-being of the environment and community as well as tourism itself (Goeldner, Ritchie & McIntosh, 2005). In many LDCs, tourism is significant to the economy and is generally growing, with long-haul travel showing the fastest growth rate, having doubled in volume between 1997 and 2001 (Tearfund, 2002). Developing countries still have only a minority share of the international tourism market (approximately 30 per cent), but with a growth rate that is double that of the rest of the world (international tourism arrivals have grown by an average of 9.5 per cent per year since 1990, compared to 4.6 per cent worldwide), this will change in the medium-term future. The contribution that tourism makes to national economies is also far more pronounced in LDCs, usually evident in job creation, infrastructure development, foreign investment and so forth (UNWTO, 2006).
In most industries, standards or certification programs have been developed by the private sector to deal with external pressure and a certain dissatisfaction with environmental regulation (Jordan, Wurzel & Zito, 2003; Sebhatu & Enquist, 2007; Watson & Emery, 2004). While certification is widely discussed in tourism, it is not as yet global in nature nor is it based upon agreed international standards. The purpose of the research on which this paper builds, was to inform the work on certification of the Foreign Investment Advisory Service (FIAS), a branch of the International Finance Corporation working collaboratively with the World Bank. Specifically, the work entailed the feasibility and desirability for LDCs to use certification and accreditation as tools for sustainable development, to identify if there was demand for certification by tourism operators, and whether SMEs gained access to market as a result of certification (Dodds & Joppe, 2005). This paper expands on that earlier work by highlighting current issues in tourism certification, identifying key challenges that tourism will continue to face, and proposing some recommendations for moving towards sustainable tourism.

CERTIFICATION INITIATIVES

Certification can be described as the process of assuring consumers and industry that the assessed company has met a set of minimum standards (Dodds & Joppe, 2005). According to Black and Crabtree (2007), certification refers to “a voluntary procedure that sets, assesses, monitors and gives written assurance that a business, product, process, service or management system conforms to a specific requirement” (p. 20). The purpose of certification is to achieve voluntary standards of performance which meet or exceed baseline standards or legislation. The process starts with a body that sets credible certification standards (through standards which are industry relevant, measurable and obtainable). The certification body must be without conflict of interest and the indicators should be recognized by an accreditation body. The applicant or business then is assessed according to the indicators and, if successful, receives recognition, usually through the form of a logo, to inform the consumer that minimum criteria have been met. The aim of certification is to foster responsible environmental, social and cultural behaviour and provide a quality product to consumers. To be considered reliable, certification programs need to have a 3rd party audit and effective assessment as well as clearly defined accreditation criteria.
Toth (2002) considers the following to be elements of a credible certification system:

- Adequate, appropriate standards developed/accepted by all affected interests – interpretation of standards;
- Trained, qualified assessors – standard defining training and qualifications;
- Professional/ethical operations at all levels with no biases or conflicts of interest;
- Qualified, financially stable certifying body – if there are multiple certifiers, an accreditation mechanism is needed;
- Even-handed certification and accreditation;
- Transparency;
- Defined procedures;
- Appeals mechanism;
- Recognition by relevant agencies and/or customers – compliance with accepted criteria (e.g., ISO/IEC Guides) facilitates recognition; and
- Acceptance in the marketplace or by regulators – marketing and promotion.

It should be noted that the above definition defines elements of a credible certification system, not necessarily one that incorporates all three aspects of sustainable tourism. Indeed, few schemes to date have addressed social or labour issues in much detail.

Standards and regulation within tourism have been investigated by Bendell and Font (2004) and Font and Bendell (2002), especially as they relate to The General Agreement on Trade in Services (GATS) and its trade rules that sometimes conflict with the principles underpinning sustainability (e.g., hiring local workers which is against the basic rule of labour mobility). Within the tourism industry, sustainable tourism certification was discussed at the 1992 Earth Summit; however, the framework of many of the fundamental principles necessary for all legitimate sustainable and ecotourism programs came out of the Mohonk Declaration in November 2000 (Honey, 2002). Since 1992, a number of schemes which focus on sustainability elements have been developed.

The best known NGO or country initiatives include the European-wide ‘Voluntary Initiatives for Sustainable Tourism (VISIT)’, the Costa Rican ‘Certification for Sustainable Tourism (CST)’,
Australia’s National Ecotourism Accreditation Program (NEAP), the Guatemalan ‘Green Deal’, and Scotland’s ‘Green Tourism Business Scheme (GTBS)’. The best known industry certification programs are ‘PADI’, ‘Green Globe’ and ‘Blue Flag’. The Professional Association of Diving Instructors (PADI) is the world’s largest and most recognized recreational diving membership and diver training organization. Although its certification program focuses on dive safety, it also offers training on coral reef and marine protection. Green Globe offers product as well as destination certification, while Blue Flag certifies beaches and marinas. There are two industry-based standards which do not solely address tourism: ISO 14001 addresses environmental impacts, while ISO 9001 addresses quality assurance (both mainly used by larger hotels rather than small operators or accommodations). ISO is currently developing a standard for corporate social responsibility. The majority of funding and attention towards certification have addressed tourism-only schemes. These are the ‘eco’ schemes that focus mainly on SMEs.

A number of eco certification projects are in the pilot or development phase in Mexico and Peru, the Caribbean and Sub-Saharan Africa, among others, while countries such as Kenya and Botswana are considering them. The majority of European ecolabels have historically related to environmental criteria; however, developing countries in the Americas and Southern Africa have included social and cultural aspects as major components.

Programs and practices vary from region to region. Most schemes are national in scope, such as the CST, NEAP, Green Deal and South Africa’s Fair Trade Tourism. The model for certification in Latin America is the CST, which is now being expanded to become the ‘Network of the Americas’ through the efforts of the Rainforest Alliance (2003) and will cover Guatemala, Brazil, Ecuador and other newly proposed schemes, in addition to Costa Rica. Most countries in this region have implemented, or are planning to implement, a national program using the CST as a model, “although the costs of starting and operating a certification program have meant there has been little progress” (Font, 2003). Publicized as a model for tourism certification, in reality, the CST program has few certified products and the ‘Network of the Americas’ does not have many in total (e.g., only 21 products at the time of research had been certified in Guatemala: Dodds & Joppe, 2005).
In Europe, the VISIT program has created an inclusive system to raise standards and cooperation among current European programs, and markets approximately 4,000 certified products through ethical trade fairs (e.g., green travel markets) and tour operators. The most successful certification program – Blue Flag – has extended its program outside Europe to the Caribbean, North America and Africa, even though this program only applies to the certification of beaches and marinas.

Green Globe is an industry standard which currently operates out of Australia but has certified properties worldwide. Destination certification has been gaining momentum in recent years due to issues of sustainable destination management, and Green Globe’s program offers a comprehensive approach for multiple players. Measurability and implementation of this scheme, however, has been questioned due to a multi-checkmark scheme which can be confusing to the traveler. Green Globe offers more than just ecotourism or small business/ecolodge certification and some larger scale companies, such as all-inclusive resorts such as Sandals, Casuarina Beach, Almond Beach and some Hilton and Marriott properties, have obtained certification. Indeed, Green Globe has just announced an agreement with Accor to certify Novotel properties worldwide (Green Globe, 2008).

While the increasing number of tourism certification programs has allowed for bottom-up initiatives among local players involved with sustainable tourism efforts, in doing so, it has led to market confusion, and high start-up costs. In order to understand how to best set high standards for sustainable tourism and ecotourism certification programs around the world, and to make these programs widely beneficial, the Rainforest Alliance has spearheaded a feasibility study for a global tourism accreditation body, entitled the Sustainable Tourism Stewardship Council. (Font, Sanabria & Skinner, 2003, p. 213).

While the idea is laudable, little progress has been made since its inception in 2002. Reasons include the lack of an over-riding body to adopt international certification, confusion of existing criteria, and competition between existing schemes that resisted merging their labels.
Approximately 63 per cent of certification schemes accredit accommodations, whereas only seven per cent address tour operators, mainly ground operators specifically dealing with ecotourism (Font, 2003). Approximately 40 per cent of the criteria or indicators in standards relate to management issues and the remaining 60 per cent relate to specific actions such as environmental benchmarking (34 per cent), economic indicators (eight per cent or socio-cultural criteria (12 per cent)\(^\text{91}\) (Font, 2003; key informant interviews). Aside from Green Globe, Blue Flag and ISO, the majority of programs to date have targeted small operations or ecolodges rather than larger scale tourism accommodations.

Standards can be divided into *product* standards, reflecting the appropriate characteristics a product is expected to have, and *process* standards, reflecting the appropriate characteristics from products to final distribution. Larger tourism operators, mainly hotels, have few connections with smaller certification schemes and opt instead for international standards such as ISO 9001 or ISO 14001, depending on whether they are interested in quality assurance or environmental accreditation. These schemes are not widely adopted by the tourism industry, however, due to a lack of awareness, marketing and the costs involved, and many larger chains having their own internal monitoring or benchmarking systems.

The benefits of certification are seen to be wide-spread, although the majority of programs uphold marketing and training as their primary ones. Certification is thought to give companies a competitive advantage and increased linkages into the distribution chain and to consumers through marketing (inclusion on web sites, travel fairs, brochure recognition), all of which is assumed to give businesses competitiveness through the clearly identifiable logo. Additional perceived benefits from certification include:

- The ability to distinguish sustainable tourism from ‘greenwashing’
- The encouragement of voluntary improvements
- Showcasing best practices
- The use of the standard as a blueprint for future development
- Training of management procedures

\(^\text{91}\) Numbers do not add up to 100% as some schemes offer more than one element
Cost savings
Peer recognition
Achievement beyond legislative compliance

Determinants of success of schemes have been linked to marketing which, to date, has been largely unsatisfactory, due to the small number of certified products and therefore reduced appeal to large operators to use them in their product choice. According to UNWTO (2005), "Tourism certification systems and ecolabels, among other voluntary initiatives have been officially adopted or supported by national or local governments in a number of countries. The effectiveness of such systems, or the level to which they are clearly recognised and respected by consumers, have not been reported" (p. 18). Also, the sheer number of schemes and labels makes it difficult for tour operators to incorporate them as they would have to educate the consumer about the standards behind each one and differences among them. This is beyond what tour operators deem practical for hard copy brochures. An exception has been ECEAT. Ecolabels in Eastern Europe were developed to promote organic farms and rural accommodation and promote them to the increasing number of tourists visiting these regions. The Czech Republic’s scheme has seen 135 accommodations certified which have been promoted through publications of the Countryside Holiday Guidebook and/or the Heritage Trails (respondent interview). As many visitors to Eastern European countries are visiting friends and relatives or are independent tourists, farm stays and rural accommodation are a unique and relatively new type of tourism which has led to the growth of agritourism. The newest initiative is the "national ecolabel for tourist services" which was accepted by the Czech Government in 2005 and will be used as a tool for the new governmental tourism policy, implemented as of 2007, in keeping with the EU programming period covering 2007-2013.

Larger operators, who have been certified through organizations such as Green Globe or ISO, have seen cost savings and overall improved management structures. Some benefits to the community are improved environmental conditions of facilities or infrastructure improvements such as new access roads. Unfortunately, larger hotel chains often build water or sewage plants only for the hotel complex rather than the community or village at large, thereby limiting community benefits.
Furthermore, as many certification schemes do not include labour or social/community issues, the local community has, generally speaking, not greatly benefited. Jamal, Borges and Stronza (2006) put forth the argument that certification/monitoring schemes reveal conflicting values and possibly incompatible objectives. These authors suggest that as sustainable tourism and ecotourism are rooted in notions of individual/societal and environmental well-being, often ecotourism has been commoditized. In addition, companies have not seen the level of marketing benefits anticipated, and therefore have participated in schemes largely for cost savings or reporting purposes.

**Methodology**

The World Bank Group commissioned the law firm Foley Hoag in 2003 and 2004 to survey company practices with respect to Company Codes of Conduct and International Standards, Implementation Mechanisms for Codes of Conducts in seven sectors: apparel, footwear, light manufacturing, agribusiness, tourism, oil, and mining. The results gauged emerging trends among companies that adopt socially responsible practices. The study by Dodds and Joppe (2005) was a follow-up to the report on tourism. The objectives of that study were to determine whether adopting national certification or code of conduct schemes that build on private sector standards and initiatives could be used for product enhancement, promotion and marketing, and whether such an approach could lead to increased market opportunities through better linkages into the supply chain operators and consumer markets that care about social and environmental standards. Based on an extensive review of programs and 34 in depth interviews with key informants (four key stakeholders [associations of travel agents, wholesalers, etc.], six experts [directors of research/development centers focusing on various aspects of sustainability, etc.], seven certification scheme directors, seven tour operators and 10 travel providers), the report reached the conclusion that “guidelines alone are not strong enough to overcome the short-term profit motive of many operators, governments and destinations. At the same time, national certification programs are too numerous, with too many varying criteria, and not enough accredited product to be effective at this point in time” (p. 36).
Furthermore, it was determined that both the consumer and the industry are largely driven by price considerations, leading to the challenge of how sustainability initiatives can be incorporated within existing cost structures.

Although extensive, it should be recognized that this research was not exhaustive in nature as not all certification schemes were analyzed in depth. Furthermore, the study relied on the experience of tour operators and travel providers, and hence the results were a reflection of their opinions rather than those of consumers.

This paper furthers the previous research by updating the information contained in the 2005 report through an extensive review of recent developments and literature on the subject, to specifically address a) under what circumstances the development of national certification schemes could help SME suppliers address expectations of supply chain actors such as tour operators, and b) whether certification schemes have contributed to spreading sustainable tourism practices or would align with international criteria or standards. It is assumed that enhancement would result in better promotion and marketing, which would lead to increased market opportunities through better linkages into the supply chain. While the theoretical framework underpinning certification is alluded to and referenced, it is largely assumed to be moot. Thus, this paper focuses on reporting the findings and engaging in a discussion that goes well beyond the previous work by suggesting certain approaches for moving the agenda forward. However, it must be recognized that the discussion posits a marketing and management perspective, leaving aside the specificities, realities and opinions of SMEs.

**Findings**

**Certification schemes: Issues & Failures**

Issues around certification are widespread and varied. The majority of certification schemes address ecotourism operations rather than large mass market operators who supply the majority of the world’s tourism and have the main access to the market, a conclusion that was also reached by Font (2003). For example, it was only recently (April, 2008) that Accor’s Novotel group entered into agreement with Green Globe to certify their hotels worldwide, the first major chain to do so (Green Globe, 2008).
Therefore certification schemes have not helped respond to industry pressure as most operators have not heard of the various schemes or choose their products based on price. The number of schemes as well as the even larger number of industry awards for sustainability have led to considerable confusion amongst tour operators and travel providers.

As discussed above, the CST program has few certified products and the Network of the Americas does not have many in total. In Costa Rica, only 5% of hotels have been certified, with only 46% of them advertising their certification (Newton, Quiros, Crimmins, Blodgett, Kapur, Lin, Luo, Rossbach & Dunnevin, 2004).

Development of certification and eco-labels has been irregular and although there are benefits of putting forth such programs to set baseline standards, programs are not world-wide, nor is there a critical mass of certified products. There are few programs in LDCs as two-thirds of the approximately 7,000 certified tourism products are in Europe (personal interview; Font, 2003). Approximately 40 per cent of programs started before 1996 with an additional 40 per cent between 1996-2000, and a number of new initiatives developed since 2000 (European Centre for Ecological and Agricultural Tourism (ECEAT), eastern European programs and Central and South America). Thus, tour operators do not have enough products from which to choose.

Furthermore, schemes often do not ensure quality standards in their accreditation, making it very difficult for tour operators to ensure consistency in their offerings. Research done by the UNWTO (2005) outlines that "[t]he proliferation of voluntary initiatives and ecolabels, and the lack of stringent procedures and standards of many of them, creat[e] confusion and affect their credibility among consumers" (p. 20).

Not only is there a lack of awareness among consumers regarding certification programs, tour operators and travel providers had also confirmed that there is low consumer demand for certified product, and indeed, a general tiredness with labels of all kinds. This then suggests that a considerable marketing effort would be required to raise consumer awareness, yet such an effort cannot be funded by industry alone. Government involvement, funding and even awareness are spotty, at best, and often limited to initiatives within their own country. Without proven marketing benefits and incentives for hotels and businesses to join, the cost of adherence to schemes is often prohibitive, particularly for SMEs.
More cynically, some suppliers perceive recognition within schemes as something that can be obtained for the cost of adherence.

Other obstacles identified in the 2005 report included the suppliers’ unwillingness to disclose information necessary to obtain certification, and perhaps more seriously, a certain lack of credibility of local schemes that do not enjoy international recognition. Ultimately, the lack of a unified brand for certification due to too many programs competing against each other, duplicating efforts while varying in their criteria, means that certification will likely remain funder-driven as opposed to industry or consumer-driven. It is exactly for these reasons that the EU LIFE program funded the Tour Link Initiative, which now has an operationalized online matching service for tour operators and suppliers (Green Travel Market, 2008; Travelife, 2008) in three pilot regions: Austria, Catalonia and Costa Rica. Since tour operators are “intermediaries in the travel distribution system [that] control the marketplace through directing tourist flows” (Schwartz, Tapper & Font, 2008) a single set of sustainability criteria adds sustainability to the supply chain management process.

As noted previously, the most successful certification program to date has been PADI, due to its widespread acceptance, and Blue Flag with over 2,700 certified beaches. For both programs, success can be linked to health and safety, rather than a more holistic approach to sustainability. For instance, in the case of Blue Flag, tourists do not want to bathe on polluted beaches (ABTA, 2002). Beach health and cleanliness are motivating factors in choosing a holiday; therefore, having an internationally known system that assures beach health is an economic incentive for a hotel owner near a beach. The Blue Flag program greatly reduces the cost of evaluation by using existing infrastructure to take measurements of the environment.

Overall, certification within the tourism industry has been difficult to achieve because it is multifaceted and includes a mix of services and products. Most certification and supplier development is voluntary (between 10-25 per cent of suppliers have met the voluntary sustainability related standards), but there is little consensus that certification is actually viable. There are also few accommodations or organizations that have been certified.
In Europe, where the largest number of ecolabel or certification programs exists, less than 0.5 per cent of accommodations had been certified in 2004, and the four best known certification programs for ecotourism and SMEs (ECOTEL, CST, NEAP and Green Globe) had less than 2000 members in total (Dodds & Joppe, 2005).

It has been suggested by the new InterAmerican Development Bank Multilateral Investment Fund (IADB MIF) project for a Sustainable Tourism Certification System that certification for sustainability of tourism will increase competitiveness and market access of SMEs in Latin America (IADB, 2006). The European Union has funded the VISIT scheme and the Green Travel Market to promote certified products, and the Cooperative Research Centre for Sustainable Tourism in Australia has partnered with Green Globe. However, a review of existing research on this topic shows that there are no market demand studies available to support any suggestion that it has led to an increase in demand or competitiveness of the certified facilities.

Numerous programs focus specifically on ecolodges or other small scale lodging establishments, such as agritourism accommodations. Although this form of tourism can bring positive benefits to the areas in which it operates, its very nature does not make it suitable for mass tourism operators who control the vast majority of travel.

There is a lack of awareness among businesses, although the GTBS in Scotland affirmed that they had good take-up over the first three years, and that their membership is now increasing by about 30 per cent per annum. In Costa Rica, initial participation in the program was also high; however, to date there are few hotels that have achieved a full five star rating. The CST found that the department was receiving approximately 300 requests for certification per year before the ‘oath of legality’ (notorized by a Public Notary) was put into place. Now they are only receiving 10 requests per year (Newton et al., 2004).

There is also a lack of awareness among consumers. In Christchurch, New Zealand, interviews with 295 visitors found that only one-fifth recalled any place with ecolabels, and only 13 per cent had ever heard of any tourism ecolabel (Fairweather, Maslin & Simmons, 2005). In a survey of 100 tourists in Australia, not one of them chose his or her hotel based on Eco-Australia certification (Planeta, 2003).
It is estimated that less than one per cent of consumers were aware of the existence or criteria of any tourism certification program when making planning decisions (WWF, 2000; Dodds & Joppe, 2005).

Some certification programs assessed did not claim to attract increased business but focused instead on improving management procedures and increasing cost savings. The GTBS said applicants have higher than average occupancy rates for Scotland. This, however, must be accepted with caution as these applicants tend to be well managed companies who would likely achieve these results even without certification (Font & Buckley, 2001). In Guatemala, companies gain more through management techniques to reduce costs and improve efficiency than they do through marketing. There are also problems with transparency as some businesses in Guatemala do not want to disclose their practices in order to obtain an ecolabel.

From the review of literature and the interviews conducted in 2005, it would appear that certification to date has not been an effective strategy to counter the problem of ‘greenwashing’ as schemes are mainly small scale (i.e., there are few certified businesses) and there is not enough industry pressure to make a difference. There is no world-wide method of monitoring certification and therefore overall compliance and improvement is hard to gauge. In addition, “what constitutes an appropriate conservation or environmental ethic in ecotourism is persistently ignored by scholars, practitioners, policy makers and consumers” (Jamal et al, 2006). There is hope that this will change in the future as Green Globe recently announced a new, more aggressive approach to target larger businesses (e.g. Green Globe, 2008) and countries such as the United Kingdom, are validating sustainable certification programs to provide marketing support for qualifying businesses (ICRT, 2008).

Approximately 60 per cent of certification programs are led by private tourism organizations or NGOs; the remainder are government led. The investment in the development of eco-labels differs from the ongoing maintenance of the programs. Development of programs is almost evenly split between NGOs, the public and private sector at a third each (Font, 2003; UNEP interview). The costs of developing certification programs are often funded by governments, as large governance structures are pricey and programs may need a further layer of organization to help industry implement the standards (Font, 2002a; respondent
Furthermore, there is a high cost for SMEs to apply for certification unless it is subsidized by government for both the application procedure and the operation of the program, and it is often not the priority of the government to run these schemes. Past studies showed that examples from Fiji, Dominican Republic and Venezuela failed in their early attempts to set up programs for this reason. NGOs are not able to afford the start-up costs of wide-scale certification projects, and are therefore either government subsidized or address specific areas only. Examples include Ecuador’s Smart Voyager program in the Galapagos, PAN Parks in Europe, and the Kenya lodge accreditation. Unless subsidized, not all firms will have the same potential access to become certified. Most programs have addressed these issues through scaled fee structures which are linked to overall company turnover or number of staff.

In Costa Rica, the government has successfully subsidized first time applications to the CST. In Australia, costs are kept low, but this then impacts the amount of marketing possible. Green Globe, as an industry run program, has higher costs that vary by stage of certification. While some certification programs can provide sufficient benefits, cost is an issue for both the company, who may find it costly to implement criteria to become certified, and the program itself as it needs to run its operations and audit the companies applying. Some companies are able to justify the fees as they find that meeting some of the criteria make them more eco-efficient and therefore they can justify further certification costs based on the savings realized. For smaller companies, certification programs might need to consider encouraging applications from co-operatives of small firms or under a destination umbrella. Costs are seen by many businesses as high as they include not just the financial commitment but also the time needed for site visits and filling out forms and questionnaires.

Certification can help reduce operating and management costs, although it should be noted that not all adherences to social criteria reduce cost. Research, regularly published by Greenhotelier Magazine, for example, shows that substantial energy, waste and water savings can be realized by implementing sustainability criteria into operating processes and procedures. Credible environmental tourism certification programs, with respected standards and rigorous criteria, should be careful in considering broadening their approach to include social issues.
“A tokenist introduction of social issues might instead lead to criticisms for being environmental programs under a sustainability label” (Font, 2002a), and could also raise costs and expertise needed to administer them.

**IMPLICATIONS**

If certification is to continue to move forward, sustainability criteria need to be assessed to include quality assurance as well as health and safety standards as this is critical to selling a better product. Although eco-certification claims to address environmental and sometimes social criteria, basic health and safety factors are not always considered, and some certified ecolodges in Central America have been found to lack elementary hygiene and safety. Although ISO 9001 addresses quality assurance, it is not linked to other schemes and has only been adopted by some hotels rather than entire chains or others in the tourism sector. The main selection criteria for customers to choose their travel packages remain price, safety and quality. Environmental and social aspects will only be considered when these primary criteria are satisfied.

Certification incentives could help build industry buy-in. Interviews with tour operators suggest that tax write-offs, preferential access to areas (e.g., beach property or remote parks) and preferential marketing for supporting schemes would be beneficial; however, the majority of businesses use certification as a means of cost savings, improving management practices and to comply with the requirements for corporate reporting. The main weakness of certification is the overall lack of reporting and monitoring. Certification has been seen to positively affect resource management but does not necessarily deal with labour or social issues (Font & Harris, 2004), and therefore most companies who promote their certification also provide additional forms of public corporate reporting. Certification has mainly addressed small companies rather than larger operators, accommodation providers and other service providers who make up the majority of the market.

Although fundamentally a positive approach, certification does not appear to have a significant effect on spreading sustainable tourism practices overall, nor on allowing SMEs to gain better access to international markets. This also makes it questionable to what extent governments should be using taxpayers’ money to support these initiatives rather than adopting alternative methods.
to change consumption and production in the tourism industry. For instance, providing product to the larger players will have more impact as the majority of tour operators and hotel groups have operations in developing countries and are key buyers in the industry. The focus on educational and training campaigns for the industry as well as education of the consumer could have higher initial impacts than attempting to move certification forward to become more mainstream.

Overall there is a need to agree on international standards that can be addressed step-by-step and seen as appropriate by local and international operators. In particular, building on the work done to date by organizations such as FTO & VISIT (Tourlink), ISO and the European Union Flower could advance the agenda more rapidly. As the UNWTO (2005) states "...there is a clear need for some type of consolidation of existing voluntary schemes referring to sustainability in tourism, in order to provide clarity to consumers and raise the level of credibility of existing valid schemes. International organizations have an irreplaceable role to play in this field, by setting up the minimum requirements that such schemes should contain to make them acceptable to governments and consumers" (p. 25). There is also a need to link quality with environmental and social criteria in guidelines, reporting and accreditation efforts by consolidating criteria and charters. In addition, they should be made sector specific, as the differences in business realities among the various supply chain agents is considerable. While it is possible to utilize the existing certification framework for these efforts, a brand should be created around local community action and initiatives for operators to see it as a viable business proposition. It should be noted, that the UNWTO, after a number of assessments stating that there is a need for one coordinating central body for certification, does not wish to fulfill this role.

To ensure a more rapid adoption of these guidelines, it might be possible to put pressure on associations to integrate and implement them. Also, by linking development monies with responsible business criteria for large operators, developers and managers would be encouraged to focus on a longer term framework for product life cycles.

Both of the major partners – industry and government – must assume their respective responsibilities. Industry will need to adopt and implement sustainable supply-chain initiatives, as this will ultimately aid SMEs in LDCs through a trickle-down and
multiplier effect. Individual companies would also have to buy into the need to report on corporate social responsibility initiatives, and commit to seeking out and using certified products through the supply chain. Since consumer awareness is currently low, it would be prudent to focus on business-to-business marketing rather than business-to-consumer marketing, while continuing to raise awareness to consumers through philanthropy and marketing efforts.

Since governments are best suited to playing a multi-national coordinating role, they would have to develop holistic and comprehensive tourism development strategies in partnership with community and industry stakeholders, including major international tour operators or industry associations, which include realistic expectations for the social, cultural and environmental benefits to be reaped from tourism. By creating positive investment structures and providing incentives to businesses who adopt internationally recognized certification schemes or standards, governments have the ability to support and encourage sustainable development of tourism destinations. Legislation to force corporate social reporting and adherence to schemes should remain a last resort. Governments should enlist the collaboration of industry associations. For instance, industry associations could ask their members to sign up to guidelines and charters, perhaps taking it so far as to make it part of their criteria for membership.

Government can also play an important role as facilitator of arenas to share best practices between sectors (hotels, tour operators, airlines and cruise lines) so that they can learn from one another. Finally, it can ensure sustainable tourism measures are seen as a core value in its own wider development plans and policies rather than focusing all too often solely on the economic benefits that tourism can bring.

There are disagreements with how far down the supply chain companies should monitor since there is little standardization in the monitoring or reporting of companies. There is also a need to focus on why standards are not being implemented. This research acknowledges these issues and also recognizes that certification within the tourism industry is behind other industries in all aspects. However, as tourism affects so many other sectors and is a critical economic driver in LDCs, it is believed that great strides can be made to address concerns of local economic development
and conservation by pushing for greater adoption of responsible business practices.

**CONCLUSION**

Confusion over terms in tourism such as ‘sensitive’, ‘green’, and ‘eco’, and the desire to legitimize them, has led to multiple certification schemes being developed worldwide. While these schemes may be described as ways for SMEs in LDCs to obtain access to markets, interviews with both major and specialist tour operators, travel providers and certification program executives do not support this view. Most of the schemes have only certified small numbers of attractions or businesses and have not linked into the wider distribution channels due to low awareness and lack of critical mass. In addition, the majority of certification schemes address ecotourism operations rather than large mass market operators who supply the majority of the world’s tourism and have the greatest access to the market. There also remains considerable variety in standards, criteria and indicators in certification usage. From this study it can be ascertained that although Costa Rica and other countries have widely known and recognized schemes, they are not able to keep up due to lack of staff and financial support. Voluntary standards have not been found to increase access to trade unless governments have assisted with mandatory legislation or trade access structures. Industry is cynical about government taking responsibility for the implementation of sustainable tourism practices and also that investment to encourage better social and environmental performance will increase market access. There is a lack of internationally accepted principles for certification criteria, although programs such as VISIT and the Network of the Americas, and more recently Travelife, are a partial attempt to overcome this. In addition, there is currently a lack of critical mass of products.

Certification was found to be unsuccessful in allowing greater access for SME’s to new market segments with the exception of some Eastern European countries who noted that organic farms and rural based accommodations increased their tourist visitation as long as they were in accessible locations with other amenities/attractions nearby. The lack of awareness about certification programs and the low incentive for international operators or larger players to take part are largely to blame.
Even at their very best, certification schemes will only allow access to niche market segments, unless they become more widespread and focus on more than just ecotourism and small scale ventures. Operators and certification programmes and research studies have suggested that a global brand is needed if certification is to be pursued more seriously. One brand would help certification to be internationally recognized, as long as it would comply with generally accepted international criteria, and thus have a greater chance of brand recognition in industry. However, no single approach has so far been put forward successfully due to the varying degrees of infrastructure in countries and the lack of sufficient markets to attract certifiable product.

If certification is to be moved forward, there is a need to link certification with *quality*. “Case after case has demonstrated that consumer demand develops long after a certification program is well established,” according to Bien (2005) of The International Ecotourism Society (TIES). The recent report on ecotourism certification suggests that consumer demand takes between eight and 15 years (sometimes as long as 20) to develop, and that quality, safety and price must be satisfied before the consumer will consider other factors (Bien, 2005). There is also a need to create demand for sustainable tourism among the travelling public through the linkage with existing quality standards. One example where quality has been linked to certification is Green Globe, which has partnered with Australia’s AAA to award *green stars* to products, thereby using an existing quality standard to promote eco-friendliness. Their advertising notes research that suggests 62 per cent of travelers say that endorsement will encourage them to consider one accommodation over the other (AAA, 2004). Although ISO 9001 is a quality standard, it is not linked with other certification standards, most notably ISO 14001. In addition, by educating governments about the benefits of long-term planning to ensure sustainability of the destination, governments should be able to understand that this type of planning can ensure a focus on quality rather than quantity.

Most industry players noted they would be willing to abide by a national level certification scheme as long as it was transparent, did not raise costs within the supply chain, and achieved a critical mass of certified products. In order to create effective certification schemes or guidelines, a multi-stakeholder participatory approach was suggested that included international organizations, such as tour operators or industry associations, to
represent individual companies and contribute to the development/adoption of schemes. It is important to recognize, however, that industry is not willing to increase its costs unless it can be translated into increased profits or the cost can be transferred to the consumer. Incentives for gaining participation into schemes by larger operators who could push certification through their supply-chain could provide a partial answer. Of particular interest to operators are tax incentives, preferential access into natural areas and marketing incentives.

It should be noted, however, that there are a number of issues within certification schemes themselves which need to be addressed before governments propose this on a wide scale to industry. For certification to advance it needs to be credible, demand driven, open and transparent, self supporting, accessible and link into a consensus of international standards.

This research found that certification schemes, although increasing in number and scope over the past ten years, have not enabled SMEs greater access to market opportunities, nor have they moved the tourism industry significantly forward towards sustainability. On the one hand, guidelines within the industry are becoming more common; on the other, implementation and evaluation are still weak. What has been positive is that the efforts of certification programs have enabled companies to reduce costs, mainly related to the environment (water, waste, and energy savings). This cost saving advantage or training aid has helped improve management practices and processes; however, there is little incentive to continue being part of a certification label as there is no proven marketing benefit. Certification programs are costly to run and most are subsidized by governments or international funding agencies. They are also costly to join for the individual operations, and so far have not delivered on promised marketing benefits and consumer awareness. Overall, industry awareness of such schemes is negligible. Most positive, certification in eastern Europe has helped increase awareness of some niche products, such as non-tourism related companies (organic farms), by bringing them into the tourism fold, through agritourism-type packages. This is only marginal and countries are still very much dependant on larger tour operators and travel companies to promote their product.
REFERENCES


