Corporate Social Responsibility and Sustainable Tourism

Terms of a Marriage

Presentation by Cletus I. Springer at Regional Workshop on CSR and SMEs in the Tourism Industry in the Caribbean September 14-16, 2009
Structure of Presentation

- understanding the concepts
  - CSR
  - SD
- Common elements
- Key threats and drivers
- Upsides and downsides
- How CSR can help
Understanding CSR?

“The continuing commitment by a business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families and the local community and society at large.”

World Business Council for Sustainable Development
Understanding CSR

CSR is achieved when a business *adapts its practices* to ensure that it operates in ways that *meet or exceed* the *ethical, legal, commercial* and *public expectations* that society has of that business.
Understanding CSR

- CSR is:
  - A moral obligation
  - An ethical imperative
  - An opportunity to achieve win-win outcomes
    - Stronger business continuity
    - Higher worker productivity from a more inspired and creative workforce and thus
    - An integrated and supportive community
    - A more profitable business
Understanding CSR

- CSR
  - Involves no inherent contradiction between corporate survival and human survival
  - Requires
    - genuine commitment
    - responsible business practices
    - A regular process of introspection and self-regulation
  - Must be deeply rooted in corporate values and ethics
  - Cannot be selectively applied
Understanding Sustainable Tourism?

An approach that:

- develops tourism to the fullest extent possible while leaving options open for the future
- promotes the best use of a country’s resources, while preventing or reducing negative economic, social and environmental impacts
- diversifies the tourism product
- is responsive to changes in the host destination and in the global market;
- is managed in an integrated, equitable, participatory and consensual manner.
The Marriage

- CSR and SD:
  - are linked - *til death do them part*
  - are mutually reinforcing
- SD cannot be achieved without responsible behaviour by tourism businesses and actors
- Tourism businesses cannot survive if overall tourism environment is not conducive
Threats to the Marriage

- Limited Understanding of drivers in host environment
  - Inherent Vulnerabilities
    - economic, social and environmental
  - Unwillingness or slowness to adapt
    - Inappropriate business practices
- False perceptions
Key Drivers

High social, economic and social susceptibility of host countries to harm from arising from their exposure to external and internal stresses and shocks…
Economic Drivers

- shocks to systems of production, distribution and consumption.

- Includes:
  - High degrees of openness
  - Limited scope for diversification
  - Dependence on a narrow range of exports
  - High dependence on strategic imports
  - Inability to influence international prices
  - High international transport costs
Social Drivers

- economic strife,
- environmental changes,
- internal events and forces resulting from a combination of factors ...
  - Unemployment
  - Poverty
  - Crime
  - Social unrest
  - Industrial unrest
  - Health issues
Environmental Drivers

- Geography
- Size
- Fragile systems
- Inappropriate waste management
- Water stress
- Rapid spread of negative environmental impacts to ecosystems from ridge to reef
- High vulnerability to climate variability and change
The Upside of Tourism

- Important source of jobs, forex and national income
- Brings the market (visitors) to the product (destination) tourism can and has helped to overcome some of the constraints of smallness
- Offers larger market and higher aggregate demand for domestic production of goods and services
- Can drive the development of ancillary products and services
- Helps to improve the standard of living
- Allows wider spin-off of tourism benefits
- Helps to build critical mass that businesses need to become viable
- Promotes rural development
- Spurs infrastructure development
- Supports the development of arts and crafts
The Downside

- Tourism:
  - worsens the leakage effect (on wages, input supplies, profit, and revenue)
  - Is inherently vulnerable to shocks in source markets
  - Increases dependence on strategic imports (energy, food, cement, etc)
The Downside

- Tourism benefits unevenly distributed
- Over-consumption of scarce natural resources
- Dilution of indigenous culture
- Can create tension among the host population, including racial tensions
- Can weakens local governance
- Is impossible to control
The Downside

- Coastal erosion and destruction of coastal assets
- Destruction of coral reefs
- Over-consumption of energy and scarce water resources
- Declining recreational water quality
- Noise pollution
- Destruction of natural sites and attractions
What CSR can do?

- Take an interest in what is happening in the local environment and assist in the search for workable solutions
- Create a healthy and productive working environment
- Localize management of tourism businesses as much as possible
- Scrupulously observe local laws, norms and practices
- Strengthen backward and forward linkages between the tourism economy and the wider economy
  - Adopt a farm, farmer
  - Use local products and services as much as possible
  - Subcontract hotel services wherever possible
- Increase and sustain local participation in the planning, development and ownership of tourism establishments
  - Involving local communities in planning of new projects
  - Embed tourism businesses in local communities
- Improve the quality and attractiveness of the local tourism experience
What CSR can do?

- Stimulate and facilitate investment in environmentally-sound tourism projects
- Green tourism operations
  - Conserve water and energy
  - Recycle solid and liquid waste
  - Replace sea outfalls with land-based sewerage treatment
  - Use low-energy vehicles
  - Consider compensation schemes for environmental services that business consume
  - Participate in green certification schemes
THE END

- THANK YOU!!!
- MUCHAS GRACIAS
- MERCI BEAUCOUP