

Corporate Social Responsibility in the Danish Tour Operating Industry

Master Thesis written by:

Anna Povlsen

Supervisor: Søren Jeppesen

Number of taps: 181.998

Cand.merc.int

BADS

Copenhagen Business School

August 2010

Table of Content

<i>List of Figures and Tables</i>	5
<i>Acronyms and Abbreviations</i>	6
<i>Abstract</i>	7
1.0. Introduction	9
1.1. Problem Area	10
1.2. Research Question	11
1.3 Content of Research Question	11
2.0. Definitions of Key Concepts	12
2.1. Tour Operator	12
2.2. Corporate Social Responsibility (CSR)	12
2.3. Poverty	13
2.4. Developing Countries	13
3.0. Reading Guide	14
4.0. Methodology	16
4.1. Theory of Science Position	16
4.2. Research Method	18
4.2.1. Research Strategy and Types of Research	18
4.2.2. Research Design	19
4.3. Selection and Application of Empirical Data	20
4.3.1. Qualitative Research – Interviews	20
4.4. Selection and Application of Theory	22
4.5. Reliability and Validity of Data	23
4.6. Delimitation	24
5.0. Literature Review	26
5.1. Poverty	26
5.2. The Concept of Tourism	27
5.2.1. The Danish Tour Operating Industry	29
5.2.2. Limitations of Tourism to Poverty Reduction	32
5.3. The Concept of Corporate Social Responsibility (CSR)	32
5.3.1. The State of CSR within the Tourism Industry	35
5.3.2. Limitations of CSR to Poverty Reduction	36

5.4. Summary of Dimensions Regarding Tourism and CSR in Poverty Reduction.....	37
6.0. Analytical Framework.....	38
6.1. The Role of Tourism in Poverty Reduction.....	38
6.1.1. The Pyramid of CSR.....	39
6.1.2. The Schools of CSR.....	40
6.2. The Context of Developing Countries.....	40
6.3. Impact Assessment.....	41
6.4. Power and Participation.....	42
6.4.1. Power and Legitimacy.....	42
6.4.2. The Stakeholder/Responsibility Matrix.....	43
6.4.3. Participation.....	44
7.0. Analysis.....	46
7.1. The Role of Tourism in Poverty Reduction.....	46
7.1.1. The Tour Operators' Perceptions of CSR.....	47
7.1.2. Tour Operators' Engagement in CSR and Poverty Reduction.....	52
7.1.3. Conclusion.....	59
7.2. The Context of Developing Countries.....	60
7.2.1. Conclusion.....	62
7.3. Impact Assessment.....	63
7.3.1. Conclusion.....	64
7.4. Power and Participation.....	64
7.4.1. Power and Legitimacy.....	65
7.4.2. The Stakeholder/Responsibility Matrix.....	66
7.4.3. Participation.....	68
7.4.4. Conclusion.....	70
8.0. Discussion.....	72
8.1. Role of Tourism in Poverty Reduction.....	72
8.2. Context of Developing Countries.....	73
8.3. Impact Assessment.....	74
8.4. Power and Participation.....	75
9.0. Assessment of the Thesis.....	78
10. Conclusion.....	81
11. Future Research.....	84

12. References	85
Appendix I: List of Tour Operators Interviewed	92
Appendix II: Interview Framework	95
Appendix III: Example of Interview Guide	97
Appendix IV: Example of Transcript of Interview – Viktors Farmor	99
Appendix V: Kipling’s Code of Conduct	108

List of Figures and Tables

Figures

2.1.	A Tour Operator's Place in the Tourism System.....	11
5.1.	The Multidimensional Poverty Framework.....	26
5.2.	Market Share of Top Six Danish Tour Operators in 2007.....	29
5.3.	The Pyramid of CSR.....	32
6.1.	Main Points of the Analysis.....	45
II.1.	Overview of Themes in the Interview Framework.....	95

Tables

6.1.	Carroll's Stakeholder/Responsibility Matrix.....	43
6.2.	Pretty's Typology of Participation.....	44

Acronyms and Abbreviations

CSR:	Corporate Social Responsibility
DAC:	Development Assistance Committee
DRF:	Dansk Rejsebureau Forening (Association of Danish Travel Agents and Tour Operators)
IMF:	International monetary Fund.
OECD:	Organization for Economic Co-operation and Development
PPT:	Pro-Poor Tourism
TOI:	Tour Operators' Initiative
UN:	United Nations
WTO:	World Tourism Organization

Abstract

Tourism is one of the world's largest and fastest growing industries, and today, it represents the main income source for many developing countries. Tourism has both positive and negative impacts on society, and its enormous growth and global spread have transformed it into a key driver for social, economic and environmental change. However, although tourism provides economic benefits, it also incurs significant socio-cultural costs. In recent decades, a change in preferences has taken place, and tourists now are more demanding with regard to the types of vacations they seek. For example, instead of two-week holidays in Spain, they may prefer more remote and exotic destinations. This trend is observable in Denmark as well, given that seemingly exotic and distant destinations have become increasingly popular among Danish tourists (Husted, 2009; Morgan, 2006).

Despite the growing importance of developing countries in the tourism industry, there is a lack of attention from the industry toward poor people in developing countries. In particular, tour operators often do not acknowledge a direct responsibility to assist poorer populations, as they view themselves as mediators without significant influence. For that reason, "CSR has until recently largely been neglected by tour operators" (Goodwin et al., 2004: Info Sheet no. 10). Furthermore, CSR has been primarily related to the environmental aspect of tourism, and few tour operators have addressed the fact that tourism has enormous impacts on peoples' lives and, consequently, the potential to reduce poverty (Kalisch, 2002). In addition, critics of CSR have highlighted several limitations to CSR as a development strategy and pointed out that CSR is often ill-suited to tackle the issue of poverty in developing countries due to fragmentation in CSR initiatives, the lack of contextualisation, lack of knowledge about the impacts of CSR, and the exclusion of the poor in decision making regarding CSR.

This thesis examines how Danish tour operators engage in CSR and poverty reduction in developing countries through 12 qualitative interviews with Danish tour operators. I apply the definition of CSR put forth by Blowfield & Frynas (2005) as a basis for all parts of the analysis. My understanding of poverty is multidimensional, as described by Sen (1999) and UN ((as cited in Spenceley, 2008, p. 9). This indicates that poverty is not only a question of lack of income, but also a deprivation of, for example, human and socio-cultural capabilities. The thesis focuses on the different limitations of CSR in relation to long-term development, such as poverty reduction. I categorise the limitations into four dimensions: the role of tourism in poverty reduction, the context of developing countries, impact assessment, and power and participation. The four dimensions constitute the analytical framework of the thesis. Based on the qualitative interviews, first, I examine the tour operators' perceptions of CSR and engagement in CSR and poverty reduction. Second, the discussion moves to how tour operators take the context of developing

countries into consideration, and third, I investigate their knowledge of the impacts of CSR. Fourth, I examine the stakeholder and participation relationship between tour operators and the poor. Finally, I discuss the study's findings in relation to the analytical framework.

The findings show that all of the interviewed tour operators engage in CSR in one way or another, ranging from philanthropic contributions to maintaining eco-lodges in Vietnam and Kenya. The tour operators prefer to provide instant support, and the majority of CSR activities are run by local people with knowledge about the destinations and their socio-cultural conditions. Yet the tour operators' manner of working with CSR is rather fragmented, and none of them conduct structured evaluations of their CSR activities. The poor participate in the CSR activities, but according to Pretty's Typology of Participation (1995), this is not deemed to be a high degree of participation. While the findings correspond to the criticism, for example, regarding the fragmentation of CSR activities and lack of knowledge about the impacts of CSR, the tour operators do not live up to the criticism in relation to how they take the context into consideration. By turning to primarily local people to run the CSR activities, the tour operators to a large extent ensure that the context of the destination is considered. Ultimately, the tour operators do not necessarily deserve the full brunt of the criticism put forward in the framework, and their engagement in CSR may potentially help to reduce poverty in developing countries.

1.0. Introduction

“Tourism is like a fire, you can cook your meal with it, or it can burn your house down”.

Asian proverb (WTO, 2002, p. 22)

Tourism is one of the world’s largest and fastest growing industries. It has become an important player in international business and currently represents the main income source for many developing countries. Tourism has both positive and negative impacts on society, and its enormous growth and global spread have transformed it into a key driver for social, economic and environmental change. Although tourism offers economic benefits, however, it also incurs socio-cultural costs. The Chairman of British Airways states that tourism “is essentially the renting out for short-term lets, of other people’s environments...” (WTO, 2002, p. 21). Although this statement was made 15 years ago, it still raises the question of “who benefits from tourism in other people’s environments?” (WTO, 2002, p. 21).

During the last few decades, a change in preferences has taken place, and tourists today are more demanding with regard to the types of holidays they seek. For instance, instead of two-week holidays in Spain, they may prefer more remote and exotic destinations such as elephant-back safaris in Thailand. This trend is apparent in Denmark as well, as faraway destinations have become increasingly popular among Danish natives (Husted, 2009; Morgan, 2006). To meet this demand, new destinations have been selected, and new forms of tourism have been created, many related to developing countries. Consequently, tourism to developing countries has increased significantly, and in many of the least developed countries, tourism is seen as an emerging development opportunity. About 80% of the world’s poor (living on less than US\$1 per day) live in 12 countries, and in 11 of these countries, tourism is a significant or growing industry (WTO, 2002, p. 18). Thus, tourism has the potential to provide economic benefits to countries with large proportions of poor people. Therefore, it could present an opportunity to reduce poverty. However, the economic benefits generated by tourism must reach the poor, but all too often, local people are denied the opportunity to participate in tourism. The distribution of benefits from tourism has been criticised for being inequitable, and tourism and its production have been categorised as “an avenue and instrument for the rich and affluent” (Hall, 2007, p. 114).

Despite the growing importance of developing countries to tourism, the industry seems to ignore the plight of poor people in developing countries. In particular, tour operators do not recognise a direct responsibility to assist the poor because they view themselves as mediators without significant influence. For that reason, “CSR has until recently largely been neglected by tour operators” (Goodwin et al., 2004: Info Sheet no. 10).

A way to increase focus on poor people is through pro-poor tourism (PPT), which refers to “tourism that results in increased net benefits for poor people in developing countries” (PPTa, n.d.).

Critics of CSR highlight several limitations to CSR as a development strategy. They point out that CSR often is ill-suited to tackle poverty in developing countries due to the lack of contextualisation, fragmentation in CSR initiatives, and the exclusion of poor people in the decision making regarding CSR. Moreover, CSR has been mainly related to the environmental aspect of tourism. Few tour operators have addressed the fact that tourism has enormous impacts on peoples’ lives and that tourism can play a role in the reduction of poverty (Kalisch, 2002). However, this might change in the near future if pressure from the industry, organisations and customers increases.

1.1. Problem Area

This thesis was initially inspired by my interest in CSR and the tourism industry. During my years at CBS, I have taken several CSR courses that examine this issue from different perspectives. Nonetheless, the courses have never explored the tourism industry, despite the fact that tourism today represents the main income source for many developing countries. In addition, I find it interesting that the social and economic aspects of CSR are given little attention compared to the environmental responsibilities in the tour operating industry, given the opportunities and threats that tourism presents to poor populations. Moreover, critics have pointed out several limitations of CSR in creating long-term development, as mentioned in the introduction.

In 2009, the Association of Danish Travel Agents and Tour Operators (DRF) suggested the development of a common CSR policy for its members to join. This suggestion focuses on the environmental, social and economic aspects of tourism. According to DRF, it is necessary for tour operators to adopt social responsibility for the problems, conflicts and dilemmas that the world faces today, both to meet the increasing demand from customers and as a part of risk management (DRF, 2009, April). This suggestion from DRF reveals an increasing focus on and interest in CSR in the Danish tour operating industry.

My thesis takes its point of departure in the fact that in-depth research of CSR within the Danish tour operating industry is almost nonexistent. Thus, I find it relevant to investigate that particular field of the tourism industry to fill this gap in knowledge, not only to me as a researcher, but also to the tour operators and in relation to the academic discussion of tourism, CSR and poverty reduction. This thesis seeks to answer the following research question:

1.2. Research Question

What characterises the manner in which Danish tour operators engage in corporate social responsibility and poverty reduction in developing countries?

1.3 Content of Research Question

In order to answer the research question, an overview of the different theories and of the perspective of CSR is presented in the literature review. In the literature review I also highlight the benefits and limitations of CSR in relation to developing countries and poverty reduction. The most significant limitations found in the discussions will form my analytical framework and thus the analysis, which are based on qualitative interviews with 12 Danish tour operators. By applying the findings from the analysis to the analytical framework, I achieve a better understanding of how the tour operators engage in CSR and whether this engagement can contribute to poverty reduction in developing countries.

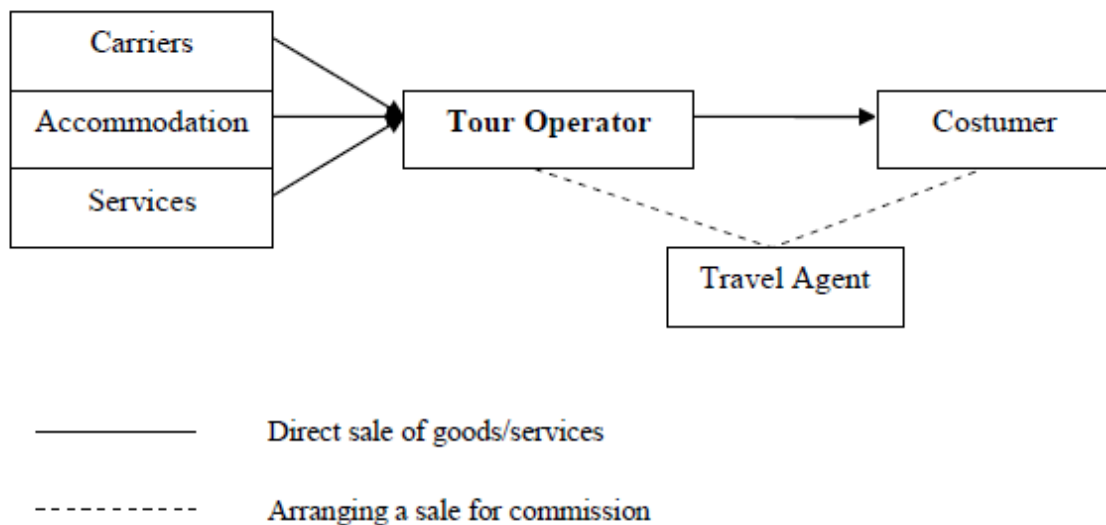
In the following chapter, I define key concepts of the thesis.

2.0. Definitions of Key Concepts

2.1. Tour Operator

A tour operator is a business that combines two or more travel services. A tour operator sells through a travel agency or directly to the final customer as a single product; the tour operator represents the link between the customer and the service provider (Meyer, 2003).

Figure 2.1. A Tour Operator's Place in the Tourism System



Source: Holloway (as cited in Meyer, 2003)

2.2. Corporate Social Responsibility (CSR)

CSR has a multitude of definitions, but in this thesis I apply the definition by Blowfield & Frynas (2005), as follows:

An umbrella term for a variety of theories and practices, all of which recognise the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (e.g., within the supply chain); and that (c) business needs to manage its relationship with wider society, whether for reasons of commercial viability, or to add value to society. (p. 503)

Based upon the following criteria, the social and economic aspects of CSR are the primary focus of this thesis:

- Boosting of local employment
- Expansion of business opportunities for the poor
- Development of collective community income from tourism
- Improvement in the social and cultural impacts of tourism
- Increased participation of the poor in decision-making processes regarding tourism

2.3. Poverty

Poverty can be defined according to both economic and non-economic approaches. In this thesis, I define poverty in a multidimensional way as a “human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights” (UN, as cited in Spenceley, 2008, p. 9).

2.4. Developing Countries

In this thesis, I define developing countries by the IMF. The countries are classified according to both analytical and financial criteria, and in 2009, the list consisted of 149 countries (IMF, 2009, pp. 161-166).

3.0. Reading Guide

Chapter 1: Introduction

In the introduction I present the field of investigation, the research question and the content of the research question.

Chapter 2: Definition of Key Concepts

In the second chapter, I define the five key concepts of the thesis: tour operators, CSR, poverty, PPT, and developing countries.

Chapter 3: Reading Guide

Chapter 4: Methodology

The methodological choices I have made are identified, in particular, the theory of science position, research method, selection and application of empirical data and theory, reliability and validity of data and the delimitations.

Chapter 5: Literature Review

In the literature review, I clarify the concepts of poverty, CSR and tourism. I also highlight the criticism and limitations of the concepts in relation to poverty reduction. I conclude the chapter by categorising its contents into four critical dimensions of tourism, CSR and poverty reduction. These dimensions lead to the analytical framework of the thesis.

Chapter 6: Analytical Framework

In this section, I put forward the four dimensions from the literature review and I discuss how the dimensions are analysed. These four dimensions are the Role of Tourism in Poverty Reduction, Context of Developing Countries, Impact Assessment, and Power and Participation.

Chapter 7: Analysis

I apply the findings from the interviews to the analytical framework in this section. First, I analyze the tour operators' perceptions of CSR and engagement in CSR and poverty reduction. Second, the discussion covers how tour operators take the context of developing countries into consideration, before I move on to, third, their knowledge of the impacts of CSR. Finally, I investigate the stakeholder and participation relationship between the tour operators and the poor.

Chapter 8: Discussion

I apply the analysis findings to the analytical framework in order to develop an answer to the research question.

Chapter 9: Assessment of the Thesis

I explore the methodological and analytical choices made in the thesis to assess whether they have resulted in a comprehensive answer to the research question, or if other choices would have been more appropriate.

Chapter 10: Conclusion

In this chapter I summarise the thesis and its findings, offering a more detailed answer to the research question.

Chapter 11: Future Research

In the last chapter I explore future research possibilities in the field of CSR, tourism and poverty reduction.

4.0. Methodology

In this chapter I discuss the generation of knowledge for the thesis. First, I provide an explanation of the theory of science position; second, the choices regarding the research method are presented; third, this is followed by a discussion of the selection and application of empirical data; fourth, I explicate the selection and application of theory; and finally, I evaluate the reliability and validity of data.

4.1. Theory of Science Position

The theory of science position is an important component of the project because it addresses how research is conducted. According to Olsen & Pedersen (2008), the divide between objectivism and perspectivism is an appropriate way to structure a theoretical discussion pertaining to project work in social science. The theory of science position can be divided into epistemology and ontology. Epistemology is basically the philosophical theory of knowledge. It deals with the question of what can be known, how we know that this truth is the real truth and whether objective knowledge even exists (Easterby-Smith, Thorpe & Jackson, 2008; Olsen & Pedersen, 2008; Saunders et al., 2007). Ontology is concerned with the nature of reality, whether reality is objective, or whether reality is dependent on the individual and cannot exist on its own (Easterby-Smith, Thorpe & Jackson, 2008; Olsen & Pedersen, 2008; Saunders et al., 2007).

Epistemologically, the objectivist camp “believes that truth can be tested and that general laws and theories can and should be formulated” (Olsen & Pedersen, 2008, p. 157). The most extreme position is pure positivism, which states that truth can be found through unprejudiced observation and logical reasoning (Olsen & Pedersen, 2008). Positivism is based on value-free research through quantifiable observations and statistical analysis (Saunders et al., 2007). Ontologically, the objectivist camp believes in essentialism, based on the idea that a world exists in which all things can be defined or described and where all entities possess an objective essence and certain objective characteristics (Olsen & Pedersen, 2008).

On the epistemological level, perspectivism considers “truth to be dependent on perspective” (Olsen & Pedersen, 2008, p. 153). The most extreme approach is interpretivism, which states that no absolute truth exists. The knowledge generated is an interpretation, by the subject, of the concept. The truth is an interpretation based on every individual’s own set of meanings (Saunders et al., 2007). Ontologically, perspectivism is based on a constructivist understanding of reality. The world is considered to be a social and linguistic construct, where the subject studied is formed both by ideology and by the way in which questions are asked. Human beings are seen as interpretive subjects “that continually form and are formed

by their surroundings through interpretations that in turn build on previous interpretations” (Olsen & Pedersen, 2008, p. 160).

Between the positions of positivism and interpretivism lies critical realism. This thesis takes its point of departure in critical realism, as formulated by Sayer (2000). “Critical realism proposes a way of combining a modified naturalism with recognition of the necessity of interpretive understanding of meaning in social life” (p. 3). Critical realism belongs to the broad social science of objectivism, but it differs from positivism by recognising that “all societal *events* result from underlying structures and mechanisms” (Olsen & Pedersen, 2008, p. 155). Sayer presupposes that everything has a cause, and thus, causal analysis is a central issue to critical realism. In other words, reality is a result of social conditioning, so it is necessary to understand the underlying social structures and mechanisms to comprehend or to assess a given phenomenon. As stressed by Sayer (1992), “[m]erely knowing that C has generally been followed by E is not enough: we want to understand the continuous process by which C produced E, if it did” (p. 107). Additionally, Sayer (1992) emphasises the importance of context, “Events arise from the working of mechanisms which derive from the structures of objects, and they take place within geo-historical contexts” (p. 15).

Critical realists distinguish between the world and the way individuals experience it. The world is perceived as essentially real, and reality is divided into three levels or domains: the real, the actual and the empirical (Sayer, 2000, pp. 11-12). The real level is everything that exists, whether natural or social, and it comprises the mechanisms of objects, their structures and powers—that is, capacities to generate particular events. The actual level refers “to what happens if and when those powers are activated, to what they do and what eventuates when they do” (Sayer, 2000, p. 12). The actual refers to all events, experienced or not. The empirical domain refers to experienced and observable events, but individuals do not necessarily know the real or the actual levels in relation to the empirical (Sayer, 2000). In this thesis, the qualitative interviews are on the empirical level of reality, whereas the analysis enters the actual level: CSR and its potential to reduce poverty. The real domain, in which the underlying structures and mechanisms that affect CSR’s potential to reduce poverty can be identified, will not be analysed.

In the following sections, I discuss the research method of the thesis.

4.2. Research Method

4.2.1. Research Strategy and Types of Research

I employ a deductive-inductive research strategy to complete this thesis. The first part of the thesis is deductive, including the literature review and the analytical framework, and the second part, the analysis, is inductive. The inductive part is based on data obtained from qualitative interviews with 12 Danish tour operators. Pure deduction and induction both have certain limitations. According to Danermark et al. (2002), “deduction does not say anything new about reality beyond what is already in the premises” (p. 81), while Sayer (1992) highlights the limitation of induction to be that “we are not logically entitled to assume that because a particular sequence of events has always been observed to occur it will not necessarily do it in all cases” (p. 153). Thus, human knowledge is fallible. Hence, Sayer (1992) argues that retroduction is a preferable way to overcome the pitfalls of deduction and induction. According to Sæther (1998), this is because “it links the empirical from induction with the theoretical from deduction in a continually evolving process” (p. 245). Furthermore, Sayer (1992) states that in retroduction, “events are explained by postulating (and identifying) mechanisms which are capable of producing them” (p. 107). This means that individuals, through retroduction, not only learn that B follows A, but also the process by which A produces B. Yet a retroductive research strategy is complicated and entails many phases, which I do not this thesis.

Sayer (1992; 2000) presents two main types of research: abstract and concrete. The abstract involves only theoretical analyses, as well as the mechanisms and/or its underlying structures that produce concrete objects. The concrete objects cover actual events and empirical experiences. The concrete entails theoretical and empirical analyses, investigating actual events and experiences through an abstract strategy. Thus, the concrete research strategy links the concrete level with the abstract level and “focuses on explaining the relations between structures, mechanisms and events” (Jeppesen, 2004, p. 53). In this thesis I apply a concrete type of research, so I include both theoretical (the literature review and the analytical framework) and empirical analyses (the qualitative interviews). According to Sayer (1992), this is a preferable way to understand a concrete problem because “our concepts of concrete objects are likely to be superficial or chaotic at the outset [why we] in order to understand their diverse determinations first must abstract them systematically” (p. 87). Furthermore, the combination of abstract and concrete levels of analysis diminishes the risk of overextending a single research strategy, which refers to “expecting one type [of research strategy] to do the job of the others” (Sayer, 1992, p. 38).

In the next section, I describe the research design of the thesis.

4.2.2. Research Design

Sayer (1992, pp. 241-251) distinguishes between two types of research designs: extensive and intensive. The choice of research design does not represent an either-or choice, as the designs might be more complementary than competitive. “The extensive research shows us mainly how extensive certain phenomena and patterns are in a population, while the intensive primarily is concerned with what makes things happen in specific cases” Sayer (2000, p. 20). However, critical realists do not believe that results from research, even extensive research, can be made into general laws of social events, “Generalizations may also be either simple descriptive summaries of a given situation or extrapolations—rough predictions of what other situations might be like. The former usage is obviously informative, while the latter is problematic” (Sayer, 1992, p. 100). Typical methods of extensive research are standardised interviews and statistical analyses, while the intensive mainly applies qualitative methods and analysis (Sayer, 2000). I include an intensive research design to obtain in-depth knowledge about how Danish tour operators engage in CSR and poverty reduction in developing countries, rather than to establish general patterns and to complete a statistical analysis. Consequently, I base the analysis on qualitative interviews, which are explained in greater detail in Section 4.3.1. However, Sayer bases the intensive research design on the assumption that sufficient literature and knowledge of a given field exist (Jeppesen, 2004), which is not the case in the context of this study. While a certain amount of literature exists concerning CSR, a rather limited amount deals with CSR and poverty reduction, and with CSR and tour operators. Thus, I have found it necessary to begin this thesis with a descriptive and explorative research design that entails a literature review covering the topics of tourism, CSR and poverty. The literature review covers secondary literature about the three subjects. The need for explorative research is highlighted by Olsen & Pedersen (2008), who state that “a qualified conceptualization of an inadequately understood phenomenon... requires an explorative research method” (p. 186). The descriptive and explorative research design contributes to the development of the analytical framework and hence sheds light on what to study and what to analyse, in order to address the research question. The analytical framework and the analysis also adopt an explanatory approach, as the aim is to examine the relationship between the tour operators’ CSR activities and their potential to reduce poverty in developing countries.

Maintaining consistency between the research question and the research methods is important. According to Saunders et al. (2007), studies that are explorative and explanatory often include non-standardised research interviews because they are 1) helpful in depicting what is happening, and 2) necessary to seek new insights. In the following section, I present the qualitative data collection method.

4.3. Selection and Application of Empirical Data

In order to study how the tour operators work with CSR and poverty reduction in developing countries, I have conducted 12 semi-structured interviews with Danish tour operators. In the following section, I discuss the method of qualitative research, the interviews.

4.3.1. Qualitative Research – Interviews

Sayer (1992; 2000) refers to qualitative research in general rather than elaborating on its different methods. However, qualitative research is a generic term for the use of non-numerical and non-quantitative methods, why I find necessary to supplement this discussion with other authors, such as Danermark et al. (2002), Saunders et al. (2007), and Kvale & Brinkmann (2009). According to Danermark et al. (2002), qualitative research is beneficial when conducting studies with the goal of “understanding, describing and discovering...” (p. 162). As the aim of my project is to understand and explore the Danish tour operators’ engagement in CSR and poverty reduction, a qualitative data collection method is useful. Moreover, neither CSR nor multidimensional poverty can be analysed solely through quantitative data why a comprehensive discussion must rely more on qualitative data and analysis.

Saunders et al. (2007) argue that semi-structured interviews are the preferable approach to obtain data due to three main reasons, as follows:

- It is important for the researcher to understand the interviewee’s attitudes and opinions, and the reasons for the decisions taken by the interviewee
- Many complex questions must be answered
- A variation in the order and logic of questioning may be necessary

In semi-structured interviews, the researcher must cover a sequence of themes and questions, but the form is flexible to changes during the interview in order to follow up and enlarge on the answers given by the interviewee. Questions can be added or omitted, depending on the interview, according to the context of the respondent. Moreover, the interviewer is not required to adhere strictly to the order of the questions and themes, but can adapt these to the flow of the conversation (Kvale & Brinkmann, 2009; Saunders et al., 2007). Although these advantages make semi-structured interviews useful, qualitative interviews have been criticised for their lack of objectivity due to the human interaction inherent in this type of research method. The tone and the non-verbal behaviour of the interviewer can affect the outcome of the answer; in addition, the interviewee’s perception of the interviewer can impact his or her willingness

to reveal and discuss specific aspects of a topic (Saunders et al., 2007; Easterby-Smith, Thorpe & Jackson, 2008). Despite this criticism, I find the use of qualitative interviews to be applicable to this study in order to generate data and knowledge. My purpose of the interviews is not to obtain a single truth or objective knowledge, but to reach a valid understanding of the meaning of the responses. The human interaction in qualitative interviews is in line with the critical realist approach, which is based on characteristics as “relations between the researcher and the object” and on the fact that “the context...influences the phenomenon we study” (Jeppesen, 2005, p. 5).

4.3.1.1. Seven Stages of Interviewing

The process of qualitative interviews can be divided into seven stages (Kvale & Brinkmann, 2009). In the explanation of the interview process below, I follow this division.

1. Thematising: It is important to clarify *why* the interviews are relevant to the thesis and to obtain knowledge about the theme under study to determine *what* to ask the interviewees. I conducted the interviews with the aim of obtaining an understanding of the tour operators’ engagement in CSR and poverty reduction in developing countries. The tour operators’ knowledge about the industry and their work with CSR are important in order to answer my research question. In Appendix I, a list of the interviewees is provided.

2. Designing: Then, I determined *how* to gain the intended information from the interviewees. In total, I conducted 12 semi-structured interviews. The concept of semi-structured interviews is explained in Section 4.3.1. All interviews were recorded with a digital voice recorder.

3. Interviewing:

I employed an interview framework for all the interviews, but the sequence of questions was not strictly predetermined, and small adjustments could be made in the interview framework during the interview process. This is done to extend and follow up on some of the interviewee’s answers. In most cases, the interviewee is the director or a product manager who has great knowledge about the company’s CSR activities. The interviews have various durations lasting from 30 to 120 minutes, depending on how much the tour operator engages in CSR. In Appendix II, I provide an overview of the interview framework.

4. Transcribing:

All the interviews were transcribed into summaries of 5-6 pages, written as soon as possible after the interview. An example of an interview transcription is available in Appendix IV.

5. Analysing:

I analyse the qualitative data through an *ad hoc* interview analysis method, which is the most common method of interview analysis (Kvale & Brinkmann, 2009). This means that meaning from the interviews is obtained through a combination of different analytic techniques and concepts. I apply meaning condensation as a way to compress the import of the interviews into shorter formulations, so the essence of the responses could be rephrased in a few words (Kvale & Brinkmann, 2009).

6. Verifying:

I deem the interviews to serve a relevant and valid purpose in answering the research question. After finishing an interview, a summary of the transcription was sent to the interviewee to avoid misunderstandings about the answers. This step also enabled the tour operators to add comments and further explanations. Additionally, the interviewees agreed to be contacted for supplementary questions if necessary.

7. Reporting

I base the analysis on empirical data obtained from the interviews. Above, I explain the interview process and how knowledge was gathered and produced in six stages. Altogether, this is a way of communicating and documenting the interview process and the methodological choices that I have made in relation to the interviews.

4.4. Selection and Application of Theory

This is an interdisciplinary study, combining theoretical approaches from different disciplines such as development, economics, and stakeholder management. This is linked to the interdisciplinary aspect of both CSR and tourism. My secondary data were gathered from the Internet, books, articles, reports and journals within the fields of tourism, CSR and poverty. The literature was used to create an eclectic analytical framework, in which different theories complement each other due to their relevance to the four dimensions described in Chapter 6.0. The analytical framework leads to the analysis of how Danish tour operators engage in CSR and poverty reduction in developing countries. It is worth mentioning that poverty reduction is affected by various factors beyond CSR activities, for instance, national/international policies, the surrounding natural environment and the self-perception of the poor. While such issues would require supplementary literature from the fields of political economy, natural science and psychology, I have excluded these issues from the study.

According to Sayer (1992), theory can be perceived in two different ways: “as an *ordering-framework*, which permits observational data to be used for predicting and explaining empirical events” (p. 50), or “as *conceptualization*, in which ‘to theorize’ means to prescribe a particular way of conceptualizing something”

(p. 50). In this study, I understand theory as conceptualisation, which means that theory, beyond being about the causation of data patterns, is a result of interpretation. Theory is not neutral, but consists of conceptualisations of the world (Sayer, 1992). Thus, data and observations are entwined with theory, resulting in “our understanding and analysis being theory-laden and concept-dependent (the theories and concepts that we use impact on our study, but they do not determinate the outcome)” (Jeppesen, 2005, p. 5). For example, my understanding of poverty as multidimensional affects the analysis of CSR and poverty reduction differently than an understanding of poverty only as a question of income. This relates to concept-dependence. Moreover, my perception of poverty is theory-laden because it is based on the understanding of poverty described by Sen (1999) and UN (as cited in Spenceley, 2008, p. 9). However, my conception of poverty does not determine the outcome of the study, nor does it impact the actual CSR activities of the tour operators.

4.5. Reliability and Validity of Data

Reliability is defined by Saunders et al. (2007) as “the extent to which... similar observations would be made or conclusions reached by other researchers or whether there is transparency in how sense was made from the raw data” (p. 609). A problem in relation to qualitative data is the difficulties of measuring the level of reliability of information. A common way to take these difficulties into consideration is by using triangulation, “different kinds of measures or perspectives in order to increase the confidence in the accuracy of observations” (Easterby-Smith, Thorpe & Jackson, 2008, p. 334). I base this study mainly on primary data, but due to the relative novelty of research in CSR in the Danish tour operating industry, has been challenging to crosscheck my empirical data with secondary data, as the latter hardly exists. Thus, data triangulation is included to a lesser extent. Nevertheless, I apply international studies of CSR and poverty reduction/pro-poor development to broaden the scope of my empirical observations. Concerning these studies, data are derived only from secondary sources. I employ theoretical triangulation through different theories to examine the empirical data—for instance, the Pyramid of CSR (Carroll, 1991) and Pretty’s Typology of Participation (Pretty & Hine, 1999).

My secondary data consist of internationally published texts that have been discussed extensively and criticised. Hence, the secondary data are available for any researcher to use. The majority of the secondary literature is written by prominent authors in the fields of CSR, tourism and poverty. The literature covers different disciplines to create an overview of these three fields. In conclusion, I find the thesis and its findings to be quite reliable. This statement rests on the assumption that other researchers currently engage in the same methodological choices applied here. It is worth noting that reliability, in this study, is understood from a critical realist perspective, which means that the context influences the phenomena

under study. Thus, I acknowledge that other researchers likely will be unable to draw the exact same findings of this study, due to differences in context.

Validity is “the relation between what one originally aimed to investigate and what one has actually investigated. The question is whether the investigation covers what one claims to be able to conclude” (Olsen & Pedersen, 2008, p. 316). I judge the validity of this project to be strong taking the nature of the secondary and empirical data. My aim of the project is to examine the Danish tour operators’ engagement in CSR and poverty reduction in developing countries. While the secondary data provided a theoretical overview of the fields of CSR, tourism and poverty, the interviews provided insight into the tour operators’ practical work with CSR and poverty reduction. Nevertheless, the validity of the thesis could have been improved by interviewing the key stakeholders in poverty reduction: the poor. This has not been possible, which is why it is important to stress that I do not claim to be able to conclude definitively whether tour operators’ CSR activities in fact reduce poverty in developing countries.

4.6. Delimitation

My aim of the thesis is to study how Danish tour operators engage in CSR and poverty reduction in developing countries. According to the definition of CSR by Blowfield & Frynas (2005, p. 503), “companies have a responsibility for their impact on society and the natural environment....” However, I focus on tour operators’ social and economic responsibilities; the environmental aspect of CSR is not analysed. Social and economic responsibilities are identified by the following criteria:

- Boosting local employment
- Expansion of business opportunities for the poor
- Development of collective community income
- Increased participation of the poor in decision-making processes

Developing countries differ from each other in terms of national culture, business culture, institutional settings, legal framework, and so on, and these are vital aspects for tour operators to take into account, when operating in developing countries. In this study, however, I do not investigate such contexts. Instead, I cover developing countries in general, rather than focusing on one specific country or area. Conducting a context analysis would require focusing on only one country, which is irrelevant to the research question posed in my thesis. I presuppose that taking the context into consideration is necessary if CSR is to be successful in developing countries.

The tourism industry is a complex phenomenon with a number of elements, for example, accommodation, transportation, entertainment, and visitor attractions. These different elements might have different ways of acting in regard to the understanding and engagement in CSR. In this project I focus on tour operators, not other parts of the tourism industry. The selection of tour operators is based on the four criteria below, given the research question and the time and scope limitations of the thesis:

- They are leisure tour operators
- They produce their own products (customised and packages)
- They are Danish-owned
- They have destinations in developing countries

I have excluded internationally owned tour operators from this study because they might be required to follow CSR guidelines put forth by their owners abroad; thus, they do not reflect Danish tour operators' engagement in CSR. Not including internationally owned tour operators also results in an exclusion of the four largest tour operators in Denmark: Kuoni, Bravo Tours, My Travel, and Star Tour. Thus, I will not investigate the distinction between large versus small and medium-sized companies. While such a discussion would serve a valuable purpose in comparing the CSR activities of small and medium-sized tour operators versus larger tour operators, it is irrelevant in the context of this project.

Finally, I delimit the thesis from being predictive. Consequently, I do not provide specific managerial proposals regarding future changes in the tour operators' work with CSR in developing countries.

5.0. Literature Review

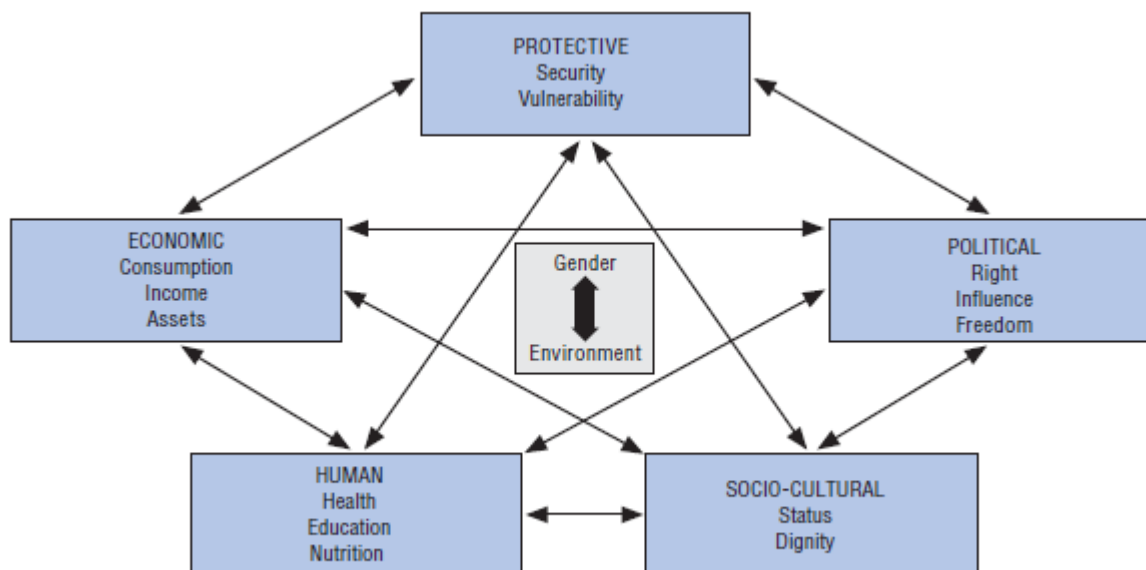
In this chapter, I describe the concepts of poverty, tourism and CSR and I highlight the criticism and limitations of these concepts in relation to poverty reduction. At the end of the chapter, the criticism is divided into four critical dimensions of tourism, CSR and poverty reduction, resulting in the analytical framework.

5.1. Poverty

Poverty is a complex phenomenon. It is neither static nor stable, and due to many varying societal conditions, its nature changes over time. Poverty can be defined using both economic and non-economic approaches. The economic definition focuses on lack of income and deprivation of material resources. An international poverty line of US\$1.25 a day is used to estimate and compare extreme poverty worldwide, for example, by the World Bank (World Bank, 2009). The non-economic definition of poverty integrates a range of different characteristics and is now commonly used and accepted by international organisations and institutions. In 2001, the United Nations defined poverty in a multidimensional way as “a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights” (as cited in Spenceley, 2008, p. 9). In a study by WTO (2002), poor people were asked to define poverty, and they emphasised “lack of income, low levels of access to health, education, clean water; and a sense of powerlessness, insecurity and vulnerability” (p. 21). Sen (1999) defines poverty “as a deprivation of basic capabilities, rather than merely as low income” (p. 191), and he states that the capability approach to poverty “enhance[s] the understanding of the nature and causes of poverty” (p. 90). Sen applies a freedom-centred perspective to poverty by focusing on the choices and capabilities that people pursue and the freedom they have to obtain these opportunities. This freedom is not only connected to economic security, but to issues such as gender, health care, education and political liberty (p. 15).

The framework below was constructed by DAC (OECD, 2001) and illustrates multidimensional poverty. The framework offers an overview of the complexity of poverty and of the capabilities needed to reduce poverty. This means that the capabilities to reduce economic poverty are consumption, income and assets.

Figure 5.1. The Multidimensional Poverty Framework.



Source: OECD (2001, p. 37)

5.2. The Concept of Tourism

Tourism is by nature an interdisciplinary topic, and several definitions for tourism exist. According to the WTO (2002), “tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes” (p. 17). Tourism is not a new concept, and even in ancient times, people travelled for business and pleasure to foreign countries. However, a growing middle class, more leisure time and lower international transport costs have greatly stimulated the tourism industry (Cooper & Wanhill, 1997). The number of international arrivals increased from 25 million in 1950 to around 456 million in 1990, reaching 922 million in 2008 (WTO, 2009, September, p. 2). In 2008, 51% of international arrivals were for holiday and leisure purposes, 27% for VFR¹, health and religion, and 15% for business (WTO, 2009, September, p. 3). Tourism has changed over time, and higher incomes and longer holiday periods have led to structural shifts in the tourism industry. From mass tourism centred on the traditional summer break, tourism has taken a more individualistic approach, and more distant and exotic places have emerged as desirable alongside the traditional vacation spots in Western Europe and North America (Husted, 2009; Morgan, 2006). The share in international tourist arrivals received by developing countries has risen from 31% in 1990 to 45% in 2008 (WTO, 2009, September, p. 2). In Denmark, the same tendency can be observed, and destinations such as

¹ Visiting friends and relatives

Cambodia, Indonesia and Nepal have experienced growth rates of up to 30% since 2008 (DRF, 2009, October).

Tourism is one of the world's largest and fastest growing industries, and it has become an important player in international business. Tourism has significant impacts on society, and its enormous growth and global spread have enabled it to become a key driver for social, economic and environmental change. Today, tourism is a vital industry in many developing countries, often representing their main source of income (WTO, 2002). The positive economic impacts derived from tourism are mentioned as the prime reason for developing countries to become engaged in this industry. However, tourism may also result in harmful effects that must be evaluated when making decisions regarding the actual economic value obtained from tourism. According to Swarbrooke (1999), some of the economic benefits of tourism are job creation and injection of income into the local economy, while the costs can be low-paying jobs and overdependence on the industry (p. 61). The costs and benefits of tourism are primarily considered on the basis of the multiplier effect, which is used to calculate the value of tourism to an economy². The multiplier is based upon the interdependency of different sectors of tourism and is "the ratio of the effect of tourism spending vis-à-vis the original amount spent" (Oppermann & Chon, 1997, p. 114). The idea of the multiplier effect is that "every pound, dollar or mark spent by the tourist circulates around the local economy in a series of waves" (Swarbrooke, 1999, p. 60). It is important to recognise that the multiplier effect varies between different economies—for example, local vs. regional, and different types of tourists—and that it is closely interlinked with the leakage rate. Leakages refer to the amount of tourism spending that does not stay in the economy, but instead goes to taxes, imported goods and wages paid outside the economy. My aim is not to discuss different types of leakages, but to show that leakages diminish the development impacts of tourism. Leakages occur in economies where the needs of tourists cannot be met by the local economy and instead are fulfilled through imported goods, services, skills and technology (Meyer, 2007; WTO, 2002). According to Oppermann & Chon (1997, p. 114), a high leakage rate often appears in developing countries due to a lack of availability of goods and services at the required quantity and quality; foreign ownership of tourism plants; vertical integration of tourism suppliers and multinational corporations; and the lack of a skilled labour force. It is necessary to enhance the extent of local economic linkages to reduce leakages by creating employment at all skill levels, creating mutually beneficial business linkages between the formal and informal sectors, and by developing partnerships at the destination level (WTO, 2002).

The social and cultural impacts of tourism have derived less attention than the economic and environmental consequences, probably because these impacts occur slowly over time and are difficult to

² An economy may be a local community, a region within a country, or a country as a whole.

measure (Swarbrooke, 1999). Socio-cultural changes in a society are not only derived from tourism, but also from globalisation and the availability of new technology. Many tourists travel to discover and explore the authenticity of foreign cultures, but at the same time, they demand familiar amenities and conveniences. From a negative point of view, one may note the imposition of Western cultural values at a destination, where local customs and traditions are adapted to suit tourists' preferences and a shift in local consumption takes place from locally produced products towards Western products (Oppermann & Chon, 1997; Sharpley & Telfer, 2002; Swarbrooke, 1999). Another effect of tourism is the change in family structures and power balances due to migration to tourism areas and the displacement of local people because of the sale of their lands. Such changes may lead to disruptions in communities and changes in the composition of family responsibility patterns and income earners. Nonetheless, many women have become empowered through paid jobs in the tourism industry, and the entrepreneurial activity can be enhanced (Oppermann & Chon, 1997; Sharpley & Telfer, 2002). A common issue regarding the impacts of tourism is the lack of focus on poor people and marginalised groups. These groups are often denied a voice in the tourism development debate and thereby ignored in the distribution of benefits. I explore this critique in greater detail later in the thesis.

5.2.1. The Danish Tour Operating Industry

In this section I provide an overview of the structures and main trends in the Danish tour operating industry. This is useful background information necessary to understand how Danish tour operators engage in CSR in developing countries.

5.2.1.1. The Structure of the Industry

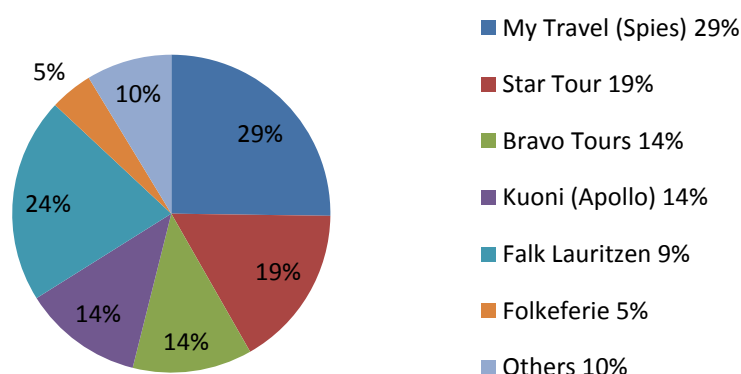
According to the law, all Danish tour operators must be registered with the Danish Travel Guarantee Fund, if they sell or offer travel arrangements to customers. A travel arrangement is a combination of two or more travel services, most often the combination of transport and accommodation (Rejsegarantifonden.dk, 2010). According to the Danish Travel Guarantee Fund, 636 tour operators were registered on December 31, 2009. This number seems fairly stable, as the numbers for 2007 and 2008 were 599 and 594, respectively (ECTAA, 2009). Out of the 636 registered tour operators, 137 are members of DRF (DRF, n.d.). DRF works to create attractive conditions for tour operators in Denmark, and in 2008, the association began to develop a social responsibility policy.

In descriptions of tour operators, distinctions can be made in relation to size and segments, such as the difference between Internet-based and business travel operators. It can be difficult to find information about the companies' sizes because only a limited number of tour operators publicise their accounts. All information from the Danish Travel Guarantee Fund is confidential, so data regarding how the tour

operators are divided between different segments are unavailable. An important distinction is made between mainstream and specialised tour operators. Mainstream tour operators sell travel arrangements to a large customer base by offering mainstream products that attract a large volume of tourists. Specialised tour operators sell to a smaller customer segment and often, they specialise in certain destinations and activities (Meyer, 2003). The distinction between mainstream and specialised operators can be difficult to make. First, tour operators might sell both mainstream and specialised travel arrangements, and second, some tour operators see themselves as specialised, while others would categorise them as mainstream. In general, large tour operators arrange more mainstream products than smaller tour operators, which often must specialise to be able to compete in the tourism market (Meyer, 2003). The four largest tour operators in Denmark (My travel, Star Tour, Kuoni and Bravo Tours) primarily arrange mainstream products. These four are described below in greater detail. The tour operating industry is very integrated, and a number of smaller tour operators are owned by larger companies. By owning a smaller, more specialised tour operator, larger companies become able to combine both mainstream and specialised travel offers and thus cover a broader range of customers. One example of this is Star Tour, which provides specialised travel arrangements through a smaller tour operator, TEMA Rejser.

The structure of the tour operating industry is characterised by a small number of large tour operators and a large number of small and medium-sized, more specialised tour operators. In 2007, the four largest tour operators controlled approximately 75% of the market, which means that the remaining 25% was controlled by over 590 tour operators (Startour.dk, n.d.).

Figure 5.2. Market Share of Top 6 Danish Tour Operators in 2007



Source: Startour.dk

The tour operating industry features a large degree of horizontal and vertical integration. Horizontal integration is the most common, and it is seen when two or more tour operators join together to influence the industry's concentration level and hence reduce competition and increase economies of scale (Meyer, 2003). Vertical integration takes place when companies want to control several stages of production, either supply or distribution, in terms of quality, availability, access and price. In the tour operating industry, this could be investments into accommodation, transport or travel agents (Meyer, 2003). In the Danish industry, vertical integration is not as common as horizontal integration, but one example is Albatros, which owns a camp in Kenya. Vertical integration plays a significant role in the interviewed tour operators' engagement in CSR and poverty reduction, as made evident in the analysis.

5.2.1.2. The Danes' Travel Patterns and Choice of Destinations

Danes enjoy travelling, and in 2008, they went on an estimated 16.6 million holiday trips, of which 3.9 million were longer stays to foreign countries (more than three overnight stays). The purpose of 29% of the longer holiday trips abroad was beach holidays; 17%, city breaks; and 12%, nature holidays (Danmarks Statistik, 2009). According to Egholm, the Danish tourism industry had a turnover of DKK 22.937 billion in 2008 and a growth rate of 3.4%, compared to 2007 (Personal Communication, February 24, 2010). Nevertheless, the financial crisis affected the industry in 2008, resulting in several bankruptcies and consolidations. The 2009 outlook for the industry was negative, and a decrease of 10-15% in the demand for holiday trips was expected (DRF, 2009, p. 3). A yearly holiday trip to warmer destinations is highly prioritised, so the decline is likely observed in the demand for destinations outside Europe and in the number of spontaneous trips taken during the spring and autumn (DRF, 2009; Euromonitor, 2009).

Exotic and faraway destinations are becoming more popular among Danish tourists, and in 2008, destinations such as Dubai, Nepal and Cambodia experienced high growth rates (DRF, 2009, October). Significant reasons for the change in demand are the increased use of the Internet to seek information about destinations and the intensified price competition in air travel (DRF, 2009, October). An increasing number of Danish tour operators have destinations in Africa and Asia, and by perusing the homepages of 22 tour operators (February, 2010), it is clear that the most common destinations in Africa are Tanzania, Kenya and South Africa, while in Asia, the most popular destination is Thailand. However, it is also possible to find more extreme destinations such as Ethiopia, Rwanda and Niger. The popularity of a destination plays a central role in CSR because tour operators are more willing to engage in CSR in a given place if they find the destination to be strategically important. I will address this topic in the analysis as well.

5.2.2. Limitations of Tourism to Poverty Reduction

Tourism has the potential to reduce poverty. However, some authors emphasise the limitations of tourism in relation to poverty reduction (Chok, Macbeth & Warren, 2007; Bennett, Ashley & Roe, 1999; Hall, 2007; Mowforth & Munt, 2003; Scheyvens, 2007). Tourism is strongly dominated by demands from Western countries (Williams, as cited in Chok, Macbeth & Warren, 2007, p. 150), which often results in Western tourism guidelines relying upon conditions that are absent in developing countries. Two factors are important in the development of tourism—namely, the role of the state and the policy environment for tourism (Bennett, Ashley & Roe, 1999; Mowforth & Munt, 2003; Scheyvens, 2007). Scheyvens (2007) stresses that “there is need for effective governance structures if tourism is to maximize benefits for the poor” (p. 248). Another limitation of tourism is the lack of data to demonstrate the positive impacts of tourism on poverty reduction (Chok, Macbeth & Warren, 2007; Bennett, Ashley & Roe, 1999; PPTb, n.d.). According to Chok, Macbeth & Warren (2007), there exists “globally... a lack of convincing empirical evidence to justify the claim that increased tourism development will lead to significant benefits for the poor” (p. 146). Furthermore, critics highlight the unequal power and participation distribution between the Western tourism industry and poor people in developing countries (Chok, Macbeth & Warren, 2007; Bennett, Ashley & Roe, 1999; Hall, 2007; Mowforth & Munt, 2003; Scheyvens, 2007). As Williams (as cited in Mowforth & Munt, 2003) stresses, “[g]enerally, in terms of controlling access and retention of tourist expenditures, developing countries have weak bargaining power vis-à-vis international tour operators and experience discrimination” (p. 150). The main points of this criticism can be divided into four dimensions: the role of the state, the contexts of developing countries, impact assessment, and power and participation.

In the section below I describe the concept of CSR.

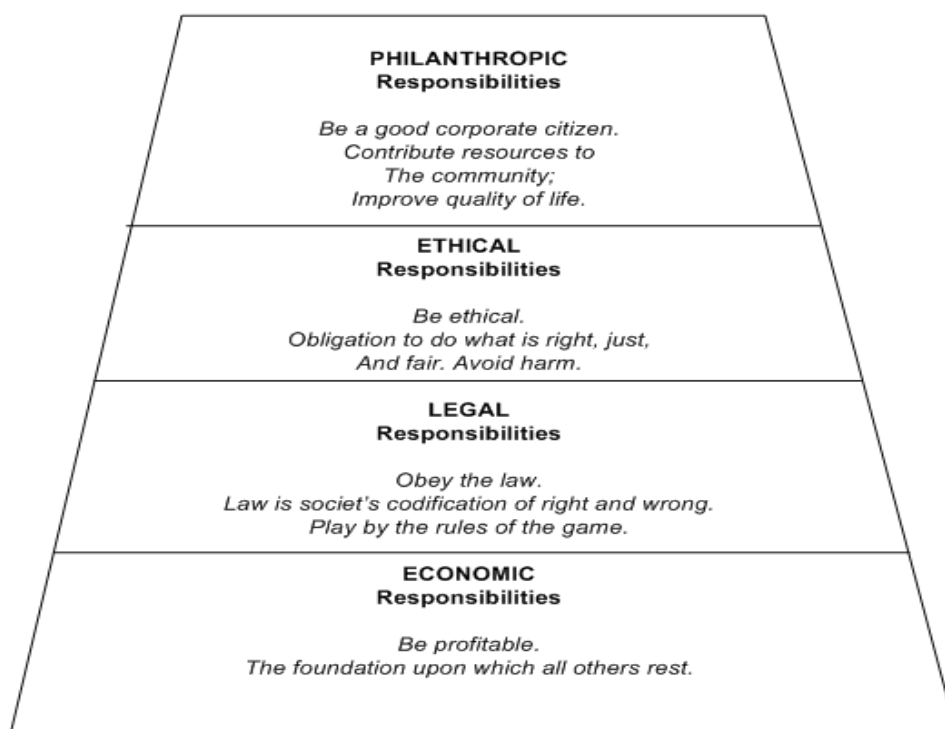
5.3. The Concept of Corporate Social Responsibility (CSR)

The debate surrounding CSR is not new. In 1970, Friedman wrote his famous article, “The Social Responsibility of Business Is to Increase Its Profits,” in which he emphasises that the only responsibility of a corporation is to maximise its profit and the shareholder value (Friedman, 1970). Many scholars perceive Friedman to be an opponent of CSR. However, Friedman also states that a company can devote resources to social purposes, if such a decision is fully in its own—and thereby the shareholders’—long-term interest (Friedman, 1970). This strategic way of using CSR has been further explored by Porter & Kramer (2002; 2006), whose main point is that CSR can be used as a competitive advantage.

According to Carroll (1991), the responsibilities of a company can be divided into a pyramid based on four parts: the economic, legal, ethical and philanthropic. Carroll differentiates between ethical and

philanthropic responsibilities by saying that the former is an obligation to do what is expected of societal mores and ethical norms, while philanthropic responsibilities are more icing on the cake and thus less important (Carroll, 1991, p. 42). This means that even though a company fulfils some philanthropic responsibilities in a community, it will not be perceived as socially responsible if it does not live up to the ethical responsibilities set by its stakeholders. The responsibilities are illustrated in figure 5.3.

Figure 5.3. The Pyramid of CSR.



Source: Carroll (1991: 42)

During the last 25 years, the concept of CSR has been widely promoted (*Economist*, 2008; Doane, 2005). However, the globalisation of CSR has been criticised, primarily because the debate is dominated by industrialised countries and Northern perspectives (Blowfield & Frynas, 2005; Kapstein, 2001; Newell, n.d.; Newell & Frynas, 2007; Prieto-Carrón et al., 2006). Against this backdrop, one might argue that the field of CSR has become more culturally homogenous, but in practice, this is not the case. Carroll (as cited in Garriga & Melé, 2004) explains the heterogeneity in the following way: “an eclectic field with loose boundaries... broadly rather than focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary” (p. 52), while Garriga & Melé (2004) simply write that “the CSR field

presents not only a landscape of theories but also a proliferation of approaches, which are controversial, complex and unclear" (p. 51). Blowfield & Frynas (2005, p. 503) define CSR as an umbrella term that incorporates a company's responsibility for its impact on society and natural environment; for the behaviour of business partners; and for the management of its relationship with society³. These authors argue that CSR is perceived differently by different people and that the meaning of CSR changes from one society to another. Thus, CSR is adopted for distinct purposes, which in turn alter its meaning.

Several scholars have attempted to clarify the field of CSR. Garriga & Melé (2004) consider CSR theories from the perspective of how the interaction between business and society is focused. They distinguish between four main groups: the instrumental, political, integrative and ethical. *Instrumental theories* focus on economic objectives, and CSR is perceived as a strategic instrument to achieve wealth creation. Friedman and Porter & Kramer are representatives of this group. *Political theories* focus on the social power of business and its inherent responsibility in the political arena. The third group consists of *integrative theories* that focus on the integration of social demands into a company's business strategy. It is necessary for a company to operate in accordance with the social values of a society because business depends on society for continuity and growth. An important part of this process is stakeholder management, which refers to the need and ability of a company to identify and evaluate both the social issues and the different groups to which it must respond. In the analytical framework, I discuss stakeholder management. In the fourth group, *ethical theories* focus on the right thing to do, and a company's social responsibilities are perceived as an ethical obligation above any other consideration.

Djursø & Neergaard (2006, pp. 21-24) classify various perceptions of a company's engagement in CSR into schools of CSR, among others, the dogmatic, the philanthropic, the international and the ethical. *The dogmatic school of CSR* focuses on maximising profit, based on the assumption that a company is socially responsible if it can increase the total welfare of society through its profit. *The philanthropic school* closely relates to the dogmatic, as both emphasise the importance of a company's profit maximisation. However, in the philanthropic school, a company should take social responsibility for society by donating a little share of its profit to philanthropy. The social responsibility of a company is not linked to its business operations, and the companies do not necessarily have a deeper understanding of ethical responsibility. Carroll (1991) is representative of the philanthropic school, and he stresses that "CSR includes philanthropic contributions but is not limited to them" (p. 42). According to Djursø & Neergaard (2006), the most common understanding of CSR in the international literature belongs to *the international school of CSR*. This understanding is reflected in the definition by the European Commission (European Commission, n.d.): "[a]

³ For the exact definition, see Definitions of Key Concepts.

concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” Thus, stakeholder management is an important component of this school of thought. The voluntary aspect illustrates that CSR extends beyond a company’s legal compliance and obligations (Carroll, 1991; Djursø & Neergaard, 2006). The economic aspect plays a significant role in the international school, which is highlighted by the European Commission (European Commission, n.d.) as follows. “CSR can make a significant contribution towards sustainability and competitiveness, both in Europe and globally.” However, the correlation between the financial and the responsible performance has been debated, and the business case of CSR remains unclear (Doane, 2005; Margolis & Walsh, 2001; Plesner & Neergaard, 2005; Vogel, 2005). Finally, *the ethical school* is based on the idea of doing good deeds, and social responsibility is perceived by companies as the right thing to do. It can be difficult to associate specific theories to this school of CSR, as social responsibilities are often interpreted through personal points of view. The ethical school also relates to societal norms and to the understanding of what is perceived as right and wrong.

Approaches to CSR are driven by the historical, cultural and institutional contexts of a region (Blasco & Zølner, 2008; Blowfield & Frynas, 2005; Crane & Matten, 2007; Matten & Moon, 2008; Holme & Watts, 2000), so it is important to consider the context of developing countries when working with CSR. According to Newell (n.d.), many companies attempt to import CSR models to developing countries without considering specific settings and different conditions. In the tourism industry, context is important because the majority of tour operators operate in a number of different countries and destinations. Walle (as cited in Fennell, 2006) argues that “tourism is not a generic industry since it uniquely impacts the environment, society and cultural systems in ways which require a holistic orientation within a broad and multidimensional context” (p.146). In the following chapter, I describe the concept of CSR within the tourism industry.

5.3.1. The State of CSR within the Tourism Industry

The responsibilities of the tourism industry were not internationally debated until the mid-1990s. During this decade, several initiatives were launched, including—among others—the Agenda 21⁴ (1995), the Global Code of Ethics for Tourism (1999)⁵ and the Tour Operators’ Initiative (2000)⁶ (Fennell, 2006; TOI,

⁴ Agenda 21 for the Travel and Tourism Industry: Towards Environmentally Sustainable Development - a publication that should increase awareness of environmental concerns in the tourism industry (WTO, 2002, p. 20).

⁵ The Global Code of Ethics for Tourism (GCET) is “a comprehensive set of ten principles whose purpose is to guide stakeholders in tourism development” (WTO, 2009) and it “sets a frame of reference for the responsible and sustainable development of world tourism” (WTO, 2009). The principles are not legally binding, but serve as guidelines.

2009; WTO, 2009). The focus of the debate in the tourism industry has moved from solely being on environmental responsibilities to also embracing social and economic obligations (Dodds & Joppe, 2005; Fennell, 2006; Wight, 2007, p. 214). Likewise, in Denmark, the social aspect of tourism has not been widely debated compared to its environmental impacts. Not until 2008 did DRF include the social and economic perspectives of tourism in its work with CSR (DRF, 2009, April). CSR has received increasing attention from the international tourism industry, and steps have been taken towards a more responsible way of managing tourism (Mowforth & Munt, 2003; Wight, 2007; WTTC, 2002). However, critics contend that CSR initiatives are fragmented due to the fact that the majority of actions are developed through an *ad hoc* approach instead of an integrated part of business (Richards, Carbone & Gordons, 2002). Most tourism entities work with their own programs and initiatives, and only a minority engage in broader CSR policies and actions (WTTC, 2002; Wight, 2007). Furthermore, CSR initiatives are largely driven by Western tour operators and not by companies from developing countries (Dodds & Joppe, 2005).

CSR is a broad and poorly defined concept, which functions as a frame for other types of tourism, such as community-based tourism, fair trade tourism and PPT (Kalisch, 2002; Mowforth & Munt, 2003). The understanding of CSR as a frame is also expressed by Blowfield & Frynas (2005). CSR consists of many dimensions, ranging from the employees' wellbeing to environmental challenges, but not until recently has the poverty dimension of CSR begun to play a role in the debate. A way to develop tourism in which the needs and opportunities of the poor are taken into consideration is PPT (Ashley, Boyd & Goodwin, 2000). The essence of PPT is poverty alleviation through tourism, and a short definition of the term is "...tourism that results in increased net benefits for poor people" (PPTa, n.d.). PPT focuses on developing countries in the South and not on mainstream destinations in the North (Ashley, Roe & Goodwin, 2001). It is not about expanding the overall industry through a niche sector, but rather creating opportunities for the poor through their employment and participation in tourism development and activities (Ashley, Roe & Goodwin, 2001; PPTa, n.d.).

In the next section I consider the limitations of CSR to poverty reduction.

5.3.2. Limitations of CSR to Poverty Reduction

Sceptics of CSR have called for a more critical research agenda to assess the potential benefits, costs and impacts of CSR in developing countries (Blowfield & Frynas, 2005; Newell, n.d.; Newell & Frynas, 2007; Prieto-Carrón et al., 2006). Prieto-Carrón et al. (2006) argue that "the potential and limitations of CSR

⁶ The Tour Operators' Initiative for Sustainable Tourism Development (TOI) was developed by tour operators, and its mission is to "minimize adverse impacts on, and to generate benefits for environment, culture and communities in tourism destinations through the design and operation of tours and of the conduct of tour operators' business activities" (TOI, 2009).

initiatives in the developing world should be assessed and that any CSR initiative should not just benefit companies financially but also benefit workers and communities socially and environmentally” (p. 969). Newell (n.d.) emphasises the need to consider the contexts of developing countries, arguing that “different models of CSR have impacts on different types of poverty” and that “CSR initiatives work for some firms, in some places, in tackling some issues, some of the time” (pp. 1-2). According to such criticism and that mentioned in previous sections, sceptics’ main points can be divided into four dimensions: the role of business in poverty reduction, the context of developing countries, impact assessment, and power and participation.

In the next section, I categorise the points made in Sections 5.2.2 and 5.3.2 into four dimensions. These form the analytical framework of the thesis, which is presented in Chapter 6.0.

5.4. Summary of Dimensions Regarding Tourism and CSR in Poverty Reduction

In previous sections I have discussed several dimensions of tourism and CSR in relation to poverty reduction. These dimensions are important in the examination of how tour operators engage in CSR and whether the activities can potentially reduce poverty in developing countries. Three dimensions are common to both CSR and tourism: the context of developing countries, impact assessment, and power and participation. The role of the state has been emphasised in relation to tourism development, while in the discussion of CSR, the role of business in poverty reduction was stressed. Collapsing these two factors together, four dimensions remain relevant: the role of tourism in poverty reduction, the context of developing countries, impact assessment, and power and participation. These dimensions illustrate the challenges to alleviating poverty through CSR and tourism and create the study’s analytical framework, which I present in the following chapter.

6.0. Analytical Framework

In this chapter, I present the analytical framework of the thesis. The four abovementioned dimensions are put forward and I discuss how each dimension will be analysed. The analytical framework is built upon the definition of CSR suggested by Blowfield & Frynas (2005). These authors rather broadly define CSR as “an umbrella term for a variety of theories...” (p. 503). However, they do not specify any particular theories in greater detail. Thus, to make the definition more operational, I find it is necessary to supplement this definition with various theories and approaches. This analytical framework leads to the analysis of the data gathered from interviews.

6.1. The Role of Tourism in Poverty Reduction

According to Friedman (1970, p. 2), social responsibilities are governmental functions and a function of individual human beings, not businesses. However, Crane & Matten (2007) state that “it is by now fairly widely accepted that businesses do indeed have responsibilities beyond simply making a profit” (p. 47). According to Kalisch (2002), the business case for CSR in tourism is an increasing consumer demand for ethical products and risk management. Kalisch (2002) argues that high standards of responsibility positively affect the motivation and commitment of employees and thereby lead to higher service quality and customer satisfaction. She further contends that poverty among populations can lead to a negative customer-host relationship and community discontent. However, the risk can be managed if tour operators take on social responsibilities and are aware of the social and economic conditions at the destinations. The moral argument of CSR is based upon the notion that society bears many of the costs incurred by companies, for example, the use of public goods. In relation to tourism, the costs for society can be high due to leakages and the degradation of natural and cultural resources (Richards, Carbone & Gordon, 2002). Tourism in developing countries “often draws on assets of the poor, as cultural knowledge, natural resources and rural space” (Ashley, Roe & Goodwin, 2001, sheet no. 3), which makes it necessary for tour operators to compensate society from both the business and moral points of view. Nevertheless, such compensation does not only refer to philanthropic contributions, but also to managing relations with wider society and taking responsibility for the impacts of tourism. This way of understanding CSR is in line with the definition put forth by Blowfield & Frynas (2005), who emphasise that “companies have a responsibility for their impacts on society and the natural environment, sometimes beyond legal compliance and the liability of individuals” (p. 503).

An interesting discussion pertains to whether the tourism industry is the right actor to reduce poverty. Some authors perceive tourism as having great potential to reduce poverty because it is a growing, labour-intensive industry that relies upon the assets of poor people (Ashley, Roe & Goodwin, 2001; Kalisch, 2002;

Wood, 2007). On the other hand, a number of authors adopt a more critical position towards tourism (Hall, 2007; Chok, Macbeth & Warren, 2007; Scheyvens, 2007; Mowforth & Munt, 2003). Solomon (as cited in Hall, 2007) argues that “tourism is, virtually, for all intents and purposes, one with a purely economic function in-so-far as the industry is concerned...” (p. 114). Furthermore, critics argue that tourism is not suited to poverty reduction because of the high level of foreign ownership and its considerable non-economic costs imposed upon the poor (Bennett, Ashley & Roe, 1999, p. 11). Newell & Frynas (2007) and Prieto-Carrón et al. (2006) state that businesses often perform poorly in regard to social development issues due to the lack of social skills and human resources, and also because companies rarely have the necessary understanding of complex social problems in developing countries. Moreover, companies seldom integrate their social activities within broader development programs, thus undermining their abilities to create and sustain long-term development, such as poverty reduction (Newell & Frynas, 2007). One way to improve the necessary skills to understand the complexity of social problems is through multi-stakeholder cooperation and partnerships at the destination level (Mowforth & Munt, 2003; WTO, 2002). Prieto-Carrón et al. (2006) add to the discussion by highlighting the necessity of “the inclusion of underrepresented voices” (p. 974).

The discussion above leads to the question about the possibility of tour operators playing a role in poverty reduction in developing countries. The answer to this question would presumably impact tour operators’ engagement in CSR and poverty reduction. If tour operators are not aware of the social and economic problems incurred by tourism in developing countries and do not feel a sense of responsibility towards these countries, they do not engage in CSR. Therefore, I find the tour operators’ perceptions of CSR to be vital to obtaining an understanding of how they work with CSR. Nonetheless, it is worth mentioning Jenkins’s argument (as cited in Blowfield & Frynas, 2005, p. 507), which highlights the importance of not only looking at activities through a CSR lens, but also remembering that some traditional business responsibilities play a role in companies’ impacts on development. Consequently, some traditional tourism activities can be understood as CSR activities in this analysis, even though the tour operators themselves do not regard them as such.

6.1.1. The Pyramid of CSR

I analyze the tour operators’ understanding of CSR through the Pyramid of CSR (Carroll, 1991), which is explained and illustrated in the literature review. I perceive the Pyramid of CSR to be a descriptive model and not normative, because the order of responsibilities depends on context. This understanding of the Pyramid is supported by Visser (2006) and also discussed in the literature review. I accept that some responsibilities might be in conflict, as exemplified by Visser (2006, p. 47), who states that the issue of HIV

can be understood as an economic, ethical and philanthropic responsibility simultaneously. Similar conflicting responsibilities are not regarded as a problem, as my purpose is to offer a descriptive analysis of how Danish tour operators perceive social responsibilities in developing countries, and not to create a specific categorisation of different CSR activities.

6.1.2. The Schools of CSR

I investigate the tour operators' engagement in CSR using the schools of CSR defined by Djursø & Neergaard (2006, pp. 21-24). The schools of CSR are explained in the literature review. Two schools of CSR have been excluded from the thesis: the dialogue-oriented and the Danish schools. The former is grounded in stakeholder management, which is also included in the international school of CSR. The latter is centred on the "broad labour market", which is an irrelevant issue in the context of this thesis.

6.2. The Context of Developing Countries

Several authors criticise Western companies for not considering context when operating tours in developing countries (Blowfield & Frynas, 2005; Newell & Frynas, 2007; Prieto-Carrón et al., 2006). According to these critics, CSR initiatives are based upon Western perspectives, and the priorities of developing countries are seldom incorporated. As Newell (n.d.) emphasises, the "world of CSR would look very different if the priorities of the poorer groups were put first" (p. 2). Ashley, Roe & Goodwin (2001) discuss this in relation to tourism and conclude that the majority of industry guidelines are based on Western priorities and thereby ill-suited to tackle "the pressing poverty constraints of countries in the South" (p. 3). In addition, the assumptions in current CSR models are built upon conditions that often are absent in the majority of developing countries, such as "responsive businesses interested in CSR, an active civil society willing to partner with businesses and a strong state able to provide an enabling environment for CSR" (Newell, n.d., p. 2).

As mentioned previously, the perception of CSR differs from one society to another. The nuances in the perceptions of CSR and social responsibilities are illustrated by Visser (Crane & Matten, 2007; Visser, 2005). Visser (2005, p. 37) argues that the prioritisation and orientation of the various responsibilities, mentioned by Carroll (1991), are dependent on the context. For example, he states that in Africa, the responsibilities are prioritised differently than they are in the Pyramid of CSR, and he ranks them as follows: the economic issues are the most important, followed by philanthropic, then legal, and finally, ethical. Among the reasons for the high prioritisation of philanthropic responsibilities are the dependency on foreign aid and the socio-economic needs of many African societies. These factors have made philanthropy an expected norm. Moreover, CSR in Africa is at an early stage, meaning that CSR is often equated with philanthropy. It is important to be aware that Visser builds his assumptions within the African context, even though the

conditions of African countries vary significantly. Still, he illustrates that different priorities and understandings of responsibilities arise in different contexts.

As emphasised above, the context of developing countries must be considered when creating beneficial CSR, as described by Newell & Frynas (2007). “What works in one situation may well not work elsewhere” (Newell & Frynas, 2007, p. 674). As this study’s interviewed tour operators operate across several countries, I find it necessary to examine how they deal with these various contexts and how they decide where to implement CSR activities. The information is needed to provide me with an understanding of how tour operators engage in CSR and poverty alleviation.

6.3. Impact Assessment

Globally, there is a lack of knowledge about the intended and unintended impacts of CSR and tourism. Critics generally agree on the need for more empirical evidence to justify the impacts of CSR and tourism in developing countries (Blowfield & Frynas, 2005; Chok, Macbeth & Warren, 2007; Scheyvens, 2007; Prieto-Carrón et al., 2006). They argue that the focus tends to be at the micro level and thus limits the understanding of impacts to the initiatives of individual companies, instead of within a given industry (Blowfield, 2006; Blowfield & Frynas, 2005; Prieto-Carrón et al., 2006). According to Blowfield & Frynas (2005) and Prieto-Carrón et al. (2006), there is a need for more quantitative and comparative studies in order to develop a better understanding of the implications on wider society. However, it is difficult to measure the impacts of CSR, and Jenkins (as cited in Blowfield & Frynas, 2005, p. 507) emphasises the importance of not only using a CSR lens in the assessment of companies’ impacts on development, because many traditional business responsibilities—such as job creation and the payment of taxes—are rarely included in the CSR discussion. Scheyvens (2007) expands this discussion and argues that “while there is a great number of reports rendering prominent the linkages between tourism and poor people...few in-depth studies have been carried out to understand the complexity of these interrelationships” (p. 242).

I do not analyse the impacts of the tour operators’ CSR activities because the aim of the thesis is to examine their engagement in CSR and poverty reduction, rather than to offer empirical evidence of their ability to reduce poverty. Nevertheless, I do comment on their potentiality to reduce poverty based on information from the literature review and the analytical framework. An impact assessment would have required extensive field studies in destination countries, which could not be conducted. Finally, it is doubtful whether such field studies would have led to a better understanding of impacts due to the unwillingness of the interviewees to be critical of the CSR initiatives. This is a common problem in impact assessments in developing countries due to the risk of negative consequences from the management. However, the problem of impact assessments remains relevant to the research question due to the assumption that

knowledge of impacts will affect the manner in which tour operators engage in CSR. Therefore, I find it useful to ask tour operators whether they evaluate their CSR initiatives.

6.4. Power and Participation

Power and participation are central issues in the CSR and poverty reduction debate. This is highlighted in the definition of CSR by Blowfield & Frynas (2005, p. 503) as a need to manage relationships with society, whether for commercial or moral reasons. However, critics point to the lack of discussion about power and participation (Blowfield & Frynas, 2005; Garvey & Newell, 2005; Prieto-Carrón et al., 2006). Prieto-Carrón et al. (2006) emphasise the need for further consideration with regard to “[w]ho has the power to make decisions, what power structures are implicit in CSR, and who has a voice in the debate...?” (p. 973).

The empowerment of poor people plays an important role in poverty reduction because these populations must gain power in order to take control of their lives. Empowerment is defined as a process that “enables local people to do their own analysis, to take command, to gain in confidence, and to make their own decisions” (Mikkelsen, 2005, p. 54). Moore (2005) distinguishes between controlling power, *power over*, and constructive power, *power to*. However, it is worth noting that power and empowerment hold different meanings for different people in different contexts. This is supported by Moore’s rhetorical question, “What else could power be than relational?” (2005, p. 11). I do not examine power in this thesis because of the rather limited ability to analyse power structures between tour operators and poor people without conducting fieldwork in developing countries.

6.4.1. Power and Legitimacy

Linked to power is the issue of stakeholder management, which—according to Emshoff & Freeman (as cited in Garriga & Melé, 2004)—is based upon the achievement of “maximum overall cooperation between the entire system of stakeholder groups and the objective of the cooperation” (p. 59). Stakeholder management is perceived by many as a neutral tool to address issues of CSR. However, the process is often complicated by challenges in developing countries such as language, culture and education (Blowfield & Frynas, 2005; Prieto-Carrón, 2006). Nevertheless, a company needs to assess its key stakeholders in various situations in relation to both its business and its CSR orientation. This enables the company to engage in dialogue with these stakeholders and thus to avoid serious problems. The importance of stakeholder management is emphasised by Blowfield & Murray (2008), who define a stakeholder as “an entity with a stake in another organization, by virtue of the fact, that he, she or it is affected by, or has influence over, that organization” (p. 402). Blowfield & Murray (2008) base the identification of a company’s key stakeholders on the areas of interests and power. However, this model may not be applicable to poverty reduction. In poverty-reducing CSR activities, the poor are the target beneficiaries, and they should be

taken into consideration as a key stakeholder group and be 'given a voice' in the planning and development of these activities (Zhao & Ritchie, 2007). However, the poor seldom possess sufficient power to influence a company's decision making, and these companies rarely have great interest in benefitting the poor. Special attention should be paid to stakeholders' legitimacy to include the poor as a key stakeholder. Carroll (1991) stresses legitimacy and power as two vital criteria in the selection of key stakeholders, and he states that "from a CSR perspective [the stakeholders'] legitimacy may be the most important" (p. 43). Legitimacy is referred to as "the extent to which a group has a justifiable right to be making its claim" (Carroll, 1991, p. 43). The issue of legitimacy, which could be called stakeholders' moral claim, is important in the context of poverty reduction. On the one hand, the poor have a low degree of power over a company's decision making, but on the other hand, they have a high degree of legitimacy. This means that the poor have a justifiable right to make their claims concerning a company's CSR activities in relation to poverty reduction.

6.4.2. The Stakeholder/Responsibility Matrix

The poor and marginalised tend to be excluded from the CSR debate, just as they lack a voice in society. The question of exclusion/inclusion depends on the priorities of civil society organisations and of business cases for companies. Groups that do not significantly impact a company's productivity will not be considered as primary stakeholders; instead, they are often ignored (Blowfield & Frynas, 2005; Prieto-Carrón, 2006). Chok, Macbeth & Warren (2007) add a third factor by highlighting the importance of the political context in developing countries:

Tourism is highly political and the values of powerful stakeholders greatly shape outcomes. ... Tourism policies and plans are less likely to be reflective of a community's social, cultural and environmental concerns than they are of the economic imperatives of those in power. (p. 159)

Moreover, when the poor and marginalised groups are given a voice in the debate, the participation seldom results in a more equal distribution of benefits due to the unequal power relationships between stakeholders (Chok, Macbeth & Warren, 2007; Prieto-Carrón et al., 2006).

I focus on the poor and poverty reduction, so it is irrelevant to conduct an analysis of all the key stakeholders for the tour operators. In this thesis, I perceive the poor as one stakeholder group, but "it is worth reminding that although presented as a single stakeholder group, the poor are not necessarily homogenous in terms of assets, skills, capabilities, social networks, etc." (Zhao & Ritchie, 2007, p. 130). I base the analysis on legitimacy and power, and apply Carroll's (1991) Stakeholder/Responsibility Matrix. This Matrix is used to "organize a manager's thoughts and ideas about what the firm ought to be doing in an economic, legal, ethical, and philanthropic sense with respect to its identified stakeholder group"

(Carroll, 1991, p. 44). Such information can be useful in the development of a company's short-term and long-term decisions (Carroll, 1991). The Matrix is illustrated below.

Table 6.1. Carroll's Stakeholder/Responsibility Matrix.

Types of CSR

<i>Stakeholders</i>	Economic	Legal	Ethical	Philanthropic
The Poor				

Source: Carroll (1991, p. 44)

6.4.3. Participation

The success of CSR activities requires the voice of the poor and their participation. Ashley, Boyd & Goodwin (2000) stress the importance of including the poor in tourism activities, stating that "poor people must participate in tourism decisions if their livelihood priorities are to be reflected in the way tourism is developed" (p. 6). The same criteria apply to the success of CSR activities targeted at poverty reduction. Different degrees of participation exist, and they are not equally beneficial to empower poor people. It is important to note that a high degree of participation is not equal to the success of a project, as emphasised by Choguill (1996). "Does a bottom-up initiative, a project that is only partially successful but involves entire community control, do more to develop the 'morale' and 'psychology' of the local community than a totally successful top-down initiative...?" (Choguill, 1996, p. 434).

I investigate the poor's participation in CSR activities through a ladder of participation. Various models exist, with Arnstein's (1969) ladder of citizen participation as a classic example. A good overview of different ladders of participation can be found in a paper by Leksakundilok (2006, p. 258). The ladders have been developed for different purposes and thus adopt distinct perspectives. Therefore, not all of them are applicable to this study. Pretty's Typology of Participation is based on experience with participation in agricultural development projects, and it is often referenced in development and tourism articles (Leksakundilok, 2006; Mikkelsen, 2005). For that reason, I have selected this model to analyse the participation by the poor in the tour operators' business and CSR activities. The table below illustrates the six types of participation defined by Pretty:

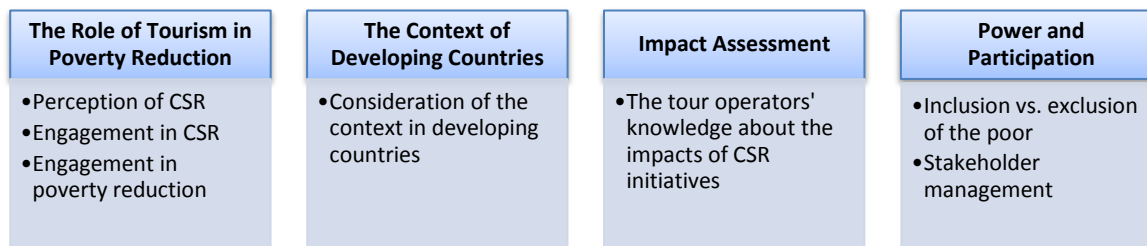
Table 6.2. Pretty's Typology of Participation

Typology	Characteristics of Each Type
1. Passive Participation	People participate by being told what has been decided or has already happened. Information being shared belongs only to external professionals.
2. Participation Consultation by	People participate by being consulted or by answering questions. The process does not concede any share in decision-making, and professionals are under no obligation to take on board people's views.
3. Bought Participation	People participate in return for food, cash or other material incentives. Local people have no stake in prolonging technologies or practices when the incentives end.
4. Functional Participation	Participation is seen by external agencies as a means to achieve their goals, especially reduced costs. People participate by forming groups to meet predetermined objectives.
5. Interactive Participation	People participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions. Learning methodologies are used to seek multiple perspectives, and groups determine how available resources are employed.
6. Self-Mobilisation and Connectedness	People participate by taking initiatives independently to change systems. They develop contacts with external institutions for the resources and technical advice they need, but retain control over how resources are used.

Source: Pretty & Hine (1999); adapted from Pretty (1995, p. 1252)

In conclusion, I base the analysis of this study upon the four dimensions described above. Each dimension will function as a parameter in the analysis and will provide information vital to answer my research question. The figure below summarises the main points of the analysis:

Figure 6.1. Main Points of the Analysis.



Source: Own compilation

7.0. Analysis

In the following chapter, I analyse the data gathered in this study. More specifically, the findings from the interviews are applied to the analytical framework, and the analysis results address the research question. First, I explore the tour operators' perceptions of CSR and engagement in CSR and poverty reduction; second, I examine how they take into account the context of developing countries; third, tour operators' knowledge of the impacts of CSR is investigated; and finally, I analyse the stakeholder and participation relationship between the tour operators and the poor. I apply the definition of CSR by Blowfield & Frynas (2005) as a frame for all parts of the analysis. However, I weight the three aspects of the definition differently, depending on the issue. In Impact Assessment I place more emphasis on the tour operators' responsibility for the impacts of tourism and CSR, while in Power and Participation, their relationship with society at large plays a more significant role.

7.1. The Role of Tourism in Poverty Reduction

Tour operators' perceptions of CSR certainly impact their willingness to engage in CSR. I divide the understanding of CSR into four categories corresponding to Carroll's Pyramid of CSR (1991), illustrated in figure 53. This section includes a discussion of whether the tour operators believe they can fulfil their social responsibilities, which relates to the appropriateness of these figures in tackling social problems in developing countries. Finally, I analyze the tour operators' engagement in CSR and poverty reduction using the schools of CSR defined by Djursø & Neergaard (2006).

7.1.1. The Tour Operators' Perceptions of CSR

Economic Responsibilities

The most important responsibility of a company is to remain profitable and thus to stay in business. This relates to a statement by Carroll (1991), in which he emphasises the significance of and the striving towards maximum profits. A company that does not fulfil its economic responsibilities will not be able to fulfil any of the other three responsibilities. Solomon designates the purpose of the tourism industry as “one with a purely economic function” (as cited in Hall, 2007, p. 114). Consequently, it is not surprising that the majority of tour operators emphasise economic responsibilities as the foundation of their business. Albatros stresses that “companies are money businesses. We must earn money and that is our purpose...” (Interview, March 18, 2010). According to Egholm (2009, p. 26), the Danish tour operating industry is characterised by a low contribution margin and lack of human resources. This statement is supported by ten of the interviewed tour operators, for example, Lords:

It is an industry with a low contribution margin... By virtue of this, what the tourism industry can do [to reduce poverty in developing countries] is limited, compared to other industries. (Interview, April 24, 2010)

In the statement above, except for underlining the economic conditions of the tour operating industry, Lords points out that economic responsibilities are linked with the possibility of fulfilling a business' other responsibilities. Thus, economic responsibilities can be an impediment to undertaking ethical and philanthropic responsibilities. I discuss this point in greater detail in the section regarding ethical responsibilities.

Crane & Matten (2007) identify meeting customer demand for “good quality products at a fair price” (p. 49) to be an economic responsibility of a business. This relates to the tour operators' understanding of economic responsibilities, as ten out of the twelve interviewees emphasised the importance of satisfying customers' demands and expectations. In particular, the demand for a fair price plays an important role in the satisfaction of customers because today, many tourists expect to purchase trips at unnaturally low prices due to the price war in the Danish tour operating industry. This demand for low prices affects the way tour operators conduct their businesses in developing countries:

If the price [for a travel] gets too high, the customers switch to a cheaper tour operator. Therefore I press the price. I need my profit. It is frustrating. You know it is wrong... He [the supplier] shows me his

receipts and expenditures and how much he has left over. He does not make ends meet. (C&C, Interview, March 31, 2010)

One interesting finding is that not all tour operators apply profit maximisation. Nyhavn and Livingstone clearly support this point of view, and while they argue that the purpose of their companies is to earn money, they also concede that money is not the ultimate goal; ethical considerations also play a role such, as morality and sympathy, as indicated in the following quotation:

We do what we feel is right. We do not compromise with our values...We do not put pressure on price. Instead we start a dialogue with our collaborators. We have worked together for many years, which we want to continue... The ends have to meet for all of us. (Livingstone, Interview, April 8, 2010)

None of the tour operators have shareholders, why their economic responsibilities mainly relate to the owner(s). One advantage of not being liable to shareholders is that the owner decides whether the company should spend money on CSR. The owner of Albatros said, "I can engage in [CSR] because I am the owner. I could not do it if were the CEO of an ordinary commercial corporation. I do whatever I want to with my money" (Interview, March 18, 2010).

In the following section, I discuss the tour operators' perceptions of their legal responsibilities.

Legal Responsibilities

A company is required by society to abide by the laws of its country of origin and of the countries where it conducts business. Nevertheless, the legal responsibilities of a tour operator might create a dilemma regarding how to fulfil both economic and ethical responsibilities. In some situations, the dilemma may tempt tour operators to neglect their legal responsibilities. Albatros states that "the commercial interests ensure that companies follow the line of least resistance" (Interview, March 18, 2010). Alternatively, the tour operator may choose to disregard potential unlawful activities. Jesper Hannibal explains, "How things work [in many developing countries] is a minefield. We respect and have confidence in how things work out there. That is something our local suppliers deal with" (Interview, April 15, 2010). In such situations, the tour operator defines its economic responsibilities to be the most important and disregards the ethical and legal issues.

A number of the tour operators place emphasis on theory versus reality; one issue is the ideal world, and another is how the real world is structured. These two issues approach corruption, which is mentioned as a

necessary nuisance to complete tasks in developing countries and hence to fulfil the tour operators' economic responsibilities. The quotation below exemplifies this point of view:

It is a terrible dilemma, but you have to pay [corruption] to make things work out smoothly so that everybody gets a good experience. It is also your social responsibility that your customers experience the country in a positive way... I do not change a local supplier, because he has paid someone USD100 to make things work out smoothly. (Interview with a tour operator, April 15, 2010)⁷

In the section below, I analyze how the how tour operators perceive their ethical responsibilities in developing countries.

Ethical Responsibilities

The ethical responsibilities of a company are a complicated issue because they pertain to society's expectations of fairness and justice and to stakeholders' moral rights. The ethical responsibilities embody ethical norms and standards, which a company is not required to follow within the legal framework (Carroll, 1991; Crane & Matten, 2007). According to Carroll (1991), "ethical responsibilities are often ill-defined or continually under public debate..., and thus frequently difficult for business to deal with" (p. 41). Albatros supports this statement and adds that "companies do not have responsibilities. Companies have a responsibility to behave because it is topical. Society puts pressure on companies to behave" (Interview, March 18, 2010). Albatros's perspective is similar to that of Friedman (1970), who emphasises that companies cannot be compared to individuals and therefore cannot be given the individual's responsibilities. Nonetheless, Albatros stresses that "one as a human being has a responsibility towards poor people ... and this [responsibility] cannot be separated from your business" (Interview, March 18, 2010). This relates to a previous quotation from the owner of Albatros, in which he emphasises that he, as the owner, spends his money as desired. I will explore the role of the tour operator owner in the analysis.

The tour operators have different ways of explaining how they understand ethical responsibilities in developing countries, but the majority use broad statements, such as "to behave", "common sense" and "to respect other people". Nevertheless, common issues include selecting local suppliers and collaborators, not negatively influencing local people's lifestyles and traditions, and generating as much money as possible for the local society. I will describe these issues in additional detail in Section 7.1.2.

⁷ I have chosen to make the tour operator anonymous in this specific case because of the illegal aspect of his business, in relation to corruption.

Regarding the selection of suppliers and collaborators, C&C defines CSR as “[ensuring] the use of local labour and that the local society also receives a share of the riches that tourism brings about” (C&C, Interview, March 31, 2010). Likewise, Jysk defines CSR as ensuring “that your suppliers, and the way they do things neither are ruinous to the local atmosphere nor the local population... and to make sure that money ends with local people [at the destination]” (Interview, April 15, 2010). More than half of the tour operators mention the importance of educating customers, citing that tour operators have an ethical responsibility to educate their customers “to respect the norms that are considered in a particular country, even though you are a tourist...” (C&C, Interview, March 31, 2010). Furthermore, it is necessary to replace romance with reality and to inform customers about the conditions that they will encounter at a destination. As Nyhavn states, “It is important to send the right customers to a destination because by sending the ‘wrong’ customers, the destination still gets its money, but it creates dissatisfaction, which is not beneficial [in the long run]” (Interview, March 23, 2010).

As touched upon previously, economic and ethical responsibilities are closely related. Even though two-thirds of tour operators highly prioritise social responsibility, economic responsibilities play a significant role. Jesper Hannibal indicates that social responsibility “goes hand in hand with money” (Interview, April 15, 2010). Taking this into account, it might be discussed to what degree the tour operators meet Carroll’s (1991) third stipulation that “it is important to prevent ethical norms from being compromised in order to achieve corporate goals” (p. 41). Additionally, society’s ethical expectations can be discussed, and Carroll (1991) describes them as “ill-defined and continually under public debate” (p. 41). The expectations of society, and thus the ethical responsibilities of a company, can be divided into distinct and sometimes conflicting parts. Nyhavn argues that “[i]n fact, you would have to talk to each customer [and ask], ‘What are you looking for? And what does [CSR] mean to you?’” (Interview, March 23, 2010). Kalisch (2002) states that the business case for CSR in tourism is an increasing consumer demand. An interesting finding is that none of the tour operators believe customers are more demanding or more aware of CSR now than they were five years ago. Nonetheless, the tour operators believe that CRS is a growing trend from DRF, the media and, in particular, larger suppliers such as international hotel chains.

There has been a change concerning what you hear and see and not least in relation to what you do at the destinations. Both hotels and local operators that own lodges focus on social responsibilities and the importance of contributing to the local society. (Blixen Tours, April 13, 2010)

Five of the tour operators refer to the opportunity to profit from CSR as a new phenomenon, but only a few uses CSR in marketing, primarily in internal marketing. The majority of tour operators find it important to

emphasise that they do not profit from CSR or use it in any commercial way. Kipling highlights that “there are no advantages [of working with CSR], only expenses.... and I do not care. I do not feel the need to show what we do” (Interview, March 16, 2010). However, Topas differs from the other tour operators in stating that its “engagement in [CSR activities] has to come up through effort... It has to be a long-term economic investment to us” (Interview, March 15, 2010). I find the discussion of a company’s possibility of using CSR in a strategic manner, as discussed by Porter & Kramer (2002; 2006), to be interesting but outside the scope of the thesis.

Philanthropic Responsibilities

According to Carroll (1991), philanthropic responsibilities are “highly desired and prized but actually less important than the other three categories of social responsibility” (p. 42). Carroll (1991) refers to philanthropy as “icing on the cake” (p. 42). Topas supports this statement by stressing that “you have a responsibility to behave, but you do not have an obligation to do humanitarian work... But it is fine if you have the possibility...” (Interview, March 15, 2010). Kipling agrees that a company does not have an obligation to take on philanthropic responsibilities, but emphasises that it is about fairness:

We walk around [in a developing country] with a camera that costs more than a yearly salary to anybody we meet on our way... and we buy a Coke of which the price corresponds to one or two day wages of a worker. (Interview, March 16, 2010)

Carroll (1991) makes an important distinction between ethical and philanthropic responsibilities by stating that companies are not socially responsible just by being good citizens in a society; companies must also include philanthropy. Jesper Hannibal states that “if you want to label something as CSR, you have to raise the level... and you have to give back something” (Interview, April 15, 2010). This relates to the previously mentioned statement by the Chairman of British Airways (WTO, 2002) that tourism “is essentially the renting out for short-term lets, of other people’s environments...” (p. 21). In this thesis, my perception of CSR corresponds to the definition by Blowfield and Frynas (2005) and thus differs from Carroll’s. Rather than recognising philanthropy as a required part of CSR, I understand philanthropic contributions to be one way of doing CSR. Consequently, a tour operator can engage in CSR without doing philanthropic work.

Ethical and philanthropic responsibilities might be difficult to differentiate, and in some cases, they are in conflict. A tour operator donating money to a school in a poor rural area in Africa is philanthropy. However, what if the tour operator arranges tours to the school? Is it then still philanthropy? Or do the donations become an ethical responsibility, something that is expected from the local community? The majority of

tour operators perceive philanthropic responsibilities as additional, as highlighted above by Topas. Yet C&C recognise philanthropy as a natural part of their social responsibilities, as an obligation to do what is right. “[Philanthropy] is natural thing to do... because social responsibility is a natural part of C&C’s world view...How difficult can it be? I have a lot, you have less and therefore I give something to you” (Interview, March 31, 2010).

In the section below, I investigate how tour operators engage in CSR and poverty reduction in practice.

7.1.2. Tour Operators’ Engagement in CSR and Poverty Reduction

I analyze the interviewed tour operators’ CSR activities through the schools of CSR defined by Djursø & Neergaard (2006). Again, the understanding of poverty applied here is multidimensional, as defined by DAC (OECD, 2001) and Sen (1999) in the literature review. Thus, when referring to poverty in the analysis, it is not only economic, but also protective, political, socio-cultural and human. Numerous examples of how the CSR initiatives target different types of poverty will be mentioned.

The Dogmatic School of CSR

The dogmatic school represents tour operators that do not engage in CSR, perceiving CSR “as being waste or theft of the owners’ money” (Djursø & Neergaard, 2006, p. 21). A company should concentrate on earning money, because its business activities in itself create jobs and income and thus welfare (Djursø & Neergaard, 2006). All of the interviewed tour operators have at least one CSR initiative towards the poorer part of a population in a developing country. However, Blixen Tours and Brandstrup highlight the importance of making financial contributions via tourism, and Brandstrup states that they “prefer to support via tourism [rather than CSR]” (Interview, March 17, 2010). This attitude belongs to the dogmatic school, but at the same time, both Blixen Tours and Brandstrup make philanthropic contributions to a school in Kenya and to WWF, respectively.

The owner of Albatros (Interview, March 18, 2010) subscribes to the dogmatic way of understanding CSR because he states that it is unacceptable to spend a company’s money on CSR. Despite this point of view, Albatros engages in CSR, as will be seen in the analysis. However, it leads to a discussion about the role of the owner in a company. Several of the interviews were conducted with the tour operators’ owners, and an interesting finding is that the tour operators’ engagement in CSR is often influenced by the owner’s personality and affiliation with a destination. The owner of Lords says:

I was born and grew up in Denmark, but I have Pakistani roots and I am Muslim. In Islam, wealthy people and companies pay 2.5% of their assets as direct support primarily to the poor. This is called *Zakāt*. We pay *Zakāt*... and it amounts to several thousand [Danish kroner] every year... Usually, it is donated to Pakistan and that is solely because of my affiliation there. (Interview, April 21, 2010)

The Philanthropic School of CSR

According to the philanthropic school of CSR, *Zakāt* is defined as philanthropy because a company is donating a share of its profit to a good cause without necessarily having a deeper understanding of its ethical responsibilities. Carroll (1991) is a representative of the philanthropic school and states that only a company that includes philanthropic contributions can be said to engage in CSR. However, Carroll's (1991) definition of philanthropy slightly differs from that of Djursø & Neergaard (2006), as Carroll does not delimit philanthropic contributions to be a share of profit but also to cover, for example, contributions of executive time to the community. In the schools of CSR, the latter will belong to the international school, discussed later in the analysis. My definition of philanthropic contributions is an elaboration of the one by Djursø & Neergaard. I define philanthropic contributions to be when the tour operators make donations of either money or materials without engaging actively in the project. Thus, they do not only refer to donating a share of profit, but also to contributions such as when C&C pays for the local Philippine craftsmen in the Mangyan project. The project is explained on page 54.

In the following section, I offer examples of how the interviewed tour operators engage in CSR in various ways. The majority of the tour operators make philanthropic contributions, but at the same time, many of them have a deeper understanding of ethical responsibilities than normal, relating them to the philanthropic school. Thus, I will describe the majority of the tour operators as belonging to the international school of CSR and influenced by the philanthropic school.

The most common way for the tour operators to make philanthropic contributions is by donating relatively small amounts of money to local projects or institutions, for instance, schools and children's homes. Some examples are Viktors Farmor (Interview, April 12, 2010), who supports a children's home in Bombay and the education of a young girl in Himalaya, and Livingstone (Interview, April 8, 2010), who donates money to a school in Kenya. Educating poor people is an important capability for poverty reduction because illiteracy is a barrier both to productive work and to communication with others, which is a significant part of social and political participation (OECD, 2001, p. 38). Yet the challenge to philanthropic contributions is corruption, which is why both Livingstone (Interview, April 8, 2010) and Albatros (Interview, March 18,

2010) highlight the importance of donating money to specific projects. In South Africa, Albatros cooperates with the Red Cross:

We are financing the building up of Red Cross South Africa. Every year we make a donation that corresponds to the surplus we get from our Big Five Marathon travels... We have also arranged journeys in cooperation with Red Cross [Denmark], where the customers had the possibility of visiting specific projects... The surplus went to Red Cross [Denmark]. (Interview, March 18, 2010)

The establishment of the Red Cross in South Africa can help to build human and political capabilities through the organisation's work in human rights, education and health. The cooperation between Albatros and the Red Cross is an exception to the rule because the tour operators in general prefer to provide support on-the-spot rather than cooperate with international organisations. However, a third of the tour operators cooperate with local organisations at destinations, namely, Albatros, C&C, Kipling and Topas. Topas (Interview, March 15, 2010) collaborates with WWF in a project aimed at creating alternative job possibilities for the local population at a national park in Vietnam. The aim is to increase tourism and to educate local people as guides to prevent them from cultivating land belonging to the national park. The role of Topas is to provide technical advice regarding sustainable tourism and to arrange trips to the national park, thus expanding the tourism industry. The project is deemed to provide positive economic and socio-economic consequences for the local people.

The reason Lords gives for not cooperating with international organisations is that they "prefer to donate directly to local projects through local partners rather than donating to big organisations, which already receive large contributions" (Interview, April 1, 2010). One risk of this practice of CSR is that it often results in a fragmented way of working with CSR, in which projects are suggested and chosen at random. The fragmentation of CSR projects is also discussed in the literature review. Jesper Hannibal stresses that they "are open and easily influenced [by projects], so when someone presents a new project, [they] are on" (Interview, April 15, 2010). The *ad hoc* approach has been criticised by WTTC (2002) and Wight (2007) for being less beneficial than if companies integrated CSR into their businesses and, to a larger extent, adhered to broader CSR policies and actions.

Three factors play a role in the selection of projects: the owner, the degree of vertical integration and the size of the destination. The role of the owner is discussed above, while vertical integration takes place when companies want to control several stages of production in terms of quality, availability, access and/or price. Vertical integration is explained in Section 5.2.1. I have found that the tour operators are more willing to engage in CSR at destinations where they are vertically integrated. Two examples include Topas

(Interview, March 15, 2010) and Albatros (Interview, March 18, 2010). Topas is particularly engaged in CSR in Bolivia and Vietnam because the company owns real estate in those countries, and the lodge in Vietnam is characterised as an eco-lodge. Albatros owns the Karen Blixen Camp in Kenya, referred to as “the most ecological lodge in the whole world” (Interview, March 18, 2010). Albatros points out:

It is easier for us [to work with CSR], if we are [vertically integrated] at a destination. We have a lot of communication with these places and many of the people are very knowledgeable about the destination. It gives us a great opportunity to make a difference. (Interview, March 18, 2010)

C&C (Interview, March 31, 2010) has an aid programme, which covers different CSR initiatives based mainly on philanthropic contributions. The projects are suggested by customers, employees and local partners, and not least the owner of C&C, Enrico. The activities are targeted towards the poorer parts of the local populations, primarily in the Philippines, where Enrico owns Coco Beach Resort, and in Sri Lanka, one of C&C’s biggest destinations. Examples of philanthropic contributions are support of the construction of a school in a rural village in Sri Lanka; support for cataract operations on more than 100 poor local people in the Philippines; and the Mangyan project, with the aim to create education and sustainable job possibilities for the poor indigenous population, the Mangyan people, on a small Philippine island. The Mangyan project differs from C&C’s other CSR initiatives by focusing more on active capacity building rather than money donation:

[Local Philippine craftsmen paid by C&C] teach [the Mangyan people] to produce local products, so they can earn money and get a better life... The purpose of the Mangyan project is definitely to give the poor people an income, so they can control their own lives. (C&C, Interview, March 31, 2010)

The Mangyan project can be defined as a more complex way of performing philanthropic work because C&C are more engaged in the project than in common philanthropic contributions. For example, C&C sell the Mangyan products from their office in Copenhagen. The project is a great means of building significant economic, human and socio-cultural capabilities for reducing poverty among the indigenous population, while at the same time preserving local traditions.

The International School of CSR

The international school of CSR differs from the philanthropic by having a more complex perception of CSR. It is not enough to make philanthropic contributions; a company also has to take the working conditions of its suppliers into consideration (Djursø & Neergaard, 2006). In addition, it is emphasised that CSR takes

place in cooperation with a company's stakeholders. Stakeholder management will be explored in Section 7.4.

All the tour operators prefer to use local suppliers rather than large international suppliers. However, none of the tour operators exclude international suppliers. Viktors Farmor explains, "It is not in all destinations that you can select a supplier from whether the money ends here or there. Often it is by chance who you get hold of in the countries concerned" (Interview, April 12, 2010). The tour operators prefer small local suppliers for two primary reasons. First, they want to support this type of supplier:

In Burma, one of the hotels is run by tribal people, which I have picked out because it is run by these tribal people... I want to support that... It is a very direct way of supporting. I like to know who receives our money. (Viktors Farmor, Interview, April 12, 2010)

Second, travellers in developing countries often seek an authentic atmosphere, which can be difficult to find at large international resorts:

We want the real Africa. We do not want the touristy. We prefer smaller safari lodges with less people and where the impact on nature and the local population is low. Then you feel that you arrive to the real Africa... The larger the safari lodges are, the bigger is the tendency towards internationally owned lodges with a focus on profit, rather than the local population. (Livingstone, Interview, April 8, 2010)

The selection of local suppliers is important with regard to local employment and the expansion of business opportunities for the poor (WTO, 2004; WTO, 2002), and it is often a more direct way to generate income to poor people. Meyer (2003) highlights the benefits of using local suppliers by stating that "only 31-33% of profits remain in the destination when transnational companies are involved, as opposed to in excess of 50% for individual and local suppliers" (p. 45). This refers to the leakage rate, which is described in Chapter 5.0. Albatros adds to Meyer's (2003) point, citing leakages as one of the biggest impediments to economic poverty reduction in developing countries. "The social structure [in developing countries] often means that few, but very resource-rich people, have the power... If these people are taking money out of the system, nothing is returned to the poor" (Interview, March 18, 2010). According to WTO (2002), leakages can be reduced by creating employment at all skill levels and by developing mutually beneficial business linkages at a destination. An example is the concept of homestays, which Jysk (Interview, April 15, 2010) employs in Asia, where customers stay in rural villages with local families. Homestays are a good way to boost local employment and to expand business opportunities for the poor, because the practice is founded on assets that poor people possess, among others, the local atmosphere and the authenticity that many customers

seek today. However, customers require basic standards too, which poor families often have difficulty meeting. As a result, customers rarely stay with very poor families. Topas explains:

Our local collaborators are most often people with resources. When customers have paid for an expensive journey, the goods have to be delivered.... A Danish tour operator would never contact the poorest part of a population, because they cannot deliver the expected. It is all about choosing a good local supplier and then supporting the poor via wages. (Interview, March 15, 2010)

Yet the income from homestays often benefits the whole village because the locals have an agreement on how to distribute the work load and profit. Thus, homestays are a great opportunity to develop collective community income, which can be used, for example, to build a school in the village (Billetkontoret, Interview, March 29, 2010)⁸. Homestays also play a significant role in the creation of socio-cultural capabilities because they influence the conditions for belonging to society, such as social status and participation. These capabilities are an important part of poverty reduction, as illustrated in figure 5.1. (OECD, 2001).

As touched upon above, the tour operators emphasise the importance of local suppliers to ensure the satisfaction of customers and as a way to show social responsibility in developing countries. The majority of the tour operators state that they have close relationships with many of their suppliers. When the tour operators select and hire suppliers, they enter a dialogue with the supplier. Four of the tour operators highlight values as a crucial factor in the selection process. The tour operators find it important that suppliers understand their values and the way in which the tour operators want and expect things to be done. Jysk says, “We want suppliers who share the same values that we have. It also includes the attitude towards working conditions” (Interview, April 15, 2010).

Except for Kipling, none of the tour operators have a written Code of Conduct (CoC) on what to expect and demand from a supplier. Kipling emphasises the importance of implementing the CoC rather than obtaining a signature from the supplier. The CoC is applied to all developing countries where Kipling operates, and it contains specific statements as well as broader statements, such as ‘to take care of hired staff’. The CoC is provided in Appendix V. In Section 7.3., I discuss how Kipling monitors the maintenance of the CoC. At some destinations, where the suppliers’ level of social responsibility is low, Kipling trains its suppliers. For instance, in Nepal, the suppliers have been trained in hygiene, first aid and team work. Furthermore, Kipling pays for the expenses for medical treatment of the Nepali suppliers and their families. Kipling focuses on

⁸ Billetkontoret is a wholesaler and not a tour operator; thus, its CSR initiatives are not included in the analysis. Nevertheless, I have used the interview to obtain information about homestays.

Nepal because the organisation has a daughter company in the country, which relates to the owner's affection for the country. The training of suppliers is done as an element in the implementation of the CoC, but also to the suppliers' and customers' own benefit. This is supported by Kalisch (2002), who links customer satisfaction with CSR and argues that a high standard of responsibility positively affects the suppliers and leads to higher service and customer satisfaction.

Training is described by Meyer (2003) as a way to "enhance non-financial livelihood impacts" (p. 63), and the CSR initiatives play a role in the reduction of multidimensional poverty. Training in hygiene and first aid can save lives, and furthermore, it increases the job possibilities of the suppliers by making them more attractive to other tour operators and customers. Thus, the training may reduce poverty through the creation of human and economic capabilities, such as health and higher income. This might influence the socio-cultural conditions for the suppliers by increasing their social status in society. The teamwork training in Nepal is an interesting finding because it differs from the other tour operators' types of CSR activities, in which the tour operators rarely are actively engaged. The training plays an important role in the implementation of the CoC and in the empowerment of the suppliers.

The training is an attempt to enable the staff to say aloud if something is wrong. The Nepali system is very top-down controlled and people are afraid of complaining... Gradually we have succeeded in getting much more independent suppliers and staff. (Kipling, Interview, March 16, 2010)

Jesper Hannibal (Interview, April 15, 2010) also touches upon the empowerment of poor people and emphasises the importance of including poor local people in tourism, both to generate income so they better appreciate their own country, and to exploit the assets that they already possess. Thereby the poor also earn a share of the wealth from tourism. In Indonesia, Jesper Hannibal has succeeded in including local fishermen and their families in the company's diving activities. This is a way to reduce economic poverty, but also to increase the socio-cultural conditions of poor people's lives. The discussion is linked with the issue of preserving local people's traditions and living, which several of the tour operators highlight. I explore this topic in greater detail in Section 7.2.

The Ethical School of CSR

The ethical school of CSR is described as when "an organization voluntarily moves beyond basic economic, legal and ethical responsibilities to provide leadership in advancing the well-being of individuals, communities and society as a whole" (Schermerhorn, as cited in Djursø & Neergaard, 2006, p. 20). Thus, companies that purely belong to the ethical school perceive CSR as a moral obligation weighing more than

their economic goals, and they strive towards leadership in CSR. None of the tour operators purely belong to the ethical school of CSR, even though I characterize Albatros partially to belong to it. Albatros is also the only tour operator with a CSR manager (the CSR manager will be engaged later this year).

A large project we work on is called 'How to make a difference'. It is about our customers. In all our journeys, we want to find out how customers can contribute something. We want to find projects where we can guarantee that the money ends up in the right place. (Albatros, Interview, March 18, 2010)

7.1.3. Conclusion

The tour operators perceive economic responsibilities to be the most important. However, they also take their ethical and philanthropic responsibilities into consideration, and several state that they perceive these to be a natural part of doing business. For instance, C&C defines CSR as "a natural thing to do" (Interview, March 31, 2010). An interesting finding is the understanding of legal responsibilities, where two of the tour operators touch upon corruption as a necessary part of successful journeys in developing countries. This illustrates that the legal responsibilities in some situations conflict with the ethical in the fulfilment of successful and profitable journeys.

All the tour operators engage in CSR activities despite the low margin and lack of resources in the Danish tour operating industry. The majority of the tour operators are inclined to offer philanthropic contributions rather than to engage actively in projects. The most common way is to support schools and children's homes. Yet the tour operators have a deeper understanding of ethical responsibilities, which differs from the philanthropic school of CSR. The tour operators prefer to support on-the-spot, often through local partners and suppliers rather than via international organisations. The tour operators mention suppliers as an important source in their work with CSR, which is a characteristic of the international school of CSR.

The tour operators' engagement in CSR is fragmented, and factors such as vertical integration, the owner's personality and the size of destinations play a crucial role in decision making about where to implement CSR activities. Many of the CSR activities may reduce poverty because they add to the creation of significant capabilities, especially in the economic, human and socio-cultural areas. The attention on local suppliers is a possibility of generating income to poor people, and initiatives such as homestays and the Mangyan project also improve livelihoods and increase the socio-cultural conditions of the poor in a society. This relates to the empowerment of poor people, which is illustrated in the teamwork training in Nepal.

In the next chapter, I examine how tour operators deal with the various contexts of developing countries.

7.2. The Context of Developing Countries

Several authors emphasise the importance of context when working with CSR (Blowfield & Frynas, 2005; Newell & Frynas, 2007; Prieto-Carrón et al., 2006). A significant point of criticism is that CSR often relies on a Western understanding of right and wrong. As discussed above, the majority of the tour operators' CSR projects come into existence through local collaborators and customers. An example is a street children project in Syria supported by Viktors Farmor (Interview, April 12, 2010). The project is managed by a local Syrian courier, who was born and raised in the area. I presume this local aspect to have a positive effect on the success of CSR activities by ensuring that these activities do not rely only on Western standards and priorities. Lords explains:

If you want to help, it should not be with the 'they do not understand' attitude... You cannot just come and say, 'That is not the right way to do it'... They [the locals] must be allowed to decide themselves how to do things. (Interview, April 21, 2010)

As previously discussed, the most significant factors in the decision of where to implement CSR activities are the role of the owner, vertical integration and the size of destinations. Thus, engagement in CSR is less dependent on the cultural context or on whether a country's population is very poor. The cultural context refers to the difficulties in cooperating with people from other cultures, which I will explore in Section 7.4. Jysk explains:

[In developing countries] it is difficult to find people you can trust and to get the projects arranged in the spirit we want. We have very different perceptions of how to do things. Often it is a hand-to-mouth society. 'What is earned today is earned today, and I do not have to think about what I will earn in a month.' It is difficult to create long-term relationships. (Interview, April 15, 2010)

Topas (Interview, March 15, 2010) elaborates on this point of view by giving an example of how the company has attempted to collaborate with poor Vietnamese handicraft sellers at their eco-lodge in Vietnam. The cooperation was intended to prevent the sellers from harassing customers at the entrance to the lodge. Nevertheless, the attempt was unsuccessful because, according to Topas:

Everyone is the architect of his own fortune. If a seller sells just one piece of handicraft, he is satisfied. They think short-term, probably of need. If you are poor and your biggest problem is to find money to get something to eat today, then you do not worry about the day after tomorrow. (Interview, March 15, 2010)

The problem relates to the point made by Newell (n.d.), in which he emphasises that the assumption in current CSR models is built upon conditions that often are lacking in developing countries, such as “responsive businesses interested in CSR and an active civil society willing to partner with businesses” (p. 2). This is a significant aspect in CSR, because it influences the way that the tour operators engage in CSR and with whom they choose to cooperate. Jysk says:

Talk about CSR, then try to get an Indian to take on a responsibility towards his employees. He puts the money in his own pocket. Of course I am being prejudiced now, but it is hard to find the right people... Not until recently has India turned into a country with a more Western way of thinking. (Interview, April 15, 2010)

Consequently, Ashley, Roe & Goodwin (2001) conclude that CSR is often ill-suited to deal with “the pressing poverty constraints of countries in the South” (p. 3). Nyhavn points out:

CSR is a privilege for rich countries, and it is our prerogative to have these attitudes and opinions... If you are poor, you will take the line of least resistance unless somebody creates a better alternative, which you can see works. (Interview, March 23, 2010)

Seven out of the twelve tour operators believe that they have a larger social responsibility in developing countries than in developed countries. Jysk states that “one should not make use of poor people, which is easier to do in developing countries. The social responsibility goes along with poverty” (Interview, April 15, 2010). Livingstone stresses the importance of taking context into consideration; “in Kenya, we have more focus on CSR because that is where we experience the biggest differences” (Interview, April 8, 2010). Kipling (Interview, March 16, 2010) states that the context of developing countries plays a role in regard to the implementation of the CoC because the statements in some contexts have greater value than in others. Therefore, Kipling puts more emphasis on the supplier’s understanding of the CoC than on the supplier’s signature. Two-thirds of the tour operators highlight the complex context of developing countries and point out lack of knowledge as one of the most significant impediments to poverty reduction through CSR. This corresponds to the point by Newell & Frynas (2007) and Prieto-Carrón et al. (2006), who argue that companies often perform poorly in social development due to lack of social skills and lack of understanding of complex social problems in developing countries. Topas (Interview, March 15, 2010) argues that the situation depends on local conditions, so local knowledge is vital, when working with CSR. Albatros adds:

You need local people to help you manage things [in developing countries], people who can define what is right and wrong and how to behave on the spot... It is very difficult to define right and wrong and [the context] is very complex. (Interview, March 18, 2010)

Half of the tour operators consider it important to preserve the traditions of poor people. Viktors Farmor states:

You have to be careful not to shake [the local's] scheme of things; not to give the impression of coming from a glorified world in which everything is better. The local should not be treated as an eternal open-air museum, but neither should you contribute to make them unsatisfied with their life as it is. (Interview, April 12, 2010)

The quotation relates to the multidimensional understanding of poverty and illustrates that tour operators might increase poverty rather than reduce it, if they do not take the social and cultural impacts of tourism into account. The poor do not get poorer measured from lack of income, an economic approach, but from a non-economic approach, the negative impacts of tourism can lead to a deprivation on socio-cultural capabilities, such as status and dignity. The poor might also feel deprived of their economic capabilities as they begin to strive for material comforts. Livingstone argues:

They [a Kenyan tribe] do not have any money, but they own cattle; they own clothes; they eat every day; and they have water. In fact, they are rich, but from our point of view, they are penniless. However, they become poor when you begin to give them money and they begin to change their lifestyle. Our social responsibility is not to prompt these processes. (Interview, April 8, 2010)

7.2.1. Conclusion

Critics highlight that CSR often is based on Western standards and attitudes, so a significant component of CSR is the context of developing countries. Two-thirds of the tour operators stress the complexity of the context and point out lack of knowledge about developing countries as one of the largest impediments to CSR's ability to reduce poverty. Consequently, the tour operators emphasise the need for local people's participation in the creation of CSR activities. The tour operators' decision of where to implement CSR activities is influenced by the role of the owner, the size of the destination and whether the company is vertically integrated at a destination. To a lesser extent, the cultural context plays a role. Half of the tour operators highlight the importance of preserving the traditions of poor people and point out the significance of understanding poverty in a multidimensional way.

In the next section, I analyse how the tour operators evaluate their CSR initiatives and their knowledge of impacts in developing countries.

7.3. Impact Assessment

None of the tour operators believe that they possess the necessary skills and resources to create poverty reduction in developing countries due to lack of resources and lack of knowledge about the social conditions. They find it more possible to contribute to poverty reduction via the business of tourism than through CSR activities. Blixen Tours states, “It depends on how you define poverty reduction. Are you reducing poverty by creating more tourism? Then yes... But is it to support and engage in projects? I think few have the resources” (Interview, April 13, 2010). Jenkins (as cited in Blowfield & Frynas, 2005) argues that traditional business responsibilities should be a part of the CSR debate. Nevertheless, measuring the impacts of CSR is complicated; thus, it is difficult to determine whether CSR reduces poverty. As Newell (n.d.) notes, “CSR initiatives work for some firms, in some places, in tackling some issues, some of the time” (p. 2).

None of the tour operators conduct structured evaluations of their CSR activities, but eight follow CSR projects internally through personal visits or through the suppliers or couriers who run the projects. Lords has followed the process of an education project and explains, “In Pakistan, we often donate money to educational aid, so students can be admitted to private universities. We follow the process of admission closely to make sure it is not the nephew of the headmaster who is admitted” (Interview, April 21, 2010). It is not a surprising finding that none of the tour operators thoroughly evaluate CSR activities due to the small size of the projects and the costs of using professional monitors. C&C explains:

We do not spend oceans of time on evaluation. We [evaluate] by staying close to the projects and see whether they still need us or whether we should move on to something else. [What about using external organisations?] No, we neither have the time nor money to do that. (Interview, March 31, 2010)

The tour operators operate in various contexts, and they have a fragmented way of engaging in CSR. Thus, too many resources would be consumed in an effort to evaluate all CSR activities. Kipling describes, “Some projects we follow all the way and keep developing. Others we have never seen” (Interview, March 16, 2010). Kipling puts more emphasis on contribution than evaluation and the company does not hesitate to donate money to unknown projects, as long as the company knows where the money ends and the projects are recognised. Kipling put emphasis on the suppliers’ understanding of the CoC rather than monitoring it. The understanding of the CoC is linked to the training of suppliers, discussed previously. According to Kipling, the company monitors the implementation of the CoC through customer feedback and by being present at the destination. Kipling states that they could monitor more efficiently through more dialogue and cooperation with suppliers. However, this is not possible due to lack of resources. Yet Kipling believes

that the CoC makes a difference; “I cannot say that everything is kept, but I do believe that the worst cases of bad behaviour are eliminated... At least we have chosen to take a responsibility” (Interview, March 16, 2010).

Viktors Farmor highlights the importance of impacts by saying, “It becomes natural to us to support [the children’s home in Bombay] because you can see the usefulness” (Interview, April 12, 2010). Brandstrup (Interview, March 17, 2010) could not see the usefulness of the organisation’s support to a school in Kenya and doubted whether the money ended in the right place. Therefore, it decided to stop the donations. Whether this is the right way to tackle the situation is debatable, as it probably would have been more socially responsible to begin a dialogue with the schoolmaster. Albatros states, “I had a courier who started a project in Mombasa. Suddenly she died; and then what do you do? You cannot just leave them to their own devices. I have to make sure that the projects I establish can continue” (Interview, March 18, 2010).

7.3.1. Conclusion

The tour operators do not feel that they hold the necessary skills and resources to participate in poverty reduction in developing countries, and some find it more possible to contribute via tourism than CSR projects. None of the tour operators conduct structured evaluations of CSR activities, largely due to lack of resources. Yet several put emphasis on following up with projects through the suppliers or couriers who run the projects.

In the next section, I analyse the poor as stakeholders, as well as their degree of participation in the tour operators’ CSR activities.

7.4. Power and Participation

I examine the poor as a stakeholder group in this section. Do tour operators believe the poor have a high degree of legitimacy? What types of social responsibilities do tour operators have to the poor? And how do the poor participate in the tour operators’ CSR activities? This relates to the definition of CSR by Blowfield & Frynas (2005); “that companies have a responsibility for the behaviour of others with whom they do business...” (p. 503). It also relates to the third part of the definition, in which Blowfield & Frynas state that “business needs to manage its relationship with wider society, whether for reasons of commercial viability, or to add value to society” (p. 503), as it can be argued that to include the poor is to take on a responsibility to the wider society.

7.4.1. Power and Legitimacy

The poor are defined as a stakeholder group to the tour operators because the poor are affected by the tour operators' activities in relation to tourism and CSR. The previous sections show that the poor play a role in tourism activities, for example, when travellers visit African rural villages, and in CSR activities, such as the Mangyan project run by C&C. However, it is the tour operators who choose with whom they wish to cooperate, and not *vice versa*. As Viktors Farmor explains, "[The Omo Valley has become too touristy] and then it is not attractive to us anymore, which is why I have stopped arranging these tours. It is not the kind of tourism I like" (Interview, April 12, 2010). However, several of the tour operators refer to close relationships with some suppliers due to many years of cooperation. In such relationships, the suppliers may be better able to begin a dialogue with the tour operator, and thus, to obtain a certain extent of constructive power. Yet a significant aspect is that these suppliers often do not belong to the poorer part of a population.

The poor are not considered as an important stakeholder group to the tour operators, compared to suppliers. The poor might offer interesting tourism activities, but they do not have influence over the tour operators and, consequently, they wield very little power. The tour operators generate money, which is accompanied by power, because most poor people seek money. An interesting finding is that the general answer from the tour operators to the question of whether the poor play a significant role in the tourism activities is that they do not. Kipling explains, "It does not matter at all whether people are poor or not. It is about what makes the journey exciting" (Interview, March 16, 2010). Nevertheless, it is a fact that poor people often possess some of the assets that Western customers seek in developing countries.

According to Carroll (1991), legitimacy plays a significant role in CSR because it refers to the moral right of a stakeholder group to make its claim. Thus the poor will have a high degree of legitimacy if the tour operators believe that the poor have a justifiable right to make their claim. I assume the claim of the poor to be the desire to benefit from tourism and the tour operators' CSR activities due to the fact that tourism relies on assets that poor people possess, such as cultural and natural experiences. The interviewed tour operators consider the poor to have legitimacy, and seven believe they bear a larger social responsibility in developing countries than in developed countries. As stated by Jysk, "the social responsibility goes along with poverty" (Interview, April 15, 2010). The finding indicates that more than half of the tour operators feel a responsibility towards poor people in developing countries and, to some extent, that the poor have a moral right to make claims. C&C expresses this as follows; "[i]f we arrange a lot of journeys to a specific destination, we cannot very well refuse to help" (Interview, March 31, 2010).

Below, I analyse the types of social responsibilities tour operators have to the poor, through Carroll's (1991) Stakeholder/Responsibility Matrix.

7.4.2. The Stakeholder/Responsibility Matrix

The Matrix is used to give a manager an overview of what kinds of social responsibilities he has to a specific stakeholder group: in this case, the poor. Thus, this part of the analysis will draw on some of the findings from Section 7.1.1.

Economic

The tour operators note that they have social responsibilities in developing countries. However, the poor's moral right does not cover all aspects of responsibilities, and none of the tour operators feel an economic responsibility to the poor. Blixen Tours explains, "Tourism will always be more beneficial to some people than others" (Interview, April 13, 2010). Blixen Tours maintains that the company considers the distribution of money primarily as a local issue that is not of its concern. Yet, the tour operators might feel an ethical responsibility to ensure that poor people benefit from tourism activities.

Legal

The tour operators must obey the law, but they do not have specific legal responsibilities to the poor. As Kipling states, "We do not have a legal responsibility to the poor, but we might have a moral one, a kind of ethical responsibility to the countries in which we operate" (Interview, March 16, 2010).

Ethical

The tour operators might consider an ethical responsibility to ensure that poor people in developing countries benefit from tourism activities, especially considering that seven of the tour operators highlight ethical responsibilities in developing countries to be more significant than in developed countries. Albatros explains "that it is an attitude common to all mankind to help people with lack of resources" (Interview, March 18, 2010). Three of the tour operators point out that the economic division between Western tour operators and poor people creates an ethical responsibility to ensure that poor people benefit from tourism.

It is important not to confuse poor people with local people, and even though the tour operators acknowledge the importance of using local people, none of the tour operators select collaborators simply because they are poor. The tour operators chose their collaborators based on whether they can offer value

to customers, and not on an ethical responsibility to the poor. Viktors Farmor explains, "At some destinations, they are all poor, so in that way [poor people] play a role [in our activities]. We like to visit markets and small villages, not because they are poor, but because it is exciting" (Interview, April 12, 2010). Yet poor people often possess the assets that Western customers seek, such as authenticity. Brandstrup states, "We try to arrange different experiences to our customers and to make that happen, we have to arrange visits to poor people" (Interview, March 17, 2010). It is not surprising that the interviewed tour operators do not feel an ethical responsibility to cooperate with poor people, considering that their primary responsibility is to run a profitable business. Livingstone points out, "It is not our mission in life to change poor people's conditions" (Interview, April 8, 2010).

Half of the tour operators feel an ethical responsibility to preserve the culture and traditions of the poor, and they highlight the importance of not making poor people feel unsatisfied with their daily lives. The other half considers the change in the poor's daily lives as a natural part of development in developing countries. As exemplified by Jesper Hannibal, "In Borneo everything is developing into a kind of a tourist show, but that is how it is. It is about replacing the romance with reality" (Interview, April 15, 2010). The power of money is a significant factor in negatively influencing the daily lives of the poor, as described by Viktors Farmor; "[o]ften [the poor] have some values that we could learn from, but focus often ends up being on material comforts and you have to be careful about that" (Interview, April 12, 2010). Lords cites the "they-do-not-understand-it attitude" (Interview, April 21, 2010) and argues that poor people are accustomed to habits that are hundreds of years old, so Western tour operators should not change their lifestyles. However, this is a delicate issue because neither "should the poor be treated as an eternal open-air museum" (Viktors Farmor, Interview, April 12, 2010). Ultimately, I deem the tour operators' sense of responsibility not negatively to impact the poor's daily lives, signifying that the poor have a degree of legitimacy in relation to the tour operators. The ethical responsibility gives the poor a moral right to claim that the tour operators must consider their living conditions.

Philanthropic

All of the interviewed tour operators make philanthropic contributions to institutions or activities in developing countries, and as evident from the above data, more than half of the tour operators feel a large ethical responsibility to developing countries. Thus, it is not surprising that seven of the tour operators bear philanthropic responsibilities to the poor. C&C stresses, "[Philanthropy] is natural thing to do. I have a lot, you have less and therefore I give something to you" (Interview, March 31, 2010). Livingstone highlights a philanthropic responsibility towards a school in a rural village in Kenya as a kind of exchange because the

company arranges trips to the school. The remaining five tour operators do not feel any philanthropic responsibilities to the poor, but consider philanthropy to be an activity in which tour operators can engage if they so desire. Topas states that “you have a responsibility to behave ethically, but you do not have an obligation to do humanitarian work. Though, it is fine if you have the possibility” (Interview, March 15, 2010).

In the following section, I analyse the participation of the poor in tour operators’ CSR activities.

7.4.3. Participation

The principle of local participation is easier to promote than to fulfil in practice due to challenges in developing countries, such as cultural differences and lack of education and necessary skills (Blowfield & Frynas, 2005; Prieto-Carrón et al., 2006). Billetkontoret points out that a common problem with homestays is that “the families who run homestays are not used to contracts and the Western way of doing business. Furthermore, they must meet certain standards and demands [from customers]” (Interview, March 29, 2010). These challenges are also discussed in Sections 7.1.2. and 7.2. Thus, it is unsurprising that few of the tour operators’ tourism and CSR activities take place in cooperation with the poorer part of a population. However, it must be noted that my analysis is based on interviews with tour operators and does not reflect how poor people interpret their possibilities of participation. Additionally, many of the CSR activities are run by local people, which explains the difficulty in obtaining information about the participation of the poor. Nonetheless, this analysis should provide information regarding how the poor participate in the tour operators’ CSR activities without claiming to give a complete picture of their participation.

Participation and cooperation are distinct concepts, and in the definitions of participation by Pretty & Hine (1999), illustrated in table 6.2, cooperation would fall under ‘interactive participation’ in which “people participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions” (Pretty & Hine, 1999, para. 4). Nine of the tour operators describe not cooperating directly with poor people, but rather, employing local suppliers or couriers to run the activities. The tour operators arrange tours to poor rural villages and small local markets, but this is not cooperation. Kipling explains:

We have supported a women’s project in Nepal, but support and cooperation are far from being the same. So I will not say that we cooperate with the poorer part of a population. In many places, it is difficult to cooperate and make plans because the poor in a rural village do not have any kinds of communication. (Interview, March 16, 2010)

All of the tour operators make philanthropic contributions to at least one activity in a developing country. As pointed out in the analysis of the engagement in CSR, the common way of contributing is by donating small amounts of money to children's homes or schools and by making frequent visits available to customers. All of these types of contributions fall under 'bought participation', in which "people participate in return for food, cash or other material incentives" (Pretty & Hine, 1999, para. 4). A negative aspect of this type of participation is that when the donations end, the poor might not be able to prolong the positive results obtained from the project. Livingstone's support to a school in Kenya and Viktors Farmor's support to a children's home in Bombay are both examples of 'bought participation' due to the donation of money, which makes the poor willing to participate and to accept visits.

Importantly, the success of CSR activities is not always correlated with the degree of participation. Successful poverty-reducing CSR projects require that the people involved are aware of the conditions and needs of the poor and not necessarily that the poor themselves are given a large degree of participation in the project, as I discuss in Chapter 6.0.

The Mangyan project is a complex example of philanthropy due to C&C's large engagement in the project compared to other philanthropic contributions. Whereas the majority of philanthropic contributions fall under 'bought participation', the Mangyan project lies between 'functional' and 'interactive participation'. The project has characteristics of 'functional participation' because the Mangyan people participate to meet predetermined objectives set by C&C and local NGOs. The project also falls under 'interactive participation', because it is based on 'help to self-help', which requires that the Mangyan people become actively involved in the project by producing local handicrafts. C&C explains:

We do not demand anything from the poor who participate in our CSR projects, but in the Mangyan project, we demand that they engage actively. We put emphasis on 'help to self-help'... Our other projects are more based on donations [of clothes and money]. (Interview, March 31, 2010)

Another CSR project, which belongs to 'functional' and 'interactive participation', is the fishermen project in Indonesia. Jesper Hannibal (Interview, April 15, 2010) highlights the significance of participation in helping poor people to understand and benefit from tourism. As mentioned previously, Jesper Hannibal has succeeded in including poor fishermen and their families in diving activities. Nevertheless, I believe that the objectives of the project have partially been predetermined by Jesper Hannibal, also to help the tour operator to achieve its goal to locate the best diving spots in the area. This refers to 'functional participation'. However, the project is also based on 'help to self-help', which refers to 'interactive participation'.

The training of Nepali suppliers belongs to ‘functional participation’. Kipling trains its suppliers “as a means to achieve [own] goals” (Pretty & Hine, 1999, para. 4), both as an element in the implementation of the CoC and to the customers’ benefit. The objectives of the training are predetermined and not developed in joint analysis with the suppliers. Topas’s CSR project at a Vietnamese national park is characterised primarily as ‘functional participation’ because its goal is to prevent the poor from utilising land that belongs to the national park. The participation of the poor is also seen as a way for the company to achieve its goals. The project might be close to ‘interactive participation’, depending on the extent to which the decision-makers have cooperated with the poor in the development of action plans with regard to their future jobs as guides. Yet such projects often fall under ‘passive participation’, in which “people participate by being told what has been decided or has already happened” (Pretty & Hine, 1999, para. 4). Livingstone describes:

Often, in public administered national parks in Africa, the indigenous people are not allowed to live in the parks, because it is reserved for the animals and the tourists. The excuse is that the authorities want to take care of nature. The indigenous people are being forced away and cannot walk around freely, as they have always done. (Interview, April 8, 2010)

Homestays may potentially reduce poverty because they are founded upon assets that poor people possess. However, as previously mentioned, customers do not stay with families in extreme poverty because they cannot meet the customers’ basic standards. Nevertheless, homestays have a high degree of participation, and the practice lies between ‘interactive participation’ and ‘self-mobilisation’. Often the development of homestays occurs jointly with Western tour operators to ensure that the accommodations are suitable and meet customers’ needs. The local people determine how to use the available resources and how to distribute the work load and profit. I believe that in start-up homestays, the ‘interactive’ type of participation is primary, but in established homestays, where the local people are familiar with tourism, ‘self-mobilisation’ can become more dominant. In such situations, the local people retain full control and they seldom seek advice or resources from Western tour operators.

7.4.4. Conclusion

Poor people in developing countries are neither perceived to have controlling nor constructive power over the tour operators. The poor are not considered as an important stakeholder group concerning tourism activities, and the tour operators themselves decide whom they want to cooperate with and not *vice versa*. However, the tour operators feel a sense of responsibility when operating in developing countries, and more than half of them perceive social responsibilities to be larger in developing countries than at other destinations. Half of the tour operators note a specific responsibility towards the poorer part of a

population, mainly due to the economic division between the two classes. As a result, several of the tour operators experience an ethical responsibility for not changing the daily lives of the poor negatively. In addition, seven of the tour operators consider philanthropic responsibilities to be a moral obligation to the poor. None of the tour operators believe that they bear neither economic nor legal responsibilities to the poor.

The majority of the tour operators' CSR projects do not involve a high degree of participation, according to Pretty's typology of participation. Participation in the tour operators' philanthropic contributions mainly falls under 'bought participation', where poor people participate in return for donations of clothes or money. Some tour operators have established CSR projects that correspond to 'functional' and 'interactive participation', such as the training of suppliers and the Mangyan project. Only homestays were defined as belonging to the type of 'self-mobilisation' participation.

In the next chapter, I discuss the analysis findings in relation to the study's analytical framework.

8.0. Discussion

In this section I apply the analysis findings to the analytical framework in order to answer my research question. Throughout the analysis, I have attained a better understanding of the Danish tour operators' engagement in CSR and poverty reduction in developing countries, particularly regarding issues such as the tour operators' perception of social responsibilities; types of CSR activities; evaluation of CSR activities; and degree of participation by the poor. This understanding is not to be perceived as a comprehensive view of all the issues pertaining to tour operators' engagement in CSR. Nevertheless, it provides the reader with insight into the main characteristics of the interviewed tour operators' manner of engaging in CSR and poverty reduction in developing countries. Furthermore, it creates an understanding of the potential of tour operators' CSR activities to reduce poverty.

8.1. Role of Tourism in Poverty Reduction

According to critics, the emphasis on economic responsibilities is one of the reasons why tourism is not suited to address poverty in developing countries. My findings partly support this criticism, as the majority of the tour operators perceive economic responsibilities as more important than legal, ethical and philanthropic responsibilities. In some situations, the tour operators feel the need to neglect legal and ethical responsibilities to fulfil those that are economic. Examples are the engagement in corruption of two of the tour operators, and a tour operator who strains the price to such a degree that the supplier cannot support himself.

Newell & Frynas (2007) and Prieto-Carrón et al. (2006) state that businesses often perform poorly in regard to social development issues due to a lack of social skills and human resources. As I have not analysed the impacts of the tour operators' CSR activities, no conclusion can be made as to whether they perform poorly in poverty reduction. However, my study's findings demonstrate that the tour operators consider the low margin and lack of economic and human resources in the Danish tour operating industry as impediments to tour operators' engagement in CSR. However, engagement in CSR does not seem to be related to the turnover or to the number of employees. Likewise, none of the tour operators experience an increasing demand or awareness of CSR from customers, which Kalisch (2002) otherwise refers to as the business case of CSR in tourism. According to my findings, the three most important factors relating to the tour operators' engagement in CSR are the role of the owner, vertical integration and the size of the destination. The tour operators have a fragmented way of working with CSR because the activities are not perceived to be an integrated part of business or to belong to broader CSR programs. According to Newell & Frynas (2007), this often undermines the ability to create long-term development.

Despite the emphasis on lack of resources, the majority of the tour operators feel an ethical responsibility to assist developing countries. Two of the tour operators state that profit maximisation is interlocked with morality and sympathy, and they are unwilling to compromise their values to maximise their profits. Seven of the tour operators state that they bear a larger responsibility in developing countries than at other destinations due to the power of money, and thus, they may be better able to impact poor people's lifestyles. Interestingly, all of the tour operators engage in CSR in one way or another, including the two who prefer to support the poor via tourism rather than CSR. Engagement in CSR relates to the following statement by Crane & Matten (2007) that "[i]t is by now fairly widely accepted that businesses do indeed have responsibilities beyond simply making a profit" (p. 47). Ashley, Roe & Goodwin (2001) contend that tourism "often draws on assets of the poor, as cultural knowledge, natural resources and rural space" (sheet no. 3). This point of view is supported by two of the tour operators, who refer to CSR as compensating society for the costs incurred by tourism. The majority of the CSR activities fall under the category of philanthropic contributions, and the tour operators are seldom actively engaged in the activities. As I have explained in the analysis, several of the CSR activities have the great potential to reduce poverty because of their capability to generate income, as well as to improve the socio-cultural conditions of the poor.

8.2. Context of Developing Countries

Critics of CSR emphasise that Western companies do not take context into consideration when operating in developing countries and that they lack an understanding of the complex social problems in these countries. Nonetheless, the majority of CSR initiatives are based upon Western perspectives (Blowfield & Frynas, 2005; Newell & Frynas, 2007; Prieto-Carrón et al., 2006). The criticism partly corresponds to my findings. Eight of the tour operators cite lack of knowledge about the context of developing countries to be one of the most significant impediments to poverty reduction through CSR in developing countries. Half of the tour operators stress the importance of preserving the cultures and traditions of poor people. A few also touch upon the multidimensional understanding of poverty, stating that people in developing countries cannot be measured by Western yardsticks because lack of income and material comforts do not necessarily make these people poor. The tour operators' emphasis on the preservation of poor populations' cultures and traditions, as well as their multidimensional perception of poverty indicate that some of the tour operators, to some extent, have an understanding of the context presented by developing countries.

Interestingly, the majority of the tour operators' CSR activities are run by local people who possess a great deal of knowledge about the destination and its socio-cultural conditions. I presume that this positively impacts the CSR activities by tempering the often dominating Western perspective. This assumption is

bolstered by Mowforth & Munt (2003) and WTO (2002); they stress that stakeholder participation and partnerships at the destination are ways to improve the skills necessary to understand the context of developing countries. However, only four of the tour operators cooperate with local organisations in their work with CSR, which can be seen as negative due to the criticism of the fragmentation in CSR initiatives.

Newell (n.d.) assumes that current CSR models are built upon conditions that are absent in many developing countries. This point of view relates to the statement by Visser (2005), who notes that social responsibilities are perceived differently in various contexts. My findings support the criticism, as four of the tour operators point out that cultural differences can hinder cooperation with local people in developing countries. However, the cultural context does not play an important role in the tour operators' decisions of where to implement CSR activities, in view of the fact that the three most significant factors are the role of the owner, the size of the destination and vertical integration. However, the cultural context might partially explain why the majority of tour operators chose to let local people run the CSR activities.

In conclusion, the tour operators do not necessarily deserve the common criticism directed toward them in the context of developing countries. Even though two-thirds of the tour operators state that they lack knowledge about the context in developing countries, half of them demonstrate an interest in and understanding of poor people's cultures and traditions and how to preserve these. The majority of CSR activities are run by local people, which is assumed to diminish the Western perspective.

8.3. Impact Assessment

Globally, there is a lack of knowledge about the impacts of CSR, which is why critics highlight the need for more empirical evidence to justify the impacts in developing countries (Blowfield & Frynas, 2005; Chok, Macbeth & Warren, 2007; Scheyvens, 2007; Prieto-Carrón et al., 2006). Measuring the impacts of CSR is a challenging task, thus impeding the effort to determine whether CSR effectively reduces poverty. Newell (n.d.) argues, "CSR initiatives work for some firms, in some places, in tackling some issues, some of the time" (p. 2). Given this, it is unsurprising that none of the tour operators conduct structured evaluations of their CSR activities, also due to the small size of the CSR activities, the fragmented engagement in CSR, and the costs of using professional monitors. Nevertheless, eight of the tour operators follow the CSR projects internally through personal visits or information gathered from the people responsible for the projects.

Another criticism is that the focus of impact assessments tends to be at the micro level, thus limiting understanding of the impacts upon the initiatives of individual companies, instead of upon a given industry (Blowfield, 2006; Blowfield & Frynas, 2005; Prieto-Carrón et al., 2006). As mentioned in the literature review, CSR only began receiving attention from the international tourism industry recently. However, none

of the tour operators are part of any international CSR initiatives. Nine of the tour operators are members of DRF, and in 2009, DRF began a CSR initiative, which also includes the social and economic aspects of tourism (DRF, 2009, April). I assume that the DRF initiative positively influences the members' engagement in CSR due to three reasons. First, it increases the awareness of CSR among the members of DRF, but as a national organisation, it also possesses more resources to increase public awareness of CSR activities. This might encourage more members to engage in CSR, as well as to improve the business case for CSR in the Danish tourism industry. Second, the initiative may reduce the fragmentation of CSR initiatives among tour operators, as they can learn from one another and establish industry best practices. Third, it could improve knowledge about the impacts of CSR through to the creation of benchmarks via best practice CSR initiatives.

8.4. Power and Participation

The poor and marginalised tend to be excluded from the CSR debate, and in particular, groups that are not essential to a company's productivity are not considered primary stakeholders (Blowfield & Frynas, 2005; Prieto-Carrón et al., 2006). Prieto-Carrón et al. (2006) ask, "Who has the power to make decisions, what power structures are implicit in CSR, and who has a voice in the debate...?" (p. 973). Carroll (1991) contends that in relation to CSR, stakeholder groups should be measured in terms of legitimacy and power. None of the tour operators consider the poor as an important stakeholder group in tourism, even though the poor could be deemed to play a certain role in the tour operators' productivity because they often possess some of the assets that Western tourists seek in developing countries. The poor do not have any power over tour operators, primarily because the latter possess financial resources. However, the poor have a degree of legitimacy, as more than half of the tour operators feel both ethical and philanthropic responsibilities towards the poor. This relates to the finding that all the interviewed tour operators engage in CSR in one way or another, but few of them use CSR for marketing purposes.

The tour operators identify lack of knowledge about the context of developing countries as an impediment to poverty reduction. As mentioned previously, Mowforth & Munt (2003) and (WTO (2002) point out multi-stakeholder cooperation and partnerships at a destination to be methods of improving understanding of the context. However, the process is complicated caused by challenges such as language, culture and education (Blowfield & Frynas, 2005; Prieto-Carrón, 2006). Many of the tour operators cite cultural difficulties in achieving cooperation with local people. However, they all indicate a preference for cooperating with local suppliers and couriers in their work with CSR. Several authors stress that participation by the poor in CSR activities are important and that such participation influences the success

of long-term development, such as poverty reduction (Ashley, Boyd & Goodwin, 2000; Blowfield & Frynas, 2005; Prieto-Carrón, 2006).

In the majority of tour operators' CSR activities, participation falls under 'bought participation', where the poor participate in exchange for donations. This type of participation is characterised by the poor's inability to prolong the benefits of the CSR initiatives when the donations stop. Thus, these types of CSR reduce poverty less effectively, unless the donations continue. A number of the tour operators' CSR activities fall under more advanced types of participation, namely 'functional' and 'interactive participation'. In particular, the activities that fall under the latter type of participation can potentially create long-term development because the poor are included in a joint analysis with the people who run the projects. The project is thus influenced by external people who are assumed to have the necessary knowledge and experience to create successful results from the CSR project, as well as the poor, who possess knowledge about their personal objectives and conditions. Homestays are an interesting practice in the discussion of CSR, because it has the potential to sustain long-term development in the form of poverty reduction. Through homestays, there is a high degree of participation by local people, and even though customers do not stay with the poorest families, these families often also benefit from homestays due to an agreement in the village regarding the distribution of income. Furthermore, homestays are categorised as a part of the tour operators' business operations, rather than as an extra element, which makes the practice and its positive effects more lasting—for example, during an economic crisis.

Summary

Ultimately, I provide an answer to the research question by applying the definition of CSR by Blowfield & Frynas (2005). The tour operators' engagement in CSR primarily relates to the two first parts of the definition, which hold "that companies have a responsibility for their impact on society... [and] that companies have a responsibility for the behaviour of others with whom they do business" (p. 503). Regarding their responsibility for the impacts on society, the tour operators are characterised as prioritising their economic responsibilities. According to the interviewed tour operators, the main reasons for this prioritisation are the low margin and the lack of resources in the tour operating industry. One key characteristic is that tour operators feel both ethical and philanthropic responsibilities in developing countries. Among other things, half of the tour operators feel a responsibility for not negatively impacting poor populations' lifestyles. All of the tour operators' engage in CSR in one way or another, but their engagement is characterised as fragmented. The tour operators do not participate in broader CSR initiatives and programs, and their CSR activities come into existence rather randomly. The most important factors in the decision of where to implement CSR are the role of the owner, vertical integration and the

size of the destination. Finally, none of the tour operators make structured evaluations of their CSR activities.

Concerning the second part of Blowfield & Frynas's definition of CSR, the tour operators place emphasis on using local suppliers and couriers. This relates to the finding that the majority of the tour operators admit lacking knowledge about the context of developing countries. In addition, the tour operators' engagement in CSR is characterised mainly by philanthropic contributions, and the tour operators seldom engage actively in CSR projects. Nevertheless, the poor rarely become suppliers due to the lack of resources needed to meet the demands of Western customers. The tour operators perceive the poor as a stakeholder group with legitimacy, but they do not consider the poor to play a significant role in their business. The participation of the poor in the tour operators' CSR activities is mainly characterised as 'bought participation', and only in few of the CSR activities do the poor have a higher degree of participation.

The tour operators' engagement in CSR is, to a lesser extent, characterised by the third part of the definition of CSR, which states that a "business needs to manage its relationship with wider society..." (p. 503). However, it could be argued that taking the needs and conditions of the poor into consideration is a part of managing the tour operators' relationship with wider society.

In the chapter below, I make an assessment of the thesis in which I deal with the methodological and analytical choices made in the course of this project.

9.0. Assessment of the Thesis

My decision to adopt the critical realist perspective facilitated the analysis of the tour operators' engagement in CSR and poverty reduction, combining the generalising perspective of positivism with the interpreting perspective of perspectivism. By applying an intensive research design, I have obtained in-depth knowledge about the tour operators' engagement in CSR and poverty reduction in developing countries. Thus, my findings establish essential characteristics of the tour operators to reveal how they work with CSR. However, general laws and theories are not formulated. As argued by Sayer (1992), "[g]eneralisations may be either simple descriptive summaries of a given situation or extrapolations—rough predictions of what other situations might be like" (p. 100). However, critical realism enables the investigation of broader patterns in a population by applying an extensive research design, in which standardised interviews and statistical analysis are emphasised. Thus, the findings and results from this thesis could be extended through an extensive research design that includes many more tour operators.

Had I selected a purely positivistic approach, the research question would not be addressed in the same manner. Positivists state "that truth can be tested and that general laws and theories can and should be formulated" (Olsen & Pedersen, 2008, p. 157). They place emphasis on value-free research through quantifiable observations and statistical analysis (Saunders et al., 2007). These points of view are not suitable for answering my research question due to its explorative nature and the fact that I base my analysis upon qualitative interviews. I selected the method of data collection, qualitative interviews, because of the novelty of the problem area, the complexity of CSR, and the multidimensional perception of poverty, which are concepts that rely on qualitative data rather than quantitative data. In fact, some of the tour operators began the interviews by stating that they did not work with CSR simply because they perceived such activities as inherent to their businesses. However, if I had adopted a perspectivist approach, its focus is on language and interpretation; and truth is considered "to be dependent on perspective" (Olsen & Pedersen, 2008, p. 153). A perspectivist approach would imply a thorough examination of a single tour operator or destination, and the results would only be applicable to this specific entity due to the understanding of reality, in which the world is seen as a social and linguistic construct. Taking the above arguments into consideration, I deem critical realism to be the most appropriate science position to answer my research question.

I have conducted this thesis mainly with an explorative aim of research due to the novelty and shortcomings in the literature in the field: CSR in the Danish tour operating industry. I could not have obtained the same knowledge of the subject with an explanatory approach to the research. However, this thesis could be extended through an explanatory study, for example, by examining causal relationships

between the engagement in CSR of large and small tour operators or tour operators who arrange package holidays versus customised trips.

Given the dearth of literature about CSR in the tour operating industry, in particular the Danish industry, I have based the analysis upon primary data rather than secondary data. The choice of using primary data—in this case, qualitative interviews—provides a more in-depth view of the field. However, I have based the analytical framework upon secondary literature to establish an understanding of the issues of CSR and tourism and the limitations of these issues concerning poverty reduction in developing countries. Consequently, this type of research is *concrete*, a mix of theory and empirical analysis, rather than *general*, only based on empirical analysis, or *abstract*, only involving theoretical analysis. As my aim of the thesis is to obtain an understanding of Danish tour operators' engagement in CSR and poverty reduction in developing countries, it would not have been possible to conduct the thesis by applying either the *abstract* or the *generalisation* type of research. If I had applied the *abstract* type of research, it would have required the existence of secondary literature about this field in the Danish context. On the other hand, it would be problematic only to base the thesis on qualitative interviews, the *generalisation* type of research, because this would result in the lack of a frame from which I could analyse the findings. The latter type of research would establish regularities about how the tour operators work with CSR, but without the critical aspect concerning the limitations to poverty reduction. The choice of qualitative interviews can be discussed due to lack of objectivity. One might argue that it would have been more appropriate to use questionnaires in order to reach a larger population than 12 tour operators. However, doing so would have complicated the analysis process. In a survey, the tour operators might not understand the questions in the same way (Saunders et al., 2007), which would have rendered an analysis of the information more difficult due to the tour operators' varying understandings of CSR and poverty. Through questionnaires, I could obtain many answers regarding different understandings of CSR and poverty. This would render it difficult to make any conclusions about how tour operators engage in CSR.

My choice to base the analytical framework on four dimensions—the role of tourism in poverty reduction, context of developing countries, impact assessment, and power and participation—affects the answer to my research question. If I had based the analysis on other dimensions, such as the role of the state, the final conclusions of this study would be impacted. Furthermore, my answer to the research question would also be different, if poverty and CSR had not been considered from the multidimensional perspective and from the definition of Blowfield & Frynas (2005), respectively. For example, Carroll (1991) emphasises philanthropic contributions in his understanding of CSR and states that these contributions are a vital part of engaging in CSR. Thus, by applying Carroll's understanding of CSR, my conclusion would have been

affected by the fact that only philanthropic contributions would be included in the study of how tour operators engage in CSR and poverty reduction. Consequently, using local suppliers would not have been deemed as a part of CSR, even though it plays an important role in relation to poverty reduction in developing countries. The discussion relates to Sayer's (1992) method of understanding theory, in which he argues that theory is a conceptualisation of the world and thus a result of interpretation. Finally, Jeppesen (2005) concludes that "our understanding and analysis [are] being theory-laden and concept-dependent" (p. 5).

The discussion now moves to an assessment of my analytical framework, created by using an eclectic approach in which several theories complement each other. Blowfield & Frynas' (2005) definition of CSR is broad and not suitable to stand alone in analysing the tour operators' engagement in CSR. By applying more operational approaches, such as the schools of CSR by Djursø & Neergaard (2006) and Carroll's Pyramid of CSR (Carroll, 1991), I consider my choice made regarding the definition of CSR is appropriate to answer the research question. One limitation of the eclectic approach is that it seldom fits perfectly into one type of theory of science. For instance, the Pyramid of Carroll is based more significantly on a positivistic perspective, not a critical realist approach. However, I do not aim to contribute to the theory of science, but rather to contribute to the debate in the field of CSR and poverty reduction in relation to the Danish tour operating industry. I employ the eclectic approach to collect knowledge regarding the field because no established theoretical framework exists due to the novelty and limited knowledge of the field. A further limitation of the analytical framework is that it reflects the weakness of the majority of such studies—namely, that I do not analyse the impacts of the tour operators' CSR activities and the perspectives of the poor are not included. Nonetheless, this framework allows for commentary regarding the potential of CSR activities to reduce poverty, even though it remains inconclusive whether these activities in practice affect poverty in developing countries. However, it is not my purpose of the thesis to cast doubt upon or to evaluate the impacts of CSR, but rather to obtain knowledge of the manner in which the tour operators engage in CSR and poverty reduction. Thus, my results should provide readers with insight into the main characteristics of the tour operators' engagement in CSR and poverty reduction in developing countries.

10. Conclusion

This research was inspired by an interest in the tourism industry and CSR. Despite the fact that tourism is one of the largest industries in the world and now represents the main income source for many developing countries, the industry does not play a significant role in the CSR debate. This led to my research question: *What characterises the manner in which Danish tour operators engage in CSR and poverty reduction in developing countries?* The research question is relevant given the shortcomings of in-depth research, particularly within the Danish tour operating industry. Therefore, I based the analysis upon qualitative interviews with 12 Danish tour operators.

First of all, I have discovered that all of the interviewed tour operators engage in CSR in some manner, ranging from philanthropic donations to the establishment of eco-lodges in Vietnam and Kenya. This is a rather surprising finding due to the low margin and lack of resources in the Danish tour operating industry. The majority of the tour operators are more inclined to make philanthropic contributions rather than to engage actively in CSR projects. The tour operators emphasise that their economic responsibilities are most important, and only two of the tour operators state they are unwilling to compromise their values to fulfil their economic responsibilities. However, the majority of the tour operators feel an ethical responsibility when operating in developing countries, and seven of the tour operators feel a larger social responsibility in developing countries than at other destinations. Moreover, seven of the tour operators perceive philanthropic responsibilities as a moral obligation to the poor.

The tour operators prefer to provide support on-the-spot, and the majority of CSR activities are run by local people, such as suppliers and couriers. Few of the tour operators support international organisations, but four cooperate with local NGOs at the destination. The choice of local people to run the activities is partly attributable to the fact that two-thirds of the tour operators cite lack of knowledge about the context of developing countries as a significant impediment to poverty reduction through CSR. Furthermore, the tour operators' engagement in CSR is fragmented, and the initiatives are created at random. None of the tour operators engage in CSR in a structured manner, for example, by being part of broader CSR programs. An interesting finding is that the most important factors in the decision of where to implement CSR activities are the owner, the size of the destination and whether the tour operators are vertically integrated in a given place. According to my findings, engagement in CSR is neither related to turnover, the number of employees or cultural differences.

Regarding power and participation, I conclude that none of the tour operators perceive the poor as an important stakeholder group; likewise, the poor do not wield any power over the tour operators. The

majority of the CSR activities fall under 'bought participation', which means that the poor participate in exchange for donations. A number of the CSR activities enjoy a higher degree of participation and correspond to 'functional' and 'interactive participation'. Only the concept of homestays is characterised as self-mobilisation participation; the poor have some control over the project, and the tour operators and other external agents are only seen as supporters. An important acknowledgement in the analysis of participation has been the difficulty to determine the degree of participation without including the poor's point of view. However, by using Pretty's Typology as an indicator, the analysis still informs the reader of the different degrees of participation in CSR activities.

By applying the analysis findings to the analytical framework, I conclude that the tour operators do not necessarily deserve the criticism put forward in the framework. In *The Role of Tourism in Poverty Reduction*, Section 6.1., critics state that Western companies are ill-suited to tackle poverty reduction in developing countries due to their focus on economic responsibilities, lack of human and economic resources, and their fragmented way of engaging in CSR. My findings partly support this criticism, as described previously, but simultaneously, more than half of the interviewed tour operators feel that they bear ethical and philanthropic responsibilities in developing countries. Despite the lack of resources, all the tour operators engage in CSR in some manner. I consider that several of these CSR activities can potentially help to reduce poverty by addressing key economic, human and socio-cultural issues.

In the *Context of Developing Countries*, Section 6.2., critics argue that CSR is often based upon Western standards and priorities and upon conditions that are absent in many developing countries. In relation to the former part of the criticism, my findings confirmed that two-thirds of the tour operators lack knowledge about the context of developing countries. Yet half of the tour operators show an understanding of several features of developing countries, such as the preservation of the poor's cultures and traditions. Furthermore, the majority of the tour operators' CSR activities are run by local people, who are knowledgeable about the socio-economic conditions at the destination. I presume such CSR activities to be more greatly influenced by local perspectives than by Western practices. Regarding the latter part of the criticism, the conditions in developing countries, several of the tour operators raise the issue of cultural difficulties when operating in developing countries. However, these difficulties are not the decisive factor in the decision of where to engage in CSR, as mentioned previously.

In Section 6.3., *Impact Assessment*, the lack of knowledge about the impacts of CSR in developing countries is highlighted. My findings correspond to the criticism as none of the tour operators make structured evaluations of their CSR activities. Instead they state to follow the activities via information from the local people, who run the projects. It is criticized that focus tends to be at the micro level rather than at the

industry level. My results partially bolster this criticism, given the lack of industry initiatives in the Danish tour operating industry. However, DRF has launched a CSR initiative for its members to join, in which both social and economic aspects of tourism are included. As nine of the tour operators are members of DRF, I expect the initiative to influence the tour operators' manner of engaging in CSR. One possible effect could be a less fragmented way of working with CSR, as well as an improvement in obtaining knowledge about the impacts of CSR in developing countries.

Finally, the criticism put forth in Section 6.4., *Power and Participation*, relates to issues of power, legitimacy, and inclusion versus exclusion of the poor in CSR activities. Critics argue that the poor seldom have any power in relation to Western companies, and as a result, they are ignored as a stakeholder group. However, the poor can obtain a degree of legitimacy due to their moral right to make a claim. The criticism corresponds to my findings, which illustrate that the poor do not have any power over the tour operators and that the tour operators do not perceive the poor as an important stakeholder group. However, I found that the majority of the tour operators do feel philanthropic and ethical responsibilities to the poor, indicating that the poor—to some extent—have legitimacy. Critics also highlight the significance of the poor's participation in CSR activities, both to improve the understanding of the context in developing countries and to give the poor a voice in decision-making processes. The poor do not have a high degree of participation in tour operators' CSR projects, and the most common type of participation is 'bought participation', in which the poor do not play an important part in decision making. Even though some of the tour operators engage in CSR projects in which the poor have a higher degree of participation, I still conclude that to ensure long-term development such as poverty reduction, the poor must be granted a larger role, for example, through the expansion of the use of homestays.

11. Future Research

In this thesis I focus specifically on how 12 Danish tour operators engage in CSR and poverty reduction in developing countries. Thus, one suggestion for future research is conducting an in-depth case study with one of the tour operators. The case study should include an impact assessment of one of the CSR activities, for example, homestays. It would be interesting to include the voice of the poor, as they might have a different attitude towards the CSR activities than that of the tour operators. A case study would also make it possible to explore more fully the internal structures of a tour operator and its specific way of and motivation for engaging in CSR. A case study could also be based on a single destination, with a focus on its specific context regarding the role of the state, civil society and the local tourism industry's interest in CSR.

Another research perspective would be to compare different types of tour operators, such as large versus small, or customised versus packaged tour, and to examine how the differences influence the tour operators' way of working with CSR. As an example, several of the tour operators believed that some of the larger tour operators that specialise in packaged holidays have greater opportunities to engage in CSR and thus to contribute to poverty reduction in developing countries.

Finally, it would be interesting to investigate further the issue of the strategic possibilities of CSR, as discussed by Porter & Kramer (2002; 2006). A little less than half of the tour operators highlight the possibility of profiting from CSR as a relatively new phenomenon, but only few use CSR in external marketing. In fact, the majority of tour operators stress that they do not profit from CSR or use it commercially. One study could examine why tour operators do not use CSR strategically and how they could transform CSR engagement into a competitive advantage.

12. References

- Arnstein, S. R. (1969). A ladder of citizen participation. *Journal of the American Institute of Planners*, 35(4), 216-224. Retrieved April 29, 2010, from: <http://lithgow-schmidt.dk/sherry-arnstein/ladder-of-citizen-participation.html>
- Ashley, C. (2002). *Methodology for pro-poor tourism case studies*. PPT Working Paper, 10, Overseas Development Institute, London.
- Ashley, C., Boyd, C., & Goodwin, H. (2000). *Pro-poor tourism: Putting poverty at the heart of the tourism agenda*. Natural Resource Perspectives, 51, Overseas Development Institute, London.
- Ashley, C., Roe, D., & Goodwin, H. (2001). *Pro-poor tourism strategies: Making tourism work for the poor—A review of experience*. Pro-Poor Tourism Report, 1, Overseas Development Institute, London.
- Bennett, O., Ashley, C., & Roe, D. (1999). *Sustainable tourism and poverty elimination study*. London: Deloitte & Touche, Overseas Development Institution, International Institute for Environment and Development.
- Blasco, M., & Zølner, M. (2008, January 30). Corporate social responsibility in Mexico and France: Exploring the role of normative institutions. *Business & Society*. Retrieved March 2, 2010, from SAGE Journals Online: <http://bas.sagepub.com.esc-web.lib.cbs.dk/cgi/rapidpdf/0007650307309434v1>
- Blowfield, M. E. (2006). *More than a feeling? What we know about CSR's Impacts*. Paper presented at the conference: Beyond CSR? Business, Poverty, and Social Justice. London, May 22, 2006.
- Blowfield, M. E., & Frynas, J. G. (2005). Setting new agendas: Critical perspectives on corporate social responsibility in the developing world. *International Affairs*, 81(3), 499-513.
- Blowfield, M. E., & Murray, A. (2008). *Corporate responsibility: A critical introduction*. Oxford: Oxford University Press.
- Cooper, C., & Wanhill, S. (1997). *Tourism development: Environmental and community issues: Papers from the Biennial Conference of the International Academy for the study of tourism held June 1995, in Cairo*. Chichester: Wiley.
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34, 39-48.

- Choguill, M. B. G. (1996). A ladder of community participation for underdeveloped countries. *HABITAT Intl.*, 20(3), 431-444.
- Chok, S., Macbeth, J., & Warren, C. (2007). Tourism as a tool for poverty alleviation: A critical analysis of "Pro-Poor Tourism" and implications for sustainability. *Current Issues in Tourism*, 10(2), 144-165.
- Crane, A., & Matten, D. (2007). *Business ethics: Managing corporate citizenship and sustainability in the age of globalization*. Oxford: Oxford University Press.
- Danermark, B., et al. (2002). *Explaining society*. New York: Routledge.
- Danmarks Statistik (2009, July 14). *Nyt fra Danmarks Statistik: Serviceerhverv: ferie og forretningsrejser 2008*. Retrieved February 2, 2010, from: www.dst.dk/nytudg/12289
- Djursø, H., & Neergaard, P. (eds.). (2006). *Social Ansvarlighed. Fra Idealisme til Forretningsprincip*. Århus: Academica.
- Doane, D. (2005). The myth of CSR: The problem with assuming that companies can do well while also doing good is that markets don't really work that way. *Stanford Social Innovation Review*, 2005(fall), 23-29.
- Dodds, R., & Joppe, M. (2005). CSR in the tourism industry: The status of and potential for certification, codes of conduct and guidelines. Washington: IFC/World Bank.
- DRF (n.d.): *Hvad er DRF?* Retrieved January 21, 2010, from <http://www.travelassoc.dk/Default.asp?Action=Details&Item=417>
- DRF (2009): *Annual Report*. Retrieved January 12, 2010, from http://www.travelassoc.dk/files/aarsberetninger/aarsberetning_2008.pdf
- DRF (2009, April): *Annual Meeting*. Retrieved August 21, 2009, from: http://www.travelassoc.dk/files/nyhedsbrev_marts_09/drfs_arbejde_med_csr_baeredygtige_rejser_.pdf
- DRF (2009, October 26): *Årlige Undersøgelse af danskernes Rejsemål i 2008*. Retrieved October 28, 2009, from: <http://www.travelassoc.dk/default.asp?Action=Details&Item=664>
- Easterby, Smith, M., Thorpe, R., & Jackson, P. R. (2008). *Management research*. London: SAGE Publications Ltd.

Economist. (2008, January 19). Going global. *The Economist*, 386. Retrieved September 1, 2009, from INFOTRAC:

http://infotrac.galegroup.com.escweb.lib.cbs.dk/itw/infomark/240/739/96200501w16/purl=rc1_GBFM_0_A173532669&dyn=19!xrn_13_0_A173532669?sw_aep=cbs

ECTAA (2009): *European Travel Agents and Tour Operators*. Ref. AD09-101/448. Retrieved February 28, 2010, from: <http://www.ectaa.org/Home/FactsFigures/tabid/68/language/en-US/Default.aspx>

Egholm, O. (2009, August 18). *Danmarks 150 Største Rejsebureauer*. Herlev: Dansk Branche Analyse Aps.

Euromonitor (2009, November 5): *Travel and Tourism – Denmark*. Retrieved February 25, 2010, from: <http://www.portal.euromonitor.com.esc-web.lib.cbs.dk/Portal/ResultsList.aspx>

European Commission (n.d.). *Enterprise and industry: Sustainable and responsible business*. Retrieved November 25, 2009, from: http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm

Fennell, D. (2006). *Tourism ethics*. Clevedon: Channel View.

Friedman, M. (1970, September 13). The social responsibility of business is to increase its profit. *New York Times Magazine*.

Garriga, E., & Melé, D. (2004). Corporate social responsibility—Theories: Mapping the territory. *Journal of Business ethics*, 53, 51-71.

Garvey, N., & Newell, P. (2005, June). Corporate accountability to the Poor? Assessing the effectiveness of community-based strategies. *Development in Practice*, 15(3-4), 389-404.

Goodwin et al. (2004). *Pro-poor tourism info sheets 1-14*. UK: Pro-Poor Tourism Partnership.

Hall, C. M. (2007). Pro-poor tourism: Do 'tourism exchanges benefit primarily the countries of the South'? *Current Issues in Tourism*, 10(2), 111-118.

Holme, R., & Watts, P. (2000). *Corporate social responsibility: Making good business sense*. Conches-Geneva: WBCSD.

Husted, P. (2009, December 26). Fremtidens rejse skal være unik og langt, langt væk. *Politiken*, pp.60.

IMF (2009, October): *World economic outlook 2009: Sustaining the recovery*. Retrieved December 1, 2009, from: <http://www.imf.org/external/pubs/ft/weo/2009/02/pdf/text.pdf>

- Jeppesen, S. (2004). *Environmental practices and greening strategies in small manufacturing enterprises in South Africa – A critical realist approach*. Frederiksberg: CBS.
- Jeppesen, S. (2005). Critical realism as an approach to unfolding empirical findings: Thoughts on fieldwork in South Africa on SMEs and environment. *The Journal of Transdisciplinary Environmental Studies*, 4(1), 1-9.
- Kalisch, A. (2002). *Corporate futures: Social responsibility in the tourism industry*. London: Tourism Concern.
- Kapstein, E. B. (2001). The corporate ethics crusade. *Foreign Affairs*, 80(5), 105-119.
- Kvale, S., & Brinkmann, S. (2009). *InterViews: Learning the craft of qualitative research interviewing*. London: Sage Publications Ltd.
- Leksakundilok, A. (2006). *Community participation in ecotourism development in Thailand*. Sydney: University of Sydney. Retrieved April 29, 2010, from: <http://ses.library.usyd.edu.au/handle/2123/668>
- Margolis, J. D., & Walsh, J. P. (2001). *People and profits? The Search for a link between a company's social and financial performance*. Mahwah: Lawrence Erlbaum Associates.
- Meyer, D. (2003). *UK tour operating industry and implications for pro-poor tourism*. PPT Working Paper, 17, Overseas Development Institute, London.
- Meyer, D (2007). Pro-poor tourism: From leakage to linkages. A conceptual framework for creating linkages between the accommodation sector and “poor” neighbouring communities. *Current Issues in Tourism*, 10(6), 558-583.
- Mikkelsen, B. (2005). Participation in development: The concept and critical perspectives. In B. Mikkelsen: *Methods for Development Work and Research: A New Guide for Practitioners*. London: Sage Publications Ltd.
- Moore, M. (2005). Consultant’s report on published studies, principally on Burkina Faso and Ethiopia. In SIDA (ed.): *Methods of Analyzing Power – A Workshop Report* (7-15). Stockholm: SIDA.
- Morgan, O. (2006, September 17). End of the road for the package tour? *The Observer*. Available: <http://www.guardian.co.uk/travel/2006/sep/17/travelnews.theobserver.observerbusiness> (October 25, 2009)
- Mowforth, M., & Munt, I. (2003). *Tourism and sustainability: Development and new tourism in the Third World*. London: Routledge.

- Newell, P. (n.d.). Beyond CSR? Business, poverty, and social justice. *The International Research Network on Business, Development, and Society*. Briefing no. 1, Copenhagen.
- Newell, P., & Frynas, J. G. (2007). Beyond CSR? Business, poverty and social justice: An introduction. *Third World Quarterly*, 28(4), 669-681.
- OECD (2001). *The DAC guidelines: Poverty reduction*. Paris: OECD Publications Service.
- Olsen, P. B., & Pedersen, K. (2008). *Problem-oriented project work: A workbook*. Frederiksberg: Roskilde University Press.
- Oppermann, M., & Chon, K. S. (1997). *Tourism in developing countries*. London: International Thomson Business Press.
- Plesner, A., & Neergaard, P. (2005). *Corporate financial and social performance*. Proceedings 3rd Conference on Performance Measurements and Management Control, Nice.
- Porter, M. E., & Kramer, M. (2002). The competitive advantage of corporate philanthropy. *Harvard Business Review*, 80(1), 256-268.
- Porter, M. E., & Kramer, M. (2006). Strategy and society: The Link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 2006, 85(12), 78-92.
- PPTa. (n.d.): *What is pro-poor tourism?* Retrieved November 27, 2009, from: http://www.propoortourism.org.uk/what_is_ppt.html
- PPTb. (n.d.): *PPT challenge: What is PPT delivering for the poor?* Retrieved December 1, 2009, from: <http://www.propoortourism.org.uk/PPTchallenge.html>
- Pretty, J. N. (1995). Participatory learning for sustainable agriculture. *World Development*, 23(8), 1247-1263.
- Pretty, J. N., & Hine, R. (1999). *Community participation—Participatory appraisal for community assessment: Principles and methods*. Centre for Environment and Society, University of Essex. Retrieved April 9, 2010, from: <http://www.essex.ac.uk/ces/esu/community-participatory.shtm#9>
- Prieto-Carrón et al. (2006). Critical perspectives on CSR and development: What we know, what we don't and what we need to know. *International Affairs*, 82(5), 967-977.

Rejsegarantifonden.dk. (n.d.). *Registrerede Rejsearrangører*. Retrieved February 19, 2010, from <http://www.rejsegarantifonden.dk/default.asp?side=22&menu=2>

Richards, K., Carbone, G., & Gordon, G. (2002). *Improving tour operators' performance: The role of corporate social responsibility and reporting*. ABTA, TOI & Tearfund.

Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students*. London: Prentice Hall.

Sayer, A. (1992). *Method in social science*. London: Routledge.

Sayer, A. (2000). *Realism and social science*. London: SAGE Publications Ltd.

Scheyvens, R. (2007). Exploring the tourism-poverty nexus. *Current Issues in Tourism*, 10(2), 231-254.

Sen, A. (1999). *Development as freedom*. New York: Alfred A. Knopf Incorporated.

Sharpley, R., & Telfer, D. J. (2002). *Tourism and development: Concepts and issues*. Clevedon: Multilingual Matters Ltd.

Spenceley, A. (ed.). (2008). *Responsible tourism: Critical issues for conservation and development*. London: Earthscan.

Startour.dk: *Antal Rejsende og Markedsandele*. Retrieved February 21, 2010, from <http://www.startour.dk/Nederst-paa-siden/Om-Star-Tour/> (21.02.10)

Swarbrooke, J. (1999). *Sustainable tourist management*. Wallingford: Cabi Publishing.

Sæther, B. (1998). Retrodution: An alternative research strategy? *Business Strategy and the Environment*, 7, 245-249.

TOI (2009, January 19): *Introduction*. Retrieved November 13, 2009, from: <http://www.toinitiative.org/index.php?id=3>

Visser, W. (2006). Revisiting Carroll's CSR Pyramid: An African perspective. In E. R. Pedersen & M. Huniche (eds.): *Corporate Citizenship in Developing Countries—New Partnership Perspectives* (pp. 29-56). Frederiksberg: Copenhagen Business School Press.

Vogel, D. (2005). *The market for virtue: The potential and limits of corporate social responsibility*. Washington, D.C.: Brookings Institution Press.

- Wight, P. (2007). Ecotourism, CSR, and the fourth dimension of sustainability. In J. Higham (ed.): *Critical Issues in Ecotourism: Understanding a Complex Tourism Phenomenon* (pp. 214-239). Oxford: Elsevier Ltd.
- Wood, E. M. (2007). The role of sustainable tourism in international development: Prospects for economic growth, alleviation of poverty and environmental conservation. In J. Higham (ed.): *Critical Issues in Ecotourism: Understanding a Complex Tourism Phenomenon* (pp. 158-184). Oxford: Elsevier Ltd.
- World Bank, (2009). *Overview: Understanding, measuring and overcoming poverty*. Retrieved November 26, 2009, from:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTPA/0,,contentMDK:20153855~menuPK:435040~pagePK:148956~piPK:216618~theSitePK:430367,00.html>
- WTO. (2002). *Tourism and poverty alleviation*. UK: The World Tourism Organization.
- WTO. (2004). *Tourism and poverty alleviation: Recommendations for action*. UK: The world Tourism Organization.
- WTO. (2009): *The global code of ethics for tourism*. Retrieved November 13, 2009, from:
http://www.world-tourism.org/code_ethics/eng.html
- WTO. (2009, September 27). *Tourism highlights*. Madrid: UNWTO Publications. Retrieved September 9, 2009, from: http://www.unwto.org/facts/eng/pdf/highlights/UNWTO_Highlights09_en_HR.pdf
- WTTC. (2002). *Corporate social leadership in travel and tourism*. London: World Travel & Tourism Council.
- Zhao, W., & Ritchie, J. R. B. (2007). Tourism and poverty alleviation: An integrative research framework. *Current Issues in Tourism*, 10(2), 119-143.

Appendix I: List of Tour Operators Interviewed

<p><i>Name of Tour Operator:</i> Albatros Travel <i>Website:</i> www.albatros-travel.dk <i>Number of Employees:</i> 104 <i>Turnover in 2008:</i> DKR 458,205,000. <i>Member of DRF:</i> Yes <i>Property:</i> Karen Blixen Camp in Kenya; a part of a reserve in South Africa; subsidiaries in Africa and Greenland; service offices in India, Mexico and China. <i>Destinations:</i> Africa, Asia, Europe, Oceania, North and South America, Antarctic. <i>Name and position of interviewee:</i> Søren Rasmussen, owner and director <i>Place and date of interview:</i> Albatros, Copenhagen, 18 Marts 2010</p>
<p><i>Name of Tour Operator:</i> Billetkontoret <i>Website:</i> www.billetkontoret.dk <i>Number of Employees:</i> 66 <i>Turnover in 2008:</i> DKR 595,734,000. <i>Member of DRF:</i> Yes <i>Property:</i> No <i>Destinations:</i> Africa, Asia, Europe, Australia, New Zealand, North and South America. <i>Name and position of interviewee:</i> Peter B. Schmidt, product planner with responsibility of CSR <i>Place and date of interview:</i> Billetkontoret, Copenhagen, 29 Marts 2010</p>
<p><i>Name of Tour Operator:</i> Blixen Tours <i>Website:</i> www.blixentours.dk <i>Number of Employees:</i> 3 <i>Turnover in 2008:</i> Not Available. <i>Member of DRF:</i> Yes <i>Property:</i> No <i>Destinations:</i> Africa, Dubai. <i>Name and position of interviewee:</i> Heine B. Sørensen, Co-owner and director <i>Place and date of interview:</i> Blixen Tours, Løsning, 13 April 2010</p>
<p><i>Name of Tour Operator:</i> Brandstrup Travels <i>Website:</i> www.brandstrup.dk <i>Number of Employees:</i> 6 <i>Turnover in 2008:</i> DKR 26,000,000. <i>Member of DRF:</i> Yes <i>Property:</i> No <i>Destinations:</i> Africa, Europe, Middle East, Asia, Australia, New Zealand, North and South America. <i>Name and position of interviewee:</i> Per Brandstrup, owner and director <i>Place and date of interview:</i> Brandstrup, Copenhagen, 17 Marts 2010</p>

<p><i>Name of Tour Operator:</i> C&C Travel <i>Website:</i> www.cctravel.dk <i>Number of Employees:</i> 19 <i>Turnover in 2008:</i> DKR 100,000,000. <i>Member of DRF:</i> Yes <i>Property:</i> The owner of C&C owns the majority of Coco Beach Resort in the Philippines. <i>Destinations:</i> Asia, North and South America. <i>Name and position of interviewee:</i> Dorte J. Mydtskov, director of bureau. <i>Place and date of interview:</i> C&C, Copenhagen, 31 Marts 2010</p>
<p><i>Name of Tour Operator:</i> Jesper Hannibal & Co. <i>Website:</i> www.jespercom.dk <i>Number of Employees:</i> 5 <i>Turnover in 2008:</i> DKR 15,000,000. <i>Member of DRF:</i> Yes <i>Property:</i> No <i>Destinations:</i> Asia, Africa, North and South America, Australia and New Zealand, Dubai <i>Name and position of interviewee:</i> Helene Randers, product manager. <i>Place and date of interview:</i> Jesper Hannibal, Århus, 15 April 2010</p>
<p><i>Name of Tour Operator:</i> Jysk Rejsebureau <i>Website:</i> www.jysk-rejsebureau.dk <i>Number of Employees:</i> <i>Turnover in 2008:</i> DKR 208,000,000. <i>Member of DRF:</i> Yes <i>Property:</i> Guesthouse in Bangkok; resort and safari boat in Thailand; co-owner of a hotel in Hanoi; cruise liner in the Philippines; farm in Venezuela; service offices in India, Indonesia, Kenya, Peru, China, Nepal, Thailand and Vietnam. <i>Destinations:</i> Africa, Asia, North and South America, Australia, New Zealand, Europe. <i>Name and position of interviewee:</i> Birgitte H. Jacobsen, <i>Place and date of interview:</i> Jysk, Århus, 15 April 2010</p>
<p><i>Name of Tour Operator:</i> Kipling Travel <i>Website:</i> www.kiplingtravel.dk <i>Number of Employees:</i> 7 <i>Turnover in 2008:</i> DKR 38,000,000. <i>Member of DRF:</i> Yes <i>Property:</i> Subsidiaries in Nepal and India <i>Destinations:</i> Africa, Asia, Europe, South America. <i>Name and position of interviewee:</i> Lars Gundersen, owner and director <i>Place and date of interview:</i> Kipling, Frederikssund, 16 Marts 2010</p>
<p><i>Name of Tour Operator:</i> Livingstone <i>Website:</i> www.livingstone.dk <i>Number of Employees:</i> 3 <i>Turnover in 2008:</i> DKR 10,000,000. <i>Member of DRF:</i> No <i>Property:</i> No <i>Destinations:</i> Africa. <i>Name and position of interviewee:</i> Carsten M. Jensen, director <i>Place and date of interview:</i> Livingstone, Hellerup, 08 April 2010</p>

<p><i>Name of Tour Operator:</i> Lords Travel <i>Website:</i> www.lordstravel.dk <i>Number of Employees:</i> 2 <i>Turnover in 2008:</i> DKR 20,000,000. <i>Member of DRF:</i> No <i>Property:</i> No <i>Destinations:</i> Asia, Australia, New Zealand, North America. <i>Name and position of interviewee:</i> Irfan Gilani, general manager <i>Place and date of interview:</i> Lords, Copenhagen, 21 April 2010</p>
<p><i>Name of Tour Operator:</i> Nyhavn Rejser <i>Website:</i> www.nyhavn.dk <i>Number of Employees:</i> 55 <i>Turnover in 2008:</i> DKR 250,000,000. <i>Member of DRF:</i> Yes <i>Property:</i> No <i>Destinations:</i> Asia, Africa, Middle East, Australia, New Zealand, North and South America. <i>Name and position of interviewee:</i> Lars Mathiasen, co-owner and director of bureau <i>Place and date of interview:</i> Nyhavn, Copenhagen, 23 Marts 2010</p>
<p><i>Name of Tour Operator:</i> Topas Travel <i>Website:</i> www.topas.dk <i>Number of Employees:</i> 14 <i>Turnover in 2008:</i> Not Available <i>Member of DRF:</i> Yes <i>Property:</i> Eco-lodge in Vietnam, lodge in Bolivia, co-owner of a refinery in Greenland. <i>Destinations:</i> Africa, Asia, South America, Europe, New Zealand. <i>Name and position of interviewee:</i> Klaus Andersen, product manager <i>Place and date of interview:</i> Telephone interview, 15 Marts 2010</p>
<p><i>Name of Tour Operator:</i> Viktors Farmor <i>Website:</i> www.viktorsfarmor.dk <i>Number of Employees:</i> 6 <i>Turnover in 2008:</i> DKR 30,000,000. <i>Member of DRF:</i> No <i>Property:</i> No <i>Destinations:</i> Africa, Middle East, Asia, South America, Europe. <i>Name and position of interviewee:</i> Kirsten G. Holm, owner and director <i>Place and date of interview:</i> Viktors Farmor, Lystrup, 12 April 2010</p>

Appendix II: Interview Framework

The interviews should provide me with the following information:

Introduction:

Name, position, number of employees, turnover, do the tour operators own real estate or the like?

The role of tourism in poverty reduction:

How do the tour operators perceive the concept of CSR with regard to the social and economic responsibilities? How do they perceive their economic, legal, ethical and philanthropic responsibilities?

How do the tour operators engage in CSR with regard to the social and economic responsibilities in developing countries? Do they have any specific CSR initiatives towards poverty reduction? Do they have any written CSR guidelines? How do they come up with the initiatives? Who run the activities and projects? Do they cooperate with local or international organizations?

Do the tour operators inform their customers about CSR initiatives? Why do the tour operators engage in CSR? Do they have a larger focus on CSR today than five years ago? Are the customers more concerned about CSR today?

The context of developing countries:

Do the tour operators take the cultural and socio-economic context of developing countries into consideration in the decision of where to implement CSR initiatives? How does the context affect the way of engaging in CSR?

Do the tour operators feel a larger social responsibility in developing countries than in developed countries? Do they have knowledge about the socio-economic and cultural conditions in developing countries? Which impediments to poverty reduction do they meet in developing countries?

Impact Assessment

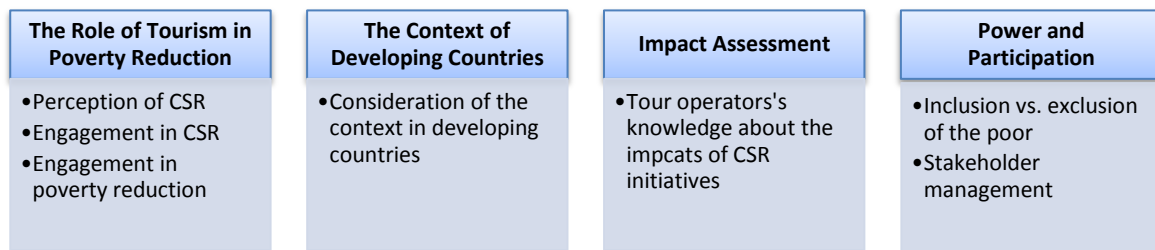
Do the tour operators feel that they possess the necessary resources to reduce poverty in developing countries? How do the tour operators evaluate their CSR initiatives? Do they use external monitors? Do they evaluate the initiatives internally?

Power and participation:

Do the tour operators perceive the poor as an important stakeholder group? Do they feel any economic, legal, ethical or philanthropic responsibilities towards the poor? Do poor people play a role in the tour operators' tourism and CSR activities in developing countries? In which way do the poor participate in the tour operators' tourism and CSR activities? Do the tour operators prioritize to involve the local population in their CSR activities in developing countries?

Other comments - remarks

Figure II.1. Overview of Themes in the Interview Framework



Source: Own compilation

Appendix III: Example of Interview Guide

1. Contextual data

- Name of tour operator:
- Name and position of interviewee:
- Number of employees:
- Turnover in 2008:
- Member of DRF:
- Location and date:
- Property:

2. How do you understand CSR in relation to tour operators?

3. How do you engage in CSR?

3a. Has the way of engaging in CSR changed during the last five years?

4. Does your engagement in CSR change from one country to another or is it more general?

5. Why do you engage in CSR?

5a. Do you feel that tour operators have a social responsibility when operating in developing countries?

6. Do you feel that tour operators possess the necessary skills to create poverty reduction in developing countries?

7. Do you cooperate with any Danish, local or international organizations in relation to your work with CSR?

7a. Do you cooperate with poor people?

8. Do you evaluate the impacts of your CSR initiatives?

9. Does the poorer part of the population at a destination play a significant role to your tourism and CSR activities in developing countries?

9a. Is it given a high priority to involve the local population in your CSR activities in developing countries?

10. Which impediments to poverty reduction do you meet in developing countries?

11. How do you think that tour operators can participate more in poverty reduction in developing countries?

Appendix IV: Example of Transcript of Interview – Viktors Farmor

AP: Anna Povlsen (interviewer), KGH: owner of Viktors Farmor (interviewee)

Contextual data

- Name of tour operator: Viktors Farmor
- Name and position of interviewee: Kirsten Gynther Holm, owner
- Number of employees: 6
- Turnover in 2008: DKK 30,000,000
- Member of DRF: No
- Location and date: Viktors Farmor, Lystrup, April 12, 2010
- Property: No

AP: How do you understand social responsibility in relation to tour operators?

KGH: It is the way you meet people. Or do you mean at the destination or towards customers in Denmark?

AP: At the destination.

KGH: I think it is very important that you meet local people with humility at a destination. That you show respect and do not see them just as something you can take a picture of. And that you do not visit destinations, which have been spoiled by tourism, because that is exactly what has happened at some destinations.

AP: Can you give an example?

KGH: I can give you plenty of examples. We have for a number of years arranged journeys to the Omo Valley in Ethiopia, which is something very special. In the Omo Valley, many different tribes live and it is very interesting. But it has changed and now when people from the tribal villages see four-wheel drive cars arrive, they run into their cottages, put on their traditional clothes and then demand money if you want to take a picture of them. Then it is not attractive to us anymore and I stopped arranging these tours. To great annoyance for our customers, because they really get some amazing pictures. But it is not that kind of tourism I like. But we did have booked up on these journeys for many years. The same has happened in Panama. We have many round trips to Central America, which ends in Panama, and one of the culminations used to be that we by boat, through the rain forest, visit an Indian tribe. I have been there several times and it has been a great experience. The Indians still sail around in dugouts and they only wear small loincloths. It is very exciting and you are allowed to take part in their daily life. You go for a walk in the rain

forest together with the medicine man and the like. But the last group I had to visit the place told me that the tribe had begun to dance in front of the tourists and that they had started a little shop from where they sold wickerwork. It had become touristy in a sad way, I think. And then we also spoil their daily life, I believe. I know that we do not save their daily life by not visiting anymore, because many other tourists arrive, but I do not want to be a part of it. And my customers are disappointed, because it is not a part of the journey anymore, but that is the reason.

AP: Okay. But it must be a difficult tight-rope walking, because one understands that when they are introduced to the western materialism, if you can say it like that, they also want a share of the cake.

KGH: Yes, but I just do not like it. It is the same in places, where children begin to beg pencils and the like. I cannot handle it. I am an anthropologist and I like to get out and talk to people, talk to the indigenous people. It should not be only monuments or nature experiences. We have a lot of tours in the Middle East and when we visit the desert, we want to meet Bedouins, nomads or the like. But then I ask my groups to put away the camera, because the indigenous people should not be met by 14 cameras, when we come to get a talk about their daily life. Then, when you have enjoyed their tea, you can always ask if it is okay to take a few pictures. But it has to be on that level. So you can also say that social responsibility is about educating your travellers to behave in a certain way. That is how we feel and the customers respect that.

AP: So social responsibility is also about educating customers?

KGH: Yes, it is. And I know that not all tour operators can do that, and neither do all have customers who will accept it, but we do.

AP: How do you engage in CSR? And here I refer to activities as well as information to your customers.

KGH: We travel to some of the extremities of the world and we meet people, who are very poor, for example, fishermen in Tranquebar and India. People are very poor and we have to be careful not to arrive as Father Christmas and give them a lot of things, just because they are poor. It has to be done in a good way. I do not know if it belongs to social responsibility, but we have some small relief groups and projects. We support a family in Tranquebar, a children's home in Bombay and a young girl somewhere up in Himalaya to get an education, which she would not get otherwise. I also have a project with some Syrian street children. But that is something we just do, not something we use. We do not hug ourselves. It something we do, but we do not mention it anywhere. When customers visit the destinations, they get an impression of what we do. But still it not something that we beat the drum for on the tours.

AP: Do you support with money or are you an active part of the projects?

KGH: Well, both. I support with money, but I have a Syrian courier, who are born and grown up in the area, where all these poor people live. And by each journey to Syria I donate DKK 100 per traveller, so it is not a lot. And the travellers do not even know. But the money goes to this street children project in Syria.

Actually it becomes a great deal, because we send off many customers. We just had six groups in Syria. We always send off a lot of people to the Middle East. But the way in which we support varies.

AP: But is it something that your customers are aware of? Do they visit the children's home? Is it something you use in marketing?

KGH: The customers, who travel to India and arrive to Bombay, visit the children's home and often some of them want to donate money. But it is not something that we ask to. It must not be like that. But the customers cannot help supporting, when they see the children's home.

AP: So you inform your customers about the possibility of visiting the children's home and then it is up to them?

KGH: Yes, that is how it is.

AP: Has your way of engaging in CSR changed during the last four to five years?

KGH: No, I do not think so. But you can say that the world changes. At some destinations they get a bit too accustomed to tourists and then there comes shallowness, which did not use to be there. In many places it is still not there. I am going to Turkmenistan tomorrow and they are definitely not used to tourists. They are very interested in us and they really want to talk to us. They do not do it, because they expect to get money, but simply because they are curious. They are interested. And often it begins like that. Later this year, I am going to some very outlying areas in China, tribal lands, where they are as interested in us as we are in them. They are not spoiled by tourism yet, but gradually more and more are getting spoiled, when groups of tourists arrive and begin to give out pencils and caramels. Then the local people begin to beg and something changes. You destroy something, which does not have to be destroyed.

AP: So it means that your focus has not changed on social responsibility?

KGH: No, I do not think so. We take things as they come. We travel a lot to the extremities of the world. It is different at destinations, where there is a lot of tourism. In those places we cannot make a difference. We also have tours to Jordan and Petra, which now has become one of the Seven Wonders of the World. In Petra there is a lot of tourism and boys who always want more in tips no matter how much you give them. Even though we think it is terrible, we cannot make a difference at all. But we can make it in those places, where we are the only ones and there we have to be careful not to accustom the local to bad manners.

AP: Do you feel that customers have changed their understanding of social responsibility? Is it something that they increasingly focus on?

KGH: No, I do not think so. They are very understanding, when we talk about how we would like things to be done. They really are. Some people have a start, when they enter a Bedouin tent and they are wild to take pictures. But I tell them to put away the cameras, because it spoils the moment and the experience, if it is all about pictures. The people we visit should not think that all we care about is taking some pictures

and then go home to boast that now we have been here and there. The local people should know that we are interested in their daily life and in their doings. That is a different angle than if you just want pictures.

AP: So it is something that you find important to inform your customers of? It must be difficult unless they are used to travel with you, because it is a very different mentality then when you normally travel.

KGH: Yes, it is, but we visit some of the extremities of the world, where you have to be there on the local people's terms and then show restraint with your own demands. I have done a whole day together with four others, where we went along with an Iranian guide to visit different nomadic people. It was all about who we met on our way and the guide arranged that the meetings were conducted in a pleasant manner to both parts. None of us took a picture, but we have the experience in our heads. Because in one way or another it spoils the once in a life time experiences and the intense moments, if you begin take pictures. But I think many people find it hard not to do.

AP: Yes, and in a way I understand it, because now you are there and you might never come back

KGH: Yes, but I just believe it to be important.

AP: Yes, and I know exactly what you mean.

KGH: Moreover, the women are very shy in many of the destinations we visit. Especially, it applies to the Middle East, where you definitely should not begin to take pictures of the women.

AP: Do you have more focus on social responsibility in some countries rather than in others?

KGH: We focus on the extremities, not the common tourist destinations. When we arrange tours to the Pyramids, where there are a lot of tourists, we do not focus on social responsibility at all. We have to give up that; you cannot change anything in places like that. But we also arrive in places, where people are very poor but also very happy and harmonious. And at such destinations, for example, in Himalaya, I always tell the customers not to bring along pictures from home, because it really creates a barrier between us and them. Neither put on expensive jewellery nor flashing watches. We must not support that barrier, because even though it will remain, we should not contribute to make it larger. I had a customer, who brought along a picture of his big boat, a very rich man and a very nice boat, which he began to show around. Then I had to tell him please not to do that. It really creates a distance between us and them. They shall not think that we arrive with millions. There is no reason for that.

AP: Why do you engage in social responsibility?

KGH: That is a question of mentality, you must say. It is not that we sat down and said: Now we want to engage in social responsibility. It is also a part of our image that we behave as we do.

AP: Do you feel that tour operators have a social responsibility when operating in developing countries?

KGH: I do not know anything about what other tour operators are doing. I really do not. And neither do I go over it. So I have no idea.

AP: But do *you* feel that tour operators have a social responsibility when operating in developing countries?

KGH: Yes, I think you do to a large extent, because you can do so much damage, if you are not aware of these things. But I do not know how other tour operators deal with it.

AP: No, and it does not matter. This question is meant to answer if *you* think that tour operators have a social responsibility in developing countries.

KGH: Yes, to a large extent. Yes, they do.

AP: Can you elaborate on that?

KGH: You have to be careful not to shake the locals' scheme of things. Not to give the impression of coming from a glorified world in which everything is better like they sometimes watch in TV. And everything seems better. It is not. Often they have some values that we could learn from, but focus often ends up being on material comforts and you have to be careful about that.

AP: But it must be a difficult tight-rope walking, because in one way or another I imagine that it can be difficult to say that they should not get these things, because they should remain as they always have been.

KGH: Yes, and they should not. They should not be treated as an eternal open-air museum, but neither should you contribute to make them unsatisfied with their daily life as it is. We should not change their way of living. We are very spoiled, because we feel that every new generation should do a little bit better than the prior. It is a rising curve. But in many other places they do not perceive life in that way. They perceive it as a cycle; that life goes on in a circle and what have been sufficient enough to your parents and grandparents is also sufficient enough to oneself. Why do you need this enormous development? Because when you die and arrive to the crossroad, or when you reach Doomsday, well, then it is the same people who receive you. You do not have to change life very much. And at many of the destinations we visit, they have a slower pace. I think of Yemen, where we do not go to anymore, because it is not safe, but there it is sheer the Middle Ages. Every afternoon the men get together and chew *qat*, which is a mild euphoriant. Socially, it is very important to them. You can say that the society stops for a while. In the morning it works and people go shopping and the like, but in the afternoon the men sit inside. They have very strict precepts for who is sitting where: who sits to the left of the host and who sits to the right. And then they chew *qat* and deal with the world situation and discuss a whole lot of issues. Outsiders have a weakness for saying that they waste their time and money on something completely useless, but then you can turn it around and say: get away! They get a harmony in their lives and they solve a whole lot of social problems by talking and meeting every afternoon. It is a value in itself. We should not measure it with our yardstick. Then it becomes meaningless.

AP: So do you give it a high priority to take on a social responsibility?

KGH: Yes, for sure. But it is not in our program. But anyway, I think it is in the air.

AP: So you can say it lies in the way that you arrange your tours?

KGH: Yes, it does. And furthermore, we educate our couriers. Our couriers are not an anonymous mass. They are all presented by name and they are all grown up and mature people. Every year we arrange a weekend, where we talk about a lot of things and make clear our principles.

AP: The activities you have, how do you find the projects?

KGH: In fact, it is one of my couriers, who has supported the children's home I Bombay for 20 years. And then it becomes naturally to us to support it; also because you can see the usefulness. Every time she has been with us in India and guided a tour, she stays and takes care that everything is going alright and hand over some money.

AP: So it is primarily through couriers that you find your projects?

KGH: Yes, and it is same in Syria and Tranquebar. In Himalaya, it is a place where my son has taught English and now he takes care that the girl can get her education. Then I had one in Yemen, where I paid his education. He has nine siblings and the father is dead. He is the oldest son and thus it is his responsibility to take care of the family. Therefore it is very important that he gets a good education. But it is not something that we display, because then it becomes like hugging oneself. And that is not the way we use it.

AP: Do you think that tour operators possess the necessary skills to create poverty reduction in developing countries?

KGH: No, that is too much. It is something political. But I definitely think that some of the large tour operators could contribute. But it has to be some of the largest.

AP: How do you think they could contribute?

KGH: They could engage in some projects in which they involved people from developing countries to be the responsible. We have a lot of journeys to Burma and one of the hotels is run by tribal people, which I have picked out because it is run by these tribal people. It is situated in the middle of a lake and the cottages are built on the lake. They really do a good job and I want to support that. So we also support in that way. And you can support like that if the project is rooted in the local population and you know that the money goes to them. It is a very direct way of supporting and I like that. I like to know who receives our money.

AP: So it is about your suppliers?

KGH: Yes, definitely.

AP: So it something that you find important, the selection of your suppliers?

KGH: At some destinations we do. Especially in a place like Burma, where you do not want to support the military junta. There we really prefer to support something privately organized.

AP: But not at all destinations?

KGH: No, because it is not at all destinations that you can select a supplier from whether the money ends here or there. Often it is by chance who you get hold of in the countries concerned. You cannot just say that I want this and this supplier.

AP: No, but it might be possible to consider whether it is a local or an international hotel chain?

KGH: Yes, and we prefer the small and family owned hotels. We always try to find that, also because we travel in small groups with a maximum of 20 and in some groups with a maximum of 12. And we do it, exactly because we want to stay in such places with few rooms and a funny and cosy atmosphere.

AP: To get back to poverty reduction. Should the large tour operators pick out some projects or how did you imagine?

KGH: Yes, if you want to contribute to poverty reduction, you have to pick out ongoing projects in which the local population is involved. And to make sure that your money goes to the projects. But it is not always as easy as it sounds.

AP: And why is it not that easy?

KGH: Because you do not know enough about where your money ends. I mean, who it benefits.

AP: So you can call it a lack of knowledge.

KGH: Yes.

AP: And a lack of economic resources?

KGH: Yes, some could do more, because they have a totally different volume than we do. We are not interested in getting that big.

AP: Do you cooperate with any Danish, local or international organizations in relation to your work with CSR. For example, NGOs?

KGH: No, I do not think so. Sometimes we bring about interviews. In Syria, for example, we sometimes have interviews with Syrian politicians. But they are not NGOs.

AP: Interviews, how?

KGH: We get a presentation by a Syrian politician and afterwards, you can raise questions. Often you get to know about some exciting issues, which are very interesting to be explained.

AP: So it is for your customers?

KGH: Yes, and we also distribute literature lists, when people are ordering a holiday. Then they get some practical information as well as a literature list, so they can be brief themselves.

AP: So it is something they get before they leave?

KGH: Yes. When customers are ordering a holiday they get some practical information about currency, what clothes to wear and the like, but they also get a literature list, so they can read about the destination beforehand.

AP: Do you cooperate with specific vulnerable groups such as the poorer part of a population, children or women?

KGH: No, I do not think so. We have some journeys, which we call women tours, only for women, on which you get an insight in the daily life of women. It has been primarily in Damascus and Iran. Then we really go into the conditions of women in the country concerned.

AP: Do the women get any economic benefits?

KGH: No, not unless we arrange some cookery courses in private homes, where you of course pay the women, who teach you. But it is not in poor homes.

AP: It is not in poor homes?

KGH: No, it is not. In fact, it is more in upper class homes that we have our cookery courses.

AP: Do you evaluate the impacts of your CSR initiatives, for example, in relation to your support to the children's home?

KGH: No, of course we do not, because the people who are engaged in the projects know about its usefulness. Of course we do not evaluate.

AP: So can you say that it is your own employees, who are engaged in the projects and that you follow it in that way?

KGH: Yes.

AP: Does the poorer part of a population play a significant role in your tourism activities in developing countries?

KGH: I do not do. It is difficult to answer. At some destinations they are all poor. If you visit Himalaya or Ethiopia, they are all poor. So in that way it plays a role.

AP: But I also think of visiting small villages and local markets.

KGH: Yes, we do that a lot. We like to visit markets and small villages. Not because they are poor, but because it is exciting.

AP: Is it given a high priority to involve the local population in your CSR activities?

KGH: I do not think I can add more to what I have already said.

AP: Which impediments to poverty reduction do you find to be the biggest in developing countries?

KGH: But the biggest impediment in many developing countries is corruption. There you are really banging your head against a wall. So if you come with a bag of money, some higher courts will like to get hold of it. That is not good and that is why we prefer to support directly.

AP: I also refer to tour operators already having activities in a country. I mean, tourism is one of the world's largest industries and in many poor countries they actually have a lot of tourism. But often it seems as if the poorer part of a population do not benefit from tourism. Can you elaborate on that?

KGH: It is a difficult question to answer. In some places, I think they benefit from tourism through hotels and the like. But I cannot really answer the question.

AP: So do you feel that corruption in particular is a large impediment?

KGH: Yes.

AP: How do you think that tour operators can contribute more to poverty reduction in developing countries?

KGH: I do not know if they can do that. Probably by ensuring that the money they put in these countries goes to the right people. In particular, I think of Burma, where you really can conduct things in a wrong way because of the military regime. In Burma, you really have to ensure to use privately owned hotels, airline companies and the like and in general be very aware of who you support.

AP: I have a supplementary question regarding your journeys to China. You write that your guides and drivers are well-paid. Are wages a big a problem at such destinations?

KGH: Yes, it is, because we do not want anything to do with guides, who bring customers to a shop to obtain commission. We do not accept that neither our own guides nor the guides abroad do that. Our journeys to China are a little bit more expensive, but then customers escape visiting various shops in which it is all about getting them to buy something. But it is difficult. We have had the same problem in India. But I refuse to accept it. If you bring an Indian guide, when you go shopping, they get 25% in commission, when you buy something. And I really do not accept that, so we stay far away from it. Neither do I allow my guides to be involved in anything which relates to a shop in the shop. But I know that many tour operators hire guides, who are paid in that way. But we do not do that. We pay them decent wages and then we do not accept that anything like that happens. One of our very qualified guides unfortunately did a mistake by getting commission from round about. When I found out, I immediately fired her. We do not accept it.

AP: But it must be tempting both to be well-paid and to get commission.

KGH: Yes, but we simply do not want it and we have told our guides.

AP: So it is something that you inform your guides of?

KGH: Yes, we tell our guides at all destinations that we do not want it.

AP: Is it still a problem in India and China despite the better wages?

KGH: Yes, if I do not tell them. So sometimes I tell them that we prefer to do the walk ourselves and that they do not have to come along. But the guides we use know how we want things to be done. In the end he might get more tips from us, because he does miss an income, which he could have earned otherwise. But that is how we want it.

AP: Okay. I do not have further questions. Thank you very much.

Appendix V: Kipling's Code of Conduct

Kipling's Code of Conduct

Suggestions for trekking & staff welfare which is mandatory for all our tours, treks & arrangements according to our former correspondence:

1. Conserve natural and cultural heritage

- ❖ Do not trample high altitude vegetation; do not pick any flowers or medical plants.
- ❖ Do not disturb wildlife or its habitats.
- ❖ Do not allow clients to purchase endangered animal parts or antique cultural artefacts.
- ❖ Support local conservation efforts and income generation activities.

2. Avoid use of fuel wood. Use alternative fuels

- ❖ Use kerosene, L.P.G. (or other non-wood fuel) for all cooking, heating, lighting including that by staff and porters.
- ❖ Discourage campfires, encourage camp fun.
- ❖ Follow safely rules when carrying, storing and using kerosene and gas.

3. Leave all camps and trails clean

- ❖ Separate and properly dispose of litter, burn burnable, bury biodegradable, and carry out all other non-biodegradable materials for deposit at designated trash site or for recycling.
- ❖ Use toilet tents on all treks, set up and use toilets tents in an environmentally sound manner so as to avoid pollution of water sources (at least 100m away).
- ❖ Use established campsites and kitchen sites, avoid trenching around tents.

4. Practice Conservation

- ❖ Avoid fuel-consumptive menu items, e.g. baked foods and large menu selections.
- ❖ Re-package food into reusable plastic containers to reduce waste.

- ❖ Reduce waste by de-and replacing also.

5. Practice proper hygiene and sanitation

- ❖ Teach all staff about personal hygiene, sanitary, kitchen and camp routines.
- ❖ Properly treat the drinking water and uncooked vegetables for clients.
- ❖ Dispose of washing and bathing water well away from streams, use biodegradable soaps.

6. Take Responsibility for staff and porter welfare

- ❖ Provide adequate warm clothing, sleeping cover, shoes, snow gear, food for cooking, stoves and fuel, and take care of hired staff.
- ❖ Periodically train staff in first aid, guide responsibilities, sanitation etc.

7. Properly brief clients before leaving on a trek

- ❖ Address cultural "do's" and "don'ts", environmentally friendly behaviour, safety precautions, proper dress and respect for local beliefs, peoples and religious sites.
- ❖ Plan days for proper altitude acclimatization when ascending, know how to identify and treat high altitude illness and how to provide emergency rescue.

And for porters as per our correspondence:

Here we shall do all to implement the standards of IPPG (International Porter Protection Group) – who recommends the following guidelines. However it shall be taken mandatory for our clients' arrangements no matter whatsoever you might have with your other agents:

1. Clothing appropriate to season and altitude must be provided to porters for protection from cold, rain and snow. This may mean: windproof jacket and trousers, fleece jacket, long johns, suitable footwear (leather boots in snow), socks, hat, gloves and sunglasses.
2. Above the tree line porters should have a dedicated shelter, either a room in a lodge or a tent (the trekkers' mess tent is no good as it is not available till late evening), a sleeping pad and a blanket (or sleeping bag). They should be provided with food and warm drinks, or cooking equipment and fuel.

3. Porters should be provided with the same standard of medical care as you would expect for yourself, and life insurance.

4. Porters should not be paid off because of illness/injury without the leader or the trekkers assessing their condition carefully. The person in charge of the porters (sirdar) must let their trek leader or the trekkers know if a sick porter is about to be paid off. Failure to do this has resulted in many deaths. Sick/injured porters should never be sent down alone, but with someone who speaks their language and understands their problem, along with a letter describing their complaint. Sufficient funds should be provided to cover cost of rescue and treatment.

5. No porter should be asked to carry a load that is too heavy for their physical abilities (maximum: 20 kg on Kilimanjaro, 25 kg in Peru and Pakistan, India 30 kg in Nepal). Weight limits may need to be adjusted for altitude, trail and weather conditions; experience is needed to make this decision.

Questions suggested for trekkers to ask trekking companies (to be given to our clients):

1. Does your company follow the IPPG's five guidelines on porter safety?
2. What is your company's policy on equipment and health care for porters?
3. What does your company do to ensure your trekking staff is properly trained to look after porters' welfare?
4. What is your company's policy on training and monitoring porter care by its ground operator?
5. Does your company ask about treatment of porters in your post trek questionnaire to clients?

We surely need basic equipment for our porters, but maybe even more important - insurance for our porters and staff.

Please do read following and state clearly where you will have no possibility to implement. In other cases it is a matter of funding let us say maybe clothing or lodging. Please read carefully and return with acceptance or the opposite. We will check following on our tours now and then – maybe 2-5 times per year to make sure all are fully implemented.