

# Actors or Villains? CSR in Tourism

Companies are increasingly being judged not just by the products and profits they make, but also by the ways in which these profits are made. Yet, there is no consensus on what "Corporate Social Responsibility" (CSR) actually means. To improve the understanding of its possible contributions and limitations, a consultation on CSR in tourism held from 15th to 16th December, 2009, in Chennai, India, focused on CSR concepts, instruments and practices within the tourism industry and beyond. Participants found that community monitoring mechanisms can be a useful tool to make tourism businesses more accountable.



T.T. Sreekumar, facilitator of "Kerala Tourism Watch", a group of civil society organisations who co-organised the consultation, emphasized the need to delink philanthropy from CSR. Furthermore, companies should also delink their branding efforts from CSR. Sumesh Mangalassery of "Kabani – the other direction", organiser of the meeting, went on to stress: "But we cannot delink Corporate Social Responsibility (CSR) from the negative impacts of tourism we are facing in the destinations as a result of corporate irresponsible actions."

"The term CSR cannot be used for just any good thing that is happening in tourism", said Heinz Fuchs of Tourism Watch, a desk of the German Church Development Service (EED). EED cooperated in this consultation to share visions and perspectives with Indian civil society organisations, community representatives and other stakeholders, with a view to strengthening the social responsibility in tourism.

## Responsibility vs. Accountability

In a developing country context, where legislation to protect community interests and the environment is either weak or often violated, CSR plays a less prominent role than in the North, where it can be regarded as one of the "next steps" up the sustainability ladder. According to T.T. Sreekumar, accountability has to precede any CSR. Human rights and the rights to livelihood of the local people need to be respected. However, he also emphasized the complexity of the tourism sector, which is rather fragmented.

"The example of asking tour operators to take into account whether land in the location where they are sending tourists is undisputed shows how complicated it is." He also found that there are hoteliers who

claim they can do whatever they want because they do a lot of charity. However, while in all other sectors child labour is decreasing, there has been a marginal increase in child labour in tourism.

### **CSR vs. Corporate Legal Responsibility**

Highlighting the problems of commercial sexual exploitation of children in Goa, lawyer and social activist Albertina Almeida stressed the importance of legislation over voluntary codes of conduct. "Codes are not enough. We need laws!" she said. "Then civil society can come in."

Communities can make use of the Right to Information Act. For example, if a hotel gets tax exemptions, they can ask for the basis for these exemptions. According to Prof. A.C. Fernando, Loyola Centre for Business Ethics and Corporate Governance, not only the CSR activities in which companies are involved should be monitored. The companies should also be scrutinized, in case there are land issues, labour issues, etc.



### **Pressure from Communities and Consumers**

"Communities can monitor", says Father Arulraj from the Coastal Protection Forum, Kanyakumari – a famous pilgrimage destination in Tamil Nadu, at the southern tip of India. He gave an example how a local community in Kanyakumari district had successfully resisted the construction of a hotel project that was going to violate the Coastal Regulation Zone notification (CRZ).

Heinz Fuchs of EED Tourism Watch highlighted the example of sustainability certification of small tour operators in Germany. It is based on the strategic decision of the company to integrate CSR into its core business. The benchmark indicators include the degree to which partner agencies, accommodation providers, tourist guides, etc. meet sustainability criteria.

T.T. Sreekumar pointed out the difficulties in ensuring that this information was accurate. Even under laboratory conditions, if tour operators were sincere to the core, there would be problems, such as how to collect information from the destinations.

## **Ways Forward**

From the presentations and discussions, it became clear that there is a huge knowledge gap between corporates and the population. There is a need for increased transparency. Civil society organisations should put pressure on their governments to issue guidelines on CSR. Hoteliers should be brought to the negotiation table to ensure a long-term, fair partnership between all the actors involved.

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<http://www.tourism-watch.de>

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