Social Responsibility for Tourism Development in Developing Countries

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So far, Corporate Social Responsibility (CSR) (the responsibility of organisations to a triple bottom line: economy, society, environment) has been mainly used to explicate practices at a corporation/company/ organisation level in both the developed and the developing world. Its application was the outcome of a progressively growing global economy, which started to impact negatively, not only upon those shareholders that it was initially designed to serve, but also upon society and the environment at large. This is because growth can coexist with income equality and poverty, as well as inadequate provisions for health and education, and it can lead to growing corruption and environmental pollution. During the 1990s, many economic, societal and environmental scandals, such as the collapse of Enron and Andersen, Nike’s child labour and the deforestation of the Amazon, accelerated public demand for social justice. This was further assisted by human rights activists and environmental movements, as well as the emergence of NGOs, which strove to make their presence in the world.

Nevertheless, the concept of CSR [Corporate (Social Responsibility)][C (SR)] at governmental, intra-governmental, and supra-national levels has not been used per se, particularly in the area of tourism development for poverty reduction to explain non-sustainable development, and in developing countries. Non-sustainable in the sense that tourism development could not be sustained for a long time in order to have an effect in poverty reduction.

The author advocates that “…the practice of [C (SR)] may gradually assist this transformation since the tackling of poverty is a social obligation for governments, Multinational Corporations (MNCs) and Multinational Organisations (MNOs) at national, intergovernmental and supra-national levels especially with its institutionalisation within the Millennium Development Goals’. This is based on the rationale that there is ‘… [a] symbiotic relationship between governments, MNCs and MNOs, which has developed since the empowerment of MNCs and MNOs such as the World Bank Group (WBG) and the International Monetary Fund (IMF) in the 1960s’ [2]; which, in effect means that the empowerment of the MNCs and MNOs made governments depend on them mainly for financial reasons and therefore an interlinkage was established between the above institutions and the governments, where the former depend on the latter and vice versa. Tourism was a sector, which was actively promoted by the above mentioned institutions, in order to act as a catalyst for development and to fight poverty.”

Through the years, starting in the 1960s, tourism has been seen, especially in the developing world, as the ‘magic wand’ which would contribute to economic development both at a macro level through foreign direct investments (FDI) and/or through joint ventures which would lead to functional industry and local employment creation.

Tourism was given the same status for development as other non-traditional export oriented industries, such as agriculture, to stimulate speedy growth and development. This notion was supported by outward oriented, neo-liberal developmental thinking and vigorously supported by intra governmental organisations such as the WBG and the IMF (via the Structural Adjustment Lending Mechanisms), thus ultimately creating stronger economies that would enable poor nations to advance themselves, if not to keep pace with other developed nations.

However, over the course of time it was realised that FDI’s do not necessarily equal poverty elimination. Irresponsible practices at top governmental level and dependency on MNCs, accompanied by lack of capacity building at an economic, social/cultural, environmental level, favoured an environment of weak institutions, which ultimately encouraged the following: corruption; inadequate funding and technical support; lack of monitoring and accountability; inadequate education and awareness; inadequate and weak representation of the poor in local politics; inadequate legal authority of local communities over developmental controls and responsibilities for municipal services which are vested in central and/or provincial governments and in effect eliminates community interests in tourism developmental projects; lack of concern of host governments and lack of specific tangible areas of responsibility; and a colonial and post-colonial legacy which supported a local elite serving external, ex-colonials’interests, and led to the inability of host governments to develop an independent industry. In turn this facilitated: a leakage of capital out of the host countries; employment of ex patriots for managerial positions; employment of local people in menial labour intensive positions involving long hours at minimal rates of pay; benefits ripped from the middle and upper classes who were already wealthy or had political power; and environmental degradation, among other things. Hence it created a vicious circle and a syndrome of dependency, and despite numerous efforts initiated by developmental agencies for sustainable tourism development, which would ultimately lead to poverty reduction, tourism development failed those that it was supposed to serve: Escobar’s (1995) [3] ‘subalterns’, the grassroots people, the very poor of developing, poverty stricken nations.

Escobar’s[3] ‘subalterns’ became synonymous with social injustice, inequality and discrimination. In post-colonial studies subalterns are social groups which consist of deprived people whose abject poverty
renders them voiceless and thus unable to represent themselves in a political structure.

In tourism the term ‘subalterns’ refers to those who donot participate either actively or by expressing their views; those mainly idle youths who hover around tourism sites hawking and hassling tourists. They are micro traders, sellers who are interested in getting a share of the tourism activity, but a lack of skills and financial means, illiteracy, and their unawareness of the nature of tourism make them outsiders in their own home countries who unwittingly hinder the activity and therefore are non-wanted in the area. Ironically these are the ones who are most in need of a stake in the activity and these are the ones who really should be targeted with capacity building to advance themselves as they consist of the majority of the population.

"The periphery depends once again on the core or metropolis, which this time is represented by the MNCs and/or MNOs. Therefore Escobar challenges the power dynamics prevailing between the so called 'beneficiaries' and the professionals" [2].

The author’s research, undertaken in three countries (Ghana, Vietnam and Peru) on three different continents (Africa, Asia and Latin America), indicated that tourism development can only deliver the anticipated outcome of economic growth and poverty reduction if it is combined with socially responsible practices addressed through the spectrum of capacity building at economic, social, environmental and physical levels. From an economic point of view, monitored and evaluated availability of micro-finance/credit could assist poor people who have no starting capital or collateral with which to borrow and start a small business; the establishment of financial linkages/partnerships between micro traders and micro tour operators could bring together capital and markets to expand existing businesses. At a societal level, linkages/networking/partnerships between existing tourism businesses could again increase a pool of clientele and operating markets; increased awareness and education/training on the nature of tourism could contribute to poor people’s knowledge of an activity, which could change their attitude towards it and/or increase their chances of receiving employment. This could also contribute to their environmental awareness since research in the areas studied indicated that local people degrade their environment because they do not appreciate it. Tourism needs infrastructure to be sustained and therefore a solid infrastructural system, in terms of water provision/sanitation, electricity, information technology, restaurants, and information centres, is essential.

[C (SR)] refers to a holistic approach that embraces human wholeness and the natural environment in which people live. It is an approach which caters for non-privileged member of society, equips them with the necessary skills to become fully integrated in society and the economy, and advocates environmental protection. This is in an effort to accommodate the needs of the present generation while building the basis for a sustainable future. For this, however, good governance is required, that encourages “…transparency, ownership, and a horizontal and vertical affiliation in order to create a network which has common goals, values, codes, and shares the same information; a network which is influenced by both political currents, those of liberalism and socialism. It is only then that the government will be able to lead its subjects to fulfill their ambitions in life, and enable its subalterns to voice and implement their wants and needs, and achieve what Aristotle (1967) in his Politics referred to as ‘self-realisation’. It is only then that the goals of MNOs will be achieved and tourism might become an instrument of development and not only of growth, because, it is the equal distribution of benefits that determines sustainability of tourism and not the ‘grand statistical numbers’ in terms of foreign exchange and tourist arrivals” [4]. Perhaps it will be only then that tourism development will be aligned with social justice and will ultimately lead to poverty reduction.

References