THE HOTEL INDUSTRY AND HUMAN RIGHTS: A PRELIMINARY STUDY IN JOGJAKARTA

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INTRODUCTION

This research will attempt to generate preliminary knowledge concerning the hotel industry and human rights in one of the most popular tourism destinations in Indonesia, namely Jogjakarta. This kind of study is needed in order to provide insight on how human rights protections are operating in the practical realm of the tourism business, particularly in the hotel industry. Meanwhile in the Indonesian context itself, respecting human rights has been accepted as one of the commanding principles exercised in Indonesian tourism as outlined in Indonesian Tourism Law No.10/2009 (article 5b).

Another reason to conduct this study is that as one of the vital parts of the tourism industry, hotel businesses have been identified as having the potential to violate human rights in some areas (ITP & Green Hotelier, 2014). In Indonesia, some cases related to the rights of hoteliers have been identified in the past few years (Beers, 2013, Sudiarja (et al), 2013). In 2015, tensions regarding hotels and the right to water rose in Jogjakarta followed by a counter movement against the water shortage from some local groups (Watchdoc, 2015).

Consequently, it is becoming very relevant to propose the research question: to what extent does the hotel industry in Jogjakarta comprehend and address human rights issues in terms of their responsibility to respect human rights? In other words, this research is attempting to gain a preliminary understanding of how hotels respond to the commanding principle about respecting human rights practices.

By performing this research, an introductory description about the hotel industry in Jogjakarta and its responsibility in respecting human rights will be obtained. This description will be used as initial information, which can be further investigated in terms of specific issues and also in more conceptual and applicable aspects. Furthermore, the findings of this research may provide insight for the hotel industry itself concerning its role towards the protection of human rights.

LITERATURE REVIEW

Tourism and Human Rights

For a long time, tourism has been tied to human rights and this relationship can be interpreted in two dimensions: internal and external. The use of the terms internal and external refers to the nature of the relationship between human rights and tourism activities. The internal dimension represents the initial part or the departure point of the tourism activities, whereas the external dimension represents the following part after the tourism activities have been executed (Sandang, 2014).

In the internal dimension, the basic right of each individual to participate in tourism activities is embraced. Furthermore, the basic right within this dimension relates to leisure time and the assurance of travelling freely. Beyond merely recognizing this right, this dimension also has to be manifested in all the efforts needed to create tourism opportunities (UNWTO, 1999, World Leisure, 2000, Veal, 2003, Higgins-Desbiolles, 2006, Breaky & Breaky, 2013, Sandang, 2014, 2015a).

In the second, or external, dimension, human rights principles work as a guarantor for the fulfillment of basic rights and protection against abuses that arise from tourism activities both for tourists and the host community. Therefore, in this dimension, human rights are inseparable from how tourism itself is executed by its many stakeholders, especially the government and the tourism industry (George & Varghese, 2007, Eriksson (et al), 2009, Cole & Morgan, 2010, Cole, 2014, Higgins-Desbiolles & Whyte, 2015, Sandang, 2014, 2015a).
Human Rights and Sustainable Tourism

UNAC (United Nations Association in Canada) has stated that the support of human rights is one of the prerequisites for sustainable development. This is due to the fact that humans are the key to every single action, which can enhance the condition of their own lives. At the same time, humans also have the ability to ensure the survival of the planet on which we are now living in order to provide for future generations (UNAC, 2011). Aligning with the UNAC, in some emergent frameworks like the Global Compact and the Global Reporting Initiative, human rights and sustainability are both supporting themes in attempting to answer the problems of the environment, corruption and labor issues (McPhail, 2013).

Human rights is an issue closely related to sustainable tourism since “sustainable tourism will remain incomplete without including human rights of its stakeholder as one of its constituents” (George & Varghese, 2007). This statement is reasonable since one of the objectives of sustainable tourism is to respect the rights of the host community and to distribute the benefits of tourism to every stakeholder equitably (Weaver, 2006).

Furthermore, in the Global Code of Ethics for Tourism (UNWTO, 1999), the relationship between sustainability and human rights can be found when tourism as “a factor of sustainable development” (article 3) is acknowledged as one of the ethical code principles together with other principles which consist of human rights dimensions (article 2, 5, 7 and 9). Therefore, in every discussion about sustainable tourism nowadays, taking the agenda of human rights into account cannot be avoided, or as what has been more concisely stated by Higgins-Desbiolles & Whyte (2015), “a human rights perspective gives us a more macro approach and is essential for thinking meaningfully about sustainability”.

Finally, in terms of an approach to tourism knowledge, the relationship between sustainable tourism and human rights is supported by an emerging paradigm known as hopeful tourism, which tries to encapsulate a fresh point of view combining co-transformative learning and action (Ateljevic, Morgan & Pritchard, 2011, 2013). This paradigm proposes three sets of agendas.

**Figure 1. Human Rights Dimensions in Tourism**
that are concerned with planetary justice and sustainability, in which one of the agendas is to promote human dignity, human rights, and justice in tourism policies and practices (Pritchard, Morgan & Ateljevic, 2011).

**Hotels and Human Rights**

With the recent progress in the business and human rights discussion, there has been a particular development that could play an important role in addressing human rights issues in relation to business entities: the Guiding Principles on Business and Human Rights (GPs).

The GPs were developed in 2005 by John Ruggie through a special recommendation by the United Nations Commission on Human Rights (UNCHR) in response to “the growing concern about the impact of business activities on human rights and the lack of clarity about the human rights responsibilities of companies” (UNCHR, 2012). Finally, in 2011, the UNCHR endorsed the GPs through the 17/4 resolution of 16 June 2011 as part of the implementation of the United Nations ‘Protect, Respect and Remedy’ Framework.

The GPs (also known as Ruggie Principles) consist of three pillars: State Duty to Protect, Business Responsibility to Respect, and Access to Remedy (GPs, 2011). The first pillar asserts that the duty to protect and fulfill human rights remains on the state’s shoulders, and this duty includes protection against third parties, such as business entities. The GPs emphasize that this specific duty needs to be handled in terms of effective policies, legislation, and regulations to prevent, investigate, punish and redress human rights abuses. Furthermore, this duty requires the state to set out their expectations clearly for all business entities operating within their jurisdiction to respect human rights in their operations (GPs, 2011, Addo, 2014).

In the second pillar, the GPs convey the corporate responsibility to respect human rights. They strongly emphasize that corporations need to avoid infringing upon the human rights of others and require corporations to conduct human rights due diligence processes including impact assessments as one of the key elements (GPs, 2011, Addo, 2014). In the third pillar, the GPs provide guidelines for remedies, including formal judicial, administrative and non-judicial processes alongside corporate grievance mechanisms (GPs, 2011, Addo, 2014).

Although at this stage the GPs work as a non-binding instrument (soft law), the presence of GPs starts a whole range of discussions, debates, and follow-ups from various parties (de Felice, 2015, Mohan & Morel (ed), 2015). Among many tourism organizations and businesses, there are a few that have already made an effort and taken initiative based on the GPs, including in the hotel business community (Sandang, 2015a).

One of the initial efforts in the tourism sector was made by Tourism Concern, an NGO from England focusing on tourism issues, through an industry-briefing document presented at the London World Travel Market 2011. In accordance with the GPs (especially the second pillar), this document assertively states that human rights are becoming an inseparable part of how the tourism industry itself is managed by various stakeholders, especially the government and tourism businesses. Furthermore, due to the push for more responsibility on the part of businesses to respect the GPs, Tourism Concern emphasized some principles, which can be used as guidelines for the tourism industry (Tourism Concern, 2011).

Moreover, in relation to the hotel industry, International Tourism Partner (ITP) and Green Hotelier published the *Know How Guide: Human Rights & the Hotel Industry* in 2014. This guidebook is specifically intended to give a high-level introduction of the GPs including steps to implement. Within this guide, there is a direct reference to the GPs, especially principles 11 to 24 and 29 to 31, which are complete with general guidelines and links to further sources. The interesting part of this guide is that “the detail list of some key areas where human rights issues may be prevalent for a hotel business” has been included. Some issues mentioned cover workers’ rights, supply chain related issues, communities’ rights, human trafficking risks, customers’ rights, and governance related issues (ITP & Green Hotelier, 2014). Following are some key human rights issues in hotels that are identified in the *Know How Guide*. 
Table 1. Key Human Rights Issues in Hotels

<table>
<thead>
<tr>
<th>Issues</th>
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<tbody>
<tr>
<td>Right to Work</td>
<td>Are you providing jobs for local communities and contributing to the local economy?</td>
</tr>
<tr>
<td>Labor Conditions</td>
<td>Are your employees well treated?</td>
</tr>
<tr>
<td>Land Rights and Forced Displacement</td>
<td>Has your hotel denied local people access to their land?</td>
</tr>
<tr>
<td>Forced Labor</td>
<td>How well are your agency workers treated? Can you be sure they are not being exploited?</td>
</tr>
<tr>
<td>The Right To Water and Sanitation</td>
<td>Are you enhancing the drinking water availability for the local area? Or is your hotel’s consumption of water at the expense of others?</td>
</tr>
<tr>
<td>The Right to Life and Health</td>
<td>How do you ensure staff wellbeing?</td>
</tr>
<tr>
<td>The Right to Dignity and Privacy</td>
<td>How do you protect the privacy of your guests?</td>
</tr>
<tr>
<td>Economic Impacts</td>
<td>How are you giving back to the local communities through employment and supply chains? Are you paying suppliers and workforce fairly?</td>
</tr>
<tr>
<td>Cultural Impact:</td>
<td>Are you providing a center for community involvement that enables positive and shared cultural experiences? Or do you provide excursions that exploit local communities?</td>
</tr>
<tr>
<td>Child Labor</td>
<td>Are any of the goods or services you use the product of child labor?</td>
</tr>
<tr>
<td>Sexual Exploitation</td>
<td>Are your premises used to sexually abuse adults or children?</td>
</tr>
<tr>
<td>The Right to Participate</td>
<td>Do your workers have a voice?</td>
</tr>
</tbody>
</table>

(Adapted from ITP & Green Hotelier, 2014)

Thus, we can clearly see that the incorporation of human rights in tourism has been developed. Starting with the relationship between tourism and human rights in a conceptual manner, it then moved further to the relationship with sustainable tourism, while the external dimension of human rights has reached specific tourism businesses, in this case, that of the hotel industry.

METHOD

Based on a social constructivism worldview (Creswell, 2009), this study utilized a qualitative approach, which relies mostly on the data from the key participant’s setting. As a preliminary study with a short-term research duration (a period of three months), this study was limited to starred hotels with participants from seven hotels and one representative from the Indonesian Hotel Association of Jogjakarta. As for the seven hotels, one was an international chain five star hotel, one was an international non-chain five star hotel, one was a national chain four star hotel, two were national non-chain three star hotels, one was a national chain two-star hotel, and one was a national non-chain one star hotel. The research setting itself was in Jogjakarta, which is one of the most popular tourism destinations in Indonesia with a range of tourist attractions for lovers of nature, history, culture and education (Novira (et al), 2012).

The justification for the starred hotel selection is based on the understanding that these hotels have all been categorized according to standards in three areas (service, product and management), regulated by Ministry of Tourism Regulation No.53/2013 regarding hotel business standards. In other words, starred hotels are assumed to be rated hotels which are supposed to pay attention to human rights issues since several human rights issues have already been addressed in the relevant regulation (Sandang, 2015b).

The data collection was done by using semi-structured interviews with hotel representatives who were considered to be competent and capable in answering questions asked, in this case, the general managers or human resource managers. The duration of each interview averaged 1.5 hours for discussing questions related to the hotel’s understanding of human rights, where the understanding was acquired, and how human rights issues are handled by the hotel itself. In the end, all the gathered data was analyzed inductively from particulars to the general themes, and after that, interpretation was carried out to generate meaning from the data (Creswell, 2009, Yin, 2011).

As for ethical consideration, this research was approved and supported by the Indonesian Hotel Association of Jogjakarta and undertaken voluntarily.
by all participants. Finally, the identities of the hotels and participants in this research are not mentioned or specified for ethical reasons. In the end, the result of this research is going to be shared with all the involved hotels and will be presented at the Hotel Association forum.

**FINDINGS**

**Comprehension of Responsibility for Human Rights**

Regarding the responsibility of hotels to respect human rights, the understanding of most hotels was concentrated more on the area of human labor issues, although there was an exception for international chain and non-chain hotels. All participants stated that they adhere to several government regulations related to hotel businesses, mainly the Ministry of Tourism Regulation No.53/2013 about hotel business standards, Indonesian Labor Law No. 13/2003, and also the district regulation of the usage of groundwater (Jogjakarta Mayor Regulation No.28/2013). Only international chain and non-chain hotels revealed that they have adopted some international regulations and guidelines related to human rights issues, including the GPs. These findings showed that there is a limitation in accessing normative provisions or other references outside the government regulations related to human rights issues, especially for national chain and non-chain hotels.

Furthermore, it has been acknowledged that the role of hotel associations (such as the Hotel Association or Human Resources Management Association) is becoming more important for the broadcasting of rules and regulations, standards, and sharing of problems encountered by hotels. However, in the discussion of hotels’ references and problems, human rights issues still remain a largely ignored topic. According to a representative of the Hotel Association, the phrase “human rights” commonly implies abuse or violation; therefore the use of this phrase is thought to be used for discrediting hotels. This finding implies that there is not an appropriate understanding about human rights and the link with the hotel industry, although guidelines for the protection of some human rights have been written into government regulations regarding hotel standards (Sandang, 2015b).

At the same time, it is generally the view that the standards for hotels are easier to fulfill by established chain hotels.

“They (the hotel business standards) are very significant, because according to the regulations it is very ideal: ideal for chain hotels, ideal for hotels which already have a sustainable blueprint.” (Three star hotel)

Furthermore, some hotels stated that revenue is much more important than following the standards of star classification. The main reason is that the process of classification is somewhat costly, especially for one star hotels. They also face the dilemma of whether they should follow the standards or maintain revenue for the sake of the welfare of the hotel workers.

**Labor Conditions**

The issue of human labor is the most common issue identified by hotels in regard to human rights issues. In accordance with the participation rights of laborers, most hotels in this study do not have a labor union, with the exception of one international chain hotel. In the other hotels, there is a mechanism in place for laborers to express themselves, namely the Human Resources Department (HRD), which is facilitated through periodical meetings or at a departmental level. According to one of the participants, labor unions are becoming an urgent need in workplaces where labor rights are ignored or still below the minimum standard. In maintaining a good relationship with their employees, some hotels take more of a familial approach, although there are no labor unions. The familial approach here refers to problem-solving approaches that are commonly used among family members such as personal communication.

Associated with labor status, most hotel staff are contracted workers with a small number of permanent workers within the top management levels, though there was one international non-chain hotel that stated that they have a relatively balanced ratio of contract and permanent workers. For this particular four star hotel, it was found that they give a salary above the regional minimum wage along with additional health insurance outside of what is required by the government. However, the three star hotels only provide a minimum wage salary along with health insurance from the Healthcare and Social Security Agency required by the government (Presidential Decree No 111/2013 about health
assurance). All participants revealed that they give a salary bonus budgeted from the various service charges. Human resource development and assessment varied in every star classification.

Among all participants, there were no issues found that related to sexual abuse and exploitation. Nevertheless, it must be realized that these issues are hard to identify in an Indonesian legal context since the nature of such violations is a crime by accusation, meaning that when there is no report it is not considered an issue. Also, all hotels claimed that they do not hire child laborers in their business practice. There was only one participant that stated that they have a campaign program against CSEC (Commercial Sexual Exploitation of Children; Children in Prostitution, Child Sex Tourism, Child Trafficking and Child Pornography).

There are a number of items that could be highlighted here. First, it is important to assure and provide a channel of communication for employees which can be followed up on since it closely and directly relates to the right to participate. Furthermore, a labor union can be set up while maintaining a familial approach.

Second, a human resources development program is needed in accordance with the capacity of each star classification. However, this effort must be considered not only from the perspective of product and service development, but also as a fulfillment of staff well-being (the right to life and health) as well as promoting awareness of human rights in the hotel context.

Third, there is an opportunity to increase salaries through the distribution of the service charge revenue, although this may only happen if the occupancy rate rises as well. This is interesting to note since it relates to hotel competition, which is more rigorous nowadays in Jogjakarta. This is worsened by more and more overlap among the hotel classifications in Jogjakarta. As one participant revealed:

“As an example, there are four star hotels that offer a budget price. This makes us anxious. Four star hotels sell at a two star hotel’s price, now what price must two-star hotels, like us, offer? Thus, the sales fight is really hard.” (Two star hotel)

There are several ways that a service charge distribution could be applied by considering equal distribution, workload and seniority. In the Indonesian context, there is a specific regulation concerning this matter that is still applicable (Labor Ministry Regulation No.02/1999 on service charge distribution for hotels, restaurant and other tourism businesses).

Fourth, there is still a gap in the regulation related to the labor status used by most hotels. Thus, the status of their contract workers could remain unchanged indefinitely. This situation has implications in the area of job security issues and it needs to be further investigated to understand the precise condition of the matter.

Community and Cultural Rights

This research found that there are several issues with the local people that arose in the initial phase of hotel development regarding disturbance permission. It is required for hotels to obtain this permission from local people around a hotel’s area of operation before the hotel can build and operate in that area. Still this issue can be handled well by approaching the local people and assuring them that the presence of the hotel will not disturb the local people.

In regard to community rights, most of the participants stated that they have provided job opportunities for local people within their operating area. The job opportunities provided are still limited among most participants in that they only employ daily workers. One participant stated that it is difficult to offer job opportunities to locals due to a lack of skills and qualifications. However, one participant stated that they hire local people to work in departments such as accounting and marketing as long as they meet the standard requirements.

Furthermore, all participants also asserted that they have various Corporate Social Responsibility (CSR) programs that operate according to the needs of the local people. Concerning economic impact, all participants stated that they use locally sourced products, mainly from the local market and local SMEs (small and medium enterprises).

This research has found that there is a connection between some CSR programs and local product uptake and job opportunities for local people. In this case, the CSR programs initiated by the hotels answered the issue of job opportunities for local people and provided demand for their products as well.

“We provide CSR programs for SMEs. At every breakfast, we empower local people selling traditional drinks. They are invited to sell their
product in our hotel. If I am not mistaken, one basket used to cost around 90 thousand rupiah. I don’t know how much it costs now, but they still sell their product at every breakfast. We also empower local suppliers. We have cooperation. [...] As an example: suppliers of traditional herbal drinks and traditional snacks. We never make traditional snack ourselves.” (Four star hotel)

A similar statement was made by another participant.

“In our hotel, CSR programs are [for] the old women [in the neighborhood]. We provide jobs for them if there is a group desiring home [local] cuisine [...], then we call them. Downstairs there are old women [from the neighborhood]. They are cooking right now.” (Three star hotel)

Related to cultural rights, this research found that most of the hotels have adopted local culture, mainly in the introduction of local culture through their decorations, ornaments, culinary offerings and gestures. Exceptions only occured in two star hotels. Due to standardization from their chain they have not adopted local culture. Jogyakarta itself is well known as a cultural heritage tourist destination, thus the uniqueness of the local culture can be found almost everywhere. However, we might wonder if the problem of cultural exploitation and commodification could occur here. Meaning, how much hotel business action with regard to local culture is authentic, sincere and inseparable from the appreciation of local culture itself without any tendencies to exploit local communities. Therefore, future research toward this issue needs to be conducted.

There are some points that can be made with regard to this issue. First, a personal approach with social sensitivity, which includes sincerity and honesty with good communication skills on the part of the hotels, is needed. Hotels must be able to hear the aspiration and involve local people in some relevant parts of hotel management.

Secondly, hotels can participate in enhancing the quality of human resources for local people so they will be able to participate more in hotel management. Besides merely consuming local products, hotels could also help improve the quality of local products in a way that is advantageous for both sides. On one side, the local entrepreneurs can acquire the assurance of demand for their product, and on the other side; hotels can get a reasonably priced product with a desirable level of quality. Thirdly, related to the issue of cultural rights, the issue of cultural commodification needs to be further investigated to establish a middle ground between local product consumption and local culture respect.

**Right to Water and Sanitation**

Related to the water issue, this research found that there was a specific water issue with one participant and the local residents. In that case the local residents complained that water accessibility had been blocked for awhile in their neighbourhood, and the hotel was the main reason why. Nonetheless, the issue was resolved through a meeting between hotel representatives and local residents who met to discuss water utilization and water management issues. There were no water issues with other participants as long as the hotels followed the government rules for water utilization.

In general, hotels stated that they use a deep well model in making use of the groundwater. Yet, some use the direct access made available by the Municipal Waterworks (PDAM). It was admitted by one of participants that the cost of setting up water installation and following government rules regarding the usage of groundwater is relatively expensive. To set up a water system costs about 1.3 billion rupiah, and to dig a deep well costs 280 million rupiah, excluding tax. The process is carried out by a well construction agency.

Waste issues were not found with all participants. This research revealed that there are several waste management models that can be utilized by both hotel workers and local businesses. As an example, one of the participants stated that unused boxes were collected and sold by the workers through employee cooperation. Another participant stated that the waste from their kitchen is used by a local fishery.

“[...] Then for the waste intake, I mean the garbage waste from the kitchen can be used for livestock food [...] fish food.”

There are some interesting points that can be highlighted from this part. The first one is the importance of following the existing rules related to water management, though it is considered costly. Another point is that the issues of water and waste need to be regarded as an investment for
environmental sustainability, which impacts the human rights of society. There are some alternatives forms of waste management which may bring benefits for various parties. Finally, advanced research is needed to explore the problems occurring in relation to the locals’ right to water.

CONCLUSION

As a preliminary study, this research concludes that the hotel industry has attempted to respect human rights, and most of their understanding of this issue has been derived from government rules that have been applied. In general, the understanding of human rights issues from the hotel business perspective ranged from labor issues to CSR programs, although they have already paid attention to other issues as well. Therefore, hotels could improve their awareness and understanding concerning their responsibility towards human rights by referring to other sources outside of the existing regulations and integrating them more comprehensively in the managerial practices of their hotels.

As a first step, hotels could develop policies that lay out the commitment to respect human rights in every aspect of their business management and communicate that policy to all levels of management, both internally and externally. The second step that could be taken is to conduct a human rights due diligence assessment, which cover four key elements: a. Assessing actual and potential human rights impacts, b. Incorporating into company procedures and addressing impacts, c. Measuring and reporting performance, and d. Communicating the result transparently.

This research also concludes that is important for the hotel association to introduce and discuss human rights issues in their forums in the hope to strengthen the good practices that already exist while introducing new issues that have not yet been addressed. In this matter the hotel association may clarify the relationship between the hotel industry and human rights in a way that portrays human rights positively, rather than as something associated with abuses or violations which can discredit hotels.

As a closing remark, this research realizes its limitations and would like to recommend some points that could be considered for further research. In the long run, it would be more suitable to conduct more quantitative research with a larger sample from the total population of hotels in order to obtain a wider interpretation. After that, other forms of in-depth research toward specific issues will be essential to follow up on some of the findings. Something else that this research is lacking is another point of view, especially from the side of the government and community. Therefore, in future research it is necessary to include other stakeholders as participants.

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