The Tour Operator and Human Rights: A Stakeholder Perspective

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Abstract

This paper concerns the human rights aspect to tourism, more precisely the tour operator’s impact on human rights. It has become evident that companies within the industry are increasingly expected to also include the negative impacts on people’s human rights in their business. Not only because human rights matter but because the tourism industry is regarded to be next in line for a more careful examination on its negative effects. This study will therefore be an attempt to contribute towards this end by applying a stakeholder approach to the tour operator’s activities. I have chosen to examine the Swedish tour operator Apollo because they are already engaged in the debate and have expressed an ambition to lead the development of responsible tourism. The study shows that the result of their engagement so far is limited in scope because the company has not fully included all participants to their business as stakeholders. And therefore is human rights only partly incorporated in the company’s work toward corporate responsibility.

Keywords: human rights, tourism, corporate responsibility, stakeholder theory, tour operator
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1 Introduction

1.1 Research problem in the Light of Human Rights

Tourism is one of the world’s largest industries. International tourist arrivals increased by approximately 7 percent 2010 with an expected growth of between 4-5 percent in 2011. Tourism as an industry has become one of the major players in the global economy and represents a vital source of income for many developing countries (United Nations World Tourism Organisation (UNWTO undated))\(^1\). It has also been stressed as an important means to the achievement of the Millennium Development Goals (MDG’s) which primarily are aimed at wiping out poverty (Mowforth & Munt 2009 p. 339). In the preamble to UNWTO’s Global Code of Ethics it is believed that “through the direct, spontaneous and non-mediatised contacts it engenders between men and women of different cultures and lifestyles, tourism represents a vital force for peace and a factor of friendship and understanding among the peoples of the world” (UNWTO 1999).

With state revenues in mind tourism expansion becomes an opportunity for the governments of poorer countries to move beyond the under-development stage. Its potential to generate foreign exchange, create jobs and attract foreign investments becomes the primary goal. However, economic development does not inevitably lead to economic health (Mowforth & Munt 2009 p. 335). The “top-down and trickle-down approaches to tourism master planning in Third World destinations” have not brought about any real changes for the poorest people. Global poverty is increasing and so is inequality (Mowforth & Munt 2009, p. xii).

Tourism’s potential to generate economic growth and its positive effects on interstate relationships are, as emphasized above by important actors in the international economy, regarded to be important means to generate development. But it can also have negative impacts on the powerless to the advantage of the industry’s major players. And this is not so often mentioned or included in the equations of what development through tourism is. Tourism being part of global free trade arrangements which demand extensive de-regulations have exposed many people to exploitation. In the tourism sector it is not unusual that large transnational corporations (TNC’s) control the whole chain of supply including airlines,

\(^1\) UNWTO is the abbreviation of United Nations World Tourism Organisation whereas WTO is the abbreviation of World Trade Organisation.
hotels and tour operators. This leads to an exclusion of local entrepreneurs in poorer destination countries and the real money leaks back to the developed world (Tourism Concern 2009 p. 16).

Tourism as a highly competitive and resource demanding industry has also lead to violations of human rights (Tourism Concern 2009 p. 5). Scarcity in water resources and displacement of populations as a result of tourism expansion are serious, but unfortunately not uncommon, violations on people’s basic rights to livelihood (Hemingway 2004 p. 276). Exploitation of cultural minorities as a result of the increasingly rampant commercialization of the industry is another example (George & Varghese 2007 p. 45). The presence of tourists from richer countries also means that cost of living for the local people increases. Access to important agriculture land and other natural resources are sold to foreign investors at prices out of reach for the locals (Tourism Concern 2009 p. 45). This means that locals’ access to cultivation of land is reduced which, of course, has impact on their possibilities to secure food supply.

Another serious concern is the increased demand for eco tourism. Land in remoter areas attractive to tourists has lead to evictions of indigenous people from their homes. This is not only violating the human right to freedom from interference with ones home or privacy but also has effect on the enjoyment of ones cultural life. Land rights are to indigenous people in a direct way associated with their culture. Also, these problems are often exaggerated when it comes to the situation of women, since their socio-economic status is depending on their role within the community and its access to natural resources (Hemingway 2004 p. 277).

Even though tourism development contributes to an increase in employment opportunities (Forbes 1999 p. 124), what is not always taken into account is the fact that income from such employment is often very low, and working conditions are not always sound. Moreover, it is estimated that between 10 and 15 percent of the working force within the tourism industry are children (Elfström, Olsson & Valentin 2008 p. 8).

Violations of human rights related to the expansion of tourism are often as a result of economic interests taking precedence over other interests (Hemingway 2004 p. 275). Since international law is designed to regulate states and not the private sphere, TNC’s can operate relatively freely unless regulated by national laws (Hemingway 2004 p. 285). But because of TNC’s powerful position as economic and political actors in many developing countries it is in fact difficult to regulate transnational corporations under any legal system (Hemingway 2004 p. 283).
Although, there are indications from the tourism sector as a whole that human rights are becoming an important factor to include in tourism development. The British organisation Tourism Concern has published the report *Putting Tourism to Rights* with recommendations on corporate human rights policies based on a draft for a UN framework on Business and Human Rights. It was discussed at the world’s largest travel fair, International Tourism Fair (ITB), in Berlin in March 2011 and welcomed by an expert panel on tourism and human rights including representatives of the tourism sector, politics and civil society. The report must be seen as, not only part of the latest research on tourism, but perhaps an important signal to the industry with regards to the direction and form tourism as a whole will take.

Not only do human rights matter and are therefore of significance to include in the tourism discourse but they are an important ingredient to the secure development of tourist destinations. Since tour operators, often part of powerful transnational corporations, play a significant role in deciding the direction of tourism expansion (Forbes 1999 p. 126; Tourism Concern 2009 p. 16) this suggests that they also can make a difference with regards to human rights. As one of the industry’s major players, overseas tour operators can therefore also have large impact on the future prospects of destinations and its’ inhabitants. These are the communities and people on whom the tour operator is highly dependent for its future prospects and almost certainly decisive to the existence of their business. The tour operator’s business activities should therefore be carried out in a way that the outcome of such activities in destination countries is nurturing or at least not infringing upon people’s human rights. In other words, respect human rights as part of their corporate responsibilities.

1.2 Aim and Research Questions

The aim of this paper is to examine the Swedish tour operator Apollo’s approach to include the concept of human rights into their work towards corporate responsibility in tourism.

To achieve my aim I will be guided by the following research questions:

- What is Apollo’s strategy in their work towards corporate responsibility (CR)?
- Why have they chosen this strategy?
- How does this strategy correspond to the recommendations on corporate human rights policies set out by the organisation Tourism Concern?
1.3 Delimitations

This paper concerns the Swedish tour operator Apollo’s approach to include human rights as part of their CR work. My intention is to focus on the social and economic aspects of the tour operator’s work toward this end. And especially so on their concerns with regards to the local community which consist in the inhabitants and businesses at destinations as well as employees to Apollo’s suppliers such as hotels. I will only briefly discuss the environmental aspects to tourism even though environmental degradation certainly has implications to and can limit the full enjoyment of people’s human rights at destinations. Unfortunately, this discussion lies beyond the scope of this paper. Also, I would like to emphasise that many of these issues are not caused by the tour operator or tourism industry only (Elfström, Olsson & Valentin 2008 p. 8).

1.4 Definition

Tourism Concern’s Recommendations

The following five standard principles are based on Tourism Concern’s recommendations on corporate human rights to tour operators (2009 p. 46-47) and will function as a reference point to which I will assess Apollo’s work towards CR.

1 - To respect and protect human rights as principle responsibility in their operations. This consist in the adoption of guiding principles reflected in the four core elements of human rights due diligence set out by John Ruggie, the Special Representative of the UN Secretary-General on business and human rights (Tourism Concern 2009 p. 46). It should be noted that here, the responsibility to respect goes beyond the negative duty not to harm (UN General Assembly Human Rights Council 2009 p. 16). Therefore, due diligence, in this context, means “a comprehensive, proactive attempt to uncover human rights risks, actual and potential, over the entire life cycle of a project or business activity, with the aim of avoiding and mitigating those risks” (UNHRC 2009 p. 18). These four elements should at a minimum reflect the International Bill of Human rights, which includes the Universal Declaration and the two Covenants, and the International Labour Organisation’s (ILO) Declaration on
Fundamental Principles and Rights at Work (UNHRC 2009 p. 15). Also, having a human rights policy and processes in place is decisive for businesses to acknowledge that they respect human rights (UN General Assembly Human Rights Council 2011 p. 15).

1. having a human rights policy;
2. assessing human rights impacts by company activities;
3. integrating those values and findings into corporate cultures and management systems;
4. and tracking as well as reporting performance (UNHRC 2009 p. 14).

2 - Accepting responsibility for and taking measures towards mitigating human rights abuses that occur throughout the tourism supply chains. Also to ensure human rights are protected for employees to contracted hotels and other services. This entails a guaranteed minimum wage, employment contract, training opportunities and freedom to form or join unions (Tourism Concern 2009 p. 41, 47). A company supply chain could consist in “business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services” (UNHRC 2011 p. 14).

3 - To utilise existing codes of practice as a means to mitigate the negative impacts tourism may have, but also to help maximizing benefits to local communities;

4 - To rule out the possibility of legal disputes over land ownership to sites which are intended for the activities of the tour operator;

5 - To train employees in the company ethical policies to ensure the implementation of this standard and also to communicate this policy to the public in a credible manner (Tourism Concern 2009 p. 47).

1.5 Chapter outline

In the study’s next chapter, two, I will establish the existing research on the topic tourism and human rights. The following chapter, three, is intended to introduce the more significant participants to the operations of a tour operator as well as establishing what a corporation today can be said to represent, characteristics which are also applicable to the large tour
operator. Then in chapter four I will present method and material. This is followed by a presentation in chapter five of my chosen theory which is stakeholder theory and what the concept entails. Then, in chapter six and seven, which is the core of the study consists in an examination and analyse of Apollo’s approach towards embracing human rights as part of their work towards Corporate Responsibility. The final two chapters will summarise the findings of the analysis and draw conclusions.
2 Literature Review

Research on the relationship tourism and human rights is very modest even though tourism is one of the largest services industries in the world. Until recently it seems like there are very few attempts to seriously scrutinise tourism’s negative impacts on human rights. The reason for this might lie in the promises of tourism as an important engine to boost economies and therefore, any negative impacts have been looked upon with indulgence. A reason for the more recent interest in the field could be the increase in international tourism mentioned in the introduction to this study.

Stroma Cole and Jenny Eriksson’s (2010) study becomes important to my work since they emphasise that the question of responsibility in tourism needs re-evaluation (p. 110). This will be brought up in my study in that it positions the question of responsibility with regards to human rights. Then the findings in the report by Elfström, Olsson and Valentin (2008) will function as a take-off in that it provides my study with the arguments to further the research on tourism and human rights. It also gives me the incentive to investigate one of the participants to tourism expansion, the tour operator Apollo. How the company’s activities can have effect on human rights and how the company positions it selves with regards to human rights as a part of their business.

Babu P. George’s work (2007) becomes valuable to my study in that the author seeks to look at the relevance of human rights from the perspectives of stakeholders to the tourism industry. Sarah Hemingway’s article (2004) is also important to my study because it covers and discusses the root causes to exploitation in tourism but also discusses the way forward. As such it gives a solid foundation to my examination since I am interested in how and why a tour operator should tackle issues related to responsible tourism and especially that of human rights.

With Jayne Forbes’ (1999) emphasis on the need of larger travel companies to set aside more of their effort towards responsible tourism, her work does become relevant to my study. Since I will have a good look at one of the largest tour operators in Sweden and examine the organisation’s approach to human rights as part of their business activities her work would be a marker to the progress of ethical considerations since 1999.
2.1 Tourism and Human Rights

Cole and Eriksson’s study (2010) is one of the later contributions to the tourism and human rights discourse. Even though tourism’s negative impact on the environment are well documented and repeatedly brought to surface under the sustainability concept not much reference is made with regards to human rights. It is worrying, the authors say, since the reality of environmental degradation on destinations is that it is closely linked to violations of people’s most basic human rights. Also, one of the reasons to why the human rights aspect often is left out is that tourism to a large degree is seen as an industry where profits are the main driving force. Subsequently it is the customer’s need and well-being that is looked after and not the provider of the related services to these ends, Cole & Eriksson argues (2010 p. 110). Instead, understanding tourism as a system can give a better appreciation of how violations of human rights are related to tourism than that of the conventional understanding of tourism as an industry (Cole and Morgan 2010 p. xxi).

Using examples of human rights abuses linked to tourism Cole and Eriksson (2010) shed light on the fact that the right to travel and leisure has had a tendency to weaken the access to the most basic human rights of the people at many destinations in the developing countries (p. 107). The study is also bringing in the aspects of globalisation and the effect this has on states ability to protect the individuals. States are the main provider of human rights under international law, but globalisation has meant that much of the power is now with other powerful economic forces such as TNCs. This has made it difficult for the state to intervene even when people’s human rights are threatened.

In the report En exkluderande resa from 2008 by Elfström, Olsson and Valentin maps out tourism’s impact in Thailand and Brazil by examining the work of the three largest tour operators in Sweden regarding the social aspects of a rapid growth in tourism. The study is framed under four general problem areas to the development of tourism. Areas discussed are income leakage, employment, cultural and sexual exploitation (Elfström, Olsson and Valentin 2008 p. 8-10). Furthermore, it examines the tour operators’ policies with regards to ethical standards which include employment conditions, work against the exploitation of children and environmental policies, and what the responsibility of the tour operator should be. It discusses initiatives that are taken and gives recommendations for the Swedish tour operators to their operations. Also, the report observes that up until now the tourism industry in Sweden has not
been scrutinized to the same extent as for instance the clothing industry. This could very well be one of the explanations to why human rights have not been a priority on tour operators’ agenda (Elfström, Olsson and Valentin 2008 p. 5). It is important though to keep in mind that many of the issues which are discussed in the report are not caused by the tourism industry only. But the report holds is that it is time for the industry to respond to these issues and actively take measures against exploitation caused by the industry (Elfström, Olsson and Valentin 2008 p. 8).

George’s article (2007) is attempting to fit in the concept of human rights to the discourse of tourism by examining the different perceptions stakeholders may have in the tourism industry (p. 40). The author is carefully working through the different aspects of the industry whilst giving a good account to why human rights are important to include in the tourism discourse.

To date, George says, there is not much research carried out within the field of tourism where human rights are taken into consideration. He thinks one reason to this might lie in that it is a too complex area to grasp for any single discipline in order to understand the subtleness of its different implications. Another reason to the hesitance of relating the subject of human rights to that of tourism could be explained by the fact that tourism traditionally has been interpreted as an industry rather than a system, he continues. When tourism is viewed as an industry it becomes a research area within which the master-servant relationship is studied, at the same time it underestimates the negative impact of such relationship. With a ‘system perspective’ several aspects are allowed into the equation of what tourism consists of, he argues (2007 p. 41). It understands “the truth that the organizations and infrastructures facilitating travel are subject to the wider socio-political, ecological, economic, and technological influences” (Leiper 1990 cited in George 2007: p. 41). Therefore, having human rights in mind when studying tourism could help address concerns linked to tourism expansion George explains (2007 p. 47).

George (2007) distinguishes the most important stakeholders to the tourism industry as that of the destination community, employees within the service sector, local entrepreneurs, the host as well as sending government, non-governmental organizations and the tourists themselves (p. 41). The possible set-backs as well as opportunities by each stakeholder group are assessed and explained through the lens of human rights. He further notices that tourism constitutes the temporary interaction between unknown humans. This, he says, will undervalue the importance of human rights. To reverse this trend “the international tourism system has to metamorphose from a blind economic orientation to an alternative orientation...
that respects ethics and cultural norms” (George 2007 p. 47), an argument that corresponds very well to the overall viewpoints in my study.

Hemingway (2004) is in her study examining the negative effects of tourism on human rights of Women in South East Asia. The areas within tourism expansion that are susceptible to abuses of human rights are carefully exposed, first in general and then from the perspective of being a woman. She also takes a firm look upon how states, corporations and individuals approach problems related to tourism expansion in the area. This entails an examination of the existing international and national legal framework as well as other initiatives under the auspices of the concept responsible tourism. The study also takes up recommendations to law reform and related issues of enforcement. Finally she is touching upon policy changes by international organisations such as the World Bank that are necessary in order for development projects to benefit all equally and in a constructive way. Her conclusion is that responsibility should apply to all constituents to the industry: the international community, involved states, tour operators as well as the tourists themselves. Although, Hemingway remarks, the most powerful player in the tourism industry is still the individual [tourist]. Hence “the success of Responsible Tourism ultimately depends heavily upon the education and moral character of the tourist” (2004 p. 294).

In Jayne Forbes essay *Human rights and the regulation of tourism*, 1999, she is examining the prospects of regulation within the tourism industry. Forbes argues that the concentration of large corporations which control the whole industry is a dilemma since it makes the economy of developing countries dependant on them. This enables a favouring of tourism development with displacements, diversion of important water supply, sexual abuse and the traditional cultures facing destruction as a result (1999 p. 125-126).

The core of the essay emphasises the need of larger travel companies to consider the ethical aspect of their activities. This becomes evident, she argues, since their “future, providing holidays, is linked to the development of high quality environments and services. Improved standards of service can only be gained by improved treatment of staff and ensuring a good reputation in the industry through not being involved in human rights abuses” (1999 p. 127). The essay also highlights a research study in the UK undertaken by the British organisation Tourism Concern together with World Wide Fund of Nature in which 69 members of the country’s industry providing oversees travel were interviewed. With a majority agreeing that self-regulation of the industry is insufficient, the ultimate liability must be addressed by governments it was held. A result which emphasizes the urge to implement a
legal framework which addresses issues related to human rights and the environments (Forbes 1999 p. 127).

Forbes is in her concluding remarks not too optimistic to changes within the industry. Travel companies’ attempts in pursuing responsible business is often as a result of self-preservation. Protecting environment is important simply because it is a prerequisite for the product to stay attractive. On the contrary, protecting people’s human rights is not imperative to their product and therefore not a top priority of the company (1999 p. 130).

It looks as if Forbes was right to take a precautious stance to the possibilities for changes. The human rights issues which can be traced to tourism activities consist to a large extent of the same problematic today. Treatment of staff and ethical behaviour to date is still trembling to find response with the buyers as well as providers of holiday-packages. With an increase in all-inclusive alternatives as well as demand of the product (Elfström, Olsson & Valentin 2008 p. 8) there seems to be little viability for the industry to take its responsibility only on the grounds of ethics. Subsequently, the premises on which human rights are standing today, that of good will, are probably not going to have encouraged any of the three largest tour operators in Sweden to position human rights a top priority to their business activities. Therefore I am with a large portion of moderation placing any hopes for this to have come to a change with the conclusions of my finding to this paper.
3 Background

This chapter begins with an introduction of the more significant participants to the operations of a tour operator. It then goes on to establishing what a corporation today can be said to represent, which can also be applied to the large tour operator.

3.1 The Stakeholders to the Tourism Industry

I will now introduce the more significant participants to the operations of a tour operator. These participants are from now on what I refer to as the stakeholders of the tourism industry. So, who are the stakeholders of a firm? Thomas Donaldson and Lee E. Preston argue that those who “through the actual or potential harms and benefits that they experience or anticipate experiencing as a result of the firm’s actions or inactions” are the stakeholders of an organisation (1995 p. 85). There are several important stakeholder groups to tourism and they all rely on each other for a healthy and sustainable development of the tourism industry (Tourism Concern 2009 p. 39; George 2004 p. 45). In the tourist industry the most important stakeholder groups are the destination community, the employees, local businesses, as well as organisations at both national and international levels, governments and the tourists themselves. As stakeholders, these groups or individuals can have impact on the priority human rights are given and the direction of the tourism industry as a whole (George 2007 p. 41). And, in one way or another human rights concern them all.

One of the stakeholder groups that concerns this paper the most is the destination community. But I will also discuss the perspective of employees to the tourism industry since they too are part of the community in destinations and also the host government, as the main provider of human rights.

The destination community

The stakes are high for the communities that host and welcome tourism. To welcome tourism on grounds of employment opportunities and national tax revenues are not straight forward.
The terms on which these opportunities are introduced are usually built on an asymmetrical relationship which already from an outset is unequal and exploitative (Hemingway 2004 p. 276). For instance, many poorer countries can simply not afford to dismiss the might of the richer nations’ preferences. If the sending nation wants all-inclusive holidays, the often poorer host nation can only accept what seems to be their only alternative. Although, the result is more than often a drained local economy, with locals loosing not only their businesses to that of the larger all-inclusive resorts, but will experience that much of the earnings from tourism is re-invested for the enjoyment of tourists and not the locals (George 2004 p. 42; Tourism Concern 2009 p. 16). The stakes in the context of tourism are not only related to economic degradation. In fact, George concludes, the effects can go beyond that of material safety and lead to loss of cultural identity and values. For example, the selling out of ones private sphere to the demand of the spectator’s wishes for exoticness (2004 p. 41) is only one example of commoditization of one’s culture.

These effects are particularly severe on women says Hemingway, since they in many indigenous cultures represent what is the home and culture reproduction manifest in rituals, clothes and cooking: “The tourist is able to enjoy the traditional aspects of life in terms of food, dress and custom, whilst keeping one foot safely planted in the organised, modern sphere of international travel. Women, as culture components of the destination, are thus sold as part of the tourism package” (Hemingway 2004 p. 277). The harsh reality of a lost identity is that it strips people of their dignity and worth and must be regarded as a high stake and therefore need careful consideration in the gamble of tourism.

*The Employees*

The stakes of employees to the tourism industry are also high. Not only due to the obvious fact that they are employed and depend on the income from an employer, which in the context of international tourism often is a large corporation. But more so because tourism is one of the largest services industries in the world and as such effect the lives of a very high number of people. Employment with the larger tour-operators as part of a transnational business groups also often means lower wages and weaker protection than the national average (George 2004 p.42).

Poor working conditions are also closely linked to one’s health maintains the organisation Tourism Concern (2009). Long hours, coupled with physical work and unsafe environment can be very stressful and lead to the deterioration of one’s health. For instance, in popular trekking areas such as the Himalayas or Mount Kilimanjaro the safety of the
porters are often very poor. Numbers of workers have suffered badly from illnesses or even lost their lives due to insufficient equipment. In Nepal it is estimated that the accident rate for porters are four times that of trekkers (p. 21). Subsequently, if alternatives to income are wiped out due to the presence of large all-inclusive hotel facilities, or if a porter’s safety is valued less than a tourist’s, then one’s stake in the fulfilment of others’ comfort is indeed high.

The Government
Governments are held as the main provider of human rights. They have the duty to secure rights as well as protect its’ individual citizens from violations of human rights. It is by most democratic governments recognized as one of the highest priorities. When they fail in their duty, it is more than often as a result of a competitive global market and the governments’ struggle to attract foreign investment (Tourism Concern 2009 p. 40). Individual human rights will find it difficult to compete against the economic development of a nation. This is especially true, agues George, when tourism is an important part of the economy (2004 p. 43). Therefore, governments’ stakes are also high in the tourism industry. The price they have to pay is to give in “to the collective might of the multinational tourism industry that believes that human rights of the residents, employees, and the small scale local enterprises can wait” (George 2004 p. 43).

3.2 The corporation

After a presentation of the relevant stakeholders to the industry and especially so the destination community, employees and governments, I will now establish what a modern corporation today can be said to represent.

3.2.1 A Redefinition of the Corporation

Until recently corporations were by most governments encouraged to pursue their business activities very much as they pleased, the goal being maximizing economic profits. This has meant that much of the governments’ control over corporations have diminished, especially so in a global context (Post, Preston & Sachs 2002 p. 8). Together with the growth of many corporations into large transnational corporations they therefore can no longer be viewed as
“microscopic economic actors at the mercy of market forces and omnipotent governments” (Post, Preston and Sachs 2002 p. 11). In this sense, globalization has meant “a shifting of responsibility from state to non-state actors (Hemingway 2004 p. 285).

Some of the corporations, as non-state actors, not only influence but have the power to actually change the settings of their surroundings. This gives the corporations enormous leverage, both socially and politically. The outcomes of their activities sometimes not only effect those voluntarily contracted to the firms such as employees or suppliers, but also parties to the firm which are involuntarily involved such as the environment or the culture. Therefore, the impact corporations have on society ought to be taken into consideration in the final account of what a corporation is and what responsibilities this entails (Post, Preston and Sachs 2002 p. 11), perhaps even more so in the context of globalization.

Although, the reality is that under international law transnational corporations have very little restrictions imposed on them, let alone legal responsibilities (Hemingway 2004 p. 286). This together with the fact that the characteristics and management of corporations has changed over the years calls for a redefinition of the corporation (Post, Preston and Sachs 2002 p. 10; Freeman 2002 p. 38).

A redefinition of the corporation entails the abandonment of the notion that there exists a superior relationship between managers and stockholders. Instead “the concept that managers bear a fiduciary relationship to stakeholders” (Freeman 2002 p. 39) needs to be introduced. This is so, says Freeman (2002), because each of these groups, among them the local community as well as suppliers and employees, have the right to be treated as an end, as opposed to a means to some end. Therefore, as stakeholders they must be allowed participation in decisions to which their future depend (p. 39).

Freeman (2002) bases his argument on that there in fact have occurred important changes to the legal, economic, political as well as the moral presuppositions of the corporation. And therefore the concept of managerial capitalism needs revision. Changes in corporate legal systems, has meant that stockholders increasingly have become restrained in their pursuits (p. 39; Donaldson & Preston 1995 p. 75-76). Especially in those activities which have impact on the local community. The implications of this, says Freeman, is that people in the local community now have claims on the corporations to act responsible and therefore are entitled certain rights (2002 p. 40).

Freeman (2002) also argues that the doctrine of the invisible hand has appeared to have significant inherent flaws. This non-intervention principle has in practice meant opportunities for powerful corporations to extend into monopolies; an economic doctrine which we through
experience know restricts competition. And this has resulted in counteractions such as intervention and regulation of managerial activities to offset supreme power. Therefore, the supreme relationship between manager and stockholder has subsequently led to more regulation (p. 41). In other words, the ability of management to see to the needs of stockholders only, has become constrained by its own practice. A modern corporation can therefore simply no longer assume the primacy of the stockholders (Freeman 2002 p. 38).

3.2.2 The Corporation and Property

The legal and managerial terminology surrounding the conventional ownership model of the corporation suggests that the scope of the human right to individually hold property is also true for the corporation. Seen this way, a corporation is in theory just another version of personal property which consists of a deliberate joint partnership of individual property owners (Post, Preston and Sachs 2002 p. 12).

Rights to property involve interaction between human beings and as such they can not be separated from human rights. This means that “the right of ownership is not an unrestricted right” (Pejovic 1990 p. 27-28, quoted in Donaldson & Preston 1995 p 83). In other words, rights to property place responsibility on owners not to misuse such property and, that other parties to the property than that of the owners have a stake in the way property rights are carried out (Donaldson & Preston 1995 p. 83). Why this is so is explained by the idea of distributive justice. The stakeholders of a corporation all carry the essential characteristics, “ability, effort, need”, on which the classic theories of distributive justice is based (Donaldson & Preston 1995 p. 84).

Furthermore, right to property is in itself not a natural right, argue Post, Preston and Sachs (2002), it is in fact an additional privilege to the individual “granted by the state on behalf of the larger host society” (p. 13). A corporation is therefore a phenomenon which is created through a social process where owners are reciprocally connected with other members of a society and as such, should correspond to pertinent norms and values of society. To have the privilege to own subsequently also entails responsibilities toward the other members together with whom you have a co-existing relationship (Post, Preston and Sachs 2002 p. 13). This means that there are values other than those linked to economy which need to be particularized towards maximization of a corporation’s goals (Post, Preston and Sachs 2002 p. 14).
Also, the notion of a corporation as a piece of property gives an unclear indication to where the power of the sharing of this property actually lies. Therefore, a corporation should first and foremost be viewed as a community which is held together by shared intentions (Handy 1997 cited in Post, Preston and Sachs 2002: p. 15). And, as Jensen suggested, “stockholders are not some special constituency that ranks above all others” (2000 p. 50, quoted in Post, Preston and Sachs 2002: p. 16). This is so because “the concept of private property clearly does not ascribe unlimited rights to owners” (Donaldson & Dunfee 1995 p. 84). Instead, considering the interests of also other associates to a corporation will recognize the fact that there are other ways of viewing ownership than that of a conventional one. Ownership could, and perhaps should, mean that individuals and groups other than what traditionally are referred to as shareowners also are owners but with a different stake in the firm.

3.2.3 Corporations and Global Ethics

Over the years, the existence of a corporation very much depended on its ability to create economic wealth. Today, a corporation relies to an increasing extent also on its proficiencies to meet the wider society’s expectations on responsible management (Post, Preston and Sachs 2002 p. 9). Also, the increased competition in gaining market shares and the media’s interest in conditions related to corporate activity have lead to a greater awareness of the ethical aspects of corporate or organizational behaviour and its role in society (Harrison & Freeman 1999 p. 479). Therefore, as Archie B. Carroll points out, the fast growth of transnational corporations “has set the stage for global business ethics to be one of the highest priorities over the coming decades” (2004 p. 114).

Bert van der Ven argues that the increase in corporations operating on a global scale means that there are a new set of rules which applies especially to the players in the global field. Expectations to meet certain standards in respecting human rights have become a part of their responsibility since acting globally also means that you are part of a global culture of ideals. These ideals, or values, van der Ven continues, are important because they confirm who you are and what you stand for. It is your corporate identity. And people, or customers, have become more inclined to attach a morally correct corporate behaviour to a good product. Therefore, your identity is closely linked to the future prospects of the company. The global world of business is expected to not be, or “at least should not be, a completely unjust world”, van der Ven concludes (2005 p. 49). But then of course, an identity could very well turn out to be an ‘empty’ image to which an international corporation wants to attract customers in order
to sell their product. Therefore, it becomes necessary to separate what really is good corporate behaviour, deriving from a genuine set of values, from a good marketing campaign.
4 Method and Material

4.1 Choice of Research Object

The increased interest and demand from consumers to other industries to take into consideration the human rights aspect in their activities is also a signal to the tourism industry of the topic’s increased importance. The object for my study is therefore a tour operator, and I have chosen to examine Apollo. There were two reasons to this choice. First of all, Apollo is one of the larger tour operators in Sweden. The company operates in 28 countries with 48 destinations worldwide. This makes Apollo the tour operator in Sweden who offers the widest selection of destinations and as such the company carries out activities in a wide range of different countries. Secondly, and perhaps more important, Apollo has chosen to actively take part in the ongoing debate about the negative effects tourism can have on people’s lives at their destinations. Also, they have expressed an ambition to lead the development of responsible tourism (Apollo, 2011a). For those reasons, I find Apollo particularly interesting to my study.

4.2 Material

The empirical material consists in a study of Apollo’s webpage including the company’s policy documents and statements with regards to their work on corporate responsibility. As the holding company and owner of Apollo Sweden I also studied relevant material on Kuoni group’s webpage. This included the company’s CR report 2010. I have also undertaken an interview with Kajsa Moström, Kuoni/Apollo, Scandinavia PR and CR Manager, to support and give depth to and in some cases clarify the material on the web pages. Sometimes Apollo is on their webpage referring directly to Kuoni. Therefore Kuoni’s webpage will function as a complement to Apollo’s.

I am aware that using secondary material from a company’s policy programme entails the risk of subjectivity since the company most likely has an interest in rendering an attractive image of the company. This is important to keep in mind throughout the study. It is for instance possible that the company will focus on certain areas of their CR work in which the
company has been successful. Issues or aspects which the company has not explained are therefore interesting and important to highlight. The secondary material is therefore complemented with primary source material.

4.3 Choice of Method

This study is a content analysis, which consists in an analysis of the company’s material on their webpage as well as their CR report 2010. The material also consists in the result from an email interview with the company’s PR and CR Manager Kajsa Moström. The result of this interview functions as a complement to the information on the company’s webpage and CR report 2010.

The analysis is both quantitative and qualitative in that I would like to look at what is actually expressed, but also to interpret such expressions critically. However, I am aware that my interpretation of the material to a certain degree can involve subjectivity since I chose the topic out of concern for people’s human rights.

4.4 Choice of Theory

The aim of this paper is to examine the tour operator Apollo’s approach to embrace the concept of human rights as part of their CR work. In order to explain the company’s approach I will apply stakeholder theory. This is a position that maintains that companies have obligations to take into consideration the perspectives or interests of groups and individuals which are affected by the company’s operations (Gibson 2000 p. 245). Since stakeholder theory is a model which tries to explain the responsibilities a company may have towards groups and individuals other than those of maximizing the economic profits of the shareholders and owners (Phillips, Freeman & Wicks, 2003 p. 481), I believe that the theory suits the purpose of my paper.

4.5 The process
After an orientation within the field of tourism I found that there were very little previous studies carried out specifically on tourism and its relation to human rights. Defining my subject and then choosing to undertake a study which examines the extent to which a tour operator prioritises human rights as part of their business activities, I realised that this area was even less explored. The study could therefore be seen as a contribution to the understanding of what corporate responsibility in tourism could mean seen from a human rights perspective.

To inform myself on the current state of research in the field and in order to give the material solid foundation I undertook a literature study. I was initially guided by the organisation Tourism Concern’s report on Putting Tourism to Rights in the literature review and in establishing that the topic was relevant within the field of human rights. The review is based on scientific articles, books and reports. I found most of the articles through Malmö Högskola’s database, but also through Google Scholar. It was also useful to allocate interesting and appropriate articles through articles sources. Many of the books I found through Google books but also through library searches and sources from articles. This material functions as a background to the research problem but it also enables me to position my material within the field of tourism research.

Then I firmly established the growing importance of stakeholders in corporate management. Subsequently I developed my theory which is based on stakeholder theory.

The core of the study then, is an examination of Apollo’s approach to include human rights as part of their CR strategy. This includes a description of the material as well as to critically examine and analyse their promoted strategy towards an inclusion of human rights in their CR work. In the examination of the material I established who the perceived stakeholders to the company are and their importance, but also other possible candidates not included in the company’s strategy. Then I explained Apollo’s approach in CR viewed from the perspective of stakeholder theory.

For the evaluation of Apollo’s approach to include the concept of human rights to their corporate responsibility strategy, I applied Tourism Concern’s recommendations towards corporate human rights policies. The recommendations are based on UN Framework on Business and Human Rights set out by John Ruggie, Special Representative of the UN Secretary-General on Human Rights and Transnational Corporations. As a UN initiative I therefore find the recommendations especially relevant.
5 Theory

“[T]he stakeholder theory is intended both to explain and to guide the structure and operation of the established corporation” (Donaldson & Preston 1995 p. 70). Also, it is generally proposed that managing ethically responsible means that you include stakeholders’ interest as part of the decision-making scheme, as opposed to only stockholders’ (Goodpaster 1991 p. 53). For the purpose of this study I will now establish what stakeholder theory is and why it is useful as a means to guide a corporation in its ethical behaviour.

5.1 Stakeholder Theory and Concepts

Why would corporations place any significance to its stakeholders’ interests? Is it because the effect of such considerations could improve the economic benefits or are there any other non-instrumental values which in themselves merit consideration irrespective of economic gains?

Stakeholder theory is a position that maintains that companies have obligations to take into consideration the perspectives of groups and individuals which are affected by the company’s operations (Gibson 2000 p. 245). These groups or individuals are stakeholders “with whom an organization interacts or has interdependencies” (Carroll & Buchholtz 2009 p. 10). Having a legitimate purpose as participants to the corporation they equally count as beneficiaries where no interest is prioritized over another (Donaldson & Preston 1995 p. 68).

The most well known, and often referred to, version of stakeholder theory is that of Edward Freeman. In his landmark book *Strategic Management: A Stakeholder Approach* (1984) he defines a stakeholder in an organization as “any group or individual who can affect or is affected by the achievements of the organization’s objective” (Freeman 1984 quoted in Goodpaster 1991 p. 54). Or as in his later re-definition: “Stakeholder as those groups who have a stake in or a claim in the firm” (Freeman 2002 p. 39). Freeman also maintains that a stake involves a certain kind of action. And if different stakes clash with each other it is necessary to take measures towards a solution (2002 p. 41). Therefore a holder of a stake, a stakeholder, cannot be ignored in the outcome of a corporation’s activity.
He further presents a narrow and a wide description of a stakeholder. In a narrow sense, the prosperity of the corporation rests with the attention to certain groups of stakeholders. The wider interpretation provides that in fact any individual or group which can be said to have influence on or is influenced by the purposes of a corporation is a stakeholder (Freeman 2002 p. 42). Howsoever, what follows from above is that the consideration for and interest in those constituents to the organization who can help facilitating the success, or failure, of the corporation becomes the essential proposal of the theory (Phillips, Freeman & Wicks 2003 p. 481).

5.1.1 The Descriptive, Instrumental and Normative Aspects

Stakeholder theory can be useful both in explaining and managing a corporation’s behaviour with regards to the many different purposes and tasks of its constituents (Donaldson & Preston 1995 p. 70). The theory can be said to have three different aspects to its application which consist in a descriptive, instrumental and normative approach (p. 66). It is therefore wide in its scope and as such general in its approach. Although, an implication of this is that different approaches often are combined without a reasonable explanation, argues Donaldson & Preston (1995 p. 72). However, that is not to say that it lacks a fundamental core or that it is limited in its extent (p. 70). But it calls for some clarification.

A descriptive form of stakeholder theory, says Donaldson and Preston (1995), outlines the characteristics of the corporation, and expresses the meaning and intrinsic worth of the constituent parts of the established corporation (p. 66). It “reflects and explains past, present, and future states of affairs of corporations and their stakeholders” (p 71). In other words it has to do with “the nature of the firm and its relations to others” (Gibson 2000 p. 248). In an instrumental sense the theory facilitates a hypothetical framework in which relationships and involvement of the management towards performance are identified and examined. It offers conditions to the management in their efforts towards a certain result. Although, says Donaldson and Preston (1995), the instrumental form only implicitly succeeds to assess why the behaviour of management have causal effect on performance. Descriptive and instrumental aspects considered, the underpinnings to the theory though are reflected in its normative form. In this version the purpose of the corporation is interpreted through an identification of underlying moral and philosophical principles, which also may function as guidance, to corporate management. And it categorically expresses the rightness or wrongness in an undertaking (p. 71-72). What is important though is that the three distinct forms of the
theory are held together through a cooperative relationship where the normative characteristics function as key elements to the theory’s foundation (p. 66). The very core of the theory is therefore according to Donaldson and Preston in its normative form (1995 p. 74).

Donaldson and Preston are through a figure reflecting the three forms, or aspects, contained within the stakeholder theory.

**Three Aspects of Stakeholder Theory**

![Diagram of Three Aspects of Stakeholder Theory]

The external layer represents the theory’s descriptive characteristics, what the corporation is and what in fact occurs between its participants [of the corporation] in the external world. These observations are in turn legitimatized by the theory’s instrumental and predictive assessment, reflected in the figure’s next level. That is “if certain practices are carried out, then certain results will be obtained” continues Donaldson and Preston. The core of the theory, and in the centre of the figure, is represented by the normative aspect. This aspect conditions the other two aspects in that the normative conceptions must be accepted as true to assure the descriptive quality of the theory. In this way a stakeholder perspective to the corporation is supported in its management by “ultimate moral values and obligations” which is the theory’s “fundamental normative base” (1995 p. 74). Subsequently, Donaldson and
Preston argue, since the descriptive and instrumental aspects to independently provide for justification for a stakeholder theory are not well-founded enough (1995 p. 77, 81) the normative form is vital for the theory to offer a comprehensive and solid framework to its application.

5.1.2 The Moral Considerations of a Stakeholder Claim

A normative approach to stakeholder theory can be said to be supported by the moral notion that corporations have responsibilities that extends far beyond what any of the present shareholder positions would allow for (van der Ven 2005 p.50). The normative base in general refers “to underlying concepts such as individual or group ‘rights’, ‘social contract,’ or utilitarianism” (Donaldson & Preston 1995 p. 74). This, Donaldson and Preston say (1995), in effect, involves positive claims in that managers should accept the interests of all participants to the organization of a corporation as equally legitimate simply because it is their moral duty as part of the management (p. 87).

In order to understand the concept of stakeholders it is therefore valuable to recognize that it involves moral claims. These moral claims entail the non-profitable duties a company have to its stakeholders. From the idea of a stake it follows that a “stake is an interest or share in an understanding … A stake is also a claim. A claim is an assertion to a title or a right to something” (Carroll 1993 quoted in Gibson 2000: p. 248).

However, the moral basis on which a stakeholder claim is made is not always argued for, instead it is simply stated. The potentially most valuable means to justify a stakeholder claim is on a deontological basis, argues Gibson (2000 p. 248) a theory of which Immanuel Kant was one of the founders. His position was that individuals were equally capable in deciding right from wrong and hence given equal moral worth. Therefore, we need to value people as “ends in themselves” and not only as some means to an end (Kant 1785 quoted and cited in Gibson 2000 p. 248).

A deontological support, as well as a social contract view, to the moral justification of stakeholder theory is linked to John Rawls’s difference principle in that “inequalities are acceptable only in so far as they benefit a representative member of the least well-off stakeholder” (Rawls 1971 cited in Gibson 2000 p. 249). In the context of corporate activities, this asks of us to treat people “as more than mere tools in maximizing profits” and to afford them “some dignity and respect” alike, maintains Gibson (2000 p. 248). In reality though, says Gibson (2000), we do treat people differently (p. 253). Therefore it becomes valuable to
consider this aspect as a possibility within stakeholder theory. This is justified by the fact that our primary obligations lie with those we owe something or have injured (p. 254), which means that not all duties corresponds to a claim, or right. And this logic can be applied to the corporations as well, in their role as a moral agent which implies moral duties (p. 251).

On the other hand, Gibson continues (2000), not all stakeholder claims, or interests, infer a duty on businesses. This is so because an interest could mean a need for something, but it could also mean a want. Therefore the basis of which a stakeholder claim is made will be decisive to a corporation’s duty to satisfy such need or want. However, some claims are closely linked to basic human rights. And as such they will place stronger duties on the corporation not to inflict harm or to deprive someone of subsistence than that of employees’ right to leisure (p. 250). In short, not all stakeholder claims are equally justified and as such corporations are not obliged to consider claims generally made by stakeholders.

It should also be noted that the instrumental aspect of stakeholder theory is not without moral elements. This could be linked to the fact that many people restrain themselves from bad behaviour simply because they believe that there is a possibility it could have wider effects on their lives. Although there is little evidence in either direction. An example of a corporate case was Johnson & Johnson which after an assault withdrew bottles of a total worth of more than $50 million even though there was no obligation to do so. But it paid off. The trust in the brand was restored shortly after and so were the market shares. Corporations can in fact “do good at the same time as they do well” because “there is no necessary discontinuity between self-interest and morality” (Gibson 2000 p. 246).

To sum up, there are both moral and instrumental reasons to why a corporation should consider other aspects than those of maximizing the immediate profits. This will take us to the next and last point of my proposition for a stakeholder approach which has to do with the theory’s troubles of finding solid ground.

5.1.3 Critique of Stakeholder Theory

A problem with Freeman’s account of the stakeholder concept is that it fluctuates in its theoretical aims. The unfettered use of a descriptive, instrumental and normative depiction of the theory has lead to a failure in fully sanctioning a careful examination of the theory (Donaldson & Preston, 1995: p. 73). An important contribution to this end is made by Donaldson & Preston (1995). The authors discuss and explain the commonly used division of the theory into three approaches which includes a descriptive/empirical, instrumental and
normative form which are commonly used in within the field of stakeholder theory. (p. 66). The article is important since it clarifies some of the important differences as well as difficulties to the stakeholder concept.

It is also valuable to consider the theory’s trouble in finding solid ground. The scope of the stakeholder concept is wide and sometimes this is seen as a weakness of the theory. But, as Phillips, Freeman & Wicks (2003 p. 479) point out; it is also its strength. The many directions and ideas within the theory offer extensive flexibility to its application. And this must be seen as extraordinary feature in it self (Donaldson and Preston 1995; Jensen 2000; Jones 1995; Sternberg 2000 cited in Philips, Freeman & Wicks 2003 p. 479). Although, Donaldson & Preston (1995) stress the importance of justifying the theory’s usefulness by posing the necessary question of why the stakeholder theory should “be accepted or preferred over alternative conceptions?” (p. 73). It is argued that stakeholder theory is unique among theories of strategic management in that it unambiguously embarks on morals and values as the fundamental ingredients of management. Also, since it takes into account and carefully scrutinizes the ambitions of an organization’s constituents and the realization to this end stakeholder theory can offer valuable insights (Philips, Freeman & Wicks 2003 p. 481). Although, says Donaldson and Preston, the appropriateness of the theory’s application differs. It is therefore imperative to single out the purpose of using the theory (1995 p. 73).
6 Apollo and Corporate Responsibility

This chapter will present Apollo’s work towards CR, and within the framework of the company’s strategy I will also allocate the concept human rights as part of this work. Since Apollo is a part of Kuoni group I will refer to Apollo, Kuoni or both when appropriate.

6.1 Focus Areas

It is vital that tourism is environmentally, socially and economically sustainable, not only because of our sincere concern for the people it effects but as a prerequisite for the continuation of the sustainable development of the industry it selves, Apollo says in the introduction page to their work on CR (Apollo 2011a).

Apollo’s CR policy and work are recently collected and presented under the umbrella term A better journey\(^2\). It is a recently introduced concept in which Apollo’s approach towards sustainable and responsible tourism is publicly available on their website. With the ambition to take a front position in the work towards responsible tourism, the site is also intended to function as an interactive media room for the public to discuss questions related to responsible tourism, Apollo says (En bättre resa).

The overall ambition of Apollo’s policy towards CR is to maximize the positive impact of their activities and minimize the negative (Apollo 2011a). In achieving this, Apollo has divided their work towards corporate responsibility into four areas of focus; to protect children from sexual exploitation; to secure conditions of employment; to provide a secure water supply at destinations; and to engage in projects to mitigate climate change. Kajsa Moström argues that the behaviour of the tour-operator can have impact on people’s human rights in for instance issues related to sexual exploitation and working conditions. But she is not mentioning the link between human rights and water or climate.

\textit{The Children}

\(^2\) Refers to Apollo’s concept ’En bättre resa’. Translated by the author from Swedish to English.
Our future lies with our children, at home as well as at destinations, Apollo says. Working with protection of children therefore pervades the entire organisation and the company has a zero-tolerance policy on child sex tourism, Apollo continues. Our aspiration is to engage employees as well as customers in the work against exploitation of children. The work consists in preventative measures, information and cooperation with the police and authorities. But Apollo is also collaborating with non-governmental organisations in projects to support exposed and vulnerable children (Apollo 2011b).

In 2000 Apollo became signatory to the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel, also referred to as the Code. It is a collaborative initiative taken by the tourism industry together with the organisation EPCAT International, with a purpose to support businesses in implementing child protection policies (Apollo 2011b). As signatory to the Code you need to have a policy regarding sexual exploitation of children and to undertake the training of personnel as well as suppliers, both in country of origin and at travel destinations (The Code). The company’s policy against child sex also requires suppliers and partners to sign an agreement in which they are committed to apply the same ethical standards as Apollo/Kuoni against exploitation of children. Apollo/Kuoni also advises partner hotels and their employee in what measures to take if they encounter situations where children are being sexually abused. Guests are also informed about the issue.

Other initiatives by Apollo/Kuoni are the opening up of workshops on prevention of child sex tourism with partner hotels in for instance Thailand, Kenya and Bulgaria among others. The workshops are intended to function as assistance in implantation of the partner hotel’s agreements with Kuoni, but also an incentive for them to actively work against child sex tourism. Partners who are not following the agreement regarding child sex tourism can result in the cancellation of their contract with Kuoni. For instance, as a result of non-compliance, the company has already cancelled the contract with five hotels in Pattaya, Thailand. The hotels were filmed when providing access to under-age prostitutes and thereafter removed from the product range. Although, after a series of talks with the hotels concerned, they implemented counteractive measures and three of the hotels regained their contracts with Kuoni (CR report 2010 p. 36).

Fair working conditions

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3 ECPAT is the abbreviation of End Child Prostitution, Child Pornography, and Trafficking of Children for Sexual Purposes.
Hotels which enter into agreement with Apollo and Kuoni are required to comply with Supplier Code of Conduct. This obliges them to respect labour laws in line with ILO conventions (Kuoni 2011a). To monitor suppliers’ commitments the company use Travelife Sustainability System. This is done in two steps in which the first one is a self-assessment by the hotel. This requirement also functions as an indication on the hotel’s compliance with the company’s Code of Conduct. The assessment could perhaps motivate the hotel in their work towards respecting human rights, especially since Apollo reserves the right to carry out inspections on sight. The second step is an inspection which is undertaken by a Travelife-trained inspector from Apollo or Kuoni. Out of Apollo’s 1600 contracted hotels, only 13 pass the requirements of the company’s standards. Although, 25 percent of Apollo’s customers during 2011 have chosen to stay at already inspected hotels, says Kajsa Moström. This does not mean 25 percent of all our hotels, it means that we have chosen to inspect the most popular hotels, she says. Furthermore, the inspections are announced in advance because it is meant to help the hotels in increasing their standards, Moström continues, and are not inspections as such. In addition, if a hotel is undertaking a renovation or reconstruction, Apollo has a responsibility to see to that suppliers to the hotel also follow Kuoni’s Code of Conduct, which includes working conditions, she says. Exactly how this is undertaken is not commented on.

To support their partners in their work with applying and meeting the standards in the Supplier Code of Conduct, Apollo offers training (Apollo 2011c). Training is for instance carried out through work-shops. Topics range from child sex tourism to water and energy saving. Although, it is up to the hotel to appoint appropriate personnel for such activities, Kajsa Moström says.

*Water protection*

Apollo says that it is not really a secret that exploitation of natural resources sometimes is a result of tourism expansion. And perhaps it is time for us as a tour operator to take responsibility and take counteractive measures in destinations where “exploitation perhaps has gone too far”. Such exploitation has sometimes also led to violations of human rights Apollo continues.

Kuoni’s/Apollo’s objective towards water protection is to contribute to the supply of clean and enough water at destinations, both to the local population and tourists. It is

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4 Travelife Sustainability System is a system for tour operators to measure and control their suppliers’ standards (Apollo viewed 4 August 2011).
recognised by the company that the consumption by tourists is disproportionate compared to that of locals in many destinations. The conflict arises as a result of scarcity in water, a resource which is required both by the tourist sector and the local population, especially so the farming population, argues Kuoni/Apollo. One important aspect to the water shortage in Kenya is that locals have tried to connect to the water pipes, which has had implications for the supply of water to our hotels, Apollo says. It is not explained, though, if parts of the problem have its origin in the heavy demand of water from tourism.

Projects towards security in water are undertaken by Apollo through Kuoni in several places as well as through supporting local initiatives. Projects have for instance consisted in the construction of water reservoirs in Kenya. Workshops are also initiated and carried out by Apollo at their destinations to ensure that the company’s policy crystallises throughout the supply chain (Apollo 2011d). Problems specifically related to scarcity in water are not discussed in relation to human rights though.

Climate
The largest impact on the climate in the tourism industry has the airline business. Apollo is actively working to mitigate the negative effects of this by using fuel-efficient airplanes, attending projects to make the flight routes more effective as well as engaging suppliers, employees and customers in these issues. We also encourage our customers to off-set emissions, which is made possible through our cooperation with environmental organisations, continues Apollo. Apollo’s and Kuoni’s web pages are in an extensive length discussing the climate and different projects that the company is involved in towards a better climate. But there is no reference with regards to the link between climate degradation and its impact on human rights. But in fact, as Cole and Eriksson (2010) point out in their study, environmental degradation is closely linked to human rights violations of people’s most basic needs.

6.2 Human Rights

Expectations of big corporations have changed significantly over the past 20 years. Today performance is not only measured in economic profits, but on how well the company complies with society’s expectations on sustainability (Kuoni 2011b). To meet these expectations Kuoni strives to integrate Corporate Responsibility as a cornerstone in their corporate strategy so that “our economic, ecological and social resources are not diminished for future generations” says Kuoni. Respecting human rights is therefore one of the
preconditions to Apollo’s business activities, and issues related to human rights are one of the areas which Apollo prioritises in the work towards corporate responsibility (CR) says Kajsa Moström. What is more, corporations are expected to not only respect human rights but to see to their development as well as mitigating any eventual abuse as a result of the corporation’s activities, Kuoni says. Something that the company shows in their special commitments towards fair working conditions at destinations and the protection of children from sex abuse. They are also the two areas where our presence can have the largest impact, Kuoni says. Based on research and stakeholder dialogues we therefore plan to re-evaluate our CR strategy during 2011. Doing this, we will also “create a framework to address human rights and biodiversity in a more systematic manner” (Kuoni 2011c) which is also confirmed by Kajsa Moström. She says that the company is launching a new human rights policy this autumn. This approach corresponds well to George’s (2007) view that it is helpful to address the various concerns which are the result of tourism expansion from a system perspective. And the fact that he points out that it would be especially valuable to do so from a human rights perspective.

Apollo’s human rights policy is an integrated part in the company’s two Codes of Conduct: Kuoni Code of Conduct and Supplier Code of Conduct. In Kuoni Code of Conduct the company’s corporate culture is encouraged. This is a policy document which serves as a guide to the company’s corporate and employee ethical behaviour. The principles of behaviour include among other things to recognise internationally proclaimed human rights, to respect other cultures and opinions and a responsibility toward society. The company’s efforts are particularly focused on the protection of the human rights of women and children, the company says (Kuoni 2011d p.8). The company also expects suppliers to adhere to a certain ethical behaviour which is laid out in Kuoni’s Suppliers Code of Conduct. Suppliers to Apollo and Kuoni are required to sign this code as part of their business agreement. This obligates partners and suppliers to comply with minimum sustainability standards with regards to environmental and social management. Apart from respecting labour laws and human rights it deals with discrimination, workplace safety, minimum wages, prohibition of child labour, and ecological standards among other things, all in line with ILO conventions but also other standards. The company is communicating CR issues to the employees through their intranet system and workshops on specific issues. Also, new personnel are introduced to the company’s CR activities on these issues.

Even though the company’s focus in CR consists in the four areas children, labour, water and climate, only issues related to children and working conditions are included in the
company’s human rights policy. The reason for limiting the policy to children and labour might be that Kuoni believes that these are the “areas the company can influence most” (Kuoni, CR report 2010, p 34). Other rights are not expressed but are loosely referred to in that the company expect recognition of international human rights. Human rights violations as a result from scarcity in water or the effects of climate degradation are not referred to in any of the company’s policy documents, even though these areas are, together with children and labour, Apollo’s main focus in their CR work. It is also required in Kuoni Code of Conduct that the corporation recognizes that it has a responsibility towards society and to respect other cultures among other things. Exactly how or if this is related to human rights though is not explained.

The tourism industry has not had the same expectations as other industries with regards to a corporate human rights policy. Moström thinks the reason behind this is that the focus has mainly been on questions related to customer’s security and rights. This could be due to the fact that contrary to other industries, the tourism industry actually sends their customers into the ‘factories’. But things are changing, says Moström, and also the tourism sector will have to deal with these types of questions [human rights], which is good. Human rights will therefore also in the future continue to be one of the areas which Apollo prioritises in their work which CR Moström concludes.

6.3 Stakeholder Dialogues

Working with stakeholders and considering their interests is important. Kuoni says that the relationship between the company and its stakeholders is vital for the implementation of Kuoni’s Corporate Responsibility strategy. And it “is an investment in the sustainability of our business and our own continued success” Kuoni explains. Therefore the company is engaged in an active and constructive dialogue with its stakeholders. This gives us important feedback on our CR work, which helps us to develop our strategy and to make sure it is in accordance with society’s needs, Kuoni continues. Below is a figure of the company’s stakeholders.
Kuoni’s stakeholders are divided into internal and external stakeholders. Together, these are the individuals and groups that Kuoni has identified as having interests in or can have impact on the managing of the company’s activities. The internal stakeholders are represented in the inner circle and they are the employees, customers, suppliers, industry partners as well as partners at destinations and elsewhere, although the local communities at destinations are not stakeholders to the company. External stakeholders are for instance NGO’s, media, specialists and shareholders (Kuoni 2011f). Earlier this year the first Stakeholder Dialogue Workshop on ‘freshwater and tourism’ was held. Together with stakeholders key areas were identified in order to take concrete steps in the company’s strategy towards fresh water (Kuoni 2011f). Exactly what these steps and values consist in was not pointed out. Although, Kuoni is in a very detailed way describing the company initiative on CR days which so far have concerned the topic water management and saving paper.

Moström says that destinations can be effected by short term interests that sometimes lead to violations of human rights. Even though this group is not mentioned as a stakeholder to the corporation on Kuoni’s webpage, it is engaged in dialogues with the company through pilot projects, says Kajsa Moström, Apollo. For instance, a dialogue between a local NGO
and the local communities Mombasa, Kenya resulted in a water preservation project. Other projects have also been carried out in Egypt and the Dominican Republic (Kuoni CR report 2010). However, Apollo is still maintaining on their introduction page to CR that the effect of our presence at destinations is a healthy social environment which gains both our guests and the local community. It is a stimulus to the local businesses such as hotels, restaurants, transports and shops at the destinations, Apollo continues. The effects of this stimulus are for example new employment opportunities and an inflow of capital (Apollo 2011a).

Kajsa Moström maintains that it is especially important to have a locally established tourism organisation at destinations, which has a long-term perspective to tourism. This is important for the destination to develop in a durable and sustainable manner. But it is also important because there are relatively few restrictions which restrain the tourism industry in its activities, she says. And it is often that the development of destinations is subject to the short term interest of maximising profits. This has sometimes led to exploitation of destinations and with people’s human rights being violated as a result, Moström thinks.

On the question of legal disputes over land ownership, Kajsa Moström says that it is not possible for Apollo to look into this kind of matters since most of the hotels they use are already built. And therefore out of the company’s control. Although, if the hotel is reconstructed during the contract with Apollo, also suppliers to such undertakings must follow Kuoni’s Supplier Code of Conduct. However, this does not imply that there is a guarantee that Kuoni and Apollo are not using hotels that are built on confiscated land.

6.4 Impact and Interest Prioritisation

As discussed in the previous section the company works closely with stakeholders in assessing risks and opportunities that arise from different concerns that the company is faced with. The urge of various concerns is then assessed and the result is presented in what Kuoni refers to as a materiality matrix, which is continually updated according to prevailing trends and developments. Stakeholders subsequently form an integral part to the company’s strategy, Kuoni holds.
The rating on which the prioritisation is based for the application in the matrix follows two criteria. One; the impact an issue can be said to have on Kuoni’s business and two; to what extent stakeholders can be said to have an interest in the issue (Kuoni 2011g). The scheme indicates that human rights in general are perceived to be of a high interest to stakeholders, whilst in the context of human rights child protection is perceived to be of less interest to stakeholders. The impact human rights have on Kuoni as a business, appears on the scheme to be reasonably low. According to the matrix issues at destinations have a fairly low prioritisation in terms of impact on Kuoni’s business, but are of a higher perceived interest to stakeholders than human rights in general are. That does not imply that the topic is of less significance to the corporation, only that it has less impact on performance.

An area which is of importance both from an owner’s perspective and a stakeholder’s is the supply chain management. Decisive to this end, says Kuoni, is that “[f]ostering
sustainability in the supply chain is one of the most effective ways for Kuoni to promote the values underpinning its Corporate Responsibility strategy in the long term” (Kuoni 2011h).

Apart from seeking a commitment from all the suppliers to perform according to Kuoni’s Supplier Code of Conduct, Kuoni also functions as a body of knowledge which provides assistance in questions related to human rights and working conditions. Moreover, hotel partners to Kuoni with demonstrated sustainability performance are awarded through Travelife Sustainability System, mentioned in the previous section. All this, argues Kuoni, is in effect making the market for sustainable tourism more attractive, and at the same time creates benefits for the local communities at the destinations (Kuoni).

The highest priority in Kuoni’s matrix is given to climate change. Kuoni maintains that environmental issues are an outright responsibility of the tour operator simply because we [humanity] have the option to actually put it right (Kuoni 2011i). The environmental areas which Kuoni has chosen to prioritise are among others coral reef protection, waste management, water protection and transfer of this knowledge to their hotel partners. Kuoni is also through Novair, which is operated by Kuoni, reducing flight emissions.

And as I previously pointed out, even though climate change or environment in general are not linked to human rights in any of their web pages or in the CR report 2010 the company has extensive undertakings towards this end. Also, local initiatives and their cooperation with organisations in these matters are well documented. For instance the water projects in Kenya.
7 Analysis

My aim was to examine Apollo’s approach to include human rights as part of their work in CR. In order to explain this approach I will now apply stakeholder theory to my empirical findings. I have posed three questions as a means to reach my aim. Those questions will now have the function of organising my interpretation of the material in the analysis.

The first part will have a look at how the company works with and promotes their CR work in general. From a stakeholder view this also contains in establishing what the corporation is and what it stands for in the context of CR. In other words it describes the nature of the company (Gibson 2000 p. 248).

The second part contains in the task to explain why they have chosen a certain strategy over another. Doing this will entail a presentation of how the company will reach its aspirations, again with regards to CR. This will demonstrate the conditions which are attached to a certain approach, often referred to as the instrumental aspects in stakeholder theory (Donaldson & Preston 1995 p. 74).

The last undertaking will be to evaluate how well the company’s chosen strategy towards CR corresponds to Tourism Concern’s recommendations on corporate human rights. At the same time, this will give an indication on how the company positions it selves with regards to responsibilities and obligations related to their activities. This will also identify the values and principles underpinning the company’s approach in CR and in stakeholder theory referred to as the normative aspect (Donaldson & Preston 1995 p. 74).

7.1 The Nature of Apollo’s Work in CR

Apollo is aware that performance is no longer measured in economic profits only, but more so also with society’s expectations on sustainability. The company’s new approach in promoting their CR work is the interactive webpage *A Better Journey*. Under this umbrella term the company has collected the areas which they think is most important in CR. This together with the company’s launch of a new human right policy later this year suggests that this is the image which Apollo would like to convey. A reflection of Donaldson and Preston’s view
(1999 p. 66) on the descriptive aspect of a stakeholder approach is how the company chooses to prioritise the importance of its stakeholders and their role in company performance. It becomes an expression for what the company stands for and sums up Apollo’s appreciation of the meaning and intrinsic worth of its stakeholders.

Apollo has chosen to prioritise the children, employees, water protection, and the climate in their CR work. This suggests that the company is aware of that these groups “can affect or is affected by the achievements of the organization’s objective” (Freeman 1984 quoted in Goodpaster 1991 p. 54). But only employees have the status stakeholder within the company. This suggests that the company do not appreciate that for instance the well being of communities at destinations is also part of their sustainable development and as such could have large impact on their business. The different ways in which these stakeholders are affected by a tour operator or tourism in general are discussed in my introduction chapter.

According to Freeman it is necessary to take measures if different stakes clash with each other and as such stakeholders cannot be ignored (Freeman 2002 p. 41). This can explain Apollo’s initiatives in the focus areas that consist in their engagement with for instance ECPAT and in their requirements upon suppliers to meet certain expectations with regards to working conditions. But also through for instance the engagement in water projects and through mitigating the effects of climate degradation. Through the engagement in issues concerning these groups, Apollo shows that their primary obligations lie with those the company owe something or have injured, reflected in Gibson’s view (2000 p. 254). This means that for instance the local people at destinations who benefit or are compensated through Apollo’s water projects should be seen as stakeholders to the company even though this group is not explicitly referred to as stakeholder in any of the company’s documents.

Moström confirms that local people at destinations can suffer negatively from tour operators’ activities and in turn have their human rights violated. Since a human right is also a moral claim, this claim corresponds to a duty. And according to Carroll, a duty infers that there is a stake involved (1993 quoted in Gibson 2000 p. 248). Therefore is Moström also indirectly suggesting that the local community at destinations is a stakeholder group.

NGO’s have a stakeholder position with Apollo. This is evident from their engagements with this group, but can also be explained in that the company is depending on organisations. According to Carroll and Buchholtz a stakeholder is group or individual with whom the company interacts as well as having an interdependent relationship with (2009 p. 10). This suggests that is necessary for the company to behave in a certain way to receive the
organisations recognition, which in turn is a prerequisite for Apollo if the company wants to include this work as a characteristic, or put in other words, what the company stands for.

7.2 Choice of Strategy

The answer to why Apollo has chosen a certain strategy over another in their CR work is foremost to be found in the company’s stakeholder dialogues. And more specifically in the assessment of such dialogues which is presented in what the company refers to as a materiality matrix. Undertaking dialogues with stakeholders will function as a guide to the company’s activities. Or as Donaldson and Preston put it, this will offer conditions to the management [of Apollo] in their efforts towards a certain result (1995 p. 71).

In order to prioritise the importance of various stakeholders the company has divided them into two groups, internal and external stakeholders. Freeman’s version of this is a narrow and a wide description of a stakeholder. In a narrow sense a stakeholder is in a direct way decisive to a company’s success and in wider sense is a stakeholder any individual or group who can affect or be affected by the company’s activities (2002 p. 42). This can explain why Apollo appoints internal stakeholders to be for example the employees, customers and suppliers or industry partners since they are in a direct way necessary for Apollo’s business activities. NGO’s, competitors or shareholders are not in a direct way decisive to the company’s operations, and as such given the status external stakeholders. Even though, they can put pressure on the company in one way or another.

What is remarkable though is that the local community at destinations are not given a stakeholder status even though they represent the company’s product. In fact, the destination is a condition to Apollo’s activities, as reflected by Donaldson and Preston (1995 p. 71). This is so because “if certain practices are carried out, then certain results will be obtained” continues Donaldson and Preston (1995 p. 74)

On the other hand, there will always be other communities which will welcome tourists. Or as Forbes (1999) explains in her study; the concentration of large travel corporations makes the local economy in developing countries dependent on these large corporations which have led to a favouring of tourism expansion on behalf of people’s human rights. Something that is also confirmed in Cole and Eriksson’s (2010) study which maintains that globalisation has had the effect of weakening states ability to protect the individual since
much of the power is now with economic actors such as TNC’s. The human rights of the local communities are in this context their stake, and as such the communities are also stakeholders. Although, perhaps the powerful position that TNC’s hold in destination countries, including Apollo as part of Kuoni, means that there is not really any urge to include this group as a stakeholder. Not even as an external one.

Perhaps the answer to why Apollo is not ruling out legal disputes over land ownership before they contract a hotel is also to be found here; evicted or displaced people as a result of a new hotel area has no real impact on performance for Apollo.

The highest priority in Kuoni’s matrix is given to climate change. Forbes (1999) says in her study that this type of prioritisation is due to self-preservation since protecting the environment is vital to their products’ attraction, which also explains why people’s human rights are not a top priority in the tourism industry.

7.3 Apollo’s Approach to Human Rights

This last part of the analysis will discuss how Apollo’s work towards CR corresponds to corporate human rights set out by Tourism Concern presented in the introductory chapter. Assessing their efforts will also entail the identification of the corporate values which may have encouraged the company in its aspirations towards this end.

The first recommendation concerns the respect and protection of human rights. And as part of this engagement it is necessary to have a policy (UNHRC 2011 p. 15). The empirical findings show that the company thinks that children and workers conditions are the areas in which they can have the largest impact. This can explain why Apollo has a policy in human rights which is confined to address issues related to child sex tourism and working conditions. The impression on the web page is that the company is engaged in numerous and sincere undertakings which I interpret as the company is also undertaking to mitigate human rights abuses. In turn this suggests that Apollo accept responsibility in those areas.

The length in undertakings by the company in mitigating human rights abuses can also be related to van der Ven’s normative approach to stakeholder theory. This view suggests that a company’s responsibilities extend far beyond what is proposed in any other recognised business theory (2005 p. 50). Although, children’s rights have gained an almost universal recognition and is included in numerous international documents, and could therefore be seen as a minimum standard also for corporations.
Apollo’s zero tolerance in child sex tourism further means that the company categorically expresses the rightness or wrongness in an undertaking (Donaldson & Preston 1995 p. 72). Accepting children as one of the most important issue to engage in can therefore be said to represent the company’s “ultimate moral values and obligations”. These values, in turn, are the underlying conditions to the descriptive aspects of the company’s image (Donaldson & Preston 1995 p. 74) with regards to child protection.

The company’s requirements on hotels with regards to working conditions can also be said to represent the underlying values of the company. Something that Apollo also shows in their efforts training staff in corporate ethics throughout the value chain.

Apollo’s requirement with regards to working conditions also suggests that they are guided by values which correspond well with rights regulated in for instance ILO’s principles and other UN documents. Workers rights are in a sense also linked to Kant’s deontological view that human beings possess equal moral worth and therefore ought to be valued as ends in themselves. Gibson holds that this is the most valuable means to justify a stakeholder claim (2000 p. 248).

Apollo is also engaged in projects related to water supply and climate degradation. Although there is no reference in the material with regards to the human rights aspect of tourism’s effect on water or climate degradation. This corresponds to Gibson’s view that our primary obligations lie with those we owe something or who we have injured (2000 p. 254). Which suggest that the company is not accepting responsibility in causing human rights violations in those two areas, or in any other area for that matter apart from children and workers rights. But it also says something about the company’s view on duties. The rights of children and workers have gained a human rights status within the company in that Apollo has accepted the duty is entails to put right an inflicted harm.
The company has chosen four areas which they regard concern them in one way or the other, although the choice of areas are motivated on different grounds. Apollo’s CR work is characterised by the company’s engagement in child protection, workers condition, water protection and climate degradation, which becomes the most important features of the company’s strategy.

Engaging in children seems to be motivated on moral grounds and as such the company thinks children’s human rights are important. The company’s approach to consider children in CR contains in showing that it respects and protects children’s human rights. Apollo’s inclusion of employees as one of their concerns is more directly motivated in the company’s strategy. Employees are stakeholders to the company and as such important to look after, also with regards to human rights. Subsequently is the company aspiring to respect and protect workers rights as part of their strategy.

The company’s efforts in water and climate protection are not linked to human rights nor are they included as stakeholders to the company. Therefore, is the company not respecting human rights which are linked to these areas. The local community is not part of Apollo’s CR work. Subsequently is this group not a stakeholder to the company which suggests that it is not respecting or protecting local people’s human rights.
9 Conclusion

My conclusion is that Apollo is only partly including human rights to their CR work in that the company has a human rights policy which is limited to children and employees. The engagement in projects with regards to water and climate though is a sign that the company is aware of its impact also in these areas. Although the link between impact and human rights violations is demonstrated only with regards to children and employees. These are also the areas where Apollo has a human rights policy which means that aspirations to respect and protect the human rights of other groups are absent. The study also shows that the result of their engagement so far is limited in scope because the company has not fully included all participants to their business as stakeholders. And therefore is human rights only partly incorporated in the company’s work toward corporate responsibility.

However, since the company is launching a new human rights policy shortly, this suggests that Apollo is undergoing a change with regards to responsibility and therefore also will approach CR with a stronger focus on human rights in the future.
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