

GOJ-UNWTO-World Bank Group

**Global Conference on Jobs and Inclusive Growth: Partnerships for
Sustainable Tourism**

“Sustainable Tourism, Ethics and Social Responsibility: Caribbean *Quo Vadis?*”

by

Locksley G. M. Henry, DBA
University of Technology, Jamaica

Global Conference on Jobs and Inclusive Growth: Partnerships for Sustainable Tourism



“Sustainable Tourism, Ethics and Social Responsibility: Caribbean *Quo Vadis?*”

Abstract

The Caribbean is often described as "the most tourism-dependent region in the world". Tourism is a major economic sector, with 25 million visitors contributing US\$49 billion towards the area's GDP in 2013, representing 14% of its total GDP. The influx of tourists in the Caribbean has caused environmental damage over the years to both marine and land ecosystems of the region and the recent increase in cruise ship popularity has led to pollution of coastal waters through the emission of oil, sewage and lubricants. This paper therefore seeks to determine the status, progress, future direction and sustainability of tourism in the Caribbean. As a mono-cultured sector in many of the islands, this *quo vadis* seeks to assess the initiatives being undertaken to protect this brittle but growing industry in the region. The importance and sensitivity of the sector cannot be underestimated, as the lives of over six million people are threatened if the industry fails. The related issues of corporate social responsibility and ethics are also explored in the context of sustainability goals and their impact in making industry performance more predictable and permanent. Various perspectives of sustainable tourism and social responsibility are examined, established benchmarks and best practices in these concepts are referenced, and examples of key interventions are assessed to determine longevity and confidence. The question of who is responsible and accountable for these objectives also emerge, as lack of planned implementation of agreed goals can upstage the best of intentions. Future research may include, cultural diversity and practices across islands given the *potpourri* of ethnicity and heritage; resource limitations of small island states; the effects of globalism and economies of scale working against small territories; lack of variety of tourism offerings; informal approach to sustainability and corporate responsibility; and crime and volatility affecting some countries.

Keywords: estimated

Tourism, Caribbean, sustainable tourism, corporate social responsibility, mono-culture, cultural diversity, GDP

“Sustainable Tourism, Ethics and Social Responsibility: Caribbean *Quo Vadis?*”

Introduction / Background

- During Year 2016, international tourism grew by 4.0% to 1.235 billion arrivals worldwide
- Seventh consecutive year of above-average growth (CAGR 4%) since post-financial crisis year 2010
- 46 million more tourists (overnight visitors) travelled to international destinations around the world in 2016 v 2015
(UNWTO Annual Report, 2016)
- Growth in advanced economy destinations (5%) exceeded that of emerging economies (2%)

Introduction / Background

Significance of Tourism

- Demand remained strong overall, though with mixed results across individual destinations due to strong exchange rate fluctuations, increased safety and security concerns, and the drop in oil prices and other commodities.
- The impact of tourism is far-reaching - accounts for 10% of world GDP and one in every ten of jobs globally.
- Represents 7% of world exports (global trade) and 30% of services exports
- **Influences both directly and indirectly, national development, economic growth, job creation, protection of the environment, cultural preservation, peace and security**

(UNWTO Annual Report, 2016)

Introduction / Background

Tourism - Pitfalls

- Tourism is a very complex industry involving numerous stakeholders (sometimes with opposite interests) and requiring significant amount of resources.
- Tourism can have very opposite effects according to the way activities are managed.
- When managed well, tourism can play a positive role in the sociological, cultural, economic, environmental and political development of the destination
- Represents a significant development opportunity for many countries and communities.
- **On the contrary, unchecked tourism development can lead to very damaging impacts**

(UNEP, 2017)

World Tourism

Arrivals, Growth, Share-of-Market

<u>Region</u>	<u>Tourist Arrivals (millions)</u>	<u>S-O-M (%)</u>
Europe	615	50
Asia / Pacific	308	25
Americas (incl Caribbean)	200	16
Africa	58	5
Middle East	<u>54</u>	<u>4</u>
TOTAL	<u>1,235</u>	<u>100</u>

Caribbean Tourism

- Caribbean tourism has developed primarily in the form of **resort enclaves**
- Local people have much opportunity for employment in the industry but their participation in tourism development and investment activities have been limited
(Harrison, Jayawardena, Clayton, 2003)
- In Jamaica, a few indigenous organizations and a selected number of multinationals dominate the hotel sector
- In many Caribbean destinations, ownership and control of the hotel sector is in the hands of foreign investors.
- The all-inclusive product, which tends to encourage visitors to remain on property, has implications for restraining tourist spending, the attendant multiplier effect, and the numbers of persons who actually benefit from tourism.
- The “homogenization” of the tourism product and image are real concerns that must be addressed if the benefits from tourism activity are to be optimized
(Harrison et al, 2003)

Caribbean Tourism

Narrow v Broad Definition

- Concern was expressed that hotels are the primary focus of tourism policy (narrow definition) (WHATT Roundtable, 2003)
- Consequently, the interests of this sector are better represented, and development incentives seem to be aimed primarily at this sector.
- **Several round table participants felt that it was important to adopt a broader definition of the tourism product to include the creation of experiences** (WHATT Roundtable, 2003)
- **This re-definition would move the focus to attractions, culture, heritage, events, and festivals as the vital demand generators, and thereby re-position the hotels as support services** (broad definition) (Harrison et al, 2003)

Caribbean Tourism

Needs Identification

Needs identification from the round table talks

- The recommendations focused on the issues affecting the development of tourism in the Caribbean. Some needs identification which emerged include (*as cited in Harrison et al, 2003*):
 - Understanding the socioeconomic implications of enclave tourism compared to community tourism.
 - Identifying areas where there is dissonance between policy and practice as well as identifying the means for developing more responsible tourism policy.
 - Articulating an argument for comprehensive development of economies to ensure coherence in policy formulation among all stakeholders.
 - Building a case for broadening the definition of what constitutes the tourism product.

Caribbean Tourism

Needs Identification

Needs identification from the round table talks

Identifying means to diversify the tourist markets targeted, including understanding the value and intricacies of market segmentation and target marketing as tools for improving the yield from tourist visitation.

- Identifying impediments to participation in tourism policy, planning, development, and investment on the part of local peoples as well as determining incentives and other means to encourage greater participation in the future.
- Developing case studies of best practices in responsible tourism policy, planning, and development.
- Clarifying and operationalizing terms and principles related to sustainable or responsible tourism development.
- Developing a dedicated tourism database to facilitate comparative research globally.

Sustainable Tourism

UN World Commission on Environment and Development adopted the idea of sustainability in 1987 and defined sustainable development as

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (UNEP, 1987).

World Tourism Organization defines sustainable tourism development:

“Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems” (WTO, 1999)

Sustainable Tourism

- The objective of Sustainable Tourism Development (STD) is to implement all areas of sustainable development (ecology, economy, social issues, cultural issues, resource protection issues) in tourism.
- Tourism policies unilaterally focusing on the environment cannot claim to be "sustainable".
- Müller [1999] posited that sustainability in tourism can be depicted as a pentagon pyramid of the listed variables aforementioned.
- These positions are complemented by the work of Baumgartner (2005).

Sustainable Tourism

The **seven premises of STDs** can be deduced as follows:

- 1) A functioning natural environment and landscape as well as environmental management systems are prerequisites for the tourism of the future, both in rural peripheral areas and in intensively used tourist destinations (***Ecological dimension***)
- 2) Tourism is an integrated part of a sustainable interrelated economy specific to the region (***Economic dimension***)
- 3) The image of holiday destinations is characterized by self-determined cultural dynamics (***Cultural dimension***)
- 4) Good working conditions and social satisfaction of the population will bring quality in tourism (***Social dimension***)
- 5) Considerate tourism regions bear in mind the needs of special guest groups (***Special needs dimension***)
- 6) People as creators are at the heart of tourism policy – the whole population has access to all information and is equally involved in all decision-making processes. (***Intergenerational dimension***)
- 7) Sending regions in conurbation areas and higher levels of the political system take responsibility for the effects of tourism in destinations. (***Institutional dimension***)

These seven provide a powerful list of guidelines for STDs going forward

Ethics in Tourism

- Ethics in tourism is and should be a matter of concern to all stakeholders, especially since the negative impacts on the environment, culture and human beings, put at risk the financial health and future of the industry
 - supranational and national agents managing tourism development, NGOs, tourism entrepreneurs, tourists, and tourism destinations (Polyxeni & Ourania, 2008)
- **The study of ethical issues in tourism sheds light on its negative impacts and all that is considered to be immoral, illegal or harmful.**
- It speaks to issues of environmental destruction, alteration of the social and cultural character of host societies, displacement of people from land for development, exploitation of workers in the tourism industry, and development of forms of tourism of dubious morality (e.g. sex tourism, *dark tourism).
- These problems are often due to the excessive and unplanned tourism development and to the domination of organized mass tourism at a universal level during the past 30 years (Polyxeni & Ourania, 2008)

*Tourism that involves travelling to places associated with death and suffering

Ethics in Tourism

Three Questions to Ponder

- Can mass tourism and ethics co-exist or are incompatible, since mass tourism is dominated by the reason of profit, which is completely alien to that of ethics?
- Can the tourism industry take the challenge of ethical tourism?
- Is it possible to put ethics in to action in a tourism environment?

- Codes of ethics have been developed in recent years as a response to the ethical transgressions of the tourism industry, the tourists, and the government, in order to enhance the ethical aspect of tourism both as business activity and as practice.
- Several international tourism organizations and professional associations have developed codes of ethics. They provide guidelines, which have to comply with specific moral standards.
- Their variety reflects the diversity and the dimensions of the tourism industry what makes it impossible to create a code of ethics that is common to all aspects of tourism activity (Polyxeni & Ourania, 2008)

Ethics in Tourism

Ethics in the Hospitality Industry

- In spite of all the progress, there is still a growing concern for business ethics in the hospitality industry as hospitality professionals are faced with **ethical dilemmas** in their daily operations.
- **Complex ethical issues** affect this broad industry whose businesses range from restaurant operations to tourism-based business.
- By virtue of its nature the hospitality industry places customers and employees in **tempting situations** as well as attracting abuse.
- **Opportunities to steal arise** in several situations mainly because of the widespread cash transactions and the sector's vulnerability to dishonesty.
- Some of the ethical challenges faced by hospitality managers today are **not new** and have been taking place for a long time (Ethisphere, 2017)

Corporate Social Responsibility (CSR) and Sustainable Tourism in the Caribbean

- Within the Caribbean as well as the tourism industry overall, it is generally agreed that there are increasing overall societal and environmental concerns
- This will heighten the demand for more sustainable destinations and travel preferences. These, in turn, will exert more pressure for destination management policies and tour operator responsibility (Dodds & Joppe, 2005)
- Sustainable tourism development is about making all tourism more compatible with the needs and resources of a destination area
(IFC, 2004; Honey & Rome, 2001)
- Tourism therefore needs to take a holistic and comprehensive approach that takes into consideration its development with other activities and values.
- Yet, tourism is made up of many sectors and is very fragmented, therefore monitoring effects and processes through one company or mechanism have been difficult
(Dodds & Joppe, 2005)

Corporate Social Responsibility (CSR) and Sustainable Tourism in the Caribbean

Implications, Conclusion and Recommendations

To further the CSR agenda within tourism, specifically in the Caribbean, there are a number of recommendations by industry (Dodds & Joppe, 2005)

First, governments who wish to develop and promote tourism should focus their capacity-building efforts on suppliers, using such methods as legislated compliance (e.g., environmental, reputation and business probity).

Second, there is a need to increase public-private partnerships of training for environmental and social awareness and mitigation strategies as well as offer incentives and reporting guidelines to the tourism sector distributed through industry associations.

Third, with greater consumer awareness of issues such as climate change, demand for more information is growing.

Finally, there is a need to encourage CSR reporting from tour operators, airlines, cruise lines, hotels and destinations so that they can understand the impact they themselves are having. Reporting will also provide measurable criteria to allow for comparison of companies and destinations.

References

- Baumgartner, R; Ebner, D (2005) *Sustainable Development in Companies: An international Survey*. In: IAMOT 2005: Productivity Enhancement for Social Advance: The Role of Management of Technology. Ed: T. Khalil, Vienna, Austria.
- Dodds, R; Joppe, M (2005) *CSR in the Tourism Industry? The Status of and Potential for Certification, Codes of Conduct and Guidelines*, Washington, DC: CSR Practice, Foreign Investment Advisory Service, Investment Climate Department, p. 61
- Ethisphere (2017) Ethics Report
- Harrison, L; Jayawardena, C; Clayton, A (2003) Sustainable Tourism Development in the Caribbean: Practical Challenges, *International Journal of Contemporary Hospitality Management*, 15 (5), 294-298, <https://doi.org/10.1108/09596110310482227>
- Honey, M; Rome, A (2001) *Protecting Paradise: Certification Programs for Sustainable Tourism and Ecotourism*. Washington, DC: Institute for Policy Studies
- IFC (2004) *Ecolodges: Exploring Opportunities for Sustainable Business*. Washington, Environmental Business Finance Program (EBFP).

References

Müller (1999) Pentagon Pyramid: Sustainability in Tourism

Polyxeni , M; Ourania, K (2008) *Ethics in Tourism*, National School of Public Administration, Greece

United Nations Environment Programme (UNEP) Report (1987)

United Nations Environment Programme (UNEP) Report (2017)

UNWTO Annual Report (2016)

Worldwide Hospitality and Tourism Trends (WHATT) (2003) *Roundtable Discussions*, University of the West Indies, Jamaica

World Tourism Organization (WTO) (1999), *Approval of the Global Code of Ethics for Tourism: Resolution*, General Assembly, Thirteenth Session, Santiago, 27 September-1 October 1999, available at: www.world-tourism.org