Knowledge Dynamics in Sustainable Standard Setting in Tourism – The case of "Fair Trade in Tourism South Africa (FTTSA)"

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Simone Strambach and Annika Surmeier

Philipps Universität Marburg

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Simone Strambach[1], Annika Surmeier

both from Section Knowledge Dynamics, Sustainable Innovation, Global Change, Institute of Geography, Philipps-University, Marburg.

Abstract:

The development of standards and certification programs in global tourism has gained importance in consumption-production nexus. The paper is dealing with "Fair Trade in Tourism South Africa" (FTTSA), one of the first innovative service standards with a focus on the social dimension of sustainability. Until now, there has been little detailed exploration in the evolutionary trajectories of sustainable tourism standards from a knowledge-based perspective. This paper will contribute to a deeper understanding of the standard creation in global-local interaction processes over time and its impacts on the micro level of the firms. Conceptually it builds on two scientific debates - the neo-institutional approaches in organizational theory focussing on institution building and the research on innovation and knowledge dynamics. Empirically, it is based on 32 interviews conducted with different actor groups.

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[1] Corresponding Author: Simone Strambach, Philipps-University Marburg, Deutschhausstraße 10, 35032 Marburg, Germany. E-Mail: simone.strambach@staff.uni-marburg.de.

1. Introduction

Recently the development of standards and certification programs in the tourism industry gained importance in consumption-production nexus. Main drivers of these processes are changes in consumer behavior and rising awareness of sustainability in the so-called North. Standards are tools to develop a common understanding of sustainability. They can serve as a benchmark for appropriate organizational practices and provide a basis to transport credibility and establish confidence to customers, especially intermediaries. When looking at sustainability standards in global tourism the opposite is the case and proliferation and high market intransparency can still be observed. Attempts to align certification schemes globally and to strengthen social criteria remains a challenging task (Font, 2002; Font & Harris 2004; Font & Epler Wood 2007).

Our paper is dealing with "Fair Trade in Tourism South Africa" (FTTSA), one of the first innovative service standards with an explicit focus on the social dimension of sustainability. Although FTTSA is regarded as an important example of promoting the social dimension of sustainability, academic literature investigating the FTTSA standard is rather limited (Boluk, 2011) and especially a consideration of the time dimension is lacking. We will analyze the evolutionary trajectory of the FTTSA standard from a knowledge-based approach, using a dynamic institutional theory-led perspective. We claim that the knowledge dynamics in the creation of sustainable standards in tourism impact the processes of standard implementation and its further development. The paper will contribute to a deeper understanding of the establishment and shaping of a sustainable tourism standard in interaction processes with its local and global environment over time.

2. Sustainable Standards in Tourism – Institution Building and Knowledge dynamics

2.1 Evolutionary Trajectories of Standards

The rapid growth in numbers of standards over the past two decades is closely interconnected with the globalization of economic activities. The growing international trade and the ongoing fragmentation of value chains are major drivers. The increasing complexity of interrelations in global production and distribution between producers, different suppliers and retailers generate the need for greater coordination and for higher compatibility within value chains (Nadvi & Wältring, 2004; Gereffi et al., 2005; Nadvi, 2008). Additionally, behaviour changes of consumers, mainly in developed countries, have fostered the global diffusion of environmental and social standards – also in the global tourism industry.

However, only recently, differences in the evolutionary trajectories of different types of standards have been acknowledged. In fields of product and technical standards, as well as

quality management standards tendencies towards convergence and harmonization in rule setting have been observed for a long time.

However, a current state of divergence can be observed concerning environmental and social standards and can clearly be seen in sustainable standards in tourism. There has been great diversity from the beginning, with many distinct company codes and labels in both developed and in developing countries, often called 'proliferation'. Furthermore, higher barriers in the implementation and diffusion of sustainable and social criteria along value chains are reported (Baddeley & Font, 2011; El Dief & Font, 2010). The compliance of such types of global standards proves ineffective if they are not socially embedded in the local context (Nadvi, 2008, Medina, 2005). It seems that social and environmental standards have much more conflicting constellation lines, and heterogeneous actors and networks have to be involved to achieve legitimacy (Nadvi & Wältring, 2004; Font & Harris, 2004).

Sustainable standards can be considered a special type of institution and the outcome of complex institution building processes. They are formulated rules with the potential to promote efficiency-based eco-saving and credible sustainable business practices. Although the term sustainability has not yet been defined uniformly, the concept has been undergoing a substantial change, which is also reflected in sustainable standard building in tourism. The 'new perspective' towards sustainability puts emphasis on the relative, context-specific and dynamic nature of sustainability (Jorna, 2006; Faber et al., 2005). In the course of this shift the social dimension in the triple bottom line has gained awareness in its gravity to foster long term sustainable development globally. However, compared to progress which has been achieved regarding the measurement of the ecological dimension, the development, implementation and assessment of social indicators is regarded as challenging. These processes are still considered 'scientifically uncertain and unreliable' and have a high degree of ambiguity (Font & Harris 2004). Additionally, certification programs incorporating social indicators seem to have problems expanding and it appears questionable whether they have the potential to become economically viable (Medina, 2005). These issues make it particularly interesting to investigate in the trajectories of such sustainable standards with an explicit social dimension and their spatial-temporal shaping.

2.2 Institution Building in Sustainable Standards in Tourism

On a global level, the need to strengthen the social dimension of sustainability is reflected in efforts to align sustainable certification schemes in tourism. The Mohonk Agreement from 2000 was a first approach to create a common baseline for sustainable and ecotourism; and social criteria were explicitly integrated into certification schemes (Medina, 2005; Mohonk Agreement, 2000).

Two years later the 'Cape Town Declaration on Responsible Tourism in Destinations' went a step further, meeting the global challenge of reducing social and economic inequalities and reducing poverty. The declaration was an outcome of an international conference preceding the World Summit on Sustainable Development in Johannesburg in 2002. It is based on already accepted international knowledge as required in the affiliated development of sustainable tourism. The declaration builds on general characteristics of Responsible Tourism and contains guidelines for economic, social and ecological responsibility in tourism. A distinct feature of the declaration is the explicit recognition of the context specific nature of sustainability resulting in different, locally embedded forms of sustainable tourism. (Cape Town Declaration, 2002).

The most recent initiative to align sustainable standards in tourism and fostering convergence at the global level has emerged in 2008 with the establishment of the Partnership for Global Sustainable Tourism Criteria (GSTC Partnership). Universal principles for sustainability were created during multi-stakeholder consultation processes and the Global Sustainable Tourism Criteria, launched in 2010, define minimum criteria that any tourism business should aspire to in order to protect natural and cultural resources while using tourism as a tool to reduce poverty (GSTC, 2012).

These initiatives moving towards convergence in sustainable tourism at the global arena underline the complex nature of these types of standard development. Meanwhile, not only environmental and economic indicators but also socio-cultural criteria in standard setting are considered a necessary baseline. The context specific nature of sustainability implies the further adaptation and translation of these inevitably vague guidelines established at the global level into more concrete meanings and measurable criteria at national and local levels.

While there is consensus on these general features among experts, the questions on how these translation processes unfold over time, how interaction processes at different spatial scales are interrelated, which kind of reinforcing mechanism or lock-ins in the sense of inertias are causing hindrances are largely still open. Research on the diffusion of emerging international technological and management standards provides substantial evidence that the specific institutional configurations at the national level are shaping these processes strongly. The regulative, normative and cognitive elements of the national institutional environment impact the adoption of practices largely by fostering or hampering the compliance and acceptance at the firm level (Delmas, 2002; Braun, 2005; Scott, 2008). Given that 'social standards' have only been introduced for a very short period insights on their trajectories may help in the development of policies under a multi-level approach.

2.3 Knowledge Dynamics in the Institutionalization Process of Sustainable Standards

From the knowledge-led perspective the creation of sustainable standards, incorporating the social dimension can be considered as an innovation and as the visible outcome of complex knowledge dynamics. Taking knowledge as the key resource for innovation shifts the focus from the innovation itself, to the processes of knowledge creation, using, transformation and diffusion - defined as knowledge dynamics (Crevoisier & Jeannerat, 2009; Strambach 2008/12; Strambach & Klement, 2012). Neo-institutional approaches point out that 'new behaviours' or practices undergo a process and there are distinct stages until they are taken for granted by actors and insofar fully institutionalized (Tolbert & Zucker, 1996). By combining both views major fields of tension can be identified, not only in the development of such types of standards, but also in the pre- and semi-institutionalization phase and on its way to the full institutionalization. Behind the three generic phases there is the argument that these are constituted by different settings for action and decision-making.

The development of sustainable standards incorporating the social dimension inherently needs heterogeneous actor constellations in the pre- and semi-institutionalization stage. Compared to product or technical standards, this stage requires a higher degree of knowledge combination. Not only technological, organizational and economic knowledge has to be merged but also institutional and cultural ones. Heterogeneous actors from different spheres - the economy, politics and civil society - operating at different spatial scales - the local, national and global one- have to combine their knowledge and come to a common understanding. Due to the inherent tacit dimension, the context sensitivity and the process character of knowledge, it cannot be transferred easily among actors or combined randomly, as identified by the theory of knowledge economics (Foray, 2004; Nooteboom, 2010). These interaction processes bear multiple conflicts as the involved actors come from different backgrounds and have different norms, values and ideas of sustainability.

During the habitualization - the attribution of shared meanings to actions - (Tolbert & Zucker, 1996), several barriers have to be overcome in order to reach social consensus and to create a common understanding on meanings of appropriate sustainable and social practices. This also influences the further 'objectification', which is necessary to transfer actions patterns to contexts beyond their point of origin – the concrete multi-stakeholder meetings. From the knowledge perspective the social dimension of sustainable standards entails a high share of cultural and symbolic knowledge. This type of knowledge has a pronounced tacit and context dependent component which make codification more difficult compared for example to technical knowledge (Asheim, 2007). Difficulties in the consensus process to define social standards and to assess criteria are clearly addressed by scholars in the field (Font & Harris, 2004; Medina 2005).

A further field of tension becomes evident in the development of sustainable standards in tourism with the social dimension rooted in the combination of knowledge located at different

spatial scales. On the one hand, there is concern that integrating actors from the global North in standard development might result in their domination in the rule setting process (Medina, 2005; Jamal et. al, 2008; Font & Harris, 2004). On the other hand in service industries like tourism, customers are directly involved in the service production and value creation. The symbolic knowledge on values, needs and normative orientations of the demand is often missing when standards are created in the global South. Thus, products are often not consumer-orientated which results in problems to find clients and markets.

Institutions thrive when their benefits outweigh the costs (DiMaggio & Powell, 1991). However, in the case of social standards it is extremely difficult to measure and evaluate the positive outcome. That is also the reason why scholars have doubts if these will become economically viable. Often the positive outcomes can only unfold and be perceived later in time. At the level of firms the implementation of a new standard does not automatically lead to change in organization behavior. Therefore, the positive impacts are strongly dependent on the interpretation of social standards by respective actors at the micro level of organizations. As social criteria have a high degree of ambiguity, this is a further tension that hampers the full institutionalization.

Applying the knowledge dynamic approach on the creation of sustainable standards and investigating in the nature of the institution building process provides a potential to generate new insights. This is done by using the example of "Fair Trade in Tourism South Africa (FTTSA)", an innovative service standard with its main emphasis on the social dimension of sustainability. As the standard is still in its early stage, it provides the opportunity to investigate in the process of institution building, and the underlying knowledge interactions.

3. The FTTSA Standard and the Certification Process

The objective of FTTSA is to facilitate "a fair, participatory and sustainable tourism industry in South Africa". The standard defines a fair tourism business as one that is in compliance with six principles developed: fair share, democracy, respect, transparency, reliability, sustainability (Seif, 2001; Mahony, 2007; FTTSA, 2012). These broad principles are translated into concrete social and organizational practices and embedded in a system to measure fairness. The basis is a set of measurable criteria divided into 16 categories which take social, ecological and economic issues into consideration (see figure 1).

On the one hand, the standards address internal working conditions within the businesses. In detail, social areas of human resource practices, skills development, employment equity, ownership and control, workplace culture and HIV/Aids related issues are assessed but also environmental management practices and economic issues like quality and reliability are

evaluated. On the other hand, the external integration of the businesses into the region and the creation of linkages to the communities are measured.

This is especially challenging since internal indicators as well as ones that move out of the boundaries of the business itself into the communities are evaluated (Font & Harris 2004). Process- as well as performance standards are used to examine procurement practices, community investment and interaction, recruitment and employment practices and conservation activities. For example, FTTSA assesses the time and share of turnover spent on skills development measures, the employment opportunities for local residents and the support of small business suppliers from the communities (FTTSA, 2012). The categories relate to business operation areas and provide an opportunity to see in which fields strengths and weaknesses occur. Finally, businesses get feedback reports on their performance on all categories as well as on the principles.

Table 1: Examples of Fair Trade in Tourism South Africa (FTTSA) Certification Standards

Category	FTTSA-certified businesses must…
Legal and General	comply with all relevant laws
Labour Standards	apply fairness and transparency in daily management
Human Ressource (HR) Practice	ensure secure internal reporting channels
Skills Development	invest sufficient time and finances
Employment Equity	provide sufficient employment opportunities for local residents
Ownership & Control	take steps to ensure that HDIs are equitably represented in decision-making structures, including but not limited to top management
Procurement	support HDI-owned, local and small business suppliers of goods and services; promote linkages and enable guests to spend money in the local community
Community Benefits	invest in community development initiatives
Cultural Sensitivity	ensure that local communities are consulted regarding activities that the business conducts in the areas in which they reside
Environmental Management	monitor consumption of resources, implement measures to minimize this; improve environmental knowledge among staff, guests and wider community
Health & Safety	provide staff with a safe and healthy working environment
Quality & Reliability	Should be star-graded annually by the Tourism Grading Council of SA; solicit guest feedback and manage it in a consistent and transparent fashion
Workplace Culture	create a working environment based on tolerance and non-discrimination
HIV/Aids related issues	support staff who are either infected or affected by HIV/AIDS; implement appropriate HIV/AIDS prevention measures
Tours: Equity & Social Impact	have consistent and fair written agreements in place wih 3rd party suppliers; ensure equitable and transparent distribution of tour income
Voluntourism	consulted communities to plan, implement, monitor and evaluate projects

(Source: FTTSA, 2012)

FTTSA certification is available to both established and emerging South African tourism businesses of any size. The certification process is divided into three stages. First, the applicants have to do an online self-assessment. If they pass, they can proceed to the next

stage - the site assessment. Here an FTTSA-trained assessor or external consultant verifies all the information on-site - and collects further information. This is done by interviewing management, staff and also guests and by evaluating all relevant paperwork. The perception of customers is also taken into account since they are directly involved in the service production. The assessment usually lasts between two and five days, depending on the size of the business. The costs for assessment are 2750 Rand/day and a share of the assessor's travel costs has to be paid. Furthermore, there is an annual user fee. The last stage is carried out by an independent Certification Panel. The report of the on-site assessment is reviewed and written feedback is provided. Successful applicants are awarded with the FTTSA logo. Re-assessment is done every two years and an "Improvement Action Plan" has to be submitted after 12 months (FTTSA, 2012). For certification, at least 70 % of the criteria have to be fulfilled (Seif & Spenceley, 2007). However, there is no minimum percentage that has to be reached in each category. If there are weak areas, they can be compensated in other categories. Still, there are some criteria which are unavoidable (FTTSA 1, personal communication, 14.03.2009).

In evaluating the FTTSA certification system, it can be seen that it has certain weaknesses for which it has been criticized. These are weak environmental criteria, only one award as opposed to a tiered system and a resulting "pass or fail"-system, and a twofold lack of transparency- concerning indicators belonging to the standards which are not open to public and the judging process during the site assessment since there are usually no FTTSA-independent assessors. Other challenges are the amount of paperwork and associated costs of certification. Furthermore it is argued that the standard is mainly supporting communities and it is questionable if there is added value for the company itself (Font & Harris 2004, Boluk 2011). What clearly sets FTTSA apart from other, similar schemes is its strong promotion of the social dimension of sustainability, its focus on feedback and learning and its dynamic process orientation.

4. Methodology

The qualitative research design was chosen in order to get new insight into the underlying knowledge dynamics in the unfolding of the trajectory of the FTTSA standard in an inductive way. The empirical methods of data collection used a combination of secondary desk research, literature review and explorative as well as semi-structured interviews with different actor groups (see Table 2). These include mainly managers of FTTSA-certified businesses, the FTTSA organizations, NGOs, political actors and tourist experts in research organisations.

Table 2: Overview of Empirical Interviews

Organisation	Number of Interviews
Hotels	7
Backpackers	4
Tour Operators	8
FTTSA	4
Academic	4
Ministry of Tourism	2
Regional Tourism Development Agency	1
Tourism NGO	2
In total	**32**

The aim was to reconstruct the process of the standard creation under a knowledge dynamic perspective. This is done to explore the evolutionary trajectory and gain new insights in its spatial-temporal shaping. The qualitative research methods imply weaknesses that are widely acknowledged - for example they are not appropriate to provide representative results. However, the design was chosen because the intensive analysis allows an in-depth analysis in the development and implementation of the FTTSA standards. It provides an opportunity to reach individual and subjective perception levels so that the researcher can achieve a thorough understanding of complex phenomena and the interdependence of diverse determining factors (Flick, 2010).

Theoretical sampling strategies were used for the empirical selection process. Important selection criteria in the case of the certified businesses were its price category, size, offered services, certification time and geographic location in order to represent the whole range of diversity of certified businesses. After an intensive stage of desktop research and two explorative interviews, the empirical data collection in South Africa was conducted in two phases: in 2009 and in 2012. The main part of the empirical research took place in 2009 where 23 semi-structured interviews were conducted with FTTSA-certified tourism businesses and with actors of the FTTSA organization, NGOs and tourist experts. The average length of interviews was 60 minutes. The empirical research in 2012 focused on institutional changes in the South African tourism context and the diffusion of sustainability standards within South Africa. A number of nine qualitative interviews were conducted, with political actors such as the Ministry of Tourism in the RT Division, the FTTSA organization, other NGOs and experts in the South African tourism. In total the empirical results are based on the in-depth investigations of 32 face-to-face interviews. The collected data was documented in
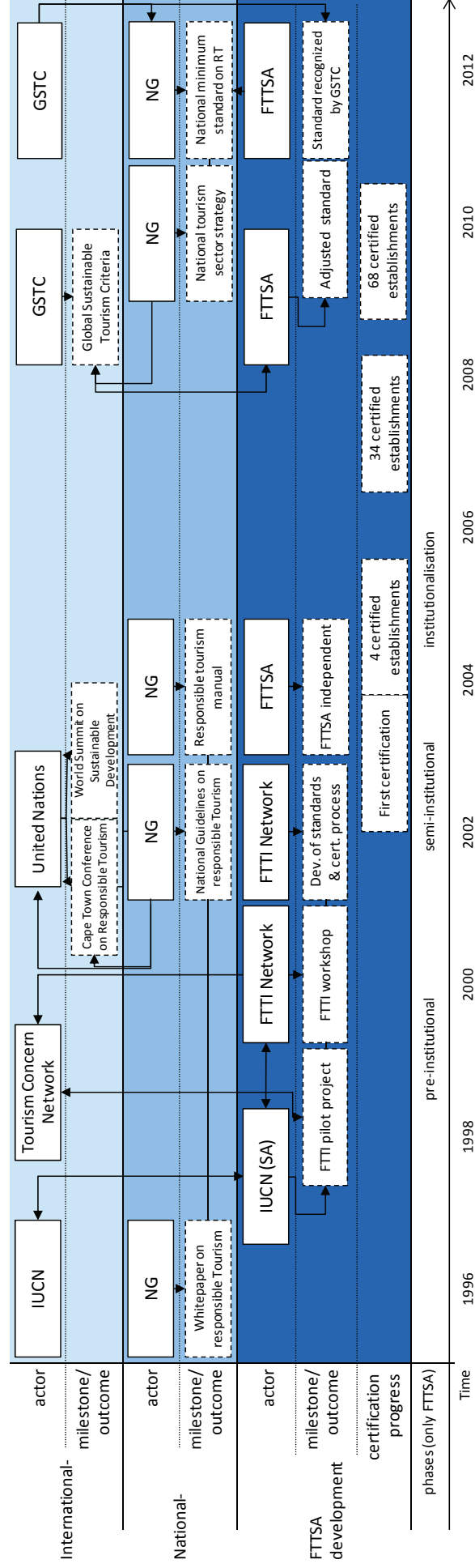
auditory and written form by protocols and transcripts to avoid the loss of relevant information and to ensure transparency of results. In the data analysis we followed the methodological approach of the qualitative content analysis according to the developed steps of Mayring (2000). Central for the qualitative analysis are the use of categories deductively or inductively built to identify text passages that are relevant for the analysis. While the material was examined mainly by deductive theory-led coding, these were supplemented by inductive ones formulated directly out of the material.

5. The Development Process of the Standard "Fair Trade in Tourism South Africa (FTTSA)"- Actors, Knowledge Dynamics and Institutionalization

In this paragraph we will reconstruct the dynamic development process of the FTTSA standard by analyzing the knowledge dynamics within changing actor constellations. The method employed is a combination of literature review and empirical interviews.

South Africa is a country facing massive social and economic challenges, such as high levels of inequality and exclusion concerning space, race and gender (Seif & Spenceley, 2007; UNDP, 2003). These inequalities are also reflected in the tourism industry (SAT, 2008). However, tourism offers a huge potential for poverty reduction and can be a driver of sustainable development (Ashley et al., 2001).

Figure 1: Development Process of the Standard "Fair Trade in Tourism South Africa (FTTSA)"

	Time	1996	1998	2000	2002	2004	2006	2008	2010	2012
International-	actor	IUCN			United Nations			GSTC		GSTC
	milestone/outcome									
National-	actor	NG		NG	NG	NG			NG	NG
	milestone/outcome	Whitepaper on responsible Tourism		Cape Town Conference on Responsible Tourism	National Guidelines on responsible Tourism	Responsible tourism manual			National tourism sector strategy	National minimum standard on RT
					World Summit on Sustainable Development				Global Sustainable Tourism Criteria	
FTTSA development	actor		IUCN (SA)	FTTI Network	FTTI Network	FTTSA		FTTSA	FTTSA	FTTSA
		Tourism Concern Network								
	milestone/outcome		FTTI pilot project	FTTI workshop	Dev. of standards & cert. process	FTTSA independent			Adjusted standard	Standard recognized by GSTC
	certification progress				First certification	4 certified establishments		34 certified establishments	68 certified establishments	
	phases (only FTTSA)		pre-institutional		semi-institutional		institutionalisation			

IUCN - International Union for the Conservation of Nature   **GSTC** – Global Sustainable Tourism Council   **NG** – National Goverment (South Africa)   **FTTI** – Fair Trade in Tourism Initiative

The Pre- and Semi-Institutionalization Phase 1999-2002

Heightened awareness of the need to reach the development goals such as improved quality of life, equality and justice, led the post-Apartheid government to recognize the potential of a sustainable form of tourism. In 1996, the national government developed the concept of "Responsible Tourism (RT)" and integrated strategies of "Pro-poor Tourism (PPT)" with poverty alleviation at their center (Boluk 2011). RT was supposed to be the key guiding principle of tourism development in South Africa (FTTSA 1, personal communication, 14.03.2009). In the National "White Paper on the Development and Promotion of Tourism in South Africa" of 1996, the aim of RT defines as a development of "the tourism sector as a national priority in a sustainable and acceptable manner, so that it will contribute significantly to the improvement of the quality of life of every South African" (RSA, 2003). In order to provide tourism businesses on the micro level with practical suggestions for the implementation of the concept, the "National Guidelines for Responsible Tourism" and a "Responsible Tourism Manual" were published in 2002 (FTTSA 1, personal communication, 14.03.2009).

In the pre-institutionalization phase, FTTSA was originally rooted within the Fair Trade in Tourism Initiative (FTTI), a pilot project promoted by the 'International Union for the Conservation of Nature (IUCN) South Africa', a branch of the global NGO. The aim of the FTTI was to protect the natural and cultural assets of South Africa as a basis for a sustainable income generation for disadvantaged groups as well as a strengthening of fair relations between supply and demand. The habitualization and objectification phase required several multi-stakeholder workshops in order to balance the different priorities set by the actors from different spatial levels. For example the IUCN focused on the ecological dimension whereas Tourism Concern, a UK-based NGO was more concerned about the socio-economic dimension of sustainable tourism. The NGO contributed knowledge on the global Fair Trade Tourism (FFT) movements, and especially the FTT guidelines in whose development they were involved (FTTSA 2, personal communication, 25.09.2009). The 2000 international multi-stakeholder workshop with an evaluation of the results of the pilot phase was one of the most important events in a period of finding a mutual agreement about the concepts and principles of Fair Trade in Tourism as applied to the South African Context (FTTSA 2, personal communication, 25.09.2009).

After 2000, a new phase in the process can be identified - the semi-institutionalization phase started with the translation of meanings and definitions of sustainable and responsible tourism into concrete social practices, measurement and assessment systems. In the period from 2000 to 2002, close interaction processes in the development of the national guidelines and the FTTSA guidelines took place since the director of FTTSA was also closely involved in the development of the RT guidelines. As the RT guidelines were finalized earlier, a lot of implicit knowledge was gained from the national experience that also influenced the FTTSA

standardization processes. A further source of knowledge were the Tourism Concern network and the FTT guidelines developed by them (FTTSA 2, 25.09.2009; Academic 1, 24.08.2009; personal communication). Furthermore, the name of the FTTI was changed into FTTSA in order to stress the South African context but also to signal the connection to the global movements. The trademark and principles were developed in 2002.

An important milestone for raising international awareness of the South African work on RT was the world-wide first "Conference on Responsible Tourism in Destinations" that was held in Cape Town in 2002. As the topic of tourism was neglected at the World summit, the national government took a leading role in the organization of this key event with delegates from 20 countries (Ministry of Tourism 1, personal communication, 03.04.2012). The widely recognized result was the Cape Town Declaration based on the RT guidelines already developed in South Africa (Ministry of Tourism 1, personal communication, 03.04.2012). It is evident that the national government actively transformed the institutional environment of South Africa and took part in international rule setting in responsible tourism at the global level by introducing their model of RT.

The institutionalization phase - 2003 ongoing

With the first certifications in 2003, the institutionalization phase has begun and the concept was broadly implemented on the market. There were 18 businesses certified by FTTSA in 2006, 34 in 2008 and 65 in 2010 (FTTSA, 2012). In 2004, the organizational form of FTTSA was changed and it became an independent organizational body from IUCN but remains donor-funded, mainly supported by international but also national NGOs (FTTSA 1, personal communication, 14.03.2009).

On the national level, FTTSA has actively taken part in the development of the National Minimum Standard for RT (NMSRT) and contributed its experience in sustainable tourism certification. The NMSRT was launched in September 2011 (Ministry of Tourism, personal communication, 03.04.12). The specific aims pursued with this standard are the creation of a mutual agreement of responsible tourism in South Africa and the fostering of the broad implementation of the concept in the tourism industry. With these measures, the national government set a clear signal for businesses to integrate the responsible organizational practices; the efforts of FTTSA and the national government go hand in hand. In January 2012, FTTSA was recognized on the global level by the Global Sustainable Tourism Council (GSTC), a UN-founded global initiative dedicated to the global promotion of sustainable tourism practices globally. It was the first recognized certifying organization in Africa and the standard is one of 10 GSTC recognized standards worldwide (FTTSA 4, personal communication, 03.04.2012). To comply with GSTS and NMSRT standards, a strengthening

of the environmental criteria as well as an extension of indicators in the area of cultural sensitivity was necessary (FTTSA 4, personal communication, 03.04.2012).

In process standards developing countries remain mostly passive standard takers who are constantly being challenged to address new concerns on compliance (Font &Harris 2004; Nadvi, 2008). Sustainable tourism proves an exception. Among other certification programs, FTTSA and the National Tourism Ministry were actively involved in the consultation process and advice process aimed at setting standards at the global level (Ministry of Tourism 1, personal communication, 03.04.12). Considering the development of the FTTSA standard from definition to early institutionalization, the results show that even if a standard is set up it does not remain static but is subject to constant change and adaption in an interactive processes. A key feature of the FTTSA standard is the adaption to new developments on the national and global level which resulted for example in an improvement of the environmental criteria and the assessment system.

6. Impacts and Implications from the Perspective of the Certified Businesses

After the first years of the standard implementation in businesses it is important to gain insights in the evaluation impacts and constrains from the perspective of the firms in the tourism industry. The following results are based on interviews with 19 managers and owners of certified businesses. The reasons, motivations and perceived impacts and changes based on the implementation of the standard were the main themes. The analysis is divided in three parts: starting with impacts within the companies (intra-organisational effects), followed by impacts in their networks and environment (inter-organisational effects) and finally exploring constraining factors.

6.1 Perceived intra-organisational Impacts based on the Implementation of the Standard

As *motivations* are drivers for actions it is important to understand reasons leading firms to implement the standard. Most tourism establishments expressed that they already tried to be fair before they applied for certification. As an example one tour operator explained his intention as an entrepreneur: "Whatever business we started we wanted to see if there was a way in what we could develop linkages with disadvantaged communities and whether we could make some kind of positive impact around the major challenges South Africa was facing" (Tour operator 7). These values were also reflected when speaking about certification motivations: "I think in so many ways I was already trying to do things before FT. That´s why I wanted to become FT accredited, so I can grow within that framework" (Tour operator 2).

Various other reasons were mentioned, but the ones that were underlined the most were the expectation of external recognition, verification of fair business practices and the pursuit for

feedback and improvement. A number of businesses explained they were proud of being a fair business and wanted to underline this more. Others stressed that the external verification of fair business practices by FTTSA resulted in higher credibility: "There is a lot of greenwashing in the industry where people say they do this and this but they don`t really. And I found FTTSA, they can actually verify that what you are saying is actually what you`re doing. It`s giving you credibility" (Tour operator 3). The expectation to get feedback of FTTSA and being able to compare the own business with others become visible in the statement of a hotel manager: "There was no overriding strategy of how to apply socially and environmentally responsible practices in tourism. The reason was not so much to get it but it was actually to learn how to do it" (Hotel 4). So usually there were a couple of reasons and expectations interconnected that led firms to their application.

Going into more detailed impacts at the intra-organisational level the ***improvement of daily management practices*** is an outcome, especially perceived by new, small-scale entrepreneurs. The standard implementation helped them professionalizing their management practices: "It made us aware of a lot of things that we didn´t comply with, that we thought we were doing fine with. So it was like a big process of creating an awareness of where your shortcomings are" (Tour operator 3). After assessment the feedback provided new perspectives on management practices and suggested opportunities for constant improvement. "They gave us 23 points that we had two years to get in order. So by the time she came I had all my 23 points in order and then she came back this year and I had some more, I had 13 points (because) she looks at different angles that now we must concentrate on. So it means you can always strive for something more" (Hotel 6). Especially the importance of learning through the assessment and feedback of the FTTSA organization was underlined. "Tools and skills" to implement sustainable business practices in an ongoing basis seem to support the development of organizational routines and competences within these firms.

Furthermore, a bundle of impacts on ***internal working conditions*** were perceived by all intervened business. For the staff, the FTTSA standards meant an improvement of their working conditions as their wages, training opportunities, etc. were assessed on fairness and they are all confidentially interviewed by the assessors and asked about their perceptions of the working environment. The owners or managers expressed that from their viewpoints - even though not always liked by all employees -   this created more transparency support and liability for the staff This, in turn, would lead to higher staff motivation and retention and directly influenced the service quality in their businesses and improved the guest experience. As underlined for example by a Tour Operator (3) "When your staff is more positive, obviously it will be a better experience for the guests".

6.2 Perceived inter-organisational Impacts based on the Implementation of the Standard

A somewhat unexpected result of the empirical analysis was the strong emphasis on impacts in the field of *networking and knowledge exchange*. A high share of the business representatives mentioned that the certification fosters network relations with other like-minded, certified businesses. Networking processes were initiated through the process of the fication. This provided possibilities for mutual exchange of concepts and ideas, support with standard implementation and evaluation and exchange of best practice. "Partnering with or having exposure of what other, FTTSA accredited companies are doing, that's really something that is and will be of value to us. To see what it is that we can do differently, that we can start introducing" (Hotel 4). Knowing each other and having a certain kind of cognitive proximity expressed in the business values seem to facilitate cooperation; also indicated by the fact that several businesses recommend each other to customers and started small-scale mentoring programs. Moreover, the integration of businesses into their surrounding communities obliged the social criteria of the standard. The resulting impacts were mainly perceived as positive in the end. Especially building relationships to local small-scale suppliers or facilitating community interactions were mentioned.

Economic impacts through being awarded with the label, such as *recognition, credibility and the market positioning* were perceived differently. Some interviewees neglected the awareness of consumers strongly (Backpacker 1) while especially tour operators and hotels were convinced of "a real awareness" (Hotel 4). Tour operators regarded the label very relevant when making new business contacts and finding new partners. It added value to the company that set them apart from other, similar ones. Many businesses explained that they felt that international tour operators sent more customers after certification but they were not able to quantify this. "We have only had like one or two bookings from them. But now she is very keen to start working closer with us because we are FTTSA" (Hotel 6). Moreover, the marketing done by the FTTSA organisation, e.g. on trade fairs or on the website was particularly important to small, upcoming entrepreneurs who often lack market access. They explained: "It is very important because the company gets exposed to the world" (Hotel 2).

Indirect benefits in the form of getting easier access to government support and funding, for example to the "Tourism Enterprise Program (TEP)" of the Department of Trade and Industry (DTI) and a general facilitation in the business environment add to the perceived impacts. "I think if you´re a company like myself that relies on government permits, like we need a permit to operate, I think it makes the whole process easier if you are FT accredited (Tour Operator 4).

6.3 Constraining Factors in the Standard Implementation

Main difficulties and constraints in the implementation of the FTTSA standards can be grouped in the fields of costs and investments, transparency and human barriers.

Related to costs, the often very time-consuming implementation processes and high investment costs in the beginning were underlined: "It took me four years to get it, to be honest with you. And I nearly threw the towel; I don't know how many times (name of FTTSA staff) spoke to me and said, 'you are so close.' And after four years I finally got there" (Tour Operator 4). Another owner underlined the difficulties for small businesses: "It gives you a lot of bloody work. I sometimes believe it´s unpractical for a small business, you know. (Name of hotel) has a whole department with a bloody manager who takes care of all the shit. However, we have to do it all ourselves" (Backpacker 3). Therefore it was stated that there are some tourism businesses in South Africa that would have liked to be certified but are excluded due to a lack of resources, mainly concerning time.

The difficulties to measure or quantify the benefits of standard implementation are hindering factors: "If I took it away what would I lose? Maybe not a lot (…). And is it worth the time? There is probably easier ways. Maybe then you wouldn´t do it though." Later the same person concluded "it´s not cheap but the return is priceless" (Backpacker 3). It was also explained that from an economic perspective it could hardly be calculated if the costs for assessment and the user fees pay out.

There was concern about the recognition of the brand since it seemed not well-known enough yet. "I don't think it's big enough yet and one of the complaints that people have is that there are so many certifications, a thousand eco certifications and so on, but this is the only one that I have come across that deals not only with environmental issues but also with, you know community and economic impact issues" (Tour Operator 7)

The implementation of the standard criteria requires a certain transparency that causes reservations of being open to scrutiny: "You can`t carry on with normal business. You are more open to scrutiny; you are literally putting a magnifying glass on top of your business" (Hotel 4). This meant that it was not possible for businesses to take so-called "short-cuts" since they were assessed regularly.

As an important issue intra-organisational human barriers were perceived, for example the loss of power: "There are some staff that don´t like working in a more egalitarian society, they like being able to control the tip and take brides and look after certain guests and not others, you know, and do things just because guests pay them tips. So you have this little issue that arrives" (Hotel 4). Other human barriers were rooted in a lack of understanding of the value of social practices and the introduction of certain criteria as the HIV/Aids trainings.

6.4 Discussion of the empirical results

The tourism establishments that are FTTSA-certified consist of a heterogeneous group ranging from 5-star urban luxury hotels to backpacker hostels in very remote areas and tour operators. What clearly came out in the results were common values binding them. This is a feeling of taking on responsibility for the South African society by trying to make a positive impact amid the challenges South Africa is facing. However, a change of certification motivation over time could be identified. These aspirations were much more underlined by the "pioneers" of FTTSA, the businesses that were certified in the beginning. The most important reasons to apply for certification was getting feedback and fostering learning to achieve even more fairness in management practices. The driving factors of these businesses for adapting the FTTSA standard were normative and value-based drivers: mainly social and moral obligations. Only later a certain market value of the label seemed to have evolved with businesses explaining economic-based motivations like external verification of fair business practices, credibility and recognition, and achieving a distinct market position. The challenges concerning the implementation of sustainability standards in the tourism industry which are widely discussed in scientific literature were present. The main constraints were rooted in a lack of resources concerning time and money, cognitive constraints and human barriers due to a weak understanding of the value of sustainability issues on both sides – within the companies and some of their clients. Moreover the proliferation of labels and the difficulties in quantifying the economic benefits of social sustainability hampers the introduction.

However, although owners and managers of certified businesses were aware of these challenges of implementing the standard they consider the positive impacts as outweighing the negative ones over time. This can be traced particularly on the positive evaluation of learning processes coming along with the standard implementation. The initiated changes of business practices due to the standard contributed to competence building and knowledge accumulation over time.

Furthermore, the often mentioned lack of market awareness was not perceived since especially international sustainable tour operators were interested in working with the certified businesses. Although the analyzed companies could not prove it with figures they were convinced that the FTTSA label facilitated a further integration into global value chains. Recent developments of FTTSA product development point in the same direction;since 2010 Fair Trade Travel Packages, consisting of certified establishments and accredited by Fair Trade International (FLO) have been sold internationally.

7. Conclusion

Until now, there has been little detailed exploration in the evolutionary trajectories of sustainable tourism standards incorporating the social dimension from a knowledge-based perspective. Using the case of FTTSA, one of the few standards integrating the social dimension of sustainability, the paper proposes investigation into the complex nature of the standard development over time and space. The results underline the interface of global and national knowledge dynamics in the standard setting, shaping each other over time. The co-evolution of the RT guidelines at the national level and later in the development of the NMSRT as well as the current GSTC developments mold the trajectory of the FTTSA standard at the different stages.

The active participation of South African actors in global initiatives of sustainable standard setting in tourism enabled the knowledge transfer from the global arena to its integration in national standard setting processes. Simultaneously, the cumulative knowledge on responsible tourism standards developed earlier in South Africa contributes to the baselines of global standards creation.

By tracing the knowledge dynamics in the development of the FTTSA standard the results clearly show the continuous adjustments to new developments on a national as well as a global level. Like other sustainable tourism standards FTTSA was developed participatory through multi-stakeholder consultation. However, a consensus-based standard setting process is not a sufficient condition for a successful broader institutionalization at the micro level. As Medina (2005) shows by the example of Belize, translation problems occur in the process and certification programs including social standards have problems to expand (Font & Harris 2005). Although the FTTSA standard is in an early stage, some conclusions on fostering factors for the broader institutionalization of social standards can still be drawn.

First, as the value added of social standards is hard to grasp and can only be perceived after a certain amount of time on the basis of learning processes, drivers for the implementation at the firm level are in the beginning mainly value-based motivations. Second, social criteria are aimed at achieving compliance of specific behaviour by setting stimuli for firms to contribute to social benefits within the organization and in the environment. The results of the FTTSA case underline that establishing the right balance of prescribed details and concreteness but also openness for interpretation and adaptation at the individual business level is an important facilitating mechanism. Especially for process standards with the aim to support learning, knowledge and capacity building a decisive factor is the quality of the assessment and the regular feedback. Third, the case of the FTTSA standard indicates that - even if social standards are set up based on a consensus model - there is still the need for continuous improvements and adjustments due to changes in the national and local environments in order to reach the aimed social benefits.

The empirical results stress that combinatorial knowledge dynamics are a prerequisite enabling the FTTSA standard to serve as mediator in consumption – production nexus. The specific way of combining heterogeneous knowledge bases in the institution building process has had a double sided effect: the FTTSA standard is well-integrated in the national institutional context and at the same time provided an answer to global demands for fairer and more sustainable tourism practices.

Future research is needed to evaluate the impacts of the FTTSA standard on the micro level in a more systematic way as it is still in an early stage. Especially the analysis of the implications for the communities involved in the activities of the certified businesses as well as the diffusion of the FTTSA standards in the broader region and globally could provide new insights. Moreover comparative research on the evolutionary trajectories of sustainable standards in tourism in other national contexts might contribute to a deeper understanding why some follow a much faster process and evolve more quickly while others never become highly institutionalized. A special focus on the mutual influence and interaction processes with other sustainability labels and the GSTC over time might be of interest for further policy development.

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