

# Sustainable Tourism Future

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The content of this course was developed by faculty from the following institutions:





## Designing Sustainable Models

THERE'S A COOPERATIVE BREWING

Photo Credit: Stock Image

# Focus

The focus of this module is to reflect on the evolution of the tourism enterprise and consider alternatives to traditional business models to better align with and support sustainability.



Focus: Tourism can be a force for good in world, advancing discovery and learning and protecting our environment from harm. Yet climate change has led to safety concerns and water shortages, and tourism overcrowding to biodiversity loss and damage to attractions and destinations.

Photo credit: [https://www.peoplesmattersglobal.com/article/hcm-hrms-hris/organizational-agility-the-most-potent-tool-to-fight-business-disruption-21611?media\\_type=article&subcat=hr-technology&title=organizational-agility-the-most-potent-tool-to-fight-business-disruption&id=21611](https://www.peoplesmattersglobal.com/article/hcm-hrms-hris/organizational-agility-the-most-potent-tool-to-fight-business-disruption-21611?media_type=article&subcat=hr-technology&title=organizational-agility-the-most-potent-tool-to-fight-business-disruption&id=21611)

## Module Learning Outcomes

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- Identify alternative tourism models that support regenerative tourism.
- Critically analyze the United Nations sustainable Development Goals as a framework for advancing sustainability in tourism.
- Address the challenges of a multistakeholder industry, the geo-political, cultural, environmental dynamics in implementing effective design thinking.

## Module Objective

This module uses a case study approach to provide an understanding of the cooperative model of business as a more sustainable design of enterprise.

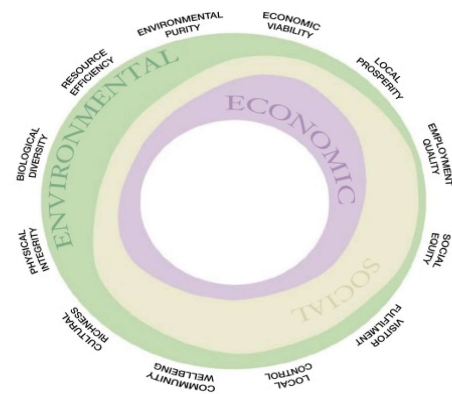
This module uses a case study approach to provide an understanding of the cooperative model of business as a more sustainable design of enterprise.

- Both in scholarly research and in practise, there is a search for greater equity, justice, ethical and sustainable models of business. Many concepts have evolved: Community-Based Tourism, Sustainable Tourism, Responsible Tourism to name a few. All are worthy of attention.
- This module, however, looks at a legal business structure, the worker co-operative, as a positive alternative design.

## Pre-Module Readings

In preparation for this module, students should read the following information from the accompanying course notes booklet.

- Starting a Worker Co-op: A Canadian Handbook produced by the Canadian Worker Co-op Federation, Calgary, AB [www.canadianworker.coop](http://www.canadianworker.coop)
- Dangi, Tek B. and Jamal, Tazim (2016). [An integrated approach to sustainable community-based tourism.](#) Sustainability, 8(5), 475.



Aims & Pillars of Sustainability, UNWTO

In preparation for this module, students should read the following information from the accompanying course notes booklet. Reading this information before they start the module will help set the context for what they are about to cover.

# Supplemental Resources

Additional resources for this module:

[The Tourism Cafe](#)

Green Tourism Canada

[Green Tourism Canada](#)



In preparation for this module, students should read the following information from the accompanying course notes booklet. Reading this information before they start the module will help set the context for what they are about to cover.

Image credit: <https://www.tourismcafe.org/about-the-tourism-cafe>

# Sustainable tourism principles

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1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

[UNWTO](#)





### The Inclusive Economy: Stories of CED in Manitoba

All around us we see the results of the gaps that capitalism leaves. The Inclusive Economy gives a glimpse into the world of Community Economic Development (CED) in Winnipeg, Manitoba. This short film showcases the good work that's been built upon Indigenous principles. Economists, CED practitioners, and employees of Social Enterprises and Co-ops share their experiences to give a full picture of an economy that is for and by people. The film was premiered in 2018. Source: <https://ccednet-rdec.ca/en/toolbox/inclusive-economy-stories-ced-manitoba>

## The Neechi Principles: How one Indigenous co-op built its own principles

Co-operatives First

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Use locally produced goods and services

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Produce goods and services for local use

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Re-invest profits locally

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Employ local residents, long-term

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Develop the skills of local people

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Make decisions locally

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Public health

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Physical environment

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Neighbourhood stability

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Human dignity

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Support for other CED initiatives

The Neechi Foods worker co-op opened in 1990. The Winnipeg grocery store and catering business brought goods to a neighbourhood that lacked them and provided a place to buy culturally relevant food.

While creating the business, which existed until 2018, the founders also created 11 principles to guide it.

Though Neechi Foods is now (sadly) gone, its legacy lives on in the “Neechi Principles”. The Government of Manitoba has based its own Community Economic Development framework on the ones developed by this Indigenous co-op. And a [recent report by James Thunder and Mark Intertas](#) uses them to illustrate how co-ops can “Indigenize” by building their own values into their business and meeting the needs of Indigenous members.

# 7 Principles of Worker Owned Co-operatives



1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and information
6. Co-operation among Co-operatives
7. Concern for Community

The Canadian Worker Co-op Federation

## **Let's now look at a legal business structure, the Worker Owned Co-op And the**

**Seven Principles of Worker Owned Co-operatives** from "Starting a Worker Co-op: A Canadian Handbook by the Canadian Worker Co-op Federation

### **1st Principle: Voluntary and Open Membership**

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

### **2nd Principle: Democratic Member Control**

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

**3rd Principle: Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

**4th Principle: Autonomy and Independence**

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

**5th Principle: Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

**6th Principle: Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

**7th Principle: Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

## Discussion Question #1

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- What is the relationship between the Neechi Principles, the Principles of Sustainable Development and the Principles of Worker Owned Co-operatives?

- What is the relationship between the Neechi Principles of Community Economic Development, the Principles of Sustainable Development (UNWTO) and the Principles of Worker Owned Co-operatives (CWCF)?

# Learning Activity #1

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## SIMILARITIES

1. .
2. .
3. .
4. .
5. .

## DIFFERENCES

1. .
2. .
3. .
4. .
5. .

For this learning activity, students should make a list of the similarities and the differences associated with the development principles reviewed:

- the Neechi Principles,
- the Principles of Sustainable Development and
- the Principles of Worker Owned Co-operatives



## Case Study: Together We're Bitter

In 2013 an under-employed homebrewer, an educator, an electrician, a welder, a hospitality industry worker, and a graphic designer came together to create a unique hospitality experience in their mid-sized southern Ontario city. While craft beer had been a burgeoning market segment in the United States since the mid-aughts, with nearly 10% year-to-year growth in the sector, Ontario entrepreneurs and investors were just beginning to recognize the potential for this segment of the hospitality industry. Kitchener, home to the second largest Oktoberfest celebration in the world, did not have a craft brewery. The group came together around their mutual interest in beer, hospitality, and making their community a more vibrant place to live. They endeavored, given their complimentary skillsets, to build Kitchener's first modern craft brewery.

## *Someone's got to do something different.* Culum Canally, TWB co-founder

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This was the inspiration for a new craft brewery, Together We're Bitter (TWB), incorporated as a multi-stakeholder co-operative. The co-operative business model is increasingly recognized as part of the larger movement for sustainability. Co-operatives:

- Create long-term, stable, and meaningful jobs;
- Employ sustainable business practices;
- Form and maintain linkages among different parts of the social economy.

[Ontario Co-operative Association](#)

### The Purpose:

In the words of Culum Richard Canally, TWB co-founder, *Someone's got to do something different.*

The diverse group wanted this hospitality business to embody one other thing they held in common, their mutual values of economic justice and fostering a sustainable future. Through weekly meetings they settled upon a business model that they felt would allow each of them to use their unique skills to build and operate a craft brewery while also ensuring that the organization would foster their mutual interest in making a sustainable contribution to their community. The team incorporated as a multi-stakeholder co-operative. The mission of TWB is threefold



# The Mission of TWB



1. To provide the community with exceptional and creative craft beer, quality locally-sourced food, and a unique space for artistic and cultural gatherings;
2. To demonstrate the benefits of a multi-stakeholder cooperative by running a democratic, sustainable business, and building links with the social economy, to provide a fair return for all members;
3. To effect positive change by utilizing surplus resources to support cultural, educational, and economic endeavours that make the Kitchener/Waterloo community a better place to live.

1. To provide the community with exceptional and creative craft beer, quality locally- sourced food, and a unique space for artistic and cultural gatherings;
2. To demonstrate the benefits of cooperation, particularly multi-stakeholder co-operatives, by maintaining a democratically run workplace, sustainable business practices, and building links with different parts of the social economy, especially between other co- operative enterprises. This also includes creating stable, remunerative jobs for the worker-owners and a fair return for all of our members;
3. Third, to effect positive change by utilizing our surplus resources to support cultural, educational, and economic endeavours that make the Kitchener/Waterloo community a better place to live.

## TWB Sustainable Practices

- Purchased used brewing system.
- Maintains a one day a week brewing schedule to control labour and energy costs.
- Majority of beer brewed is sold in the tasting room and as growlers for off-site consumption.
- Beer is served directly from serving tanks, reducing costs of kegging and cleaning.
- Main ingredients are locally sourced, reducing transportation costs.



Operationally, Together We're Bitter follows sustainable practices to minimize associated environmental costs of manufacturing, energy, packaging, and transportation. First, TWB purchased a used brewing system with the capability of brewing 8 hectolitres of beer a day. Next, TWB maintains a one day a week brewing schedule to brew efficiently and to control labour and energy costs associated with brewing. Also, the majority of beer brewed in the brewery is sold in the attached tasting room in the form of in-house pints and as growlers to be purchased for off-site consumption. In addition, beer sold in the tasting room is served directly from serving tanks with kegs to supplement, thereby reducing costs associated with kegging and cleaning. The main ingredients are locally sourced, including municipal water and malt from a supplier located just 30 minutes away, reducing shipment costs and supporting local. Hops and yeast are also sourced locally.

## Challenges ahead

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Many new craft breweries have opened, increasing the competitive landscape.

New brewers are driving change, experimenting with bigger and bolder styles and flavours.

Craft breweries most likely to succeed when they do not compete for market share with each other but instead boost overall market of craft beer consumers, taking market share from larger macro- breweries

TWB is at a point where its demand for craft beer from patrons and retail sales customers has surpassed production/sales estimates causing supply shortfalls in inventory.

TWB entered the craft beer market at the right time. Over the past decade, the brewing industry in Canada saw significant changes as per capita consumption of major national brand beer declined, and the market supplied by local and regional craft brewers experienced a significant increase in demand. However, in response, several new craft breweries opened in a short span of years, increasing the competitive landscape. New craft breweries are driving change and responding to customer demand by experimenting with bigger and bolder styles and flavours.

These market changes challenge the sustainability of TWB. Early adopters may have visited TWB when it was the new brewery in town, but will they remain loyal when the next brewery opens? To motivate customers to return, TWB sells refillable growler bottles, catering to the lifestyle and psychographics of the sustainably conscious consumer - a relatively small niche market. TWB's early start-up success does not guarantee long term success. To be sustainable, TWB must maintain its small scale of craft brewing, and not be pulled toward a business model of constant growth and expansion. Due to the small scale of brewing, craft breweries are most likely to succeed when they do not compete for market share with each other but instead boost the overall market of craft beer consumers while taking market

share from larger macro- breweries. As has been demonstrated in other mid-sized North American cities (such as Asheville, North Carolina or Burlington, Vermont), a cluster of craft beer related businesses can attract patrons to a district. Like its very structure, TWB must operate cooperatively, collaboratively, and creatively to be sustainable.

<http://www.citylab.com/design/2012/08/geography-craft-beer/2931/> & <http://www.citiesspeak.org/2012/08/09/cities-court-craft-breweries/>

At the five-year mark, TWB is at a point where its demand for craft beer from patrons and retail sales customers has surpassed production/sales estimates causing supply shortfalls in inventory. Compounding the problem, local food suppliers, farmer producers and product manufacturers are on occasion seriously affected by natural disaster or unexpected increased demand.

At a crossroad, TWB is considering all options from small changes in recipes to allow for substitute ingredients without sacrificing taste and quality, to the purchase of a bigger brewing system and extra fermenters to double or triple capacity, to the purchase a larger brew house. Yet, TWB wants to stay true to their purpose and critically, to the values of sustainability. Additionally, margins are tight (see financial statement below). Culum has gathered the Board to set the next course in TWB's journey together.

## Discussion Question #2

Applying creative thinking and considering alignment with the UN SDGs, provide your recommendations, with justification, to the Board of Directors to sustain TWB for the next five years.



## Key Takeaways

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- Inclusive Community Economic Development alternatives to traditional models of business
- Sustainable Development principles encompass environmental resource use, socio-cultural authenticity, and long-term economic benefits to all
- Worker-Owned Co-operative enterprise model

The principles of sustainability (environment/planet, social/people, economic/prosperity) can align with development initiatives when community inclusivity is valued in the economic development process. An example of a legal structure, the Worker-Owned Co-operative, is an alternative to traditional models of business that aligns with the principles of sustainability.