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CORPORATE SOCIAL RESPONSIBILITY IN THE TOURISM INDUSTRY:
THE CASE OF LANZAROTE ISLAND

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...to the people who have made me the person that I am today

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INTRODUCTION

Whether the intention is to live in a better world or merely promote their own brand image, many corporations nowadays believe in the importance of Corporate Social Responsibility as a new and socially accountable business model. Whatever the motivation, the outcome is arguably one that makes a substantial difference.

The choice to examine this topic as the subject of my thesis sprang from a pressing awareness of CSR¹ practices as an emerging field of study, now an integral aspect in the performance of most big multinationals.

Effectively, my first real exposure to the matter was through my recent internship experience in a big hotel chain in Lanzarote, a small island located in the Canary Islands. Even though the resort seemed to be oriented towards the best of sustainable practices, I learnt that the management of substantial infrastructures can be insidious and may very well cause damage to the detriment of the surrounding environment.

Nevertheless, I also understood that such responsible measures can also be pursued at an individual level and the inhabitants of the archipelago are the living proof of such new attitudes and behaviour. When exploring the Canaries, visitors may immediately perceive the great care and effort that local inhabitants dedicate to the protection and conservation of their territory. The *Lanzaroteños*² are actually strongly environment-oriented and very proud of their origins; on closer observation, I came to the conclusion that positivity and cooperation are crucial aspects to the enactment of sustainability programmes.

It was right there, in that amazing piece of land far away from the mainland, that I found inspiration and began to reflect on urgent, pressing issues capable of jeopardising our society. Until this year I had never really wondered about the meaning of CSR or what it might entail. However, I became more sensitive to the matter and I realised that many corporations really care about the impact that their business activities may create, while others make empty declarations and promises.

While working, I met people who share the same perspectives as me, with whom I exchanged ideas about the hotel's general framework and the current conditions on the island. This cultural exchange led me to notice that Lanzarote is still far from being a fully sustainable destination, even though it was declared Reserve of the Biosphere in 1993.

¹The Anglo-Saxon acronym of Corporate Social Responsibility.

²Spanish nomenclature to indicate the inhabitants of Lanzarote.

Acting responsibly is, sadly, still perceived as an obligation, rather than an intrinsic sense of duty. Nonetheless, I feel motivated to examine such issues at depth, since environmental responsibility is of the utmost concern to me. In addition, I would like to suggest solutions to be envisaged for future improvements.

The recurrent theme present in my work ranges over the general context towards a specific instance, starting out with a theoretical analysis of the concept, applied thereafter to the focal point of this case study, with confirmation at the end by the conclusions reached.

In the first chapter, I will illustrate the concept of CSR from a notional point of view. It is definitely important to understand the origins of the subject, its developments and why the concept is gaining so much popularity. In actual fact, most people imagine that such a business model can only be applied to big corporations, considering their strong impact on any given environment. On the contrary, it is clearly possible to undertake certain initiatives and transform daily routine into proactivity both as single individuals and international enterprises.

Even though the commitment of a single person or entity might seem small and insignificant, the contribution as a whole and the sum of their actions can sometimes bring substantial improvements.

Subsequently, I applied CSR theories to the tourism industry in the second chapter.

Originally responsible behaviours developed and evolved in company contexts, whereas application to the hospitality industry is still in the early stages. Therefore, I have endeavoured to understand whether CSR measures could be suitable for island destinations, as given their remoteness, they risk being left in oblivion.

Lastly, after a brief report on the island of Lanzarote, I dedicated the third chapter to a description of my work placement details and to an objective review of my overall experience. I discovered first-hand that, despite the existing strict measures, this territory desperately needs greater action and intervention by citizens, workers, governments and business entities. Undoubtedly, CSR measures have already been undertaken, but further, more stringent application is required to improve the residents' quality of life.

The aim of the present work is not, however, to criticise those businesses that fail to comply with sustainable practices. My real objective is to introduce Corporate Social Responsibility to whoever may be unaware of its existence or intent as well as provide further in-depth analysis. I wish to demonstrate that by means of simple precautions, it is possible to overcome many pressing issues caused by our negligent, indulgent society. These can be applied not only to environmental purposes, but also to the respect for human rights and on ethical fronts.

I really trust future generations, I feel that the agenda is moving forward.

CHAPTER ONE

CSR: A REVOLUTIONARY BUSINESS STRATEGY

1.1 CORPORATE SOCIAL RESPONSIBILITY: A GENERAL OVERVIEW

The planet hourglass leaves us few years within which to prevent irreversible changes. The pressing globalization process continues to undermine the fragile balance of our ecosystem to an alarming extent. However, awareness of these hazards and risks is not only worrying for the young and future generations but also requires considerable commitment on behalf of economic agents at a global level. Myriad organisations constantly rank the activity of corporations, while society has become much more sensitive to what is happening.

This reality is confirmed by the role of the consumer, since his choices are no longer related exclusively to the cost-benefit ratio of the product or the service offered; there is a new tendency to evaluate brands according to global values, which may involve ethical, political and moral considerations. The consumer is often oriented towards a product for reasons of belonging, rewarding a company or a public entity when social, ecological and political outlooks are shared. As a result, a new concept has gained legitimacy in economics studies all over the world: the Corporate Social Responsibility.

1.1.1 DEFINITION AND OBJECTIVES

CSR emphasizes the "ethical component of entrepreneurial activity and creates with appropriate tools a series of pre-conditions aimed at creating value, which guarantee an objective balance in the relationship between company and society" (Favotto F., Bozzolan S., Parbonetti A., 2016, page 187).

In simple terms, business is sustainable when it lives up to the "triple bottom line" of economic prosperity, environmental quality and social justice. Capitalism can be the solution to the current sustainability crisis, in the same way that it is its cause (Elkington J. in *Cannibal with Forks*, 1997, page 402).

It is not easy to provide a universal definition of the concept, so it seems reasonable to examine why it has emerged as a priority for managers. CSR conveys four main arguments:

1. the desire to avoid negative reactions, such as consumer boycotts, press criticism, protests organized by NGOs and collective movements. Companies feel the duty to follow moral obligations;

2. within the framework of its own administrative, managerial and commercial strategies, the affirmation of CSR can guarantee a direct economic value, such as improved reputation, greater satisfaction, employee involvement and the ability to attract quality human resources and new investors;
3. in terms of sustainability, corporations are required to keep their impact on the environment and local communities to the minimum;
4. due to the progress of communication technologies, companies are required to account for their actions, both in terms of condemnable practices (fraud, corruption, misleading advertising, indifference to safety standards, etc.), and on the scale of the so-called "external diseconomies" (energy waste, environmental degradation, unemployment, etc.).

Before dwelling on the analysis of these practices and focusing on the adoption of a specific CSR tool, it is appropriate to mention the genesis of this concept to understand its complexity.

1.1.2 EVOLUTION OF THE CONCEPT

The debate on social responsibility regarding the work of companies has arisen in the last few decades: this discussion has become the theoretical basis of concrete applications conducive to more responsible decisions by an increasing number of companies and organizations.

This concept emerged in the United States between the 1930s and 1950s when new schools of thought began to see the role of manager as one imbued with social obligations.

These currents of thought laid the foundations of an intricate subject later to be developed in Europe. A new conception of "company" began to germinate, whereby it is no longer considered an isolated entity but something, given its choices, harmonious with the surrounding environment and society.

Although ethical accountability was initially the responsibility of the manager, it would shift in some twenty years to the enterprise itself; thus, the concept of Corporate Social Responsibility was born.

Fundamental to subsequent developments on the subject were Carroll's theories³, who in the 1970s created a pyramid of priorities that companies had to bear in mind in the pursuit of their goals and conduct. Accordingly, economic responsibilities are placed at the base of the

³ Archie B. Carroll is professor emeritus of management in the Terry College of Business, University of Georgia in the United States of America. He has been the first to introduce CSR concept in management teaching (1979). Carroll theorized the so-called "pyramid of Carroll", which represents new responsibilities that every company should undertake.

pyramid, as one of the company's main priorities, followed by the responsibility to meet legal obligations, to act ethically and morally. He believed that in socially responsible companies all these aspects must emerge; whereas the maximization of profit and respect for the law had always been essential, equitable and ethically correct behaviours were to become equally fundamental.

The concept of Social Responsibility developed from the Stakeholder Theory propounded by Freeman in the 1980s. However, this current of thought was harshly criticised as it defined a new positive interaction between the company and those who have an interest in it. (see paragraph 1.2.2).

Contemporary to the Stakeholder Approach are the Business Ethics studies. Unlike the former, the latter focussed on moral and ethical values as critical to corporate behaviour. In Italy, it was Lorenzo Sacconi⁴ who made the major contribution to this discipline, defining business ethics as "the study of the set of principles, values and ethical rules that govern (or should regulate) economic activities". Business ethics studies have contributed significantly to the development of the theme, and led to the emergence of two distinct CSR orientations: the "strategic" vision (which provides certain advantages, both economic and reputational, given by the pursuit of social goals) and the "ethical" vision (which considers as duty of the company acting with respect to each subject, even if not necessarily advantageous).

Stakeholder theory and business ethics studies have therefore laid the foundations since the 1990s, for thorough analysis of the subject. All these considerations have been fundamental for the development of CSR, but nowadays the definition given by the European Commission in the Green Paper (2001)⁵ is considered to be the most reliable. EU defined Corporate Social Responsibility as "the voluntary integration of the social and ecological concerns of companies in their commercial operations and their relations with the interested parties". It was precisely this definition that brought the consumer to the centre of attention. The latter plays an increasingly essential role in redefining the principles to be followed by a company. However, other than recognition of the human element, businesses are required to become transparent, though the communication of its values can be a real challenge.

⁴ Lorenzo Sacconi is professor of economic policy at the University of Milan. He is also Director of the inter-university centre EconomEtica, president of the Italian Society of Law & Economics and member of several international scientific associations. Since he was among the founders and president of the Italian Network of Business Ethics, he contributed to the drafting of the ethical codes of various Italian and multinational companies and business associations.

⁵ Published in Bruxelles, the Green Paper concerns a set of documents issued by the European Commission to stimulate discussion on given topics at European level. They invite the relevant parties (bodies or individuals) to participate in a consultation process and debate on the basis of the proposals they put forward.

Despite a company's intentions, consumers do not always have the right knowledge to understand its engagement with ethical subjects. Thus, Corporate Social Responsibility seems to be the perfect tool for the planning of new strategies which, at the same time, can raise accountability.



Figure 1. Corporate Social Responsibility objectives.

Source: <https://www.shutterstock.com/it/home>

1.2 BUSINESS OR ANTI-BUSINESS STRATEGY: OPPOSITE POINTS OF VIEW

General knowledge about the pathway of Corporate Social Responsibility strategies is fundamental to understanding the extent to which this new managerial attitude may be accepted. In fact, it is not to be taken for granted that all businessmen agree to organize their work in view of these social engagements.

As stated before, two opposite business strategies have been developed in the past decades and their goals are rather divergent.

The previous statement refers to both Friedman's and Freeman's theories, which gained the title to be respectively "business or anti-business strategies", because of their different ways to act and to look for the firm's profitability.

1.2.1 THE STOCKHOLDER THEORY

Free market theorists believe that the main purpose of business is to generate profits. M. Friedman, regarded as the most influential advocate of this view, gained widespread popularity in 1970 with the publication of his article "the Social Responsibility of Business is to increase its Profits". He stated that:

"in a free-enterprise, private-property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to their basic rules of the society, both those embodied in law and those embodied in ethical custom".

This extract outlays the basis of his theory and his consideration of the role of corporate executives, which is to generate business in accordance with the desires of shareholders. The word "desires" reinforces the free market perspective and corresponds with making as much profit as possible while conforming to the basic rules of society, legal and ethical alike. Business has only one social responsibility, which is to increase profits so long as it stays within the rules of the game while engaging in open and free competition without fraud or deceit.

On acting responsibly and making social expenditures, Friedman wrote:

"the corporate executive would be spending someone else's money for a general social interest. Insofar as his actions in accord with his "social responsibility" reduce returns to stockholders, he is spending their money. Insofar as his actions raise the price to customers, he is spending the customers' money. Insofar as his actions lower the wages of some employees, he is spending their money".

Of course, a manager is also an individual with a sense of morality so he can voluntarily assume some responsibilities. Nevertheless, in this case he would be acting outside his role as an agent and engaging his own time, money and energy without involving corporate interests.

These attitudes are also defined as “undemocratic” (Mackenzie I., English for Business Studies, page 120), since concerns such as environmental issues, taxation and safety measures should be the responsibility of governments.

If the government does not address social problems, it is unlikely that corporations will change their behaviour. Such a perspective implies that stockholders would not be willing to accept lower salaries or dividends, simply in order to live in a cleaner and more equitable world.

A decision of this sort would go against any interest of the shareholders. Furthermore, Friedman asserted that making policies about public welfare is the responsibility of governments, a political decision, not a corporate one.

On the question of inflation, he absolved the executive officer of all responsibility and argued that it was a by-product of high employment and government should manage the flow of money.

“How is he to know how to spend it? He is told that he must contribute to fighting inflation. How is he to know what action of his will contribute to that end? He is presumably an expert in running his company in producing a product or selling it or financing it. But nothing about his selection makes him an expert on inflation”.

Nor does an economist have the right skills to deal with social problems.

According to Friedman, any corporate plan inspired by social responsibility is completely “unbusinesslike” (Mackenzie I., English for Business Studies, page 120) and executives should only focus on the maximization of profits. He was of the conviction that “only people can have responsibilities”; a corporation was an artificial person and “business” as a whole could not be said to have responsibilities.

To sum up, Friedman was a leading economic voice in the second half of the 1900s and developed numerous free market theories. However, not all his successors agreed with his point of view and would concur that responsibility does not exclude economic success. The latter now appears to be a widespread trend endorsed by businesses all over the world. Profit is no longer the unique focus, and companies are directing their interests towards creating values.

1.2.2 THE STAKEHOLDER APPROACH

In the mid-1980s the first ideas in contrast to Friedman's theories began to take shape.

The turning point of this change dates to the publication of Edward Freeman's book, titled "Strategic Management - A Stakeholder Approach" (1984), in which he elaborated innovative managerial strategies aimed at keeping pace with the urgent social and environmental problems. The author recognized how a company is not only influenced by those who are directly involved in the business processes, but also envisaged additional holders of business interests, universally known as stakeholders. This term refers to (Freeman E., McVea J., 2001):

- subjects directly involved in any company process, who can condition the profitability and the proper functioning of business processes (such as shareholders, managers, employees, suppliers, etc.);
- subjects external to the company, influenced by specific resources used in the value chain processes, even if not directly involved (for example the local community, interest groups, future generations etc.).

The second point amplifies the first one because a good relationship between the company and the external stakeholders can determine the development of new profitable strategies.

Previously, relationships with external stakeholders were generally excluded in that they were viewed as constraints on the main objective of the firm. A commitment towards these external agents has always been a "luxury", affordable only to the most profitable businesses.

Instead, this new approach radically excluded all sorts of individualist theory, preferring to maintain a good relationship with each subject, included in the intricate network of relationships that circumscribe the corporate entity.

Anyway, it is also true that collectivist theories hold some limitations, as they might generate confusion about what priorities to focus on.

The classification of stakeholders has often led managers to prefer certain groups over others. While Freeman (1984) defined a stakeholder as "any individual or group that can affect or is affected by the achievements of the organization", most managers nowadays tend to divide stakeholders into two categories:

- "business-based stakeholders", closely linked to corporate productivity and to whom greater attention should be given;
- "societal and environmental stakeholders", linked to less important concerns and often left in the background.

According to Elkington⁶, companies able to engage their stakeholders with a clear vision of their shared future and set to outperform their competitors against the triple bottom line are much more likely to win people's hearts and minds, along with their money. This interesting point of view therefore emphasises how capitalism can be an effective means to attain sustainability.

The Stakeholder Classification

As previously stated, the Stakeholder Theory aims to positively redefine the relationships with each subject that holds an interest in the company itself, thus a coherent stakeholder subdivision helps enterprises to manage each unit correctly.

According to a "broader" definition, the term stakeholder refers to any person or group with an interest in an organization who can affect or be affected by the organization's actions, objectives or policies. Stakeholders may either compromise or further business interests (Favotto F., Bozzolan S., Parbonetti A., 2016, page 180).

More narrowly, the term refers to "all those identifiable individuals and groups on which the organization depends for its constant survival (employees, customer segments, suppliers, key public actors, shareholders, certain financial institutions)" (Freeman and Reed, 1983, page 91). This kind of distinction only takes into consideration those subjects who are indispensable in its ordinary or operational activities.

Clarkson (1995) formulated a further classification which also extends to more potential stakeholders and envisages two new homogeneous groups: primary and secondary stakeholders.

The primary stakeholders consist of those groups without whose continuous participation the company ceases to exist (shareholders, employees, local communities).

Secondary stakeholders are, instead, not essential for the company if all direct relations with the first group exist (media, NGOs, interest groups, consumers).

All these kinds of classification help to understand the focus of stakeholder theory since it deals with an idea of inclusion rather than separation. In fact, "the company qualifies as a system of primary groups inserted in a network of relationships with secondary groups" (Favotto F., Bozzolan S., Parbonetti A., 2016, page 180).

⁶ John Elkington is a business author, considered as a world authority on corporate responsibility and sustainable development. His main commitment in CSR studies has been the book titled "*Cannibals with Forks: The Triple Bottom Line of 21st Century Business*", Capstone, Oxford, 1997

In any case, a proper differentiation of stakeholders from those that do not have any real interest in a company has yet to be established.

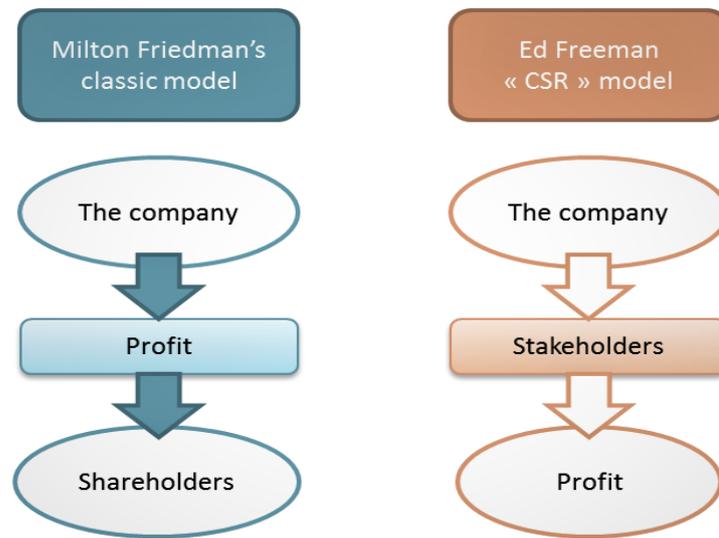


Figure 2. Schematic comparison of the two contrasting business models.

Source: <http://businessethicscsr.blogspot.com/>

Stakeholder Theory Highlights

Stakeholder management implicates many advantages and its correct implementation can guarantee long-term success for any enterprise (Freeman E., McVea J., 2001).

1. First of all, taking all the stakeholders into consideration on environmental issues allows managers to create from the outset a global strategy aimed at planet preservation. Planning a profitable business model would be pointless if there were potential hazards for the environment. Should there be, it would be necessary to rethink the plan.
2. Secondly, this approach is a "strategic management process" rather than a "strategic planning process". The latter aims to foresee hypothetical future impacts and, independently of this, creates its strategies. Conversely, through strategic management, the company can infer from the beginning the potential damage to the surrounding environment and vice versa and establish reciprocal precautions for both sides.
3. Third, the stakeholder approach outlines the fulcrum of Freeman's thinking, namely that the creation of profit should not be regarded as the sole objective of a company. On the contrary, it is necessary to take note of all those entities that can support corporate social responsibility, so that they can contribute to the achievements of the organisation's objectives.

4. In relation to the previous point, the stakeholder theory enables far-sightedness, the ability to look beyond the scope of the corporation itself and to invest in certain stakeholders. This kind of strategy, therefore, generates the need to consider more abstract priorities, the so-called "value-based strategy".
5. Furthermore, stakeholder management makes use of instrumental analysis, as well as a descriptive one. Companies do not only describe their strategies, rather they integrate them in an economic, social and political analysis. This allows the creation of business plans that may give a real direction to the corporation, as relations with stakeholders become decisive in creating a fertile environment in which to operate.
6. Sixth, it becomes possible to concretely identify the various groups of stakeholders, and attribute to them real "name and faces", rather than simply and exclusively analysing their roles. This approach makes their support more substantial.
7. Finally, stakeholder management is considered to be an "integral" strategy since it permits the creation of strategic plans involving every stakeholder. Thus, there is no need to create a specific scheme for each stakeholder group.

Nevertheless, it is still difficult to create win-to-win situations for each category; all the stakeholders cannot necessarily benefit from the business at the same time. Managers must compensate for these imbalances strategically, in order to create a situation of overall, long-term stability.

Although this strategy may bring a significant competitive advantage, it is still challenging to assess the impact of stakeholders. Contemporary analysis is trapped in the platitude that stakeholder theories lead to anti-business decisions, whereas stockholder theories convey benefits to the firm. Nowadays new emerging businesses are dispelling these myths, as more and more companies seem interested in tending to their relationship with external agents.



Figure 3. General framework of different stakeholder groups.

Source: <https://www.shutterstock.com/it/home>

1.3 SHARED VALUES: THE INTEGRATION OF BUSINESS AND SOCIETY

Business and society are strictly interrelated. Undeniably, every successful corporation needs a healthy society in order to operate. Health care, good government and education are essential to attract a proactive workforce, investors and customers. By the same token, a healthy society requires profitable companies to create wealth, jobs and innovation.

This mutual expression of interest has marked the starting point of a new era, in which both business actions and social policies must practise the notion of shared values. The creation of a natural dependence ensues, whereby both sides sow and reap benefits.

The intersection between these entities involves two areas of influence. Firstly, a company influences society through its everyday operations, the so-called “inside-out linkages”.

On the other hand, the “outside-in linkages” represent all the external conditions surrounding a company that can affect it positively or negatively (Porter M.E, Kramer M.R., 2006).

If one of the beneficiaries were to cultivate their interests at the expense of the other, it would result deeply unproductive. This choice implies a temporary improvement to one, which will threaten the future of both.

1.3.1 RESPONSIVE CSR

The responsive approach involves companies acting responsibly on the basis of four criteria: morality, sustainability, licence to operate and reputation (Porter M.E., Kramer M.R., 2006).

Firstly, it is always a moral consideration that induces the economic subject to operate honestly and within the law. Subsequently, sustainability challenges often induce businesses to “meet the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland G. H.,1987)⁷. Moreover, every enterprise feels the need to have a “license to operate”, that is, either tacit or explicit permission to do business. Finally, it is also said that CSR allows companies to enhance their reputation and, contemporaneously, their brand value.

The responsive approach implies two kinds of behaviour: companies feel the need to act as responsible citizens, whereby the creation of goodwill by undertaking a series of initiatives with regard to a certain social concern becomes the main objective. In addition, they may reduce the impact of each unit in their value chain to forestall hostile conditions. All the results achieved can be shown through the voluntary adoption of specific CSR tools, such as:

⁷ Norwegian Prime Minister and environmentalist internationally known for her engagement in sustainability matters, public health and human rights.

1) the *Code of Ethics*: it can be defined as a "Constitutional Charter" and its implementation consists of a written set of moral guidelines and duties. In accordance, every participant in the business organization should behave under the issued principles⁸;

2) the acquisition of *labels* and *social certifications* granted by public or private organizations.

The most popular are:

- the SA8000: developed by the CEPAA (Council of Economical Priorities Accreditation Agency), this international certificate guarantees respect for workers' human rights, protection of minors from exploitation and safety and health conditions in the workplace;
- the ISO26000: unlike other popular ISO standards, this norm is a discretionary guide, which helps public and private organisations to understand what Corporate Social Responsibility is. It offers guidance on "how businesses and organizations can operate in a socially responsible way. It means acting in an ethical and transparent way that contributes to the health and welfare of society⁹";
- the AA1000: this is a standard published by the ISEA (Institute of Social and Ethical Accountability), used for assessing a corporate's credibility. This tool provides guarantees to stakeholders, especially in terms of quality in the ethical accounting, auditing and reporting of prominent corporations;

3) socially responsible indexes, such as:

- the FTSE4GOOD: a set of indexes used to measure the performance of companies demonstrating a strong commitment in the pursuit of CSR standards. This index is used to distinguish good sustainability practices for potential investors. It also supports investors who wish to encourage positive change in corporate behaviour;¹⁰
- the Dow Jones Sustainability Index: the first set of sustainable benchmarks, which tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. The DJSI¹¹ is critical for investors who have recognized that sustainable business practices can generate long-term profitability and who wish to reflect their convictions in their investment portfolios;¹²

⁸ Source: <http://bilanciosociale.it/>

⁹ Source: <http://iso.org/>

¹⁰ Source: <http://FTSE4GOOD.com/>

¹¹ Anglo-Saxon acronym of Dow Jones Sustainability Index.

¹² Source: <http://sustainability-indexes.com/>

- 4) the *Social Balance* sheet: this reporting model defines the relationships between a firm and stakeholders. It defines a transparent picture of the complex interdependence between economic and socio-political factors resulting from the choices made.

Besides, this social audit demonstrates how an economic subject can benefit the quality of life in the surrounding society.¹³

1.3.2 STRATEGIC CSR

According to Porter and Kramer (2006), CSR is about creating “shared value” which brings mutual, long-term benefits to the partners. The underlying principle is that the competitiveness of a company and the health of the surrounding communities are mutually dependent. Shared value is a management strategy in which companies find business opportunities in social issues and effectively run CSR programmes can bring about tangible benefits that flow both ways.

“The success of the company and the success of the community become mutually reinforcing. Typically, the more closely tied a social issue is to a company’s business, the greater the opportunity to leverage the resources and benefit society” (Porter and Kramer, 2006, page 10). Considering social constraints in the value chain results an innovative tool to stimulate improvements in the social dimension. At the same time, all the investments in a competitive context can effectively reduce the constraints on value chain activities. For example, Marriott¹⁴ provided a paid training course of 180 hours to unemployed job candidates. The hotel chain, supported by the local communities, identified and received new candidates. This agreement not only benefited jobless people, but also reduced Marriott’s expenses for the recruitment of entry-level applicants. It proved to be a win-to-win strategy.

Business leaders are integrating more and more CSR among their corporate policies. The only problem with managing CSR as a policy is that it may not always be financially sustainable. However, United Nations studies on trade and investment (2009) stated that an increasing number of businesses realize that environmental degradation, poor workforce standards, global climate change, inadequate health and education systems can negatively condition the risks and the costs of operating domestically and globally. They can raise the costs of raw materials, the hiring and training of personnel, security, insurance and capital. They can also create both short-term and long-term financial, market and reputation risks.

¹³ Source: <http://www.bilanciosociale.com/>

¹⁴ Marriott International is an American multinational that manages and grants numerous accommodation facilities in franchising all over the world.

The real challenge, therefore, consists in turning CSR from an expense into an investment, in order to improve general living conditions and to enhance profitability.

While responsive strategy works to mitigate the existing and potential harmful effects of a company's activities, strategic CSR always aims to provide competitive advantage as well as benefits for society (see table below). By now, CSR is embedded in companies' core business, as a win-to-win strategy.

Figure 4. Comparison between a responsive and strategic CSR approach.



Figure 4. Comparison between a responsive and strategic CSR approach.

Source: PORTER M.E., KRAMER M.R., Strategy & Society: the link between Competitive Advantage and Corporate Social Responsibility, Harvard Business Review, 2006.

CHAPTER TWO

HOSPITALITY INDUSTRY CHALLENGES ON ISLAND DESTINATIONS

2.1 CSR APPLICATIONS IN THE TOURISM SECTOR

Corporate Social Responsibility can be applied to any business, thus it is essential to bear in mind the previous chapter as a general framework.

The focus, however, is not on CSR literature, nor do we endeavour to prove its effectiveness. On the contrary, the aim is to demonstrate that the hospitality industry shares certain affinities with the theme and its correct implementation can positively affect tourist reception facilities. According to UNWTO¹⁵, the present-day tourism sector has become a key driver for social and economic progress and its business value equals or may even surpass any other industry.

The NGO estimated that, by the end of 2020, there will be 1.4 billion tourists travelling around the world every year. Other estimates provided by WTTC¹⁶ indicate that the travel and tourism industry provides one in ten jobs (319 million) worldwide, generating 10.4% (US\$8.8 trillion) of the world's GDP.

From such statistics, it emerges that tourism generally benefits the general welfare though it should be remembered that its unrestrained development could also generate irreversible damage. Travelling is now taken for granted and, if well managed, the hospitality industry has enormous potential to ameliorate the economy.

Primarily, tourism represents progress and development for host communities, since it generates employment, innovation and GDP growth. However, though it rarely happens, it may also have detrimental effects in developing countries.

The most popular destinations are subjected to pressures that may have repercussions on local communities.

¹⁵ Acronym of United Nations World Tourism Organisation, the United Nations agency in charge to promote sustainable and accessible tourism all over the world. UNWTO's long term forecast issued in 2010 indicated the 1.4 billion mark would be reached in 2020.

¹⁶ The World Travel & Tourism Council (WTTC) is a no-profit organisation, which represents the Travel & Tourism private sector globally. It aims at raising awareness of Travel & Tourism, as one of the biggest industries in the world.

The main issues concern (Doods R., 2010, page 7):

- loss of biodiversity of species and ecosystems;
- local worker exploitation, disrespect for human rights and uncontrolled safety and healthy workplace conditions;
- loss of authenticity and cultural heritage;
- displacement of local inhabitants;
- overcrowding, especially at peak times;
- foreign customary behaviour creating conflict with local ways;
- sea, land, air and noise pollution;
- government debt in order to finance tourism development.

Tourism is a double-edged industry; it may boost a country's economy if well handled, whereas its mismanagement can easily result in degradation and inequality.

As regards tourism industry, the line separating the advantages from the disadvantages is thin, and this is where Corporate Social Responsibility plays an invaluable role.

The first CSR developments within tourism date back to the 1990s in the USA and Europe and were implemented by international hotel corporations.

These first steps induced worldwide hotel chains to publicise their annual reports online, in order to highlight their transparency and social engagement. Thanks to CSR audits, any stakeholder now has access to a company's code of conduct or its initiatives towards workers and local communities.

Although the implementation of those practices is still at the early stages, great interest has been shown and further developments are underway.

The objective of the thesis, however, is not to prove that CSR has achieved widespread success but to indicate its positive impact on a firm's profitability.

The global economy needs new tools to face sustainability challenges, especially within tourism. It is a shared commonplace that Corporate Social Responsibility may be the correct solution to overcome an outdated way of acting and thinking, providing new innovative tools to rejuvenate a sector full of potential.

2.2 TOURISM DEVELOPMENT IN ISLAND DESTINATIONS

A certain charm distinguishes islands from mainland holiday destinations. Their exoticism, tranquillity and sense of mystery generate curiosity and constantly attract tourists from all corners of the world.

The standard definition of the word “island” is any piece of land completely surrounded by water. Rather than being a drawback, isolation tends to make these destinations more attractive, especially in the case of small islands (Scheyvens and Momsen, 2008, in Dodds, R., Sustainable Tourism in Island Destinations).

The feeling of being separate has induced islanders to promote their own culture, history, language and governance, fostering their own image and uniqueness.

Thus, islands tend to develop a tourism-based economy, providing prosperity and wellbeing, employment and foreign currency. Meanwhile tourism resolves the drawbacks associated with isolation such as limited services and facilities as well as inaccessibility.

Although tourism represents the main livelihood for most islands, it may have adverse effects on their long-term stability.

As with mainland destinations, tourism to islands can also generate negative impacts such as inflation, vulnerability of the geological, marine, cultural and historical attractions and loss of local control (Conlin and Baum, 1994; Lim and Cooper, 2009; Royle, 2001 in Dodds, R., Sustainable Tourism in Island Destination).

Islands may not have the capital and personnel that render them self-determined or self-sufficient, so they become subservient to the tourism sector. Because of the distance and the isolation, many essential resources cannot be produced locally and, consequently, islands are obliged to import most of the necessary goods.

Many islands are unable to build infrastructure because they cannot afford the high costs and the local workforce does not have the appropriate skills. Therefore, they have to rely on external funding to provide the facilities needed for tourists (e.g. airports, hotels).

Any analysis of the conditions present in island tourism implies that Corporate Social Responsibility is an asset for their survival and the development of a wholesome and beneficial form of tourism.

All the stakeholders involved (hotels, tour operators, residents and even customers) need to be informed about the risks that islands are exposed to and, consequently, they should embrace these new attitudes.

2.3 THE DARK SIDE OF MASS TOURISM

The hospitality industry involves a fragmented sector; it disposes of myriad reception facilities and it is aimed at different target groups of consumers.

On the subject of sustainability, it is important to focus on mass tourism and the dark hidden side that most people do not perceive.

Most of the islands cannot withstand rapid and unplanned growth since this may deeply affect not only their natural environment but also their social and cultural background.

Sadly, mass tourism has led to dreadful impacts such as beach erosion, water pollution, coral reef degradation and pressure on electricity grids, to such an extent that development has often totally ignored the aesthetics of islands and their villages (Doods R., 2010, page 57).

Besides, at times of economic recession, the focus switches to short-term economic gain and job creation rather than long-term viability. Mass tourism attracts people in the lower income bracket who opt for either all-inclusive package holidays or enclave tourism resorts.



Figure 5. Visual metaphor for the consequences of mass tourism.

Source: <http://tomtravelsite.wordpress.com/>

2.3.1 ALL-INCLUSIVE PACKAGES AND ENCLAVE TOURISM

All-inclusive packages are currently the most attractive travel solutions for travellers on a fixed budget in search of organised holidays.

Normally these kinds of travel solutions are proposed by big hotel chains and tour operators to whoever desires carefree experiences. But what does it mean for host communities in island destinations? There is no readymade answer, because few question whether this holiday formula is beneficial for the locals and their society.

The following paragraphs briefly summarize the main issues these frameworks involve.

a. All-inclusive holidays

Firstly, only a small proportion of the cashflow generated by tourism remains within the local community. The overall cost for any holiday is usually paid in advance to the relevant hotel or tour operator, who are the main beneficiaries. Furthermore, islands gain little in terms of economic development when tourists remain within their chosen resorts, because there is little or no circulation of capital.

This phenomenon is due to all-inclusive packages¹⁷, which seriously undermine local businesses and constrain them to either close down or standardize their offer with stereotyped souvenirs. Tourists should be encouraged to venture outside their enclaves to observe local culture and crafts and purchase in order to boost the local economy. It is worrying indeed when tourism models are based on quantity instead of quality, because mass tourism induces the travel and tourism sector to propose a standardised offer at the expense of the host populations. The curtailment of all-inclusive options would benefit local revenue and boost the local standard of living. Taxes from local businesses would provide for tourism infrastructures, which would be the starting point of a circular, sustainable process.

b. Enclaved resorts

An “enclave resort”, is “any destination or resort that provides tourists with everything they need for the length of their stay” (Endesor,1998). The large establishments which cater for this kind of tourism are generally managed by foreign shareholders, while the local economy and community gain virtually nothing from these massive exploits.

These structures and their extensive facilities fully satisfy guests expectations and requirements, inducing them to spend most of their time within the perimeter of the structure where accommodation, meals, entertainment and safety are guaranteed. However, such a holiday experience alienates the tourist from the surrounding environment. Tourists are not encouraged to go out, explore and observe the customs and habits among the native inhabitants. Accordingly, guests enclaved inside resorts spend their money within the structure, which prevents capital from circulating in the host community but enriches the hotel chain and foreign corporation involved.

Hosting and catering for high numbers of people in the same place means pollution and waste, if not well handled. Swimming pool maintenance, for example, implies an enormous waste of water, especially on those islands where water recovery is problematic. Most of the hotels

¹⁷ All-inclusive packages are predetermined offers including meals, snacks and entertainment. This expression usually indicates that the holiday price comprises most of the services available in the reception facility.

consume as much water as a small village, because tourists “deserve to be wasteful” and are provided daily with white towels, bottled water in plastic and frequent showers (Dodds, R.,2012, page 61).



Figure 6. Example of enclave resort in Lanzarote.

Source: <http://www.turismolanzarote.it/>

Tourists, however, are not always aware that locals are affected by the loss of basic resources destined for the development of the tourism industry. This implicates that tourism is an impediment to the development of sustainability programmes, as people are not always aware of sustainability norms or they simply feel the “right” to be irresponsible because they are paying holidaymakers.

Unlike some decades ago, tourism is no longer simply a privilege. Usually, people go on holiday to unwind and, therefore, they tend to pay little attention to their surroundings. Hotels are enclosed within walls, far removed from local communities and accessible only to employed residents. The exploitation of an island's basic resources for tourist purposes nullifies all the efforts made by CSR practices, as the local population becomes of secondary importance and gains little or nothing in return.

Moreover, enclaved resorts occupy the most desirable areas on the islands, fishing or farming lands. This is unethical from the outset as tourism subtracts the only source of income or daily sustenance from the islanders.¹⁸ Undoubtedly, the hospitality sector is demand-driven so, even if customers do not approve of these new trends, hotel chains and tour operators are unlikely to inform tourists as to the vulnerabilities of islands in order not to lose business. Lastly, enclave tourism advertises false impressions of local life and the island's folklore. Guests are generally unaware of the poverty affecting local populations outside resorts, since what they see is always part of organised tours, carefully chosen and compiled to impress tourists favourably.

¹⁸ Source: <http://tomtravelsite.worldpress.com>

2.3.2 THE ROLE OF TOUR OPERATORS

Tour operators play a significant role in the tourism sector because of their control over the distribution channels, their marketing activities and their knowledge of the target markets. As intermediaries, they facilitate the connections between the customer and the holiday destinations, promoting standardized packages and fixing uniform prices (Picazo P., Moreno-Gil S., 2018). The success of any destination is therefore undeniably tied to the sponsorship of these corporations and how they are featured on their brochures.

Nevertheless, the birth of online travel agencies (OTAs) and the increasing independence of travellers is jeopardising the role of TOs¹⁹, inducing them to adapt to a new scenario with new market strategies. Effectively, consumers take account of sustainability policies implemented by the company they wish to travel with, meaning that operators must adapt to these new needs. This phenomenon, for example, promoted the creation of The Tour Operator Initiative for Sustainable Development (TOI), which is “a network of over 20 international tour operators of all sizes and specialties who have committed to incorporate sustainability principles in their business operations” (Doods R., Kuehne J., 2012).

Supported by United Nations Environment Program (UNEP)²⁰, these economic agents started to integrate sustainability programmes into their business, as they recognised that travel agents can have a huge impact on different stakeholders. The main objective of the programme is to organize sustainable vacation packages, boosting CSR standards in the supply chain and improving communication towards customers.

Despite raised awareness, most mass tour operators are still not adhering to CSR practices and do not protect the areas in which they operate. The pursuit of profitability is the main concern and comes at the expense of other value chain links. Besides environmental issues, tour operators must also consider (Doods R., Kuhene J., 2012):

- security fears at home and abroad;
- the impact of hypothetical financial crises;
- rising fuel costs;
- political instability in the areas in which they operate;
- global pandemics.

¹⁹ The Anglo-Saxon acronym of Tour Operators.

²⁰ The United Nations Environment Programme (UNEP) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment.

Furthermore, tour operators face the pressure of consumer judgement and are forced to strike a happy medium for all concerned. Sometimes TOs agree to CSR practices simply to satisfy public expectations. In addition, the opportunity to assemble your own vacation package via web-based technology is undermining the operator's role, especially the minor ones. Many tourists prefer to book their holidays by themselves to curtail the growth of "irresponsible" companies.

The general structure of mass tour operators also varies according to whether they are publicly or privately traded.

Large public operators usually choose to adopt CSR practices, because of their constant public exposure, while private operators on a smaller scale do not feel the need to pursue CSR engagements (Doods R., Kuhene J.,2012).

Although most private business sectors are compelled to implement sustainability programmes, it is not always the case in tourism. The absence of strict top-down restrictions, private-owned TOs do not perceive the pressure of acting responsibly and to positively affect all the stakeholders involved.

The ownership structure of TOs therefore plays a significant role concerning the possibility to embrace strategic CSR into their core business.

2.4 SUSTAINABLE TOURISM IMPLEMENTATION: KEY ISSUES

Although tourism is moving towards a more sustainable agenda, many factors are still hindering destinations with high concentrations of tourists and residents.

As far as islands are concerned, the assessment of CSR measures can help to avoid negative impacts, such as the lack of environmental awareness, corruption, shortage of resources and conflict of interests.

Generally, island contexts can be compared to organizations, as both involve scarcity of resources and limitations. This comparison will help to understand to what extent tailored CSR strategies can be crucial not only for corporations, but also for responsible tourism planning.

Nevertheless, the implementation of sustainable practices is not always as instantaneous as one might expect, so we will now consider what barriers there may be.

a. Political issues

First of all, the local population is not necessarily a priority in the criteria involved in mass tourism. Doods (2010) warned that a “tourist approach” would fail since it would ignore the concerns of the local population.

The integration of all the stakeholders in the general framework necessitates responsible behaviour. Tourism development, driven prevalently by political interests, often overlooks the citizens, especially those living on remote islands. The public sector usually represents an entire population and not a specific stakeholder group, so all priorities concerning economic growth will prevail over those of secondary importance, such as sustainable planning (Doods R., 2010, page 24).

Although the government of each island may appear interested in eco-friendly behaviours, it is not necessarily sensitive to an important stakeholder: the accommodation industry²¹.

For example, smaller facilities believe that implementing sustainability initiatives should not be applied to them as they feel that they do not damage the environment as much as larger facilities. Lesser facilities therefore require more incentives to invest wisely in sustainability initiatives to be integrated into their daily operations.

Succinctly, the poor flow of information about sustainability from governments to stakeholders must be overcome by fostering education and awareness.

Long-term planning is another urgent problem to be faced by governments. Islanders are disconnected from the mainland, since they are less involved in the enactment of government

²¹ It refers to a branch of the tourism industry, as it only concerns the hospitality infrastructure sector. The term accommodation refers to a room or a building where visitors live or stay for a short period.

decisions and laws. Consequently, islands tend to self-manage and are not always capable of instituting CSR measures (Doods R., 2010, page 55).

Furthermore, island communities tend to focus on short-term planning, which may have adverse effects on the surrounding environment. This happens when economic interests with immediate returns take priority over long-term measures aimed at conserving cultural heritage and protecting the environment.

Smart long-term planning ensures that inbound tourism is appropriate for the capacity of a destination and ensures that buildings are constructed in accordance with the law.

b. Environmental issues

Mass tourism has even more devastating consequences on small islands.

In recent decades, the “sun, sand and sea” tourism has contributed to an excessive use of natural resources, with minimum benefit for local communities, resulting in water and soil pollution, lack of adequate infrastructure to cope with garbage and sewage, loss of habitat, marine and geological features, isolation or deterioration of local cultures and disruption to traditional livelihoods (Doods R., 2010). Moreover, islands are normally more susceptible to negative impacts as they host fragile ecosystems, rich in biodiversity. Coastal areas (beaches, sand dunes, coral reefs) have always been the prime tourist attraction in island destinations and now require strict environmental regulations.

c. Socio-economic issues

The tourism industry can benefit the economic growth of island destinations, but social and economic factors must receive equal attention. Tourism to islands favours a cultural exchange, though it may undermine the vulnerable local heritage. The commoditization of culture and the loss of traditional lifestyles may impact islands more than mainland destinations (Sheldon, 2005). However, the integration and participation of the local community in tourism has proven to be one of the key principles if successful and sustainable development is to be guaranteed (Mitchell and Reid, 2001 in *The Challenges to Sustainability in Island Tourism*, Sheldon, 2005). It would be unfair to separate the local populations from the tourists just because of this risk, as this would preclude development rather than offer protection.

Economically, islands dispose of limited resources compared with the mainland, as industry is unlikely to be developed. Because of coastline changes, the fishing industry is in decline and is not profitable enough to sustain island development. For this reason, islands are turning towards a tourism-based economy.

Croes (2004)²² suggested that tourism “increases competition, encourages new start-up businesses, democratizes market structure and deters rent-seeking behaviours and corruption”. He also stated that competition can provide “greater consumer choice, trade openness and increase the quality of life for residents”. Thus, tourism offers greater opportunities for economic expansion in areas limited by size. However, local communities get to keep little of the revenue generated by tourism and this hinders economic growth.

If tourism development only benefits foreign shareholders, then new regulations need to be planned. In order to stimulate local welfare, it would be enough to encourage visitors to buy local products, to subsidize entrepreneurs or to encourage investments (Sheldon, 2005).

The cost of living is so high for islanders that they are starting to move to the mainland and rent their houses to foreigners. This attitude may, of course, create new challenges for those who remain on the islands, as the costs will continue to rise due to the increasing number of tourists and may result in overcrowding.

Finally, living in anticipation of tourism is not always feasible for islanders. Seasonality is a real problem because islands have cycles of unsustainable tourist flows in peak season whereas for the rest of the year infrastructure is virtually unused. Yield management²³ can be a solution to mitigate these fluctuations in order to spread the demand over the entire year by product and market diversification.



Figure 7- 8. Examples of mass tourism consequences.

Source: <https://www.shutterstock.com/it/home>

²² Robertico Croes is Associate Dean in Research & Administration; Director at Dick Pope Sr. Institute for Tourism Studies; Interim Chair, Dept of Hospitality Services and Professor at the Rosen College.

²³ Yield management is a broad technique that aims to maximise profits. It is a “method that helps to sell the correct product to the appropriate consumer, at the suitable moment and price”, allowing in this way to maximise the income (Kimes and Chase, 1998).

2.5 CSR INITIATIVES TO SETTLE ISLAND TOURISM ISSUES

The adoption of CSR policies on island destinations can bring mutual benefit to all the concerned shareholders (Sheldon, 2005). The next paragraphs provide some examples of solutions to overcome all the issues previously analysed, related to tourism overdevelopment and mismanagement.

- *Empowerment of island culture:* fostering art, festivals, traditions and the local language can be paramount in order to engage local people in entrepreneurial activities.

Exaltation of the origins induces visitors to deeply appreciate the destination visited and it offers the opportunity to create an image of the island itself.

The education of residents and tourists is crucial in the process of sustainability.

On the one hand, educated residents will have greater opportunities to do business in the tourism sector. Through the share of statistics and facts, they will learn what it takes to make profits in a responsible way towards their community.

On the other hand, tourists need to be educated so that they can really appreciate the destination and respect it. The integration of all the stakeholders in long-term sustainable planning is the key to guaranteeing the preservation of traditions and cultural heritage.

- *Environment management:* the shortage of land on islands determines the trade-off between the soil used for the needs of tourism rather than for agriculture.

Generally, natural resources are the most important attraction for tourism on the island, which is why the preservation of the ecosystem is crucial for residents. Restrictive norms need to be imposed, for example, impeding access to some areas and creating protected parks to be visited only as part of a guided tour.

In addition, measures need to be taken to reduce ocean pollution and solve issues of waste and garbage disposal. In some cases, the shortage of space for the building of landfills forces islanders to send their waste to the continent (Trousdale, 1999 in *The Challenges to Sustainability in Island Tourism*, Sheldon, 2005).

Recycling programmes must be implemented, and alternative energy sources such as solar panels and wind turbines should be used.

Finally, since islands are more exposed to natural disasters, a catastrophe fund should be set up by imposing tourist taxes (Shah, 2002 in *The Challenges to Sustainability in Island Tourism*, Sheldon, 2005).

- *Visitor management:* the impact of hordes of tourists is more evident on small islands. Arrivals and departures could be monitored by the means of data from the public transport in use. Furthermore, upon arrival visitors to the island need to be provided with appropriate information by means of signposting and suitably informed staff to ensure care and respect of the surroundings.

- *Use of Information System:* the correct use of ICT (Information and Communication Technology) is helpful for islands' governments to manage both tourism and natural resources. They should be able to bypass tour operators, locate and target the market segments of interest without any intermediaries.

Because of their size, it is easier to install location specific technologies and data communication systems on islands: mobile visitor information system, Geographic Information System (GIS), Tourist Information System (TIS), Global Positioning System (GPS), and Intelligent Transportation System (ITS) are just some examples of the tools used in the tourism sector to raise awareness among people and to prevent unwanted situations.

- *Accessibility and transportation:* means of visitor transportation to and around the island provide statistics and useful information needed to prevent undesirable congestion.

The majority of visitors reach the mainland by air; flights back and forth are usually reasonably priced and there are frequent sailings to the islands.

People are induced to acquire second homes because of these favourable conditions. Nonetheless, if the costs of flights were to increase, the "second home tourism" would be seriously threatened. Island hopping can also be done by boat, ferry or yacht, which is relatively sustainable.

Once on the island, visitors can be required to respect certain policies concerning the transport to avail of. The use of cars is prohibited in some areas, where the use of bicycles and electric vehicles is preferred.

- *Marketing and product diversification:* the differentiation of the island offer and its advertisement should be aimed at selected targets, capable of boosting the tourism economy.

Matching reception facilities to a particular segment of the tourism industry is of the utmost importance. Domestic tourism among islands would create fewer social and cultural discrepancies. The creation of niche markets would appeal to luxury categories and deflate mass tourism.

CHAPTER THREE

THE CASE OF LANZAROTE ISLAND

3.1 LANZAROTE: A UNIQUE ISLAND

Lanzarote belongs to the Canary Islands, the autonomous Spanish archipelago located approximately 140km from the north African coast in the Atlantic Ocean.

Although it has been inhabited since the time of the ancient Roman Empire, the island was cut off from the civilised world until 1312, the year in which the Genovese explorer Lancelotto Meloncello rediscovered and colonised the territory²⁴. There, the sailor encountered the “Guanche”²⁵, an ancient population, now extinct because of the European colonisation.

Hundreds of years later, Lanzarote underwent a radical change when the volcanic eruption of the 18th and 19th centuries covered its villages and fertile territories with lava and ashes, thus completely changing and remodelling the surface of the island.

In fact, Lanzarote went through a tremendous period of volcanic activity over 6 years, between 1730 and 1736 and suffered from another smaller eruption in 1824.

Thanks to the cleric Andrés Lorenzo Corbelo²⁶ and the detailed account noted down in his diary, it is now possible to reconstruct and chart the course of those catastrophic events and the recent geological evolution of the island. Even though the volcanic activity is now dormant, the heat may still be felt at certain points in the ground of the Timanfaya National park²⁷.

Despite its smallness, the island presents an unexpected variety of landscapes, aside from its scattered white villages mainly on the coasts. Lanzarote stands out among the Canary Islands for its uniqueness: lava craters, volcanic caves, black and golden sandy beaches, moonlike sites and transparent waters are characteristics rarely found in the other destinations of the archipelago or elsewhere in the world.

²⁴Source: <http://www.comitatomaloncello.it/>

²⁵The Guanche populations were the aboriginal inhabitants of the Canary Islands. Recent genome data attributed North African Berbers origins to them. It is believed that they migrated to the islands of the archipelago around 1000 BC.

²⁶A.L. Corbelo was the priest of Yaiza, a small village located in the southern part of Lanzarote. He reported the tragic events related to the island's volcanic activity in his diary, which is now an important historical source for the reconstruction of the events.

²⁷The National Park of Timanfaya is a national park that covers the municipalities of Yaiza and Tinajo. The protected area covers 51.07 square kilometres and it is constituted of only volcanic ground. Its origins can be traced to the greatest eruptions registered on the island between 1730 and 1736.

Additionally, the island is well-known for its paradisiacal climate, an eternal spring with pleasant temperatures almost always between 20-25 degrees, mitigated by soft fresh winds during the whole day.

All these aspects have contributed to the development of an economy based on tourism with notable demand flows. This magic land annually attracts a niche of sporty tourists, especially cyclists and lovers of water sports; it also attracts naturalists in search of peacefulness, stunning landscapes and tranquillity. Though Lanzarote is not inclined to mass tourism, its popularity as a holiday destination is rapidly increasing with the inevitable risk that its unique cultural and environmental heritage will be transformed into a target for standard mass tourism.

Although this predicament arises only at peak periods, such as summertime, Christmas and Easter, the incoming flux has begun to extend to the whole year. This disruptive rise in the tourism demand could create serious problems for this fragile territory, but it would appear that there is little awareness of the possible outcome and consequently little intention to prevent the decline of this precious destination.

The island can be analysed as an example for the application of CSR policies regarding overdevelopment and high tourist flows in peak season.

Despite its small size and its 148,000 inhabitants, the island hosts “over one million tourists per year who go there on holiday and a further 500,000 visitors who arrive for the day on cruise ships which dock in Arrecife”.²⁸ It is therefore necessary to guarantee the preservation of the territory through smart long-term planning, aiming at spreading tourism and implementing sustainable measures to limit mass tourism damages.



Figure 9-10. Map of the island of Lanzarote and its archipelago related to Spain.

Source: <http://www.world-guides.com/>, <http://www.rafaelmartinbueno.es/>

²⁸Source: <http://www.biospheretourism.com/>

3.1.1 THE ISLAND DECLARED RESERVE OF THE BIOSPHERE

Lanzarote is believed to be different from other sun, sand and sea destinations.

On the island, both nature and culture coexist and merge into something unique. This is due to the sensitivity of its inhabitants, who had the foresight to preserve their traditions, their cultural heritage and their landscape.

Furthermore, the hostile conformation of the territory might be disruptive to the living conditions and the habits of local inhabitants, but “island life has adapted and thrived despite a harsh volcanic landscape, which has led to miles of ash fields re-imagined as water conservation systems for agriculture. Vineyards thriving out of deep holes in the ground.”²⁹

As previously stated, local people have been able to cohabit with the hostilities of the territory and to adapt their lifestyles, making the destination unique in the world.

In 1993, UNESCO declared the island and its northern islets a Reserve of the Biosphere: the complete symbiosis achieved between man and nature is, undeniably, the main reason for this international recognition. But what is a Biosphere Reserve?

According to UNESCO (1976), this concept aims at “distinguishing and maintaining the territories in which ecosystems are representative of a biogeographic region and in which the conditions allow sustainable economic development and land use compatible with the preservation of its natural resources”.

To be classified as Worldwide Heritage, the association proposes ten criteria, hence sites must have an “outstanding value” and satisfy at least one out those ten criteria.

Today Lanzarote is the second Canary Island to be conferred with this status, after La Palma, which is the fifth most populous island in the archipelago.

Even though the island seems to meet most of the UNESCO criteria, it was awarded undoubtedly for the following points:

- to be an outstanding example of a traditional human settlement, land-use, or sea-use which is representative of a culture or human interaction with the environment, especially when it has become vulnerable under the impact of irreversible change;
- containing superlative natural phenomena or areas of exceptional natural beauty and aesthetic importance;
- being an outstanding source of testimony to the major stages in earth's history, including records of life, significant ongoing geological processes in the development of landforms, or significant geomorphic or physiographic features.

²⁹Source: <http://www.turismolanzarote.com/>

All these factors clearly converge in the case of this charming territory.

Firstly, the island's folklore is based primarily on agricultural and fishing traditions, together with many influences brought by the different peoples who settled on the islands over the centuries.

The island is renowned not only for its gastronomy but also for its wines, which are the most tangible fruit of human hard work and adaptation to mother nature.

The vineyards are located in a protected area called "La Geria"³⁰, a suggestive site set in stunning moonlike landscape shaped using agricultural techniques. When visiting La Geria, tourists remain breathless when they see the cone-shaped hollows excavated in the volcanic gravel several metres underground. Each hollow hosts a vine plant and is surrounded by a rounded wall to protect it from the wind.

Secondly, commitment to the preservation of the urban and natural landscape is strong in Lanzarote. The inhabitants of the island have protested and revolted over recent decades, in order to induce the Canarian government to take action as regards the matter.

The purpose of these popular insurrections was to impede the tourist massification phenomenon and to manage the conservation of the ancient, green and white, native villages.

When visiting the island of Lanzarote, in fact, the first impression is extremely positive compared with the other overdeveloped Canary Islands. Lanzarote has been therefore rewarded for its mixture of breath-taking natural scenery and eco-friendly human intervention, which coexist in a fragile equilibrium. The island contains countless sites of inimitable natural beauty, ranging from black, sandy beaches to glittering natural swimming pools and awe-inspiring sights. It also offers hiking and cycling tracks, coves assigned to surfing and diving lessons, not to mention a wealth of restaurants and accommodation. The main holiday resorts lie along the southern coastline, while the northern areas constitute wilder views, such as the oceanic beach of Famara³¹, the ancient capital Teguise, the charming and historic Haría³² and, last but not least, the Graciosa Island³³ (the Canaries' eighth island).

In the end, Lanzarote is regarded as a kind of "paradise" for geologists, who take advantage of the more recent eruptions and resultant land formation to study these phenomena in depth.

³⁰ Agricultural territory located in the south-western part of the island and declared protected territory in 1987.

³¹ Located in the Northwest part of the island, the Famara beach has been nominated as one of the best beaches for teaching surf in the Canarian archipelago. The weather conditions and the height of its waves make this 5 kilometres beach the perfect place to practice this water sport.

³² Picturesque and ancient village in the Northern part of the island.

³³ Smallest inhabited island of the Canarian archipelago, located 2 kilometres North of the island of Lanzarote, across the Strait of El Río.

The Biosphere Status has surely favoured the preservation of the island's territory, raised awareness among the locals and fostered a major sense of place for residents and tourists alike as to this special distinctiveness. It has also induced the government to take care of environmental issues. For example, the Cabildo of Lanzarote³⁴ currently imposes limits on the construction of facilities assigned to tourism purposes.

The UNESCO declaration can be considered as a policy to protect both the landscape and the society of Lanzarote; the recognition and status of the island, instead, is largely due to the figure of César Manrique, the native painter and sculptor who strived for its preservation and integrity (see following paragraph 3.1.2).

3.1.2 THE ROLE OF CESAR MANRIQUE: THE CSR PRECURSOR

César Manrique was an artist born in Arrecife (1912-1992), the capital of the island on which he left indelible marks. After finishing the Academy of Fine Arts, he focussed his research mainly on non-figurative arts, as he was particularly interested in analysing the properties of matter. However, Manrique's production was always rooted in the conformation of the island, which stimulated his artistic inspiration and induced him to depict volcanic and natural landscapes on canvas.

In the 60s he moved to New York, where he encountered new stimulus and perspectives, such as the American abstract expressionism, pop art, new sculpture and kinetic art³⁵.

Meanwhile, the tourism sector in Lanzarote began to develop. Fortunately, Manrique came back on time to protect his native land and, with the help and support of local people, he successfully curtailed the tourist building speculation. With his newly acquired American aesthetic ideals, he prevented the island from being transformed into a destination for mass tourism, as is the case with many other coastal areas in the world.

³⁴Governing body of the island of Lanzarote, Canary Islands, Spain.

³⁵The Kinetic art is a recent artistic movement developed in the early 20th. The word Kinetic means "motion", as in this century the artists started to introduce movement to their art, in order to stimulate new emotions. The introduction of movement in a piece of art signify to introduce the element of time, to reflect the importance of technology in the modern world and to explore the nature of vision.

It is important to highlight that measures such as “sustainability” and “long-term planning” are relatively recent, developed in the last decade because of the environmental problems inflicted on our planet. Instead, Manrique wisely looked at the future and, through his creative inspiration, undertook natural and spatial projects completely innovative for that epoch.



Figure 11. Manrique’s protests against urbanisation of his native land.

Source: <http://www.fcmanrique.com/>

He perceived that tourism would have soon become the main source of wealth in Lanzarote and he realized that its mismanagement would have compromised its fragile balance.

Therefore, his aim was to “turn the landscape and the island’s natural attractions into something of value, with a view to generating a new international image and portrayal that would form part of Lanzarote’s adaptation to the tourist economy”³⁶.

³⁶ Source: <http://www.fcmanrique.org/>

Throughout the 70s and 80s, the fulcrum of the phenomenon of mass tourism, the artist took part in many protests to fight against the construction of tourist compounds and skyscrapers to curtail the uncontrolled building of accommodation facilities on the island.

In conclusion, the biography of Manrique is essential in order to understand how the island managed to preserve its beauty. Lanzarote would not be the same without his commitment and struggles with the authorities. He enriched the value of the island by imagining and planning some architectural works that are now the main points of interest on the island, e.g. “El Mirador del Rio”³⁷, “the Cactus Garden”³⁸, “Los Jameos del Agua”³⁹ or the “LagOmar”⁴⁰. These are just a few of his contributions to the embellishment of his native island, without taking into consideration the numerous sculptures and other works of art scattered across the streets of the island.



Figure 12-13. Manrique's art production.

Source: <http://www.elhugadorblogspot.org/> , <http://www.vintage-art.ch/>

³⁷ Belvedere on a cliff built in 1974 by the artist César Manrique with coffee shop and panoramic views.

³⁸ The Cactus Garden was the last project of the artist and was realized in 1991 in the Northern part of the island.

³⁹ It is a natural lake, inside a cave, which remains slightly illuminated by the sun and is the home of a species of albino crab unique in the world. It was Manrique who remodeled this unique complex of volcanic caves and tunnels, adding an underground concert hall and a restaurant.

⁴⁰ In 1989, the villa now called LagOmar, was acquired by the German architect D.V. Boettinger, who transformed the villa into a place for cultural encounters with art exhibitions and music concerts, complete with a gourmet restaurant. The rest of the quarry was completed by C. Manrique and J. Soto, adapting the architecture of the new buildings to the natural structures of the place: a bar and a restaurant, two apartments and a swimming pool were therefore created.

3.1.3 LOCAL PEOPLE PERSPECTIVE

It is common to see healthy relationships developed between the local population and those responsible for the development of tourism, but this is not the case in Lanzarote.

Generally, the *Lanzaroteños* seem to be very distant from tourist business operations. This is caused by the unbalanced circulation of capital, which does not remain on the island but goes to external entities, such as international shareholders belonging to mass tour operators or hotel chains. Obviously, these agents dominate the management of the accommodation sector on the island and thus directly gain profit at the expense of host communities.

Though Lanzarote still cannot be classified as an overcrowded destination, it is slowly reaching its maximum capacity. According to the locals, the incoming tourism flux is higher than ever and as a result, the situation could turn into a catastrophe.

The absence of a fruitful link between tourism and the residents' quality of life is mainly due to the lack of resources available on the island. In fact, the smallness of Lanzarote creates many problems related to overcrowding, caused by the hordes of visitors.

Local people complain that they do not always have access to electricity or drinkable water, as most of the island's supply is used for tourist accommodations and infrastructures.

However, the shortage of commodities not only has to do with basic necessities, but also with housing, which is now in short supply on the island (Eckert and Pechlaner, 2019).

Currently, most dwellings serve tourist purposes, meaning that these are not available any longer for long-term rent and have become unaffordable for local tenants. This example clearly demonstrates that high tourist flows contribute to price fluctuations: if the number of visitors was to surpass the number of residents, the cost of living would inevitably rise.

Summing up, whereas the rapport between guests and hosts in Lanzarote was excellent, currently the *Lanzaroteños* are more likely to express disapproval of visitors rather than welcome them, because of the implications of tourism as explained above.

There is a need for action on the island to restore its hospitality industry and make it once again a valuable source of income. The solution, most likely, is to enhance the quality of services in accommodation, transport and security.

Once upon a time the focus was on the quantity: more infrastructures, more airplanes, more tourists.

Nowadays this mode of thinking has been surpassed and quality has become the main focus.

3.2 THE INTERNSHIP EXPERIENCE IN A BIG HOTEL CHAIN

I had the opportunity to get closer to CSR business models by carrying out my work placement at the Hotel Hesperia Lanzarote 5*, a luxury Spanish hotel chain, located in the Canary Islands. The Hesperia Hotels and Resorts offer over 30 resorts located in Europe and Venezuela⁴¹, even if in 2019 the chain was acquired by AM Resorts, a Caribbean international group that owns accommodations in luxury destinations. Due to this incorporation, the structure was temporarily closed in October 2019 to be refurbished and, since its reopening in December 2019, the hotel has been called Secrets Lanzarote Resort & Spa 5*, Adults only.

I worked in the Public Relations Department as Guest Experience Trainee, a new professional figure present in large hotels where the customer is constantly at the centre of the attention.

The Guest Experience Team can be considered as a support to the work of the reception. While in small facilities the front-office work is totally managed by receptionists, in capacious resorts hosting thousands of people the work needs to be spread effectively, in order to guarantee excellence and luxury standards.

The Gex⁴² department was provided with two desks located in the hall, close to the reception, so that any guest could easily get in touch with a member of the staff, avoiding lines and time waste.

The introduction of this department in big hotel chains implies customised support and prompt solutions for each guest whatever their needs may be. Without this service, it would be quite hard to address the same attention to every individual in a facility with 335 rooms.

Therefore, the main aim of our team was to meet specific requirements and requests and to sort out any problem related to the guest's sojourn: room inconveniences, service dissatisfactions or general misunderstandings.

Normally, guests with problems of any kind came to our desk spontaneously to complain or simply to look for clarification. Within our limits, we always had to find a solution for them, as the guest is always right.

Secondly, we were also expected to organise excursions by selling attractive sightseeing packages around the island. The hotel collaborated with external tour operators, shops and agencies and earned a small percentage on each trip sold. This additional service, of course, added definite value to the resort, since we organized everything leaving the guests to enjoy carefree experiences.

⁴¹Source: <http://www.hesperia.com/>

⁴²The abbreviation of Guest Experience.

The tours available were also advertised on leaflets close by our desk, so that interested customers could ask us for information directly and easily make reservations.

Another Guest Experience task was to manage the communication between the hotel departments. We prepared some official printouts on a daily basis and saw that they were distributed to all the departments to enable the infrastructure to function properly. This was a way to keep all the employees updated about each other's work.

Aside from monitoring the correct execution of the business, we also had to analyse all the comments about the facility on Internet.

The Gex Team read, examined and answered each review posted on TripAdvisor, Booking.com, Google, Expedia and HolidayCheck⁴³, to assure the online readers of trustworthiness and reliability. There were recommended ways to respond to the various comments; if they were positive, we expressed our gratitude to the customer for his positive feedback, whereas if they were negative, we had to apologise and motivate the reason of our apparent failure.

As far as I am concerned, working as Guest Experience trainee was dynamic and stimulating at the same time, since my role involved different tasks, ranging from customer support to management of the internal department and collaboration with external entities.

I carried out my daily back-office routine while learning incessantly in the meantime how to handle new situations. In the tourism industry most situations are new, each guest comes from a different context, thus the real challenge is to be inventive and skilled in communication so as to find solutions and solve every issue in the best manner.

⁴³Online portal used in Germany, Switzerland and Austria for sharing holidays reviews and bookings.

3.3 CRITICAL ANALYSIS

Although the above work placement was not my first experience abroad, it greatly influenced my attitudes, typical way of thinking and acting. I had neither worked for a big corporation previously, nor had I lived for five months on a small island.

Generally-speaking, nobody truly considers how such experiences can affect the lives of young students; yet I personally believe that the academic internship in Lanzarote really helped me and my inner self to grow and mature from many different perspectives.

As previously stated, the Public Relations department where I trained was really small and these conditions enabled me to observe and undertake virtually all the tasks that my manager had to carry out. It felt like working on a small scale, though in a wider, international context.

For the first time in my life I experienced a real work situation at first hand and I realised that with hard work it is possible to reach any objective. Within the limits of my experience, I gained insight into what lies behind the scenes as far as big hotel chains are concerned.

Upon arrival I was of the impression that trainees would have little to do besides carrying out basic, menial tasks, supervised by a tutor at all times. Instead, at the Hesperia Hotel we had the opportunity to get really involved, as they treated us as regular employees.

At the beginning of the experience, I sincerely did not expect to be given so many responsibilities. Only later did I realize to what extent this opportunity would be significant for my inner growth as I learnt how to deal with real issues and to handle them by myself with my own resources. The experience taught me how to build proactive relations with those surrounding me. Despite the fact that I usually prefer working alone, I started to adapt my habits to other people's attitudes and demands. I believe that learning how to work as a member of a team is essential, as most jobs require team participation and leadership. During my university career, I had already begun to engage in team-leading situations, through group works and presentations before an audience. These kinds of simulations helped me to acquire self-confidence and to collaborate with and relate to other people.

Fluency in speech, dialectics and body language are definitely key factors when working face to face with customers. Furthermore, the work placement abroad made me realize the importance of studying more than one language in order to apply for jobs in tourist or international contexts. The Hesperia Hotel, for example, hosted guests from every corner of the world and, in many cases, they did not speak English or any second language at all.

Trainees occasionally found themselves in awkward, embarrassing situations; having but a basic, scholastic knowledge of foreign languages they encountered difficulty in communication and in understanding even simple requests. Accordingly, practice at English, French and

Spanish over the last three years has been a real asset to proper communication with other people, which also promotes customer satisfaction. In addition, approximately 80% of the guests were native Anglo-Saxon speakers, while the remaining percentage were either French, German, Spanish or Italian speakers. This international setting meant I had to switch language rapidly according to the guests attended and to improve my lexical vocabulary in the field of tourism.

Although it was not always easy to live and work in a foreign country, I warmly recommend this kind of experience to whoever wants to learn, mature and develop new perspectives. Reflecting back over the entire experience, I consider myself truly satisfied and lucky to have met so many people willing to teach me how to work.

Before undertaking this long journey, I did not have much of an idea what hard work, spirit of adaptation or flexibility really entailed. You can never know what you want for your future without trying out and experimenting with new and different realities. Throughout this five-month experience I became aware that I really enjoy communication tasks and they take me to a new level of satisfaction every day. Now, I am pretty sure that I am not a static person. I would not find a repetitive daily routine very gratifying and I am aware that, by working hard, I can improve my skills continuously.

However, I also came to the conclusion that a career exclusively in the tourism industry is probably not for me because of the unpredictable schedules; this sector is satisfying and stimulating for young people willing to travel and to learn new languages. Furthermore, I got the impression that the pace of life of those in high status jobs in the tourism sector is frenetic. They must be available at all times, whenever and wherever they are needed.

Lastly, I am grateful for having had the opportunity to visit and reside in Lanzarote because it enabled me to discover what Corporate Social Responsibility means. It is commonplace to think that the tourism industry brings wealth and development to the host countries, whereas I was able to observe in person what mass tourism really implicates. However, nowadays there are many alternative solutions which ensure new forms of sustainable tourism, still to be improved and implemented.

Previously, I thought that CSR was only associated with environmental sustainability, but it is far more extensive in range. It deals with the reality of work and lifestyles and although many corporations profess to comply with established standards, there is still a lot to work on. I also learnt how many discrepancies there are within the apparently happy tourism industry, which inspired me to become a more responsible person and it is for this ulterior gain that I particularly appreciated my work placement.

DISCUSSION AND CONCLUSIONS

The application of CSR measures to the tourism sector demonstrates that these policies are suitable both for corporations and for tourist purposes.

The study, in fact, aimed at bringing to light the dark side of mass tourism and at proving the effectiveness of responsible policies when applied to the modus operandi of the corresponding corporations. Since the tourist offer indeed is wide and extends to several target markets, I decided to limit the field of study and to focus on island destinations. Often tiny, these remote places suffer from a lack of commodities and amenities, scarcity of arable and building land and neglect in the sense of environment preservation.

As regards the latter it must be remembered that the tourism sector arguably provides wealth and general wellbeing, considering that it creates employment and raises the GDP in tourism-related countries.

Many holiday destinations depend exclusively on tourist performance, to such an extent that desolated sites like island destinations would not be able to sustain themselves without the fast-paced growth of the hospitality sector.

From the beginning of time, subsistence and self-determination have been the only possible option in such minute societies; however, in a hyper-connected world, this is synonymous of backwardness and even hostility towards progress. Fortunately, the importance of the tertiary sector has provided greater opportunities in all these destinations, which would otherwise live purely from fishing and agriculture.

Although the primary sector remains of vital importance on small islands, it is undeniable that hotel and reception facilities are making huge advances in this area.

When a tourist destination becomes particularly popular, however, the implementation of sustainable restrictions is necessary, in order to impede on-site destruction and irreversible damage. Nonetheless, local communities are often motivated by the strong desire to make profit in the short term and, consequently, do not contemplate long-term planning as an appropriate strategy to preserve their homeland.

As regards the abovementioned issues, if the local community belonging to a threatened holiday destination fails to minimise the damage resulting from mass tourism and does not impose restrictions on incoming numbers, international corporations will infiltrate the local economy, which means standardisation in keeping with the principles of mass tourism and thus a loss of authenticity.

This is the reason why I decided to discuss and present Corporate Social Responsibility as a new set of principles and initiatives which can really make a change in any industry.

The first chapter served to introduce some literature on the matter and to identify its points of strength. Then came the enquiry into mass tourism on island destinations in order to evaluate how negatively it may impact small sites and to identify smart solutions for its detrimental effects. Travelling has become so accessible and affordable in recent decades that people do not think to what extent their peregrination can damage the ecosystem.

Finally, I decided to present the case of Lanzarote to emphasise that not all protected areas enjoy perfectly favourable conditions, rather, on the contrary, there is still a lot to work on. Certainly, there is an infinite number of sites around the world that should make radical changes in direction and really need to do so ; other well-developed destinations like Lanzarote, instead, may concentrate their efforts on the reinforcement of CSR policies as positive strategies for the enhancement of the quality of life in general, meanwhile moving towards a more niche-oriented tourism.

Investing in long-term policies contributes remarkably to the general economy of the islands and to attracting visitors who are attentive to and respectful of such initiatives. These conditions could indeed determine a virtuous circle for any island: a protected environment means greater beauty and higher prices, attracting people within a higher income bracket and with a certain interest for those principles, thus establishing mutual respect between local communities and visitors. The thesis underlines in fact the importance of the image conveyed to the customers, in order to attract a certain segment of visitors suitable for the destination concerned.

In Lanzarote, it is evident that a powerful desire for change is starting to grow among its inhabitants, which at this time intrigues and attracts customers of a certain ilk. The island stands out for its eco-friendly and respectful travellers, who desire to engage in positive relationships with the residents. Constructive interaction between the two sides means mutual collaboration, on-site preservation, capital circulation and culture exchange. When all these aspects mix together, tourism then brings positivity and benefits to the host community.

As stated in the first chapter, however, it is not always easy to accomplish the needs of each stakeholder, hence sometimes even the best of tourism planning can be detrimental to a destination.

The truth is that there is no real certainty, but the pursuit of CSR policies can definitely enhance the welfare of a holiday destination and prevent degradation and the jeopardy of its good reputation. Hypothetically, Corporate Social Responsibility may be a ground-breaking business model and could bring win-to-win situations.

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