

Statistical Framework for Measuring the Sustainability of Tourism

Summary of Comments and Proposed responses
on SF-MST v5, December 2018

Prepared for discussion by the UNWTO
Committee on Tourism Statistics and the SF-MST
Editorial Board

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Introduction

The Statistical Framework for Measuring the Sustainability of Tourism (SF-MST) is being developed as part of the broader program of work on Measuring the Sustainability of Tourism (MST) that is led by UN WTO in collaboration with the UN Statistics Division. The development of SF-MST has been endorsed in a range of forums including the United Nations Statistical Commission, the UNWTO General Assembly and in the Manila Call for Action from the 6th UNWTO International Conference on Tourism Statistics: Measuring Sustainable Tourism in 2017.

Since 2016, a number of versions of the SF-MST have been released for review by the UNWTO Committee on Tourism Statistics and the Working Group of Experts on Measuring the Sustainability of Tourism (the Working Group). The most recent version, version 5.0, was presented for review to the Working Group in October 2018.

This note summarises the responses received on SF-MST version 5.0 and proposes responses for the next version. The note is for discussion at the 2019 meeting of the UNWTO Committee on Tourism Statistics and also the SF-MST Editorial Board which was established in October 2018 to provide technical direction in the development of the SF-MST.

After taking into account the recommendations of the Committee and the Editorial Board, it is intended that the next version of the SF-MST be circulated globally for consultation among relevant experts and professional staff in April/May 2018 and in conjunction with other consultation and discussion in relevant meetings. Ultimately, a final version of the SF-MST will be presented to the United Nations Statistical Commission for their consideration at their meeting in March 2020.

This note is structured around key topics that have emerged in the comments, largely following the chapter structure of the SF-MST. For each topic the note provides a summary of relevant comments, proposes some responses for consideration and notes a number of questions that may be the focus for discussion.

Key topics

Role of SF-MST

The SF-MST has the challenge of bringing together measurement from across economic, environmental and social dimensions and integrating this in a way that can lend support to the discussion of sustainability in tourism at national and local scales. Consequently, an ongoing issue in the development of the SF-MST has been reaching a common understanding of the role and purpose of the SF-MST.

SF-MST is intended to be a statistical document focused on describing a common and harmonized set of relevant concepts, definitions, classifications and treatments across the various measurement areas. As for other statistical frameworks – such as the International Recommendations on Tourism Statistics and the Tourism Satellite Accounts: Recommended Methodological Framework – the SF-MST is not intended to provide specific guidance on data sources and compilation methods nor will it provide, of itself, a data set for international comparisons. The broader MST project has commenced and will continue to develop guidance and implementation materials, capacity building resources

and discuss the development of an extended set of tourism indicators to support discussion of the sustainability of tourism.

In this context, the following comments were provided which indicate that the SF-MST needs:

- To further clarify role of SF-MST as a statistical document and place it in context with existing tourism statistics documents and other relevant statistical documents
- To explain the role of official statistics in providing comparable definitions for measurement purposes that can in turn support the measurement of changes over time and differences in context between locations
- To improve description of links to past and current work on defining and measuring sustainable tourism both within UNWTO (e.g. INSTO) and elsewhere (e.g. GSTC)
- To provide a stronger rationale for the importance of measurement as part of progressing towards sustainable outcomes in particular recognizing the need for evidence and allowing for context
- To consider why definitions associated with measuring tourism's sustainability may be missing
- To distinguish the discussion on the broader history of measuring sustainability from the specific issue of the development statistical systems for measuring sustainability.
- To increase the focus on the connection to the SDGs and reduce focus on the role of IY2017
- To clarify and align expectations on the implementation of the SF-MST in terms of allowing for flexible and modular implementation with ambitions to have comprehensive and comparable data on sustainable tourism globally.
- To recognize a range of challenges associated with implementation including recognizing the need for engagement across multiple government agencies to advance in this area and to consider the specific context of LDCs
- To recognize the significant potential of new data sources and advances in data to support progress in the measurement of tourism's sustainability, especially at local levels.

It is proposed that all of these comments can be taken into account in the next version of the SF-MST through the introduction of additional text and/or the re-organisation of existing material in Chapter 1. It is proposed that the incorporation of these additional points will provide an introduction to the SF-MST that suitably places the SF-MST in context to a wide range of different audiences.

Specific questions for discussion (beyond discussion of proposed responses):

1. Are there outstanding concerns on the intended role of the SF-MST subject to appropriate incorporation of the feedback described above?

Scope, structure and definitions

The conceptual scope of the SF-MST is broad and although it brings together a range of existing material from statistical standards and documents, the integration itself is relatively new from a statistical perspective.

In this context, the following comments were noted:

- There is a need to clarify focus of sustainability in the SF-MST, i.e. whose sustainability is being considered. Is it primarily from a tourism business or supply side perspective, a visitor

or impacts of consumption perspective, a sustainability of local destinations perspective, or some combination of these perspectives.

- The use of a multiple capitals approach is broadly supported but it should be recognized that the application of such approaches at sub-national scales and for specific sectors is not widely undertaken. Placing this approach in comparison to existing approaches for sustainability measurements in tourism would be appropriate, especially links to local level indicator-based approaches.
- The text should accept that there are broadly agreed concepts of sustainability even if not perfectly agreed on in every context – i.e. recognize explicitly the context-sensitivity in measuring sustainability.
- More clarity is needed on the links between the general measurement of economic, environmental and social dimensions and the sub-national and local scales of measurement that are within scope of the SF-MST. In terms of organization of material, more clarity is needed on whether the spatial dimension should be included in discussion of each dimension or alternatively, whether current chapters 2, 3 and 4 (respectively the chapters on economic, environmental and social dimensions) should be considered to provide a national level statistical framework for measuring the sustainability of tourism.
- Further, given the breadth of the SF-MST, it was suggested that its scope be reduced to focus more strongly on the link between the existing TSA and SEEA statistical standards – i.e. between the economic and environmental dimensions, and at the same time to limit discussion of the social dimension given the challenges of measurement in this area and also limit discussion of the sub-national dimension given that the very wide range of locations works against the potential of describing harmonized measurement approaches.
- More prominence should be given to the potential and role for monetary valuation within a multiple-capitals framing of sustainability.
- A definition of sustainable tourism industries should be provided.
- There was a need to better describe the links between the various accounts proposed in the SF-MST and the selection/derivation of indicators. This would support a stronger coherence across the document and give a clearer focus for implementation.
- Clarity is needed on the links between indicators, combined presentations and the potential to derive composite indicators.

Based on these comments the following responses are proposed:

- To introduce additional text to clarify the intended approach to sustainability using the multiple capitals approach which, in broad terms, should be to provide a coherent set of information that supports discussion of sustainability from all perspectives
- To clarify that the SF-MST is not intended to provide a singular assessment of sustainability in any given context and hence it is not proposed to provide a definition of sustainable tourism industry since this will be context dependent
- To retain the broad scope of SF-MST recognizing that some components are less advanced than others but, at the same time, taking advantage of the unique opportunity to place all dimensions in context and provide a platform for ongoing development of measurement that supports more informed discussion of current and future policy challenges.

- To recognize that, while conceptually the SF-MST is scale independent, the understanding of its role and the way it is applied will be different at national and local levels. These differences in understanding and application at different scales need to be discussed.
- To introduce additional text on the potential for monetary valuation being clear on challenges of measurement and interpretation that may arise.
- To ensure a clear connection is made between the description of accounts and the derivation of indicators, including the potential derivation of composite indicators.

Specific questions for discussion (beyond discussion of proposed responses):

2. Should the current scope of the SF-MST in describing a comprehensive approach across economic, environmental and social dimensions and linking national and sub-national scales be retained?
3. To what extent should the SF-MST discuss the potential for monetary valuation?

Economic

The economic dimension of SF-MST (Chapter 2) is the most established part of the framework reflecting directly the content of existing international statistical standards including the TSA:RMF, IRTS and the System of National Accounts (SNA). Although well-established the following comments were relevant to advancing and finalizing the text:

- There is a need to highlight better the demand side nature of tourism, i.e. the current discussion tends to focus on the supply side aspects of tourism industries
- Consideration should be given to the location of text on the topic of the environmental activities (i.e. environmental protection and resources management activities) of tourism characteristic businesses, and consider the extent to which this is an important topic within the SF-MST since there will be few tourism characteristic businesses whose primary activities would have a purpose of environmental protection or resource management.
- The current structure of Chapter 2 has placeholders for discussion of eco-tourism and the sharing economy. Given that these remain emerging and challenging areas of measurement perhaps their inclusion is premature.

In response,

- It is agreed that highlighting better the demand side of tourism is important and this can be incorporated in the introduction to Chapter 2.
- Given the strong environmental connection, it is proposed that the topic of environmental activities be discussed in Chapter 3 on the environmental dimension. However, there are also clear links between this topic and the discussion of green jobs. Therefore, as material on that topic develops, further consideration will be needed of the most appropriate organization of the material.

Specific questions for discussion (beyond discussion of proposed responses):

4. Should discussion of eco-tourism and the sharing economy be included in the SF-MST and if so, to what extent can statistical advice be provided?

Employment

There is strong support for the inclusion of employment in the SF-MST. There is also a good starting point for the discussion evident in the material included on tourism employment in the IRTS and the TSA-RMF as well a range of other material related to employment and sustainability from the ILO, for example on green jobs and decent work.

The following comments were received in relation to the measurement of employment in an SF-MST context:

- There is a high relevance in encouraging the collection of data on the tourism labour force and the human capital approach of the SF-MST was appropriate.
- It would be relevant to clarify whether the human capital approach was intended to focus on building skills of employees and/or on assessing the skills within the tourism industry
- Key characteristics of the labour force that might be monitored include: local employment, country of permanent residence/nationality, gender, skills / education (skills shortages), disability, hours worked, employment opportunities and employment by sub-national areas
- The scope of employment needs to be clarified, in particular whether it should be limited to employment in tourism industries
- There is a need to take into account the common poor link in tourism between the skills and experience of employees and the nature of the job being performed
- The measurement of decent work is important notwithstanding the data collection challenges. Key aspects of decent work include: safe working environment, wages and earnings, representation, rights (sick leave/ social security, etc.)
- The measurement of green jobs is appropriate, but clarity is needed on the approach to be taken, i.e. whether it should be based on the SEEA's definitions concerning the environmental goods and service sector (EGSS) or focus on the extent to which jobs are located in businesses using more environmentally friendly processes (e.g. reducing water use).
- The measurement of employment in tourism has some specific challenges, in particular the large number of own account and sole proprietors, the extent of informal employment, and the prevalence of seasonal work. These challenges raise issues in applying standard approaches to data collection using surveys or administrative sources.
- There is an opportunity to make stronger connections to earlier work of ILO in this area.

A number of the comments received on the employment point to measurement issues of relatively long-standing concern and evidenced by the comparative lack of data on tourism employment collected by UNWTO. It is not expected that the SF-MST itself will resolve these issues but it may act as a catalyst for action to overcome the challenges.

Responses to these issues are not proposed here as the topic of employment in the SF-MST has been the subject of investigation by a small sub-committee who will report on their discussions at the Committee meeting.

Environment

A key aspect of the SF-MST is using the broader multiple capitals framing to underpin the connection between the economy and the environment. This is embodied in describing the relationship between the concepts and treatments in the TSA:RMF and the concepts and treatments in the System of

Environmental-Economic Accounting (SEEA), both of which are based on the SNA. The connection between the TSA:RMF and the SEEA has also be reinforced through the finalization of a Technical Note describing the connection and the potential approaches to measurement.

Notwithstanding the strong conceptual base for the SF-MST's environmental dimension, the following comments on the environmental dimension were received:

- Highlight the relative dependence of tourism on the environment to attract tourists, in particular the very high relevance of coastal areas for tourism activity.
- Recognise the link between tourism impacts on habitats, local water catchments, etc and effects on local communities, i.e. recognise the importance of the environmental dimension not only from the tourism supply side also from the perspective of local communities and in relation to visitor consumption.
- Clarify the rationale for the focus on four environmental flows – water, energy, GHG emissions and solid waste.
- Discuss the importance of the environmental dimension at sub-national and local scales and the associated variation in environmental context that need to be considered.
- Discuss issues related to **circularity and the displacement factor**
- In measuring environmental flows consider discussion of household generation of GHG emissions (e.g. holiday homes, own transport) and also ensure recognition of renewable/non-renewable sources of energy in measuring energy use.
- Ensure appropriate links are made to past UNWTO work in this area, e.g. on wildlife watching
- Recognise the potential to use non-tourism data sources, for example from water and energy supply companies, to compile estimates on the environmental dimension.

All of these comments should be able to be readily incorporated into the next version of the SF-MST. Of particular note is highlighting the relative importance of coastal areas in the context of tourism activity and the need to recognise more explicitly the connections with local communities. Making the connection between national, sub-national and local scales is quite possible in theory using the SEEA approach but it is likely that the compilation of accounts will be focused at the national level. Explanation will therefore be required as to how this set of information can be linked to specific local environmental decision making and how local level information can be effectively incorporated for assessing sustainability within the SF-MST framework.

Specific questions for discussion (beyond discussion of proposed responses):

5. Do you have any thoughts on the potential to develop the connection between national level environmental accounts and local level environmental indicators?

Social

There is little doubt that the social dimension is a fundamental consideration in discussing the sustainability of tourism. Unfortunately, it is also the dimension for which the development of indicators and measurement standards is least developed. Initial versions of the SF-MST have provided a basic framing for the discussion of the social dimension. In response to this basic framing the following comments were received:

- There was support for including the measurement of the social dimension within the SF-MST and, in broad terms, the types of considerations and perspectives described in the draft chapter 4 are relevant.

- It would be appropriate to recognize that the measurement of the social dimension is less developed but at the same time there is potential to describe relevant indicators and hence ensure inclusion of this dimension.
- Work on advancing measurement of the cultural aspects of the social dimension is advancing through the development of cultural satellite accounts
- In assessing the social dimension, the host communities' perspective is the most critical, including consideration of local firms, workers and residents.
- In terms of advancing work, a limited focus on core indicators is a good starting point
- There is a general challenge of supporting comparability across destinations
- Particular issues to consider that are not listed in the chapter include indicators related to the eradication of sex tourism (especially children), incorporating information related to nomadic communities. Also, there is the need to ensure terminology is up to date in terms of current use (e.g. use local satisfaction rather than perception).

Responses to these issues are not proposed here as the topic of the social dimension in the SF-MST has been the subject of investigation by a small sub-committee who will report on their discussions at the Committee meeting.

Spatial

As noted through this summary of comments, taking the spatial aspects into consideration is fundamental in the assessment of sustainability. In short, assessing sustainability is context and location dependent. The feedback on the discussion of the delineation of spatial areas for the measurement of sustainability covered the following issues.

- Consider revising the chapter title to “Measuring the sustainability of tourism at sub-national levels” and extend the focus beyond only the delineation of spatial areas
- There was general agreement that the descriptions of the spatial scales proposed in the chapter were suitable noting the following points
 - The use of administrative units at the first sub-national level was appropriate
 - In practice reducing the number of scales to focus on ones of most relevance wrt sustainability should be considered (e.g. limiting to global, local/municipal)
 - Recognise that the relevant scales will likely vary by country
 - Need to clarify the connection to tourism regions which are combinations of countries
 - It would be appropriate to link to the language of spatial planners, i.e. local level equals the current municipal level and below this, distinctions are made between urban and rural or specific agglomerations
- The proposed approach to delineating areas on the basis of tourism importance is appropriate noting that it may also be relevant to consider a link to broader “areas of influence” which are different from tourism areas but are relevant because of links to for example, employees and environmental dependence (e.g. water catchments).
- While establishing principles for delineation is appropriate the broader aim should be to develop a toolkit that can be applied in a common way across different scales by local communities and decision makers.

- It is important to recognize the differences among different areas and hence different indicators might be required
- Some data and indicators will be “non-spatial” in the sense of not being less able to be allocated to the local level (e.g. indicators concerning climate change, visitor perceptions, labour movements)

Responses to these issues are not proposed here as the topic of spatial areas in the SF-MST has been the subject of investigation by a small sub-committee who will report on their discussions at the Committee meeting.

Indicators

SF-MST version 5.0 included a new chapter on Combined presentations, indicators and applications related to measuring sustainability. The inclusion of this new chapter was widely endorsed. Comments on the limited text currently included, and on the topic of indicators more generally, were the following:

- There is a clear role for the discussion of indicators to provide a link between the compilation of accounts and the discussion and assessment of sustainability.
- Further, indicators can provide a focus for measurement and thus a starting point for assessing data and compilation requirements.
- The use of the SDGs to provide a framing for the identification of indicators was considered suitable for most with the caveat that it will be important to also consider how to co-ordinate with the development of non-tourism indicators of sustainability and also consider how effectively the SDG framing applies at sector and sub-national levels.
- While there are many potential indicators it would be appropriate at this stage to focus on determining some definitions for a limited number of indicators. Suggested areas of importance were: employment, environment, and population.
- In developing indicators, it is important to recognise that different indicators will have different relevance at different spatial scales. In this regard, it may be necessary to develop indicator sets that are appropriate for national, sub-national or local scales.
- It will be a challenge to determine thresholds for some indicators to support comparison of progress towards sustainability (e.g. decent work)
- Articulating the link between governance and the use of indicators and analysis will be important and further, it is important that the SF-MST and the compilation of data is not seen as the end goal but rather as one step towards more informed discussion and analysis and hopefully sustainable outcomes.

Since Chapter 6 is new, these pieces of feedback provide useful context and framing for the chapter. Ensuring appropriate discussion of the role of indicators should be relatively straightforward. More challenging will be the selection and definition of a limited set of indicators, articulating the linkages to the SDGs and potentially establishing national and local level indicator sets. At this stage, it is not anticipated that a final, standard set of indicators could be agreed upon for the SF-MST. However, it should be possible for the SF-MST to define a limited, initial set of key indicators that can be seen as a starting point for measurement and international comparison.

Specific questions for discussion (beyond discussion of proposed responses):

5. How much alignment or difference should be considered appropriate in the description of national and local level indicators?

Data and implementation

Although implementation is not a focus of discussion in the SF-MST, a range of comments were received that are relevant to this issue and hence to the broader MST project. With respect to data the following comments were received:

- Accept and recognize the clear data challenges involved
- In the measurement of the social dimension collecting information on population sub-groups may be difficult
- Making advances on the collection of tourism employment data should be considered critical
- Explicit mention should be made of the potential for new data sources, such as mobile phone data, to be used to support implementation of the SF-MST at either local or national level.

With respect to implementation the following comments were received:

- It will be important to link the SF-MST to plans for technical guidance material and capacity building on MST
- Need to recognize the differences in skills and experience wrt data between national and sub-national levels
- Discussion on the potential for developing integrated national and sub-national/local datasets should be considered
- It would be beneficial to provide examples of measurement approaches applicable for LDCs
- A Spanish version of the SF-MST would be appreciated.

In response, in revising the SF-MST we will add text to better recognize the data challenges involved but also the opportunities that may arise through new data sources. Given the variety of contexts in which implementation will take place it is not possible to provide standardized advice on compilation but where appropriate the SF-MST will provide general direction on methodological approaches and possibilities. The potential to develop integrated datasets is an interesting application which is possible in theory. Discussion of the practical steps towards this goal will be presented in Chapter 6. Other comments on implementation will be taken on board in the development of the MST implementation program.